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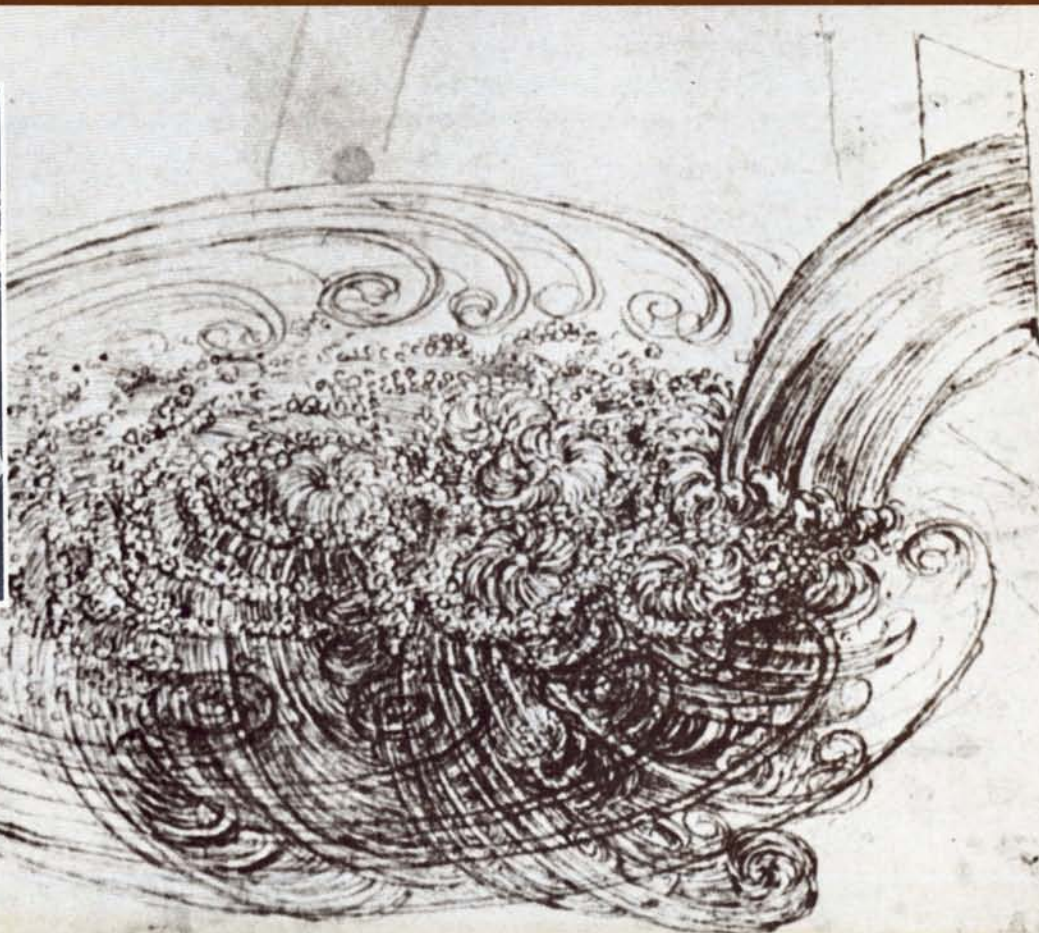
Executive Intelligence Review

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101 parliamentarians: 'Justice for LaRouche!'
Bonn's 'Realpolitik' has deadly consequences
RICO statute batters rule of law in U.S.

**The scientific revolution
implied in 'cold' fusion**



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

White Paper on the Panama Crisis

18 months later: the Project
Democracy assault on Panama



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

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

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

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

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

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

This 135-page report, now updated, provides:

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

\$100 per copy, postpaid.

EIR

SPECIAL REPORT

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Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editor: *Nora Hamerman*

Managing Editors: *Vin Berg* and *Susan Welsh*

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

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

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From the Editor

‘O n a political scale of 1 to 10, it was a 20,’ was the report of one Brazilian parliamentarian about the response to an advertisement, “100 Latin American Congressmen Demand Freedom for LaRouche,” which appeared on Friday, April 28 in the *Washington Post*. The advertisement published the text of a letter addressed to the U.S. Supreme Court and the 4th Circuit Court of Appeals in Richmond, Virginia, which had been signed by the representatives of the continent’s national legislatures. A political fire-storm broke out in Brazil, as press conduits were deployed to go after signers of the letter with the usual repertoire of lies and slanders about Lyndon LaRouche (the ad also appears as the centerfold of this issue of *EIR*.)

On the other hand, our cover story on the recent “cold fusion” breakthroughs points to the tremendous promise on the frontiers of science and technology in an area with which LaRouche has been closely identified for over two decades—nuclear fusion power. It’s another stunning example of why we insist on the philosophical standpoint of cultural optimism.

You will notice that the Ibero-American congressmen who signed the letter demanding freedom for LaRouche, point to the conspiracy to impose IMF policies on their continent as a principal reason for his imprisonment. Fusion power is closer to realization than ever before, and that shows how unnecessary, as well as immoral, these austerity policies are.

The fact is that the whole world is watching to see whether at some stage of the appeals process the trial that convicted *EIR* founder LaRouche will be overturned as a travesty of justice and of the U.S. Constitution. Leading civil libertarians, including those who by no means share LaRouche’s political ideas, believe that if this verdict and sentence are not reversed, there will be no chance for any person against whom there is widespread prejudice to get a fair trial in the United States. The United States will have become a totalitarian state.

I draw your particular attention to articles on pages 6, 10, 30, 32, and 38, to indicate how the U.S. government is currently mishandling its allies by forcing them to accept International Monetary Fund dictatorships, while it has jailed the leading American adversary of such policies, Lyndon LaRouche.

Nora Hamerman

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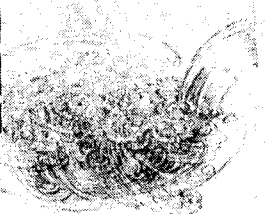
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The Smoot-Hawley revival: trade war policy unleashed

by Chris White

Those who still harbored illusions that the current administration might somehow be capable of bringing America's relations with its allies into some semblance of peaceable order will surely be disabused by the process that is inexorably being set into motion on the trade front.

U.S. Special Trade Representative Carla Hills, another out of David Rockefeller's Trilateral Commission stable, has begun to unleash the administrative measures called into existence in that legislative obscenity, enacted last year, under the name of the "Omnibus Trade Bill of 1988." Hills is acting under the timetable established in the law. By May 30, a list must be prepared identifying trading partners of the United States that violate the standards which the U.S. considers "fair trading practices." Under the provisions of what is now called "Super 301," the identified countries will be expected to redress American grievances over a three-year period, with their compliance scrutinized anew, on an annual basis. Failure to comply will result in "retaliation." So it was written in the law which established the abomination of the cited procedures.

Hills provided a foretaste of what is to come on April 28, when she caused to be released the 241-page report which contains the material to be considered in the "Super 301" decisions. The document is called the "National Trade Estimate Report." It is a catalogue of countries whose internal arrangements constitute what the United States now deems to be "unfair foreign trade barriers." The worst offenders listed in the report are: Japan, the Republic of Korea, Brazil, Canada, the European Community, and Canada, but this enumeration is only a handful of the more than 34 trading-partner countries which have been singled out.

The absurdities are evident. Egypt lacks sufficient respect for "intellectual property rights," while Brazil's light aircraft

programs violate U.S. guidelines. The list is drawn up on the basis of complaints submitted by U.S. corporations. More than 50 individual countries were the subject of such complaints. Reportedly, the most frequently cited were Korea, Japan, India, Taiwan, Brazil, and the European Community as a whole, in that order.

The *New York Times* reported April 29 that 18 of the report's 214 pages are taken up with the case of Japan. Thirty "barriers" are listed, from tariffs in the aluminum industry, to inter-company linkages in the Japanese distribution system. The report states, "The complexity and rigidity of Japan's internal distribution system reduces access for U.S. exports," and adds that interrelationships between parts and vehicle manufacturers have made it difficult for American parts manufacturers to establish long-term relations with Japanese companies.

As such cases make clear, the obscenity is not, by any means, restricted to what may appear a simple matter of trade. Under the Act passed into law last year, the United States is arrogating to itself the right to dictate the reordering of individual countries' internal arrangements, until those arrangements satisfy the powers-that-be within the United States. What is called "retaliation" then becomes the bludgeon to enforce the imposition of such arbitrary willfulness from the outside.

But Hill did more than release the National Trade Estimate Report. She has also officially concluded, ahead of the May 1 deadline, that Japan is already in violation of what her office calls a "Market Oriented Sector Specific Agreement." Unless Japan moves to correct what the U.S. now considers to be violations, before May 30, retaliation is supposed to ensue, almost automatically.

Apparently, this matter was among those discussed at

what White House spokesman Marlin Fitzwater had described as “a rap session on economic policy” convened at the President’s weekend Camp David retreat April 22. Among those in attendance were former chairman of the Federal Reserve Paul Volcker, Nicholas Brady, Jude Wanniski, representatives from Alcoa, IBM, the U.S. Chamber of Commerce, and Marty Feldstein. After the meeting, Volcker was reported to have been arguing strenuously in speaking appearances in the Washington area against the implementation of the retaliatory mechanisms of the Omnibus Trade Bill.

The reason for that is not hard to find. Given U.S. dependence on continued inflows of foreign credit to finance the swelling current account deficit, the adoption of economic and financial warfare as policy—against the very allies who happen to be the creditors, as well as the suppliers of the approximate 25% of U.S. annual consumption that cannot be produced internally under present arrangements—is the one measure that is most likely to bring everything crashing down around the ears of those who have decided to embark on that course.

Prior to Hills’s decision on Japan, the Electronic Industries Association of Japan filed its own counter-argument with the U.S. Trade Representative’s office. The Japanese filing stated that action under the 301 provision of the Omnibus Trade Bill would be grounds for Japan to terminate the 1986 semi-conductor agreement between the two countries. Action under Super 301 is unnecessary and “would provide grounds on which to terminate the agreement.” And, “new negotiations are unnecessary and could lead to termination of the arrangement,” the industry report said. This development, excluded from monitored U.S. accounts, was reported in the *Financial Times* of London on April 28, and deemed worthy of front-page status. Japan’s trade surplus provides the largest single source of financial support for U.S. current account deficit finance.

Interviewed in London on the same day, European Commission External Affairs Commissioner Frans Andriessen told the *Financial Times* that the European Commission “is not prepared to collaborate with the United States in the implementation of its trade legislation,” by negotiating bilaterally on so-called unfair trade practices. Andriessen considers that the multilateral forum provided by GATT is a better venue for such discussions. That aside, Andriessen reported his disagreement with “the principle that bilateral negotiation should begin when one country was reserving the right to impose trade sanctions in the event of an unsatisfactory outcome. The EC was prepared to explain its policies, but not negotiate.

Countdown to trade war

The response, from both Europe and Japan, means that the countdown for trade war is on, this time in a form much more acute than what was portended in the great, but still unresolved hormone-treated beef dispute with Europe at the beginning of the year.

On the U.S. side, the latest insanity is part of a pattern that has been accumulating since the beginning of the year, in particular since the political frameup and jailing of Lyndon LaRouche, who is viewed widely around the world as the embodiment of the only competent alternative financial and economic policy to that espoused by the current Trilateral Commission-dominated Establishment crowd. LaRouche’s jailing was understood as the signal that henceforth, administrative-bureaucratic measures, rather than political initiatives, were to become the norm in the United States. The implementation of the mechanisms embodied in the Omnibus Trade Act signifies that the administrative approach, employed inside the United States with RICO prosecutions against bankers like Michael Milken, trade unions like the Teamsters, the unions employed by Eastern Airlines, and opponents of aspects of prevailing policy, like the Right to Life movement’s “Operation Rescue,” is now going international.

Clearly, anyone who believes that the procedures laid down in U.S. government bureaucrats’ handbooks are the be-all and end-all when it comes to running foreign policy, ought to have his head examined.

For example, the *New York Times* reported that foreign and domestic critics of the trade act argue that the act is based on the assumption that the United States trade deficit is based on unfair trading practices employed by foreigners. Setting complaints against economic reality demonstrates that that is indeed the case.

The largest single source in the trade component of the current account deficit is imported oil and petroleum products. In combination, these account for almost half of the dollar value of the net deficit. If everybody else was flattened into compliance by the portended administrative means, nothing at all would have been done to reverse the outrageous accumulated dependence on imported foreign oil and petroleum products.

Yet those who yell the loudest about the trade deficit, and who have, over the last two years, been the prime movers behind the adoption of retaliatory measures against trading partners, this being the crowd associated with Rockefeller’s Trilateral Commission, also happen to be the ones who have led the fight against the adoption of the policies LaRouche advocated, before he was jailed, namely, a parity price trigger tariff on imported oil, which would have solved the problem. Such a tariff would break the stranglehold maintained by the Rockefellers and other members of the financial crowd, over industrial and agricultural production. Instead of going to war against foreign nations that produce the goods that we refuse to produce for ourselves, it would permit the internal industrial and agricultural base to be revitalized.

The opponents of that approach will find that their monstrous Omnibus Trade Act of 1988 is indeed the revival of the Smoot-Hawley depression machine of the 1930s. And that their President, named George Bush, is indeed the reincarnation of the ill-fated Herbert Hoover.

Argentine economy out of control as elections near

by Cynthia Rush

On the eve of presidential elections, Argentina's economic crisis has taken a dramatic turn for the worse. The inflation which began soaring two months ago has now become hyperinflation, with April's rate expected to top 50%. Having lost 80% of its value on the free exchange markets in the last three months, the national currency, the austral, for all practical purposes doesn't exist. The economy is fully "dollarized," as an expression of the population's mistrust of the government's ability to run the country. The state is bankrupt, unable to finance vital services and day-to-day operations.

The comment from a member of the new economics team, which replaced that of former Finance Minister Juan Sourrouille on March 31, is revealing. "We've been left with no dollars, no australs, a huge repressed inflation, and everyone hates us."

This extraordinary crisis raises the question of whether the May 14 presidential elections will even take place. Faced with the likelihood that Peronist presidential candidate Carlos Saúl Menem will win the elections and bring to power a coalition of nationalist forces, factions of the ruling Radical Civic Union (UCR) led by President Raúl Alfonsín, are deliberately fostering chaos and uncertainty for the purpose of affecting the electoral outcome. Unable to distance himself from Alfonsín's economic fiasco, UCR presidential candidate Eduardo Angeloz has focused his campaign almost entirely around the theme that a Peronist government will mean a return to violence and terrorism. "You are right to fear for your physical safety," he tells supporters, evoking memories of 1970s violence and death squads which he attributes to Peronism.

The same State Department socialists and operatives of the U.S. "secret government" who are plotting the destabilization of Panama (article, page 30) are also coordinating with Argentine allies to maximize political and economic upheaval in the period prior to the May 14 elections.

In the event that Carlos Duque, the presidential candidate of Panama's pro-government COLINA (National Liberation Coalition) wins the May 7 Panamanian vote, Alfonsín is expected to follow the lead of Venezuela's President Carlos

Andrés Pérez and break diplomatic relations with Panama to protest the "undemocratic" outcome.

This move would have quick repercussions inside Argentina, especially among nationalist political, military, and trade union factions which have defended Panama against the insane U.S. policies and would tend to support Menem in the elections.

A coup by liberal military factions, or even some form of self-inflicted military coup—an *autogolpe*—by Alfonsín, is not to be ruled out. The social unrest or even violence provoked by economic chaos could serve as a justification for such a move.

The April 27 edition of the London *Financial Times* warned of the "alarming" possibility that if Carlos Menem doesn't win the May 14 elections, nationalist army officers led by Col. Mohamed Alí Seineldín will stage a rebellion against the government. Several times during recent months, pro-Soviet leftist groups inside Argentina have targeted Colonel Seineldín, a hero of the 1982 Malvinas war, with the argument that he was plotting a military coup.

What both leftists and British oligarchs object to is that a Menem victory would strengthen the coalition of military nationalists, Peronists, trade unionists, and Church circles which opposes surrendering the country either to the International Monetary Fund or the Soviets. As the *Times* wailed, Menem might bring back "old style Peronism—a strong Argentine state which welds workers, business and armed forces into an ideologically homogenous unit."

It's not our fault

Government spokesmen assert that the current binge of speculation and panic buying of dollars is caused not by their IMF-shaped economic policies, but by public fear of a Menem presidency and a return of Peronism to power. "There is no technical or logical explanation" for the upheaval in the markets, Finance Minister Juan Carlos Pugliese explained on April 25. "Economic policies have nothing to do with this craziness," he said, adding that the government was powerless to change the situation. On April 27, Pugliese announced that a "stabilization program" would be put into effect prior

to the elections, but offered no details.

In fact, the current crisis is the logical outcome of the UCR government's obedient implementation of IMF policy over the past five years, giving payment of foreign debt a higher priority than the well-being of the Argentines, coupled now with a deliberate plan to unleash chaos in the few weeks prior to the elections. The UCR's Angeloz promises an even harsher IMF program if elected.

During the last week of April, the austral's value plunged to 100 to the U.S. dollar, down from 40 at the beginning of April. Interest rates for short-term deposits went up from 70% to 140% monthly on April 25. In an effort to beat soaring inflation, citizens have begun a mad buying spree, emptying supermarket shelves and exhausting stocks of cars, refrigerators, and other consumer goods. Prices in supermarkets and other stores are sometimes marked up as often as twice a day. As wholesale suppliers have continued to mark up prices, some supermarkets have opted simply to close their doors. In one small town in the province of Buenos Aires, in the space of one week, the price of bread increased by 54%, noodles by 40%, milk by 57%, sugar by 38%, and flour by 108%.

It is expected that many banks may soon have to close, as currency holdings are exhausted. For weeks, citizens have been closing their dollar accounts or withdrawing austral savings in order to buy dollars. On April 26, government authorities in Buenos Aires intervened in the prominent Banco de Galicia, a measure taken to prevent its outright collapse. The large Banco Rio de la Plata was rumored to be in financial trouble, as was the Banco de Quilmes.

Foreign reserves are no more than \$500 million, and prospects for increasing them look dim. Rather than exchanging their dollars at the rate established by the government, at a third of what they would bring on the free market, farm exporters are simply hanging on to their foreign currency, leaving the Central Bank very short.

Attracted by high interest rates on dollar accounts set by former Finance Minister Juan Sourrouille, agricultural exporters have already put \$3.6 billion into the economy this year. Only another \$2 billion is expected from agricultural exports in 1989, plus \$1.8 billion from industrial exports. With some understatement, the April 16 daily *Clarín* pointed out, "this is insufficient to meet the \$5.5 billion in 1989 imports, plus the \$3 billion in back interest on the foreign debt, not to mention the \$6 billion in interests which come due this year, or to pay the \$1 billion due in dollar deposits."

Menem is not our man

On April 27, after weeks of relative silence on the Argentine crisis, the U.S. Eastern Establishment and London-based media suddenly announced that the outcome of the May elections is now "uncertain" and that no clear-cut winner is likely to emerge—this, despite Menem's significant lead in the polls and the financial debacle presided over by the UCR

government which has disgusted most of the electorate.

"Many voters remain undecided," the April 27 *Wall Street Journal* explained, "and many analysts say their concern over a worsening of the crisis is focused on the possibility of an unclear election outcome." The *Journal* and other press are predicting that the electoral outcome may well have to be determined in the Electoral College or even the Congress. In the midst of the current economic unraveling, such coverage is sounding the drumbeat for the creation of a coalition government, perhaps even before the elections.

Antonio Cafiero, the social democratic governor of Buenos Aires who is known as the "bankers' Peronist," has been the chief proponent of such a coalition scheme. Under "emergency" conditions such as those now in existence, the plan's main purpose would be to force Menem into dealing with more pro-IMF political groupings, probably including the UCR and the more Socialist International-linked factions within the Peronist movement.

The April 24 *Washington Post* explained the bankers' view quite clearly. Menem is a man "the country can ill-afford to have at the helm of its six-year-old democracy during a time of economic crisis and military unrest." What Argentina really needs, the *Post* asserts, is someone willing to make "painful" choices—that is, the draconian austerity and further gutting of living standards demanded by the IMF. Given the volatile nature of the debt crisis continent-wide, international bankers consider Menem's nationalistic proposals for a five-year grace period on the \$59 billion foreign debt, and demand for a "revolution in production," to be far too dangerous.

In a pointed intervention into this debate, Argentina's Catholic Bishops' Conference issued a statement March 9 on the elections. The bishops affirmed that since "all political effort falls under the moral law," citizens should support those political forces which "defend life in all its extension . . . that defend the primacy of man in his economic-social activity, valuing human labor in all its dimensions . . . maintaining the legitimate fight for justice, as well as the just distribution of material and spiritual resources." The bishops' statement was considered to be indirect support for Menem.

However, to ensure that the bankers' message not be missed, Henry Kissinger recently sent Alan Stoga, senior economist and partner at Kissinger Associates, to Buenos Aires to browbeat the Argentines further. After explaining that the country was "last in line" of those debtors that might expect assistance from the Brady Plan, Stoga went on to chastise the government for "not doing enough" in the last five years to allow the nation to "advance economically." All of Alfonsín's looting on behalf of the IMF hasn't been good enough, Stoga clarified. Argentina must now "insert itself into the world economy"—that is, deregulate and "open up" its economy, eliminate protective barriers to industry and the possibility of sovereign economic development. Only in that way, will it earn the "respect" of other nations, he warned.

Ibero-America faces AIDS holocaust

by Peter Rush

"If HIV-1 infection [AIDS] continues to penetrate the poor and less advantaged populations of Latin America and the Caribbean, there is the potential for a massive epidemic in the Americas that may parallel the situation in Africa, where many cases remain unrecognized and unreported." This is the conclusion reached by Dr. Thomas C. Quinn of the National Institute of Allergy and Infectious Diseases in Bethesda, Maryland, and four doctors from the Pan American Health Organization in Washington, D.C., as stated in an editorial entitled "AIDS in the Americas, An Emerging Public Health Crisis" in the April 13 issue of the *New England Journal of Medicine*.

In reality, Ibero-America is a health holocaust waiting to happen. Six years of sharp cutbacks in expenditures for health care, compounded by sharply falling incomes and worsening nutritional intake of populations and a collapse of government spending for the basic infrastructure of health, such as running water and sanitation, all occasioned by the enormous payments of interest on foreign debts, has made the continent's population vulnerable to epidemics that could threaten the very existence of the region's nations.

The AIDS crisis has become the subject of the most intense research because the threat is so insidious, but it is far from the only serious threat to health. Incredibly, death from starvation, or from severe malnutrition, has recently become a serious problem. Observers in several states of Mexico report "Africanized" conditions, in which children with bellies distended from hunger roam the streets, recalling scenes normally associated with the poorest regions of Africa. The fact that the real wage of most Mexicans has fallen by more than 50% in six years, and unemployment is now 20% and underemployment is 40%, means that the lot of the marginalized bottom strata of the country is far below basic subsistence level. Entire suburbs of Mexico city survive on what the children salvage from garbage dumps. Less than 2% of the Mexican gross national product is spent on health care, against 8% considered required for even minimally adequate coverage.

Hunger also stalks Peru, caught in the throes of a brutal cutoff of aid funds and the depredations of the terrorist Shin-

ing Path guerrillas. Every day 170 children under one year old die in Peru from malnutrition, dehydration, and other diseases derived from poor nutrition, according to figures presented by Msgr. Luis Bambaren, the bishop of Chimbote, Peru, to the Latin American Conference on Infant Survival held in Quito, Ecuador, April 11.

Even more shocking, 20,000 children a year (about 55 a day) are dying from diseases directly related to malnutrition in the food-rich country of Argentina, according to UNICEF. This is the result of government austerity policies implemented to pay the debt, that have dropped wage earners' real incomes by 30-60% since December 1983, according to the Center for Studies of Argentina. Thirty percent of Argentine households are now classified as poor, lacking sufficient income to cover basic necessities of clothing, diet, and education. Two million people live in slums around Buenos Aires.

But AIDS is the disease which threatens to exterminate the entire population if not stopped. Argentina is also among the countries in which AIDS is spreading fastest, with 315 cases now diagnosed, and it is estimated that there will be 16,000 cases by 1993, in a country of 30 million, according to a report by the National Program for Control of Sexually Transmitted Diseases in Buenos Aires. The Mexican Actuaries Association has projected that AIDS will be among the top five killers in Mexico by 1992.

In the continent as a whole, as reported in the *New England Journal* editorial, the number of AIDS cases in South America increased by 95% between 1986 and 1987, and by 113% in the Caribbean. In Brazil, which remains the most seriously AIDS-infected nation in the continent, Haiti, the Dominican Republic, and Mexico, among others, AIDS has spread from homosexual men to bisexual men, and from there to prostitutes, who spread it to heterosexual men. In these countries, victims include a much higher proportion of heterosexual males, and of females, than in the United States, making the pattern more like that in Africa, where the disease is totally out of control. In Haiti, 10% of pregnant women are infected, the same rate as in parts of Africa.

The appalling poverty of most Brazilians facilitates the rapid spread of the disease. A recent report to the International Labor Organization, written by Prof. Mauricio Romão and based on World Health Organization data, reveals that 49.2% of Brazilians, 62 million people, live below the poverty line, more than half of whom, 38.3 million, live below the "threshold of indigence," earning less than \$17 a month, and don't receive the most minimal level of food.

This crisis is exactly what this magazine has predicted for years would be the inevitable result of imposing austerity on populations, in order to be able to service impossible debts. The annual payout of \$30-40 billion in debt service for six years—\$189 billion since 1982—stolen from consumption and investment, was foreordained to take its toll on the "bottom line," the health, and very survival, of the region's 400 million inhabitants.

IMF paeans China's austerity plan

by Michael Billington

In case there were any doubts that the current blood-letting being implemented in the People's Republic of China was made by the International Monetary Fund (see *EIR* April 14, 1989, "Mainland China Takes the IMF Road,"), IMF managing director Michel Camdessus traveled to Beijing the week of April 18 to bestow his blessing on the forced collapse of the P.R.C. economy.

Full of praise for the austerity regimen now being imposed on that nation, Camdessus described himself in a speech to government leaders as a Western surgeon ready to wield his scalpel if the Chinese failed to extract the pound of flesh willingly from their population.

It was a ghoulish parody of the late 19th-century carving up and looting of China by the Western powers, who left the Middle Kingdom government ostensibly in the hands of the Manchu dynasty while the economy and the people were drained of anything extractable.

Asked by the official Xinhua news agency of Beijing if his demands for austerity conditions were not a threat to national sovereignty, "imposing the will of industrial countries on the poor Third World nations," Camdessus rejected this formulation: "If you postpone for too much time to see the doctor, then you have to go to see the surgeon. We prefer to have a nice doctor applying nice Chinese medicine to having old-fashioned surgery."

The effects of the policies of the "nice doctor" so admired by Camdessus can be seen in the following examples:

- **Grain**—Six months of "emphasizing agriculture" have failed to reverse the steady decline in grain output. Refusing to significantly increase investment in agricultural infrastructure and limiting price increases to less than the inflation of production costs, the government has now desperately implemented "negative incentives," by imposing punitive taxes of as much as 30% on farmers who grow other crops which are more profitable to them than grain!

- **Pigs and poultry**—Pig and poultry farmers, faced with 65-80% inflation in forage costs and stagnant or falling market prices, are slaughtering their stocks. It is expected that this will create a shortage by the end of 1989.

- **Metals**—Non-ferrous metals are also a "development emphasis" sector under the current retrenchment, but production dropped in the first two months of this year. Copper, lead, and zinc ores were in short supply due to inadequate transportation systems. Electrical power shortages forced plants to operate at only 70% of capacity. But "lack of funds

is perhaps the most serious problem for the industry," according to Xinhua news agency.

- **Power**—The chronic power shortages continues to take their toll. It is officially estimated that the nation has lost over 200 billion yuan (US\$54 billion) in industrial and agricultural output in the past year because of power cuts. In the southern provinces of Guangdong and Guangxi, officials admitted that the power shortage will not even be "eased" for two or three years, and no solution is feasible before the turn of the century—and then only if major hydroelectric projects are begun immediately, which is highly unlikely. Urban residents have reverted to using candlelight for their homes.

Camdessus praised the policies that have brought on this collapse. He was "pleased to see that inflation is now being tackled by the Chinese government by increasing interest rates and cutting spending. . . . The government has taken the right direction to reduce deficits and expenditures and to allow stronger steps to be taken for tax reform (i.e., tax increases)." He also praised the communist regime for "close collaboration with the Fund."

He also praised the communist regime for "close collaboration with the Fund."

Not mentioned in the press reports, but unquestionably a major area of discussion and agreement between Camdessus and the Chinese leaders, was the ongoing proliferation of Hong-Kong-style free-trade zones all over the mainland.

These fast-money, unregulated centers for foreign investment are meant to substitute for small and medium-size export industries for any long-term development projects.

Also exemplary of IMF policy alignment with the communist Chinese, Camdessus was in town to celebrate his passion for malthusian depopulation, as the P.R.C. declared April 14, the day that the 1.1 billionth person was born in China, to be a "national day of mourning."



Michel Camdessus

The Republic of China must not go down the Tokyo road

by Mary McCourt Burdman

The Republic of China on Taiwan stands today at a crossroads. After years of intensive development, this relatively small nation of only 20 million has amassed the second largest dollar reserves in the world—some \$76 billion—and such economic power that the rulers of Beijing, who are presiding over one of the greatest economic disasters in history, are doing all they can to block the R.O.C.'s economic initiatives in Asia and Europe. The critical question is: How is the Republic of China going to use its wealth?

It could play the role Japan has failed to play in the last decade, of actually contributing to the development of the developing sector, especially in Southeast Asia. Or, it could go down the "Tokyo road"—following Japan's current policy of assiduously bailing out the bankrupt United States and trying to win first place as a policymaker in the black hole of the world financial system. The U.S. government, which so nastily sold out the R.O.C. politically, is now using every pressure tactic possible to force the R.O.C. to take the second road.

The choice before the Republic of China was described by *EIR* founder Lyndon LaRouche in an April 23 interview with the Bangkok newsletter *Off the Record*. The United States wants the R.O.C. to liberalize its economy to bankrupt them, LaRouche said. The real issue is, "How is the nation of China to be saved? If Taiwan follows the economic policies which are responsible for its successful economic development, under the leadership of Chiang Kai-shek, then Taiwan is the seed which can save the nation of China. If Taiwan follows the path of Deng Xiaoping, on the liberalization of Taiwan, in the way Deng has in his own way tried to adapt China to liberalization, then Taiwan has no significance for the salvation of China."

Unfortunately, steps taken in recent weeks by the government of President Lee Teng-hui has taken in the last weeks do not bode well for the future of Taiwan. On April 18, Premier Yu Kuo-hwa reiterated the government's recent formulation of policy towards the mainland: "Our mainland policy will be advanced steadily, step-by-step, and through democratic means," Yu said. Taiwan's purpose is to promote economic liberalization and political democratization on the mainland, he told a session of the legislature, the Taipei daily *China Post* reported April 19.

In the last few weeks, highest-level officials of the Kuomintang Party (KMT) government of the R.O.C., including

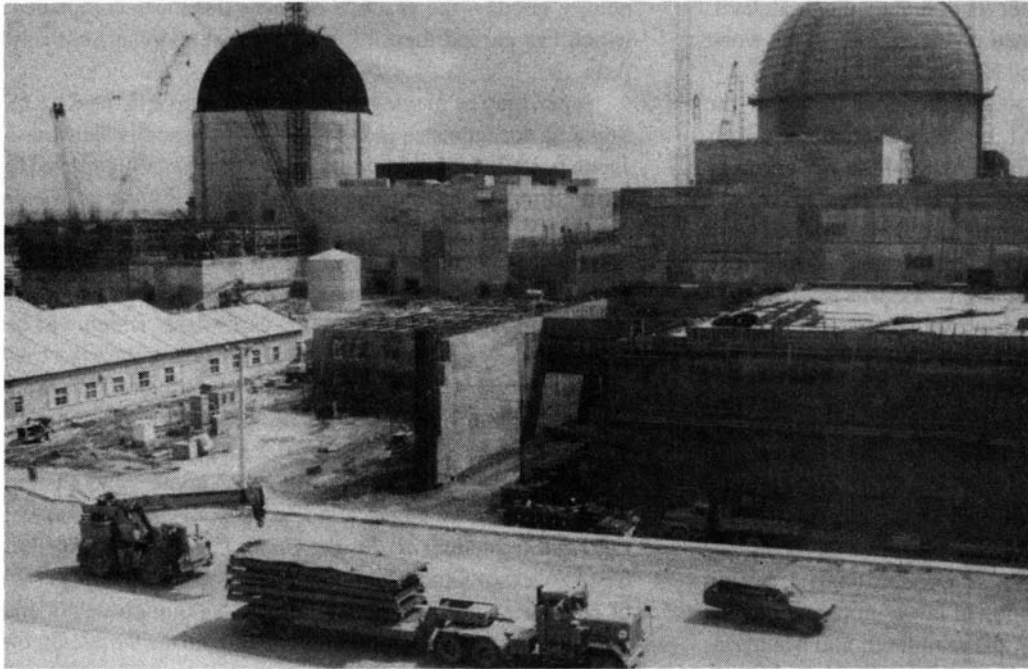
President Lee and Premier Yu, have publicly supported—personally at least—a policy of "one country, two governments," for China, which would give equal status to both the Communist regime in Beijing and the R.O.C. government in Taipei and mean "peaceful coexistence" with the Communists. Justice Minister Hsiao Tien-tsang made clear the implications of such a policy, meant to be a counterpole to Deng Xiaoping's "one country, two systems," the official term for the upcoming rape of the millions of miserable citizens of Hong Kong.

The "one country, two governments" proposal, Minister Hsiao said, could mean that the Temporary Provisions During the Period of Communist Rebellion could be abolished. This would effectively mean the KMT government giving up its determination to retake the mainland as China's only legitimately elected republican government. Hsiao amended his statement next day to say it was only his personal view.

On April 6, the R.O.C. government announced it would send Finance Minister Shirley Kuo to represent Taiwan at the annual meeting of the Asian Development Bank, to be held in Beijing May 4-6. This would be the first time in 40 years that an official of the R.O.C. visited the mainland. In an attempt to conform with the policy of "no contact, no compromise, no negotiation" with the Communists, the Foreign Ministry stated that Kuo will only go in her capacity as an ADB board governor. And, the R.O.C. government agreed "in principle" to allow Communist officials to attend international events in Taipei, the *China Post* reported April 8.

Premier Yu announced, "In the future, we will follow the pattern [set by the ADB decision] in attending civilian and official activities sponsored by international organizations on the mainland." This announcement came the same day that the Taipei Olympic Committee announced it had come to an agreement with the mainland Olympic Committee to use the name "Chinese Taipei" for R.O.C. athletic delegations, one of which is now visiting the mainland.

However, Yu said, "There will only be further relaxation of mainland policy if the result [of further openness] proves not to affect national security and successfully promotes the Taiwan experience" on the mainland. "The repeated intrusion of mainland fishing boats into R.O.C. waters and the Communists' deliberate degradation of our national status internationally all indicate they have not reduced their hostility towards us." President Lee promoted the decision to send



Government of the R.O.C.

Taiwan's intensive model of economic development has made it one of the most dynamic economies in the world, but those policies are now under fire. Shown here is a nuclear plant under construction.

Kuo to Beijing, despite opposition from Kuomintang conservatives.

Saving China

Whatever the leaders of the R.O.C. might want to do, their ability to choose is very strictly defined by the great task they have at hand: trying to save China. The People's Republic is disintegrating, as the current student demonstrations, the biggest in a decade, attest. Rice production has stagnated over the past five years, a visitor from the region reported, and individual provinces are on the verge of raising armed borders against each other. Canton state, the richest in China, will not allow any new people in from any other province, the observer reported, and Hunan province, which used to produce a rice surplus, will not sell rice to any other province—and the central government is helpless to prevent this.

Consider the tremendous problems the "boat people" of Vietnam are posing for the nations of Southeast Asia, as people flee, against all odds, the threat of starvation. There are "only" 10 million hungry people in Vietnam. What will happen, especially to Taiwan, when hundreds of millions starve in China?

Already, mainland China is exporting its economic disaster to Taiwan, in a very dangerous form. The People's Republic is one of the biggest arms exporters in the world—in value, it is number five, but in volume, as *Inside China Mainland* reported in its April issue, it is undoubtedly higher than that. The United States has just banned the import of semi-automatic Chinese weapons, after a hideous murder of schoolchildren by such a weapon. But mainland China, a citizen of Taipei said April 24, is certainly not willing to give up such a trade, its most important earner of foreign ex-

change. Until recently, Taiwan has enjoyed a very low crime rate, but in recent weeks, R.O.C. authorities have found several big arms caches in the hands of the local organized crime syndicates—of weapons from mainland China. The weapons are also reportedly going to the Communist insurgents in the Philippines and other Southeast Asian countries.

Crime is not the only issue here. The rulers of the People's Republic have *never* given up their threat to use force to take over the island of Taiwan.

KMT leaders have recently proposed means to deal with the crisis on the mainland. In December 1988, Gen. Chiang Wego, the younger son of the late President of the Republic of China, Chiang Kai-shek, described in an interview with *Deutschland Magazin* a "Marshall Plan" for retaking the mainland: using \$10 billion out of the R.O.C.'s reserves, and Taiwanese skills, to intervene in the economic chaos on the mainland brought on by Deng Xiaoping's "reforms." This offensive, which Chiang calls the "offensive of the ripe, falling fruit," is based on his father's assessment that war to retake the mainland would be 70% psychological warfare, and 30% actual war.

Under modern circumstances, Chiang said, this is probably 90%-10%. The Marshall Plan would create the basis for a federation, which could later become a coalition government of all China. Without the R.O.C., Chiang said, Deng's "new China" will never develop. Of course, the utmost caution must be used, he said: the communists, when weak, might make concessions; when they think themselves strong again, their aggressive nature will come to the fore.

Dealing with Wall Street

However, the policies of the Lee government do not

represent such a decisive intervention into the mainland. Rather, liberalization has opened up the R.O.C. to the worst influences of both the West and East.

On March 27, "reforms" were introduced to "float" the Taiwanese dollar and on April 3 foreign exchange controls were relaxed—immediately after U.S.-R.O.C. currency talks. After the concessions, Vincent Siew, vice-chairman of the Council for Economic Planning and Development, said, "the liberalization move is expected to reduce our risk of being included in the U.S. retaliation." He was referring to a "hit list" of countries subjected to exchange-rate manipulation, the *International Herald Tribune* reported March 30.

One of the chief U.S. pressure points, has been to force the sharp appreciation of the Taiwan dollar against the U.S. dollar, up 46% since January 1986. The effect has been to force up production costs on Taiwan, making its exports more expensive and less "competitive." This has created a situation where it is a "lot more encouraging" to move the country's high liquidity offshore, a City of London analyst said in March, and with the liberalization of laws, more and more is being invested in Hong Kong, the mainland, and Malaysia. There has been tremendous pressure from the United States for Taiwan to cut its tremendous trade surplus, which did fall by some \$8 billion last year.

But the problem is that many R.O.C. businessmen are investing abroad to get cheaper labor to produce low-tech-

nology goods—the practice of many Japanese companies, which has earned them little political support in Southeast Asia.

Japan may be playing an unproductive role in the R.O.C. Some of the Japanese industry formerly based in Taiwan—Japan holds huge investments there—is now being moved to the Philippines to find cheaper labor, the *Financial Times* reported April 17.

The floating of the Taiwan dollar last month will also put great pressure on the 90% of the R.O.C.'s industry which is small, family-owned, and export-dependent, which will be hit hard by any currency fluctuations. These are the industries which built the R.O.C.'s prosperity. International bankers are demanding that the R.O.C. abandon its small industry and instead turn its bigger industries into "multinationals"—and thus bring the American monster home. The Central Bank of China of Taipei announced it was raising interest rates and tightening credit, the *China Post* reported April 6. CBC governor Chang Chi-cheng said that the bank's policy of emphasizing price stability over economic growth is one commonly adopted by central banks around the world. Credit for bigger industry is being given priority over small and medium businesses.

Dealing with the Communists

With the mainland, R.O.C. relations have expanded tre-



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mendously in the past year—essentially the period since President Lee came to office after the death of President Chiang Ching-kuo, the elder son of Chiang Kai-shek.

Trade between the R.O.C. and the mainland hit \$2.722 billion last year, up 80% from the year before. The Board of Foreign Trade in Taipei said that already mainland China accounts for 2.4% of Taiwan's total bilateral trade. Although, an official said, the value of mainland trade as yet poses no threat to the overall trading system of Taiwan, if some individual mainland items flood the market, Taiwan could become vulnerable to manipulation from the mainland through supply reductions or price fluctuations.

The trade is of little value to the R.O.C., because most of the nominal \$1.77 billion R.O.C. trade surplus is funneled back to the mainland through business investments or families, the R.O.C. Board of External Trade said. Rather, mainland China earned some \$100 million in foreign exchange from Taiwan through smuggling by local fishermen.

Politically, unfortunately, the R.O.C. government could also go down the wrong road—right into those very international institutions which failed them so utterly in the past.

The ultimate goal of the R.O.C.'s "flexible foreign policy" is to re-join the United Nations, Foreign Minister Lien Chan told the legislature April 10. Seeking admission to regional and international economic association bodies is the present goal of R.O.C. foreign policy, Lien said. The R.O.C. was forced out of the U.N.—while George Bush was U.N. ambassador—by Henry Kissinger's "China card" policy in 1972.

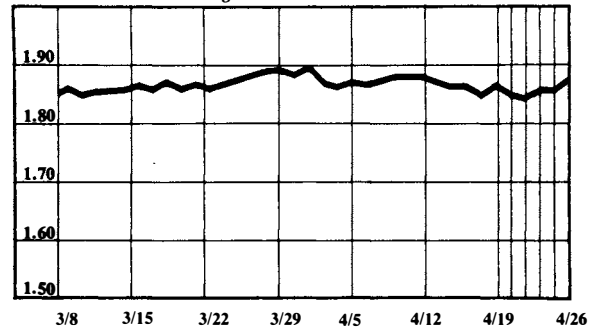
Politically, the United States is offering the R.O.C. only worse treatment now. George Bush's nominee for ambassador to Beijing, James Lilley, announced April 15 to the Senate Foreign Relations Committee that Washington will "furnish an environment for contacts" between Taiwan and mainland China, but will "refrain from acting as a mediator," the *China Post* reported April 15. Lilley also has been director of the American Institute in Taiwan, the ersatz U.S. embassy in Taipei. Washington welcomes encounters that will build up to the "peaceful reunification" of China, he said. Just before President Bush made his disastrous trip to Beijing in February, Foreign Minister Qian Qichen had called on the United States to assist in the process of reunifying China, which the U.S. has officially refused to do previously.

Ironically, Lilley then went on to support a policy—that both the R.O.C. and the mainland join GATT—that an official of the Beijing Central Institute of Finance and Banking, Feng Yushu, is also urging. Feng, who is researching GATT issues at Ushiba Memorial Foundation in Tokyo, wrote a commentary published in the *International Herald Tribune* April 18. Feng called Taiwan's decision to attend the Asian Development Bank meeting in Beijing and its "presence at all such forums desirable in all cases," but that GATT is "especially important," despite the fact that "the island's trade surplus relative to the economy's size is bound to make GATT members insist on substantial concessions."

Currency Rates

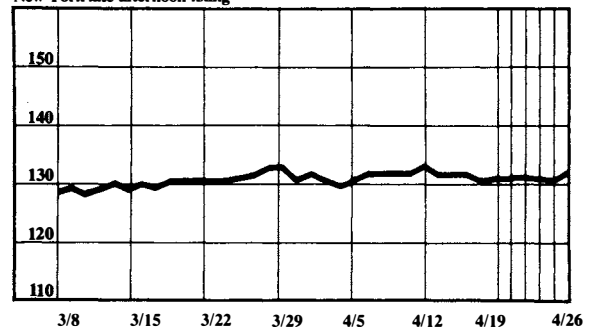
The dollar in deutschemarks

New York late afternoon fixing



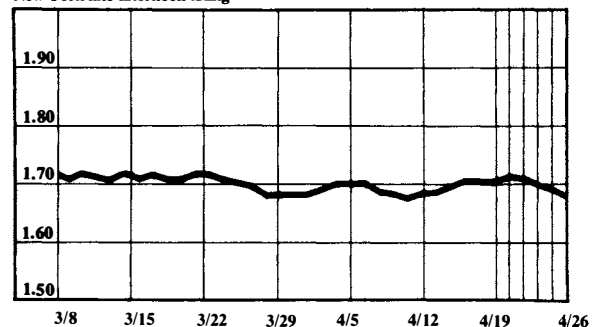
The dollar in yen

New York late afternoon fixing



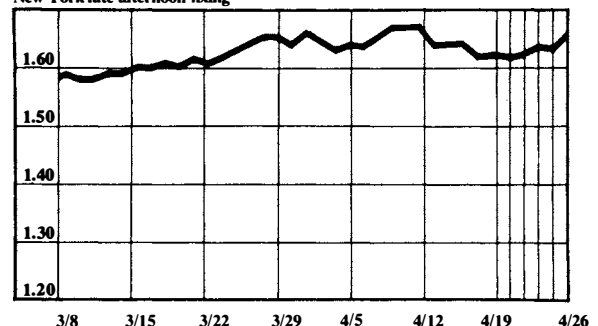
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Consumers Union publishes bad science on good apples

by Dr. Thomas H. Jukes

Dr. Jukes has wielded the weapon of scientific truth against the environmentalists in their wars to stop the use of pesticides, going back to the great cranberry scare of 1959, and during the long battle in the 1960s and 1970s to defend the use of DDT.

He is professor-in-residence at the Department of Biophysics and Medical Physics, professor-in-residence at the Department of Nutritional Sciences, and a research biochemist at the Space Sciences Laboratory at the University of California at Berkeley.

Jukes's fields of research have included the vitamin B complex, folic acid antagonists in cancer chemotherapy, antibiotics in nutrition, nutritional deficiencies, protein chemistry, and molecular evolution. He is the author of more than 400 articles in scientific journals. In addition, Dr. Jukes has written three books, and edited three others.

This article was written on April 14, in response to a preprint of a report, to appear in the May 1989 issue of Consumer Reports, the publication of the Consumers Union. The report, headlined "Alar: Not Gone, Not Forgotten," was written by Dr. Ned Groth and concerned the risk of the growth regulator Alar, and its breakdown product UDMH (unsymmetrical dimethyl hydrazine).

Consumer Reports "Bad Apples," dealing with Alar (daminozide) is badly flawed. The data are defective and the conclusions are political rather than scientific. The report states:

Although some apples may contain daminozide, the latest animal tests found that the chemical may not be carcinogenic. [p. 4]

and again,

Recall that daminozide is unlikely to be much of a hazard until heat-processing transforms some of it to UDMH. [p. 4]

Some of it? How much of it? We are left in the dark. In spite of the above statements, the report repeatedly states that Alar is a hazard. For example,

We have estimated that even a residue [of Alar] as low as 0.1 ppm in apple juice may pose a risk well above the EPA's criterion for public health significance. [p. 4]

Also (p. 1)

Our tests measured daminozide only: We didn't attempt the additional complicated testing required to find UDMH. If daminozide is in an apple juice, *chances are good* that UDMH is there, too [emphasis added].

Five brands are "not acceptable" because they contain 0.95 to 1.99 ppm of daminozide; an example of guilt by association.

Consumers Union's calculations are as follows:

The lower estimate [of cancer risk] considers just the UDMH in apple juice, calculated as a *small fraction* of the average daminozide level Consumers Union found in 1989 juices. The larger risk considers the higher daminozide and UDMH levels in apple juice and *added in a factor* for UDMH ingested in other foods, such as apple juice [emphasis added].

The "fraction" and "factors" are not quantified.

Summary of the above:

- 1) Daminozide is not a hazard.
- 2) Apple juice containing 1 part per million (ppm) is not acceptable, and even 0.1 ppm is too much.
- 3) Daminozide breaks down partially in heating UDMH.

What about UDMH?

We are told a) "it's a big risk"; b) it "probably" is a carcinogen; c) according to EPA, "UDMH at the levels found in the diet in 1986 may cause 45 cancers per million people, exposed over their lifetimes." According to Consumers Union, "the risk this chemical [UDMH] poses now looks to be about one-fourth as high as the EPA's projection," but "one-fourth of a significant cancer risk is still a significant cancer risk." (This is a misuse of statistics.)

Obviously we need to know the levels of intake of UDMH, and the cancer dose-response curve. We then need to compare the results with those of cancer risks from other substances in food. Only then can we place UDMH in perspective.

UDMH is $H_2N \cdot N(CH_3)_2$, a hydrazine. The general formula for hydrazines is $H_2N \cdot NH_2$. Hydrazines are present in fairly large quantities (up to 400 ppm) in mushrooms, and this led to tests for carcinogenicity, which gave positive results for various hydrazines. Levels of intake of UDMH from the Environmental Protection Agency, the Food and Drug Administration, and the U.S. Department of Agriculture ("comprehensive residue data") cited by the Natural Resources Defense Council, were 0.082 microgram per kilo of body weight by children age 1 to 5 years (1.6 microgram for a child weighing 45 lbs.). The per kilo figure for Alar was 2.95 micrograms per kilo. Perhaps this indicates that, on the average, 3% of the daminozide content of foods had broken down to UDMH.

How big a risk is 1.6 microgram of UDMH per day for a 20-kilo child? Consumers Union places this on a political basis. We are told:

The risk from UDMH has many features that make it less acceptable to consumers than other, far larger risks that we live with daily. . . . It's not like aflatoxin in peanuts since UDMH is in foods by human hands, not nature's. . . . Not because it's a big risk, we find Alar in foods intolerable.

This is the most significant statement in the article. It reveals Consumers Union's philosophy that "only man is vile." Nature is either a) benevolent or b) we have to submit to her. Natural carcinogens are apparently "good" carcinogens.

Rational consumers, however, will be interested in a quantitation of risks. Consumers Union admits "quantitative risk assessment is an inexact science, one loaded with unnecessary assumptions and hedged with uncertainties." Consumers Union has assumed these assumptions and uncertainties in warning consumers against Alar, and in condemning five brands of apple juice.

By using similar assumptions and uncertainties, the following estimates of risks can be made:

Item	Risk
15 grams fresh mushrooms	100
1 peanut butter sandwich	30
1 liter chlorinated tapwater	1
Average UDMH consumed daily	1

Ecology chic

Consumers Union asks, "If no one is very likely to get cancer from Alar, why are so many people so upset about it?" They answer this question by saying that there are two

reasons: a) EPA's failure to reduce risks from UDMH to socially acceptable levels, and b) "UDMH is in foods by human hands, not nature's." Surely Consumers Union is being insincere! The reason so many people are upset is because of the NRDC apple scare: the "60 Minutes" TV program, the publicity by and about Meryl Streep, and the uproar by the media! Consumers Union is piggybacking on NRDC without admitting it. Consumers Union wants to make an example out of Alar, rather than evaluating its effects.

Consumers Union states that 0.1 ppm of Alar in apple juice "may pose a risk well above the EPA's criteria for public health significance." If 3% of Alar has broken down to UDMH, this would correspond to 0.003 ppm of UDMH, which is 3 micrograms per liter. It is unlikely that 3 micrograms of UDMH daily for a human being is a finite carcinogenic risk. The data from mouse studies at levels of 40 ppm and 80 ppm, are incomplete. Levels of up to 20 ppm of drinking water (20,000 micrograms per liter) showed no effect at 12 months.

The number of molecules of UDMH in 3 micrograms is about 10^{16} , which would supply about 100 molecules per body cell. For stochastic reasons, it is unlikely that this amount is likely to have an effect. For example, each cell in the human body contains about a million molecules of cadmium, a carcinogen. Extrapolation of carcinogenicity to such low levels is scientific nonsense.

Why Alar is good for you

No consideration is given to the value of Alar in increasing the supply of apples. California's state health director, Dr. Kenneth Kizer, noted that giving up fruits and vegetables "will surely result in many more cases of cancer, as well as heart disease and other chronic conditions, than would ever result from trace pesticide residues." An additional benefit from Alar is conferred by its use in integrated pest management in New England. Alar reduces the dropping of apples, and apples that have fallen rot on the ground and harbor pests that attack apples.

Consumers Union is even wrong about aflatoxin being in "nature's hands," not human. Aflatoxin contamination can be reduced by using methods to control molds including use of fungicides. In sum, Consumers Union is damaging its credibility by issuing this prejudiced and inaccurate report.

Reaction to the NRDC scare campaign against Alar was a classical example of mass hysteria. As noted by P.E. Dietz (Crosscurrents, *Fortune*, 17:60, 1988), "every major instance of mass hysteria concerning product tampering has involved a child-related product. . . . Nothing is more precious to people nor the subject of more superstition than children and childbearing." The Alar scare was reinforced by the "grape incident," which provoked one mother into having a Highway Patrol officer stop a school bus, and remove grapes from her child's lunch. The last thing we need is to have Consumers Union fan the embers of the fire.

Yeutter refuses to aid wheat growers

by Marcia Merry

On April 25, the U.S. Department of Agriculture announced a special "relief" package that denied help to the drought-stricken winter wheat growers in Kansas, Oklahoma, Texas, and all other winter wheat regions. After making a visit April 14 to Kansas to see the damage, Yeutter commented, "Rain is what these states need. But I can't guarantee that," and refused to authorize the extension of the 1988 Drought Relief Act to cover winter wheat growers (whose crop was planted last fall). The USDA package offers relief measures for feeding livestock—very hard hit by drought—but nothing for grain growers.

Technically, the extension of the 1988 act requires congressional action, but the USDA is opposed to the idea, and is turning a deaf ear to fears about the grain harvest, the food supply, and the crisis on farms.

Demands for action on the drought question, and on the financial crisis of farmers, are forthcoming from every region of the Great Plains farm belt. The Kansas congressional delegation has initiated legislation to extend the 1988 Drought Relief Act to winter wheat farmers.

On Palm Sunday, Kansas Gov. Mike Hayden led a "state prayer day" in hopes of relief. On April 26, Hayden reported on national ABC-TV that 50% of the state wheat crop is already lost for certain. He estimated that half of the 12.6 million acres planted last fall are not worth harvesting.

Kansas produces almost one-fifth the total U.S. wheat crop, and accounts for over one-third of the nation's preferred bread wheat. Because of the huge grain sales to the Soviet Union, and the drawdown of reserves, U.S. wheat stocks are headed for 20-year lows. The 1989 Argentine wheat harvest was low, and the wheat stocks are low in Canada—the second largest wheat exporter after the United States.

On April 26, the House Agriculture Committee chairman Kika de la Garza (D-Tex.) held an "open" hearing (open to all congressmen) on the impact of the drought. He commented that last summer's drought was much more publicized than this year's, so there is less momentum now to grant assistance, though the drought continues. He might have added that the 1988 drought hit during an election year.

USDA chief meteorologist Norton Strommen has been attempting to play down the drought. On April 24, he told a group of farm journalists that he was optimistic about a break in the weather. "Clearly it's far too early to call for alarm at

this point." So far, USDA relief provisions include permission for livestock and poultry producers in the drought-hit Midwest and in southern California, to graze their animals on, or to cut for feed, fields that are being idled under the various federal land set-aside programs. Farmers will be deemed eligible to do this if the USDA local Agriculture Stabilization and Conservation Service offices judge that 40% of the forage and pastures in their counties is ruined by drought.

Already, states such as Iowa have had emergency measures to help farmers dig wells and haul water to parched livestock. In Iowa, 95% of the cropland is deficient in subsoil moisture. Gov. Terry Branstad has declared at least six counties drought disaster regions.

Financial crisis, too

In Iowa in April, the legislature almost unanimously approved an extension of a moratorium on farm foreclosures, that was originally proclaimed as a governor's executive action in 1985 by Branstad. The measure allows a judge to grant a one-year stay on payments on principal (not the interest) on farm debt, and to stay any farm foreclosure action during that period. The original motivation for the governor's order from October 1985, states in part: "Whereas agriculture affects 65% of all jobs in the State of Iowa, and Iowans in small towns to large cities are threatened by the farm crisis. . . . I hereby declare that a state of economic emergency now exists. The purpose behind this declaration is to stabilize the economy of this state by permitting the implementation of the moratorium continuance provision . . . [giving] mortgagers additional time to stabilize their indebtedness."

The value of this stay has been more symbolic than actual in the face of the drive—condoned and conducted by the USDA—to dispossess farmers by the Farm Credit System agencies and the Farmers Home Administration, insurance companies, and other lenders, (See *Agriculture*, p. 14.)

In North Dakota on April 26, Sen. Kent Conrad (D) held a day-long public hearing on "The Implementation of the Agriculture Credit Act of 1987." This is the law that gives a veneer of "protocol" to how the FmHA and Farm Credit System can drive farmers off the land. There were 15 examples given of farm families subjected to all manner of mistreatment by the lending officials. Senator Conrad was prompted at many points to attempt to defend Congress by saying, "We didn't want this to happen." The state director of the FmHA Ralph Leet evaded all questions from farmers by saying he couldn't "get specific," and gave the press the official USDA-FmHA line: "We're just trying to restructure, and keep the farmers on the land."

North Dakota dairy farmer Annabelle Bourgois, a spokesman for the international Food for Peace organization, concluded the day's testimony with an appeal for a debt moratorium. "This is insane to have all these farm liquidations and foreclosures, when all these people are going hungry throughout the world."

Police-state raids hit farm belt

If you think "it can never happen here," look at what is already being done to America's agricultural producers.

After eight years of massive farm liquidations and the elimination of 250,000 U.S. farmers, the government bureaucracy and the national news media are silent about the financial onslaught that is destroying the independent family farmer. The silence hides the reality that forced dispossession of farmers is taking place under police-state conditions. Farm machinery, livestock, farm families themselves, are "disappearing" into the "night and fog," what the Nazis called *Nacht und Nebel*.

Take the case of the Dunkelberger family of Pilot Mound, Iowa: On April 17, four state patrol cars, four county patrol cars, six flatbed semi-trailer machinery trucks, 12 hired machinery jockeys, two Production Credit Association (PCA) loan officers, and one Federal Land Bank loan officer entered the farm of Harold Dunkelberger, while he was not at home. At about 11 a.m., Dunkelberger was coming back home in his grain truck, and noticed two state police patrol cars blocking his driveway. Dunkelberger reported that, as he stopped in front of them, "One officer held a shotgun on me, and told me to get out of my truck, while another searched me and my grain truck for a gun which I didn't have."

He then proceeded down his driveway to what he described as "a circus going on in my own farmyard," where deputies and 12 machinery movers were loading up not only his machinery, but his son's as well, onto flatbed semi-trucks. He also found that his house and three vehicles had been entered without a search warrant or

any official papers, and his five guns, his son's two baseball bats, and a hatchet were taken by officials, as if he were a dangerous criminal.

When he saw they were using his son's tractor and loader to try to lift very heavy machinery onto these trucks, he told them to stop, because they were abusing his son's tractor (the machinery being lifted was so heavy that it flattened the tractor's tires). Dunkelberger told the men that his son's machinery should be left alone.

To this, the head PCA loan officer, who is also the in-house PCA lawyer, replied viciously, "Go ahead and use it any way you see fit. I'm in charge here."

At this, Dunkelberger said he was going to call his lawyer, and headed toward his telephone, at which point, two deputies pulled their guns and escorted him into his house while he made the call to his lawyer. The attorney confirmed to him that it was illegal for them to take his son's machinery also. The PCA then left the son's machinery behind, but removed all of Dunkelberger's equipment from his farm.

According to Dunkelberger, the PCA had illegally put his son's 530 acres of cropland and machinery on a financial statement that the PCA talked him into signing before they had listed his collateral. In other words, he signed a blank form, at the loan officer's request, and later the loan officer falsely listed land and machinery belonging to Dunkelberger's son as collateral for the father's loan. As a result of this, Dunkelberger's son has lost his farm and has had to quit farming, but is still

fighting for his land in the courts.

The Dunkelbergers have been fighting the PCA through the courts since 1983, for the right to grow food and continue to farm. At 61, Dunkelberger, a graduate of Iowa State University, as of April 25 is in the Veterans Hospital in Iowa City for observation. His wife now has an off-farm job.

Another case: On March 17, the dairy farm of Belfield, North Dakota farmer Joe Obrigewitch was raided by 40 sheriff's deputies and county police, to execute a levy on behalf of the PCA and the Bank of Belfield. During the raid, Obrigewitch and his son Kurt, who were in town attending a court hearing on another matter, were arrested, charged with resisting a sheriff's levy, and thrown into jail. Their livestock and machinery were hauled to an auction site.

These two situations are not unusual. Since the turn of the year, *EIR* has been receiving similar reports from farmers in Georgia, Louisiana, Pennsylvania, and other farm regions.

Yet major farm publications comment on the "turnaround" that has allegedly come to agriculture, after the hard times of the mid-1980s. Recently, the publication *Wallace's Farmer* ran an editorial stating, "Even in the face of one of the worst droughts ever, the general agricultural economy appears to be gaining strength." Meantime, one agricultural lender says quietly that he "expects farm bankruptcies to jump 10% to 15%."

Federal bankruptcy trustee Fred Huenefeld of Monroe, Louisiana, a well-known activist for farmers' rights, commented, in reference to the increased dispossession of farmers, "You can't believe how fast this thing is escalating." All over the country, the silent sell-out of highly skilled U.S. food producers goes on.

A chronology of cold fusion results

In the space of one month, a worldwide pattern of astounding experimental results.

This week's *Feature* (see page 22) reports on the promise of room-temperature fusion technology to transform the way we think about a series of fundamental issues in science, not to mention the potential for revolutionizing the world economy. What follows here is a rundown of developments, mainly laboratory results, that have occurred in the month since March 23, 1989, when the news of the Fleischmann-Pons experiments first broke:

March 23—Electrochemists Martin Fleischmann of Southampton University, U.K., and Stanley Pons, University of Utah, hold a press conference in Salt Lake City to report the achievement of fusion at room temperature.

March 31—Dr. Steven Jones, from Brigham Young University in Provo, Utah, presents his cold fusion experiment to a forum and press conference at Columbia University. Jones, a fusion scientist who specialized in muon-catalyzed fusion, had independently taken up exploration of electrolytic fusion using a wide variety of materials. He reported seeing minute amounts of fusion at rates of about 100 trillion times less than those found by Fleischmann and Pons in much shorter-run experiments.

April 1—Researchers at Birmingham University, U.K. and the Rutherford Lab near Oxford put forward an advanced fuel reaction hypothesis to explain the unusual results of the Fleischmann-Pons experiments.

April 3—Professor Pons, inter-

viewed on ABC's "Good Morning America" national TV broadcast, notes that the basic process involved in cold fusion was not yet understood.

April 5—Various scientists speculate on why the tritium and neutron fusion product output in the Fleischmann-Pons experiments were far below that expected with such large energy outputs.

April 11—Texas A&M and Georgia Tech report confirmations of the Utah cold fusion experiments.

April 12—Soviet scientists report duplicating the Fleischmann-Pons experiment at Moscow University.

April 12—Dr. Pons addresses 7,000 scientists at the Dallas meeting of the American Chemical Society. "I am absolutely certain" of the fusion reaction, Pons said.

April 13—One hundred scientists meet at Erice, Sicily to discuss the cold fusion.

April 13—Georgia Tech reports that a faulty instrument used to measure neutrons necessitated further experiments to clarify their previously announced results.

April 18—A research team of the Italian state nuclear energy agency, ENEA, headed by Prof. Francesco Scaramuzzi, reports a successful cold fusion experiment over a ten-day period without utilizing an electric current and using titanium instead of palladium.

April 18—Two researchers, Humberto Arriola and Jesús Soberón, announce that they have also been able to reproduce the cold fusion experiment of Pons and Fleischmann in their

Mexico City laboratory at the National Autonomous University of Mexico.

April 18—Prof. Robert A. Huggins at Stanford University announces that he has duplicated the Fleischmann-Pons experiment. Huggins ran two fusion experiments side by side, one with heavy water and the other with light water, and the heavy water experiment produced 50% more heat than it consumed. These results were replicated five times over a two-week period, Huggins said.

April 19—Dr. Spero Pehna Morato of Brazil reports success in cold fusion experiment. "I would tear up my PhD if it is not a nuclear reaction," Pehna Morato told the press.

April 19—Indian scientists at the Indira Gandhi Center for Atomic Research report successful experiments with cold fusion, using titanium and platinum as the electrodes and nickel and palladium chlorides in place of the lithium salts used by Fleischmann and Pons.

April 20—A Japanese team reports new level in ultra-low-temperature muon-catalyzed fusion.

April 23—Scientists at Lawrence Livermore National Laboratory issue a paper that attempts to explain cold fusion, "Catalysis of Deuterium Fusion in Metal Hydrides by Cosmic Ray Muons." Authors are M.W. Guinan, G.F. Chapline, and R.W. Moir.

April 23—Dr. Coey of Dublin, Ireland, reports that he successfully duplicated the Fleischmann-Pons cold fusion experiment.

April 23—The *Gainesville Sun* reports that two University of Florida researchers have attained a partial confirmation of the Fleischmann-Pons cold fusion.

April 26—Drs. Pons and Fleischmann describe their cold fusion experiments in hearings before the full House Committee on Science and Technology in Washington.

Chernobyl three years later

The disaster and its causes are not the only problems in the Russian effort to increase nuclear energy.

May is a special month in the history of the Soviet nuclear energy program. It was in May 1954 that the first Soviet nuclear energy reactor began service in Obninsk. And it was in May 1986 that the world first learned the bare outlines of the greatest nuclear accident in history, the explosion of the Soviet RBMK-design reactor unit in Chernobyl.

Chernobyl Unit-4 was one of 14 "graphite-moderated" reactors in the Soviet Union; all had been completed since 1974. (Seven were still under construction at the time of the disaster.)

Today, three years after, the Russian public and the world are still being lied to regarding what happened at the Ukrainian plant. The reactor unit is a huge concrete crypt.

It is a suitable time to review some of the enormous problems in the Russian nuclear energy program.

First, their use of the RBMK graphite-moderated design is notable. The design is not used in Western civilian nuclear reactors. It was abandoned more than 30 years ago, as unsafe. Although the Russians strenuously deny the fact, it is clear from information available in the West at present that the Chernobyl reactor type is what nuclear engineers term a "dual purpose" reactor. It produces electricity, but it also produces plutonium-239, the material used in the bombs in the Soviet nuclear arsenal.

When the containment vessel of Chernobyl cracked, a horrendous fire resulted as 2,500 tons of graphite ignited. According to experts in the West

with experience in such graphite designs, the Soviets must have been driving the Chernobyl reactor to maximize plutonium production, for the explosion which hit to have occurred.

Soviet reactors, in addition to not having any special containment units, are of the "dual purpose" type in order to get "more bang for the ruble." In a review of the Chernobyl events written this April 25, the *Frankfurter Rundschau* explained the unique difference between Western reactor design considerations and those in Russia. In the Soviet system, they note, "security considerations receive priority only when they are cheaper than any possible damage." The Russians calculate human life in rubles. They added wrong at Chernobyl.

As of late 1988, the U.S.S.R. had a total of 59 operating nuclear power units of all types. According to rated capacities, this gives them a total of some 36,000 megawatts from nuclear plants, some 11% of all electricity, according to a recent review by the International Atomic Energy Agency. While this puts them in third place behind the United States and France, and ahead of Japan, they are a very poor third. The United States currently has some 101,000 MWe capacity and gets 20% of all electricity from nuclear plants. France, a far smaller economy than either, has 52,000 MWe nuclear from 53 nuclear units and supplies the cheapest electricity on the European continent: 70% of all electricity generated there is nuclear.

In March of this year, *Izvestia* confirmed that two nuclear reactors had

been closed permanently because of the "general seismic situation in Armenia." Reports of massive public distrust following Chernobyl has resulted in "delay" of a decision whether to continue construction of Chernobyl Units 5 and 6, both of the same RBMK design. Apparently, two other "super" RBMK units planned for Kostroma have been canceled. Plans to build Western-style 1,000-MWe pressurized water reactor units in their stead have been announced.

Construction delays are reported to be enormous and growing. Soviet plans call for increasing nuclear generation to allow more oil to be exported for hard-currency earnings.

Despite Chernobyl, it seems that nuclear power programs in the Warsaw Pact economies of the U.S.S.R. and Eastern Europe have been least affected by the accident. The U.S.S.R. plans to complete 31 reactor units currently under construction, and 47 more in the planning stages. According to Nikolai Lukonin, head of the Ministry of Nuclear Power, who spoke in Vienna late last year, the goal is to generate fully 30% of electricity from nuclear sources by the year 2000.

The Soviets are also extremely interested in developing a high-temperature gas-cooled reactor (HTGR) based on the successful West German "pebble-bed" unit operating at Hamm-Üntrop. They have held out a carrot to the Swedish-Swiss ASEA-Brown Boveri, which built the reactor at Hamm-Üntrop, of possible large future orders. But Western observers think the aim is to glean the "secrets" of the only successful such reactor design, inherently the safest in the world, rather than buy "turnkey" plants.

Well, whatever happened at Chernobyl, the interest at least indicates an increased concern over nuclear accidents.

Business Briefs

Industry

Ford, GM forced to cut production

Both Ford and General Motors have announced cuts in auto production. Inventories are bulging at 80-plus days' stock, when 60 to 65 days is considered normal, and both companies are already giving expensive incentives to buyers, including two-year financing at 2.9%, and big cash rebates on most models.

General Motors, the number-one automaker, is cutting second quarter production by 3%, or 26,000 vehicles; it has seen its sales of domestic cars decline 13% in 1989.

Ford intends to cut production by 2%, or 18,000 cars, but the fact that it has to cut production at all because of large inventories is ominous. Until a short time ago, it was increasing its market share, and had to produce at full operating capacity to meet demand.

East Bloc

DIA-CIA report says Gorbachov plan snagged

Mikhail Gorbachov's ostensible effort to revitalize the Soviet economy is stalled, claims a report jointly issued by the Central Intelligence Agency and the Defense Intelligence Agency.

The annual CIA-DIA report on the Soviet economy released by the Joint Economic Committee of Congress claims that Gorbachov "remains committed to his original vision of a revitalized economy. He has, however, apparently concluded that he cannot realize this vision as rapidly as he once thought possible, nor proceed directly along the path he initially planned to follow," according to press accounts of the report.

Sen. Jeff Bingaman (D-N.M.), chairman of the committee, characterized the report to the *Washington Post* as a "mid-course correction" by Gorbachov, postponing fundamental changes such as price reform, and placing "much of the rest of the reform program on hold."

Africa

U.N. commission hits World Bank report

The United Nations Commission for Africa has condemned a joint World Bank/United Nations Development Program study published March 8. The study said, according to the *New York Times*, that "agricultural production, exports, and gross national product of the 45 countries south of the Sahara had risen since 1985, and that food output is expanding faster than the population for the first time since 1970. The report said the best performance came from countries that had adopted market-oriented economic revamping."

The United Nations Commission for Africa, in an extremely rare break with the World Bank, stated that not only did the report "lack documentation," but it showed a "rather selective approach" with "serious omissions" and internal "contradictions."

The commission added, "The implementation of these [market-oriented] programs has entailed significant reduction in public expenditures on the social sectors, especially education, primary health care, as well as water and sanitation, with dire long-term consequences for the future of the African people and economies."

Banking

Fed bails out two more thrifts

The Federal Reserve Board had to fulfill its pledge to be the lender of last resort to insolvent thrifts at least twice the week of April 17.

It opened its discount window to Lincoln Savings and Loan, based in Irvine, California. Lincoln had experienced a \$70 million run on deposits after banking regulators seized the institution when Lincoln's parent company, American Continental Corp., filed for Chapter 11 bankruptcy.

The Federal Reserve, which had never before loaned money to an insolvent thrift

without good collateral, loaned an estimated \$70 million to Lincoln, a \$5.5 billion thrift, with no collateral.

According to the *Wall Street Journal*, a government official "said the Fed has since advanced cash to at least one other ailing thrift, but much less than the amount Lincoln received."

Energy

Go nuclear, Tokyo symposium told

"Go for nuclear power" as the only way to meet energy needs into the next century, the head of the International Atomic Energy Agency told a symposium of energy experts representing the nations of the Organization for Economic Cooperation and Development (OECD).

Nuclear energy experts from many countries gathered in Tokyo April 17 for a symposium of the Nuclear Energy Agency of the OECD, and agreed that all realistic plans to meet the energy needs of the 21st century must rely on producing more nuclear power, according to a report in the *Bangkok Post* April 18.

Dr. Hans Blix of Sweden, director general of the International Atomic Energy Agency, said, "At the present time, we cannot see any other large-scale, economically viable source of energy which is as environmentally benign as nuclear power."

A revival of nuclear power could "make an essential contribution to the long-term sustainability of economic development," he said.

International Credit

IMF delegation arrives in Pakistan

A high-powered delegation from the International Monetary Fund arrived in the Pak-

Briefly

istani capital of Islamabad April 29 on a two-week visit to discuss "budgetary proposals to be introduced in the next budget," according to the Pakistani paper *The Dawn*.

The government of Benazir Bhutto recently adopted a program eliminating many price subsidies and imposing a sales tax on many items, under IMF pressure. IMF authorities are reportedly still pressuring the government to withdraw exemptions allowed for numerous imported and locally manufactured items. The rate of sales tax is presently 12.5%.

Fights over economic policy are already splitting the country. Prime Minister Bhutto has launched a controversial \$100 million people's work program that involves improvements in education, health, sanitation and water supply, and roads in rural areas. Two of Pakistan's four provinces, however, are refusing to cooperate. The governments in Punjab and Baluchistan have charged that Bhutto's Pakistan People's Party bypassed the provincial governments.

Under the plan the projects are to be planned and executed by administrators appointed by Prime Minister Bhutto's Pakistan People's Party.

Defense

Dallas hit hard by budget cuts

The budget cuts announced by Defense Secretary Richard Cheney have hit the Dallas-Ft. Worth area of Texas very hard. Bell Helicopter announced 2,500 layoffs within 10 days.

Cheney cut out of the budget the V-22 Osprey helicopter, which was a joint project of Bell and Boeing with a price tag of \$1.2 billion; 657 of the helicopters were scheduled to have been built.

Also slashed from the budget was the Army Helicopter Improvement Program, developed by Bell. This was a project to modernize the Scout helicopter, and was slated for \$168 million this fiscal year.

Bell Helicopter is the third largest employer in Tarrant County, with 8,000 em-

ployees before the layoffs.

Worse, had the funding for these programs come through, Bell officials were expected to announce as many as 1,500 new jobs.

Observers note that most of the jobs lost are in House Speaker Jim Wright's district. Wright has been given much of the credit for building the Dallas-Ft. Worth corridor into a major high-tech defense center. Some thought it unlikely that Cheney would have been able to push through these cuts had Wright not been "hog-tied" by the present "ethics" investigation.

'Environmentalism'

Save-the-owl crowd targets timber industry

Following a study ordered by a federal judge in Seattle, the U.S. Fish and Wildlife Service has recommended that the spotted owl be declared an endangered species—a move that could bankrupt portions of the timber industry in Washington, Oregon, and California.

The judge issued his order after several "environmentalist" groups filed suit charging that not enough was being done to protect the birds during timbering in the Western states. Only 1,500 pairs of spotted owls are believed to still survive.

According to a Reuters wire, "Each pair of birds is believed to need 1,000-2,700 acres of undisturbed timber to survive." Specialists consulted by *EIR* thought that claim ridiculous—for any species!

Wendell Wood, a spokesman for the Oregon Natural Resources Council, applauded the Fish and Wildlife Service decision, saying, "The owl is important because it is an indicator of all the species that utilize the forest"—whatever that means.

A North West Timber Association spokesman called it "a sad day for the people who depend on that timber to make a living. They say the owl is threatened, but it is clear that the economy is in danger."

Public hearings will be held before a final ruling is made on the Fish and Wildlife Service recommendation.

● **AN EXPLOSION** of unknown origin ripped through the Ford Motor Co.'s Dearborn, Michigan plant April 24, killing two workers and forcing the nation's biggest automaking complex to shut down. The blast, which appears to have originated in a network of tunnels beneath the facility, is under investigation.

● **THE GUYANA** government announced that it will not abandon a program of economic austerity instituted in early April, despite a strike wave in opposition that has hit bauxite mining and sugar industries and is costing the economy \$1 million a day. President Desmond Hoyte stated that the country needed the austerity program in order to get a stand-by credit agreement with the International Monetary Fund he hopes to sign in a few weeks.

● **MICHAEL MANLEY**, Jamaican Prime Minister, called on Jamaicans to brace for austerity measures that will be incorporated in a budget he will soon present, designed to be compatible with a \$114 million stand-by credit signed with the International Monetary Fund last year. Austerity measures will include reduced subsidies and deregulation of private-sector prices. Jamaica now spends 46% of its export earnings to service foreign debt.

● **A SOVIET** trade delegation arrived in Washington for talks with U.S. officials on export plans April 26-27. Some grain traders believe the U.S. may offer more subsidized wheat under the Export Enhancement Program. This is expected to raise the annual ceiling for U.S. grains to the U.S.S.R. to 20 million tons.

● **MORE THAN 20** people were injured in rioting against the government's International Monetary Fund program that lasted last through the night of April 21 in Salta, Jordan, 18 miles west of Amman. Students at Jordan University in Amman also demonstrated, demanding that 15-20% price increases be revoked.

The scientific revolution implied in 'cold' fusion

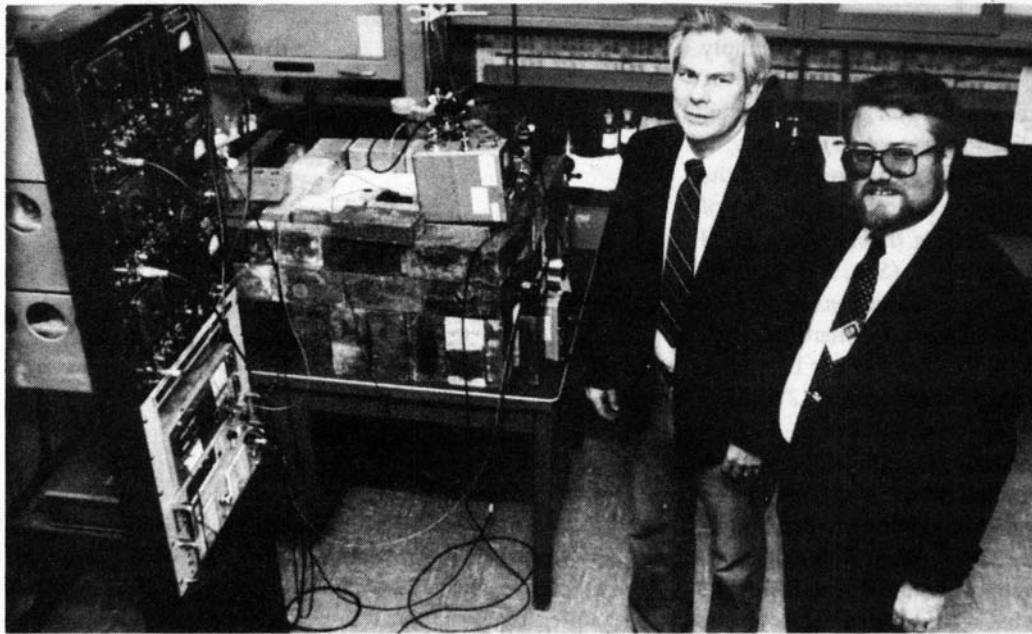
by Ralf Schauerhammer

Since the London *Financial Times* and the *Wall Street Journal* reported March 23 on the amazing results of experiments done by the ingenious electrochemists Prof. Martin Fleischmann of Southampton University, U.K. and his former student, Prof. Stanley Pons of the University of Utah, the world scientific community has been in an excited state of an order incomparably higher than that of any nucleus in Fleischmann's experiment. Beyond the concrete attempts to verify the results taking place in all important research centers of the world, the results of these "cold" fusion experiments have already stimulated far-reaching conceptual work in physics. The time seems to be ripe for basic new ideas.

Even far beyond the scientific community, the possible technological implications of these experiments are transmitting shock waves. In particular, fanatic zero-growthers, like the professional imbecile Jeremy Rifkin, are screaming that the results would be "the worst thing that could happen to our planet!" Stanford biologist Paul Ehrlich went on record with the statement that "the prospect of cheap, inexhaustible power from fusion is like giving a machine gun to an idiot child."

The potential technological revolution implied in these "cold" fusion experiments is vast. It is, however, harder to evaluate than the discovery of nuclear fission a half-century ago, because the discovery of a cold fusion process implies more subtle and far-reaching reevaluations of existing physical theory than most scientists are prepared to admit. To appreciate this, remember that within the last few years, we have already experienced two great surprises in solid-body physics which also attacked the prevailing concepts of how the microscopic realm might possibly express itself on a macroscopic level.

The first was the experimental discovery of quasi-crystals five years ago, by D. Shechtman and I.A. Blech, a phenomenon which still awaits a solid theoretical explanation. The second was the spectacular discovery of high-temperature superconductors by Georg Bednorz and Alexander Mueller two years ago, which de-



Gary Meek/Georgia Tech News Bureau

Scientists worldwide have sought to replicate the Fleischmann-Pons experiments (see chronology, page 18). Shown here are Dr. Bill Livesay (left) and Dr. James Mahaffey of Georgia Tech Research Institute, with their cold fusion apparatus.

moted the Bardeen-Cooper-Schrieffer theory from its position as “queen of solid-body physics theory” in the eyes of physicists, to “a theory that was never of great value anyway.”

So one is tempted to ask, what will be the “royal” fate of quantum theory when all the implications of the new experiments are evaluated? At the moment this question is generally not posed. But most likely it will be soon, since the situation is well characterized by the fact that chemists, on the one hand, insist that the effects Fleischmann and Pons observed cannot be thought of as “chemical,” and therefore must be “nuclear”; while on the other hand, nuclear physicists claim that the effects cannot be “nuclear” at all, and therefore must be “chemical.”

The main aspects of these experiments that explain the mutual exclusion of the phenomena from both chemistry and physics, are the following. What Fleischmann and Pons have done seems to be a very simple experiment. They have filled a small electrolytic vessel with heavy water, through which an electrical current of about 1 watt flows from an anode made out of platinum to a cathode of palladium. In this way, the heavy water is electrolytically decomposed and the deuterium atoms are absorbed by the palladium cathode. What they measured was first, an amount of heat in excess of 4 megajoules per cubic centimeter is generated, which cannot be explained by any chemical reaction possibly going on in the experiment, and second, tritium, helium-3, neutrons, and gamma rays, which indicates that a nuclear reaction is taking place.

If, however, one compares the amount of neutrons emitted from the experiment, with the values one would expect from known nuclear fusion reactions of deuterium for the amount of thermal energy released, the neutron flow is by more than a trillion times too low. Or, in other words, if the

thermal energy measured in the Fleischmann-Pons experiment had originated from a known fusion reaction, one would expect a neutron flow coming out of their device that would have been so strong, that it would have most likely killed both researchers.

‘Hitherto unknown nuclear process’

The conclusion the two lively scientists draw is straightforward: Since there is too much energy released for it to be a chemical reaction, it must be a nuclear reaction, and since it cannot be one of the known nuclear reactions, it must be a kind of nuclear reaction which is not yet known. In their article in the *Journal of Electroanalytical Chemistry*, they state, “The most surprising feature of our results, is that . . . the bulk of the energy released is due to an hitherto unknown nuclear process (presumably due to clusters of deuterons)”!

If one follows this straightforward idea, an even more profound implication has to be considered, because one then has to pose the question: What specifically does the lattice of the palladium crystal do to “catalyze,” as it were, this nuclear reaction? According to orthodox physical theory, it is hard to imagine how the crystal lattice organized by the electron shells of the palladium nuclei (i.e., on energy levels of electron volts) is able to effect the fusing of deuterium nuclei in such a way that they can overcome the potential of their coulomb barrier, a process requiring an energy level of about 1,000 electron volts.

Most scientists are assuming that an explanation using the concept of the tunnel-effect would not be sufficient, and ideas about a “window in the Coulomb field” in the form of a “saddle point in the electrical field,” i.e., negative curvature, are being discussed. Bearing in mind the experiments of Fleischmann and Pons, some scientists are looking at the nucleus and wondering, “It might be that it is not so simple;

probably the electrical field around the nucleus is not simply spherical.”

This geometrical argument is, however, quite heretical, if all its epistemological implications are taken seriously. It leads back to the question of a geometrical structure of the nucleus, which was still immanent in the scientific debate of 1949-50, shortly before the prevailing theory of the shell structure of the nucleus was developed. (See, for example, the papers concerning this in *Die Naturwissenschaften* by Erich Bagge, Otto Haxel, J.H.D. Jensen, Richard Lepsius, and Hans Eduard Suess; and “A Nuclear Pioneer Discusses the Geometric Nucleus,” by Ralf Schauerhammer, *21st Century Science and Technology*, Nov.-Dec. 1988).

The introduction of geometrical concepts of the nucleus even have implications for the notion of relativistic space-time and the stochastic interpretation of the uncertainty principle of quantum mechanics. These implications of again giving value to geometrical or topological concepts in nuclear physics are comparable to what would happen to someone who believed he was rolling a little ball (a little Coulomb sphere) over a table top, and tried to explain statistically why it comes to rest in certain “quantized” states, who now realizes that, in fact, he has been throwing dice (actually very many at the same time have to be thrown). Recognizing the ontological importance of geometry will thus lead to a reevaluation of the epistemological importance of Einstein’s famous motto: “God does not play dice.” It holds out the promise, however, for the chance to derive a unified concept of the nucleus, together with its shell and its macroscopic manifestations in solid bodies and living matter as well.

A rebirth of cultural optimism

Some people will question where I find the confidence to spell out such a far-fetched hypothesis about the development of scientific thinking. It comes from the fact that even before the discovery of quasi-crystals and high-temperature superconductors, I was convinced that if quantum theory tried to extend itself into the realm of coherent many-body problems of solid-body physics, we would witness just such mind-boggling results as are now being reported. Instead of waiting for further surprises, I would propose a research program, which assembles and evaluates anomalies in different areas of physics, astrophysics, chemistry, and biology from the standpoint of the primary importance of the ontology of topology.

Relating such a research program back to the question of revolutions in technology, we see the promise of much more than only the realization of “cold” fusion itself, but the generation of whole families of new technologies, similar to what happened in connection with the development of thermodynamics, electrodynamics, and nuclear physics before. Such a real scientific and technological revolution will again stir up cultural optimism and the belief in man’s creative powers to overcome existing problems.

Congress grapples with fusion results

by Marsha Freeman

At a lively and well-attended hearing on developments in the new research in cold fusion, held by the House Committee on Science, Space, and Technology April 26, enthusiastic congressional support was given to the principal scientists, Martin Fleischmann and Stanley Pons, and their work. Rep. Marilyn Lloyd (D-Tenn.), a longtime supporter of fusion research and chairman of the Energy Research and Development subcommittee, summed up the sense of the congressmen in opening remarks: “Energy is the lifeblood of a nation and fusion energy would be an enormous step towards the goal of energy independence. . . . Gentlemen, the world awaits the crucial details of your amazing claim.”

Full committee chairman Robert Roe (D-N.J.) announced that members of the committee will travel to Utah in the near future to observe the experiment of Drs. Fleischmann and Pons. The more than two dozen congressmen present at the hearings, and over 200 observers and press, listened in rapt attention as the scientists explained their experiment using a scale-model.

Unfortunately, the genuine good will and interest of the majority of the committee members is being balanced against an irrational budget process, where, as chairman Roe explained in frustration, the science and technology programs will suffer still more cuts this year. But this means that only an *unserious* commitment will be able to be made by the federal government to support this newest of exciting developments in science and technology, unless there is a change in overall budgetary and economic policy.

Robbing Peter to pay Paul?

The problem is indicated by the announcement by ranking minority member of the committee Rep. Robert Walker (R-Pa.), that at the April 6 mark-up for the fiscal year 1990 fusion budget, Mrs. Lloyd’s subcommittee reprogrammed \$5 million from the magnetic fusion energy program to basic energy science, specifically earmarked for the cold fusion research effort.

While it is certainly to the credit of the congressmen that they were moved to respond so quickly to the breakthrough

and show their good will by allocating money, to take those funds from the paltry magnetic fusion program is a grave mistake.

For the eight years of the Reagan administration, the budget level for magnetic fusion research hovered around \$350 million, meaning that the real, inflation-adjusted dollars declined by over one-third. Due to this level of contraction, experiments have been delayed, major milestones have been missed, and recently, engineers and contractors have even been laid off from laboratories.

In 1980, President Carter signed the Magnetic Fusion Energy Engineering Act, after it had been passed nearly unanimously by both houses of Congress. Had that law been implemented, energy breakeven in conventional fusion experiments would most likely have already been demonstrated, and the United States would be leading the world in fusion research, because an engineering test reactor would now be under construction. The money has never been allocated to meet these next milestones in magnetic fusion.

This year, the Bush administration has allowed the Department of Energy to request \$349.2 million for magnetic fusion in FY1990—down \$1.5 million from 1989.

At the end of the Carter administration, nearly all of the work in laser and other forms of inertial fusion was classified, and since then virtually all funding for commercial reactor design and technology development has been eliminated from the budget. There is no way of knowing how far laser fusion development would have progressed over the past decade, because we have kept the non-weapons program at a standstill.

Not one or the other

As stressed by Dr. Fleischmann at the hearing, it would be a mistake to think that the research in cold fusion, even were it to prove itself commercially viable, should *replace* the ongoing work in magnetic confinement fusion.

First, it may well be that there will be different and unique applications for each type of fusion. For example, if indeed the cold fusion process yields almost entirely heat, without the highly energetic neutrons and other high-temperature fusion products, this might be an ideal heat source for small-scale applications, particularly in developing nations which have no central energy distribution infrastructure, as Dr. Fleischmann pointed out.

Third World countries might be the major market for cold fusion machines to produce electricity as well, while the industrialized nations would use the larger, baseload electrical power devices developed from high-temperature fusion.

In addition, it is clear that the materials research, leading edge diagnostic devices, energy conversion and power conditioning technology, and overall engineering and subsystem equipment development that have been part of the magnetic fusion research for many years, will be invaluable for cold fusion research and development.

Cooperation, not competition for dwindling funds, among the Utah scientists, the national energy laboratories, and other universities will produce the quickest progress in this exciting new field. The national laboratories have the most sensitive, advanced, and sophisticated diagnostic capabilities in the country.

Drs. Pons and Fleischmann announced at the hearing that they have built another experimental apparatus, similar to the one they have been using, for a team of scientists from New Mexico's Los Alamos National Scientific Laboratory. This will hasten the rate of breakthroughs that will be made.

Representative Walker mentioned at the hearing that the committee would consider adding \$25 million for cold fusion research later on this year. He did not mention where the money would come from.

Leaving the U.S. behind

One witness at the hearing, business consultant Ira Magaziner, stressed that if the United States does not support this research, and also make it possible for industry to develop commercial products to bring to the marketplace, cold fusion will follow a long list of other basic scientific advances which were produced here, but commercialized by other nations.

According to Magaziner, "A recent Office of Technology Assessment study team concluded that the Japanese were already ahead in commercializing products" from high-temperature superconductivity. He remarked that since the superconductivity development, "in Japan, billions are being spent through the agency for Industrial Science and Technology located within the Ministry of International Trade and Industry on dozens of joint projects bringing together companies, government laboratories, and universities to pioneer products for the 1990s."

By contrast, in the United States, "a few hundred million [dollars have been] funneled through the Defense Department for a handful of projects." The lack of U.S. government help in transferring technology from the laboratory to the marketplace, Magaziner stated, stems from "bizarre" and "soul-wrenching debates about whether we are violating our free-market principles."

What Magaziner did not state, but is the case, is that the Japanese are simply directing their advanced technology development using the American System economics of investment in science, industry, and infrastructure to further overall economic growth. This policy approach is what made the Apollo Program not only the most uplifting moment in this century's history, but the economic driver for more than two decades of technological innovation.

Low-interest credit for industrial investment, tax credits for the construction of new manufacturing facilities, investment in R&D, and financial penalties for spending on waste like junk bonds and leveraged buy-outs: That is how to reverse American technological stagnation.

Interview: Martin Fleischmann

'When benefits are great, experiment'

by Ralf Schauerhammer

Dr. Martin Fleischmann gave the following interview to EIR on April 22, 1989. The interviewer is the managing editor of Fusion, the publication of the Fusion Energy Forum in West Germany.

EIR: I will not ask you if the experimental results you obtained are correct. I think we can start from the fact that what you did was a great breakthrough. So I wanted to ask you more about the ideas behind your work. For example, when did you get the idea that it might be possible to realize nuclear fusion in this way?

Fleischmann: I have had the idea since about 1970, but there were many reasons for thinking it would not work. I accept that absolutely. Physicists find it extremely difficult to accept. There are many, many reasons for thinking it would not work, and there are just one or two reasons which make you think it might possibly work. I think it is totally impossible, by theory, to predict whether it will work or not work, so you do the experiment. Low probability of success times high benefit means you do the experiment! Right?

EIR: Exactly. I fully agree.

Fleischmann: But, of course, for many years I did not think it would work. We actually started working on it five years ago.

EIR: Could you describe your thinking? In your paper you say that you observed certain anomalies, which are not further specified.

Fleischmann: Anomalies, well, there are many anomalies. There are many things which are not understood about it. Actually that is not true. Professor Pons and I understand it much better, but we cannot actually talk about it, at the moment. You understand that [laughing].

EIR: I understand. But you did it.

Fleischmann: We have much more evidence than is disclosed in this paper.

EIR: I am sure.

Fleischmann: Which people are very curious about, they want us to tell them the whole story immediately, but—no!

EIR: Do you think that palladium is very important, because of its general catalytical role in chemistry? Did this lead you to some of your ideas?

Fleischmann: I think we can think of other systems which are worth investigating—many. We do have a theory. Our own theory is such, that it would lead us to investigate certain types of metals and alloys.

EIR: Do you see a relation to the muon-catalyzed fusion, which is usually called "cold fusion"?

Fleischmann: Only in the sense, that we think heavy fer-



University of Utah

Drs. B. Stanley Pons (left) and Martin Fleischmann hold the electrochemical cells with which they have created a sustained nuclear fusion reaction at room temperature.

mions are important.

EIR: You say you have a theory. This theory, I imagine, must at the least, attack two taboos of today's physics. One of them is that processes in the electron-volt range and the mega-electron-volt range are totally separated. Your approach indicates that you do not believe too much in this.

Fleischmann: I don't think the separation is quite as sharp as the physicists would want to make you believe. I think the core question is the screening of the Coulomb potential. The Coulomb barrier is effectively screened. And the other point is, that the physicists are wrong about where that barrier is penetrated. It is penetrated higher up than people think.

EIR: That is exactly one thing I wanted to ask you about later. So let me ask it now. I see your results in connection with other discoveries in solid-state physics. We saw the discovery of so-called "quasi-crystals," refuting ideas which had been held for a very long time. We had the high-temperature superconductors. And now your results. Aren't we experiencing a revolution, which might force us to turn the so-called "many-body problems" on their head?

Fleischmann: Of course, if you want to have it in a nutshell, you have to use a quantum formalism which is consistent with the grand co-momental ensembles, so that must be a many-body approach. That is phenomenally difficult to do. You see, the problem is, in theory you need a relativistic treatment of a many-body problem, and that is extremely difficult. But I have no doubt, one will attempt it. If nobody does it, then we will have to do it ourselves. But we are better occupied looking at the experimental side, in my opinion.

EIR: Do you agree that it might lead to a very basic reformulation of fundamental theory?

Fleischmann: No, I think one knows what one has to put in. It will lead to a reevaluation of what is important. I don't think, that this, for instance, in any sense would affect unified field theory. I think what one knows would be adequate for the interpretation. One can dream, that there might be some very peculiar phenomena, which I won't even tell. I think there are at least two very strange phenomena, one could envisage what could possibly take place; but before speculating about that, I think one has to explore how far one can get with existing concepts, and I think one can probably find adequate explanations of the phenomena in terms of existing concepts. That would in turn predict new experiments which have to be tested.

EIR: Do you have ideas of those experiments?

Fleischmann: Oh, yes, we have done some of them already.

EIR: But you probably don't want to talk about it.

Fleischmann: Not just yet. . . . I am going to America on Monday and I will be there until about May 20. Professor

Pons and I are going to the Electrochemical Society meeting in Los Angeles on May 8. We may release some more information there.

EIR: There is another interesting factor which I think I picked up in your work, and which I consider to be very important. You express the idea that more than two nuclei might be involved in a nuclear reaction. This implies that you do not approach this from random processes but that you think more of a fusion process which is coherent, like a laser.

Fleischmann: Could be. . . . I think a boson condensation, condensation is a little bit far-fetched, but one has to bear it in mind. Something like a boson condensation—don't call it a boson condensation—but something akin to that could lead to a lowering of the Coulomb potential certainly. I think that it is not too impossible that you have a collective phenomenon of deuterons in the octahedral spaces in the lattice, a sort of nucleation, not nuclear fusion, but nucleation of what is in fact metallic deuterium, a nucleus of metallic deuterium bound by heavy fermions. That is not too impossible to imagine. But, I'm telling you much more than I should. . . . I don't know what you are going to make of my theorizing. Do you want to ask some other questions?

EIR: It is of great interest what the economical and political implications of your work are. You probably know that

The basic experiment

Electrochemists Martin Fleischmann and Stanley Pons achieved fusion at room temperature using a simple electrochemical cell. They placed a platinum anode and palladium cathode in a 99.5% pure heavy water bath and connected them to a low-power DC current source. Heavy hydrogen was generated and slowly absorbed by the palladium metal.

They report energy generation exceeding 10 watts per cubic centimeter of the palladium electrode in which deuterium-deuterium fusion is taking place. They carried out experimental runs with this level of fusion output for more than 120 hours, measuring a total energy output over this time period in excess of 4 million joules per cubic centimeter of the palladium electrode.

The experiment is generating upwards of 10 times the energy input used to keep the cell in operation. That is, the experiment is 10 times beyond breakeven energy generation. As the researchers noted, "It is inconceivable that this could be due to anything but nuclear processes."

greenies like Jeremy Rifkin are up in arms. Did you hear that Rifkin said that this is the worst thing that could have happen to our planet?

Fleischmann: Why do they say that?

EIR: Because they are crazy, I think. Paul Ehrlich said that the prospect of cheap power is like “giving a machine gun to an idiot child.” That’s what they are saying. I think that is a crazy reflection of something quite real.

Fleischmann: First we have to see if this thing can be got to work. I say to everybody: The approach to this thing so far has been most irrational and nobody has been more irrational than the scientists. It is an experimental observation, which has to be confirmed or denied. If the experimental observation is correct, then there is the question of the theoretical interpretation. If our interpretation is correct—it’s either right or wrong—then comes the technology. If we are right, and in fact, we are getting thermal effects without any appreciable radiation, with only the generation of helium-4 or predominantly helium-4, why should anybody complain? It’s insane!

EIR: Sure, that’s true. They complain, because they are committed malthusians, because they want to reduce—

Fleischmann: Well, I agree with that, too. I think the future of the world demands a restriction on the increasing standard of living, a reduction of the world’s population, and alternative sources of energy. It requires all of those things—not one, all! And, of course, because I am committed to that, we do the work. I don’t only do that thing, I do other things as well along the same line. But—

EIR: On the reduction of population I would not agree with you—

Fleischmann: Well, I think somewhere along there must be a limitation.

EIR: Perhaps somewhere along, but the carrying capacity of the world is not—

Fleischmann: It’s bigger, it’s not reached, thank goodness! I thought the green people were, on the whole, initially in favor of the notion. But they are not, you say? They are against it? Well, if it is developed into a technology, then the short-term situation is destabilizing.

EIR: There are some military implications also.

Fleischmann: I don’t want to talk about that. I can’t say there are no military implications, but they seem less than with many other things.

EIR: But from an economical point of view it would be just what we would like to have. Nuclear energy with no radiation.

Fleischmann: The short-term situation is destabilizing. Therefore it has to be approached from the point of view of an international development, absolutely! I think the political

implications have to be grasped early on.

EIR: Do you see this in connection with the ongoing political process since Reykjavik? Does this lead to common research between the United States and the Soviet Union?

Fleischmann: I think this is so large that there will be a thousand different laboratories developing it. I think there will be some international cooperation. But I think, in the end, there might have to be international control and license to exploit it. That is my view. I think, if I would forecast the likely development, that if it is successful, there will be international control and licenses for it.

EIR: One can imagine technologies that are relatively easy to produce, which would not need licenses and even make it difficult to—

Fleischmann: Most projects fail at that stage. Lets face it. Four hundred ninety-nine out of 500, or 999 out of 1,000 projects fail because of some technological barrier which you simply cannot cross. One has to be aware of that.

EIR: I was surprised about the debate among the scientists, which seemed not fully to be carried on by joy of contributing to the progress of mankind, but much more by selfish concerns. I think that reflects a general cultural problem. Do you have some ideas how to improve the scientific debate?

Fleischmann: Well, I went to Erice, [Italy], you know, to Professor [Antonino] Zichichi’s conference, and the debate there struck me as irrational as anything I have ever heard. It seems to me the whole thing is being conducted at a very irrational level, which dismays me. I told you what my attitude to this is. An experimental observation requires experimental verification or denial, before you start to theorize. But the attitude to it is: It is against the currently accepted theory, therefore, the experiment is wrong. That strikes me as—well, one thing that this is not, it’s not science—that’s hysteria. There are many reasons. I almost feel that some people feel themselves threatened by such experiments.

EIR: By the way, are you talking a lot to the tokamak people?

Fleischmann: No, I don’t really talk to the tokamak people. I have a high regard for that research. I would like, if you write something about it, to put me on record, that I do like independent small-scale research, but that I also see the merit of large-scale projects such as magnetic or inertial confinement projects. It would be a disaster if those were affected by the possibility of some other route. All those projects need to be investigated. They are based on sound scientific principles and should be investigated in a sound scientific manner, just like our project should be. I don’t have much to say, to contribute to them really. I’m not a specialist in this area. They would have a lot to contribute to this project.

EIR: What is the most important point one should make on

For zero growth fanatics, nothing could be worse

The following excerpts are from the Los Angeles Times, April 19, 1989, p. V-1 ("View") section, "Fear of Fusion: What If It Works?" by Paul Ciotti, Times Staff Writer. They exhibit how obsessive the irrational element in our society is about refusing to give up technological pessimism. Paul Ehrlich is the author of The Population Bomb, and Rifkin wrote Entropy, pseudo-scientific works which have been debunked by this review's editors.

"It was," one Berkeley physicist said, "like seeing your car suddenly jump on the roof. It was that unexpected and stunning."

. . . Even if it [works], given society's dismal record in managing technology, the prospect of cheap, inexhaustible power from fusion is "like giving a machine gun to an idiot child," Stanford biologist Paul Ehrlich says.

Laments Washington-based author-activist Jeremy Rifkin, "It's the worst thing that could happen to our planet."

Inexhaustible power, he argues, only gives man an infinite ability to exhaust the planet's resources, to destroy its fragile balance and create unimaginable human and industrial waste.

Stanford's Paul Ehrlich says he has no problem with the notion of cheap, clean, inexhaustible power per se, which could be a tremendous boon to mankind.

The problem: Industrialized societies, so far, have not used power wisely. The world's limited supply of fossil fuels is rapidly vanishing up smokestacks and out tail pipes. Rifkin cites a 1985 University of New Hampshire study showing that 88% of the Earth's oil and gas reserves will be depleted by 2025.

And even if fusion turns out as well as it has been promoted, Ehrlich says, it won't be a panacea. Most problems in the Third World, for example, are social, political, or economic, not technological, he says. "The idea that

you can solve the human dilemma with a single technological breakthrough is incorrect."

The current unqualified euphoria for fusion also concerns Barry Commoner, director of the Center for the Biology of Natural Systems at Queens College in New York.

He argues that fusion power could prove to be a dangerous distraction from existing energy sources. It does not make sense, he says, to jump on an unproven, possibly dangerous technology like fusion when a safe, proven, and decentralized technology like solar power is there for the asking.

Since fusion "does not yet exist," Commoner says, "it would be foolish to design a transition based on the assumption that it will exist. It's like starting to build a bridge over a river without knowing where the other side is."

To those people old enough to have been present for the original debates on nuclear fission, the unbridled enthusiasm for fusion power sounds strangely familiar.

In 1946, Holdren says, a famous physicist named Arnold Sommerfeld predicted that with the development of nuclear energy, "electricity would be too cheap to meter" and nuclear energy would abolish poverty from the face of the Earth by 1960. "They always oversell," Laura Nader says. It is only much later that you hear about the downside.

Quick-fix hopes

To Rifkin and Ehrlich, this is the real danger of fusion power—it gives people the false hope that a technological quick fix to the world's problems is just over the horizon. "Fusion power is an expedient short-lived diversion to the real problem," Rifkin says. "It gives some people the false hope that there are no limits to growth and no environmental price to be paid by having unlimited sources of energy."

But in thermodynamics, which is to say in real life, there's no such thing as a free lunch. "Even if one component is cheap," Rifkin says, "you pay the price somewhere else."

the matter as it stands now?

Fleischmann: I think people should try to verify the main point which we made, namely that there is an anomalous release of heat. I think they should not be going around looking for neutrons, which I think are a side issue, and for which we have ourselves got theories, you know. But I think it is a side issue. They should attack the main problem, which is the energy release. And I have nothing to say to people, who say they cannot find neutrons. Under many situations

we cannot find neutrons either. Just as well, as [otherwise] we would be dead! [Laughter.]

EIR: So you are quite alive and happy, and looking forward to developing some new ideas?

Fleischmann: I'm fit and ready to attack the problem anew.

EIR: I wish you good luck.

Fleischmann: Thank you for your interest.

Bush administration set for showdown with Panama

by Carlos Wesley

The United States is planning for chaos and a possible military intervention against Panama right after that country's national elections May 7, unless its hand-picked candidates are proclaimed the victors. "According to a senior U.S. administration official, the U.S. is likely to wait and see if unrest erupts in Panama before deciding what action to take," reported London's *Financial Times* April 27. "The use of force to remove [the commander of Panama's Defense Forces Gen. Manuel] Noriega has not been ruled out," added the *Times*. "There is a lot of opportunity for turmoil," said the administration official quoted by the London daily. The *Financial Times* added that the official drew "a parallel with the rigged Philippine elections in 1985, which led to the downfall of President Ferdinand Marcos."

Panamanian President Manuel Solís Palma warned April 24 that if the United States attempts a military attack, "we will reject it with all means at our disposal." Solís Palma charged that since the crisis began two years ago, the United States has carried out more than 700 acts of aggression against Panama, resulting in at least four Panamanians dead. General Noriega also warned that any aggression on the part of the United States "will be met on the same ground."

Solís Palma issued his warning during a televised speech, following reports that President George Bush had ordered the Central Intelligence Agency to undertake covert actions against Panama. *U.S. News and World Report* in its May 1 issue published an administration leak that the covert operation was ordered by Bush in February. Bush authorized \$10 million for the CIA to fund the anti-Noriega Civic Democratic Opposition Alliance (ADO-C) electoral campaign and other operations, including a clandestine radio and television network run by American intelligence operative Kurt Frederick Muse, who was arrested by Panamanian authorities

April 6, and is now facing a possible 10-year jail sentence for "conspiring against the security of the Panamanian state."

"It is evident that the United States wants to destroy the government of Panama and to install a puppet government" willing to renegotiate the Carter-Torrijos canal treaties, said Solís Palma.

"By giving \$10 million to the Panamanian opposition just two weeks before the elections, the government of the United States proves its immoral and evil intent, of adopting the embarrassing, illegal, and anti-democratic practice of buying votes to insure the election of candidates compliant with U.S. interests," he said. The U.S. plan, charged the Panamanian President, "is to plunge Panama into violence and chaos as soon as the May 7 elections are concluded," and "is a test case that will be applied later to all of Latin America."

The plan is to set off strikes and street disturbances in Panama, in the likely event of a victory by pro-government presidential candidate Carlos Duque, who has said that he will retain Noriega as commander of the PDF. This turmoil is intended to cause a bloody confrontation with the PDF, to provide an excuse for U.S. military action.

This plan was first presented in a December 1987 speech at George Washington University by former U.S. National Security Council official Norman Bailey. Arguing that the issue was not only to get rid of Noriega, but of the entire Panamanian Defense Force, Bailey said that that would only happen if the opposition provoked a "bloodbath" in the presence of American TV cameras.

Other actions under consideration are adding a trade embargo to the current U.S. economic sanctions, and arm-twisting the nations of Ibero-America to join the U.S. in declaring the elections fraudulent and suspending diplomatic ties with Panama.

U.S. interference

Showing open disregard for the wishes of the Panamanian electorate, the administration is attempting to dictate who the winners should be even before the votes are cast. Secretary of State James Baker III stated April 28 that the U.S. government will not respect the election results, no matter how clean. Said Baker, "As long as General Noriega remains in power, there will not be any improvement in relations between the United States and Panama. There will not be a normalizing of relations." Baker made his statement after meeting with Eric Delvalle, whom the United States still claims is "the President of Panama." The same day, President Bush declared in Clearwater, Florida, "The people and the government of the United States will not recognize fraudulent election results engineered by Noriega." The administration is demanding that Panama accept "impartial" U.S. observers to monitor the elections, and even the vote counting, which is against Panamanian electoral laws. One such "impartial" observer proposed by the administration is Indiana Sen. Richard Lugar (R), who led a similar delegation in the U.S. operation to oust President Marcos from the Philippines, and who has called for military action against Noriega.

Panama has indicated that it would welcome an observer delegation led by former President Jimmy Carter, so long as it is willing to abide by Panamanian law.

U.S. backing drug mob

The administration's claim that it is going after Noriega because "he is a drug runner," was proven to be a hoax after the illegal U.S. campaign contributions to the opposition were uncovered. The *New York Times* reported April 25 that officials of the U.S.-financed ADO-C "indicated that they had used some of the American money to buy the 10 minutes of prime-time coverage" on Panama's RPC television network. RPC television is owned by the multimillionaire brothers Fernando and Carlos Eleta Alamarán. Carlos Eleta Almarán has been languishing in a Georgia jail since April 6, charged with conspiring to smuggle 600 kilos of cocaine per month, with a street value of \$300 million, into the United States. The drug profits were intended to finance the opposition's campaign.

The *Atlanta Journal and Constitution* reported April 22 that Eleta's arrest is "a serious setback" for the American-financed electoral alliance.

Eleta's arrest will "affect the elections," said his attorney, Barry Slotnick, who said his client "has been a primary fighter for a return to democracy in Panama." Also shaken by Eleta's arrest was Jennie Lincoln, who is organizing the Carter delegation of observers for Panama's elections. Dr. Lincoln complained that the detention of Eleta would bring an end to his TV station's "objective" coverage of the opposition's electoral campaign.

Further underlining the hypocrisy behind the Eastern Establishment's anti-Noriega campaign, were two editorials in

the *New York Times* April 25. The first, while critical of the Bush administration's "cowboy" methods, said that Noriega had to go because of his alleged involvement in drug trafficking. Right underneath its anti-Noriega editorial, the *Times* ran another editorial, this one calling for the legalization of drugs: "Good or bad, marijuana is here to stay. The billions spent to fight it are wasted dollars. Indeed, they may be worse than wasted: properly regulated, marijuana might serve as a less dangerous substitute for alcohol."

Opposition crumbles

The dismantling of Muse's clandestine broadcasting network, Eleta's arrest on drug-trafficking charges, and the revelations of CIA financing have begun to crack the ADO-C alliance. The alliance's base is openly complaining that the leadership denied them campaign funding, even while they were getting millions from the United States. ADO-C legislative candidates in Colon, Panama's second largest city, which the opposition had once claimed as a stronghold, issued a document charging that the leadership was adopting an "ill-conceived attitude of victory" before the elections.

The document, signed by most of the ADO-C legislative candidates in Colon, accused the alliance's second vice presidential candidate, banker Guillermo "Billy" Ford, of being a racist and charged that the alliance leaders were plotting to "cause a bloodbath in Colon to taint the elections and provide an excuse for the policy of the U.S. State Department." This, they said, "we will not allow."

The probability that the pro-government National Liberation Coalition (COLINA) will win the May 7 elections has increased in the face of the stated intention of the United States to rescind the Carter-Torrijos canal treaties. The most recent signal that the treaties may be annulled was put out by New Right gadfly Phyllis Schlafly. "It's time to declare the 1978 Panama Treaty a non-treaty, admit our country's most costly diplomatic mistake and stand up for our national security interest," she wrote in her syndicated column, published by the *Washington Times* April 27. "This may be a costly move, but the cost of not making it will be even higher. Cowardice and failure of leadership are always expensive."

While Schlafly's ravings could easily be dismissed, Panamanians are aware that there is currently a bill before the U.S. Congress, sponsored by Rep. Phil Crane (R-Ill.) and 26 others, that would accomplish what she proposes: tearing up the treaties.

Not surprisingly, hundreds of thousands of Panamanians are rallying behind Noriega, to defend the nation against foreign aggression. On April 21, some 350,000 people marched in Panama City—which has a total population of slightly more than 1 million—in support of Noriega and the PDF. The march, under the slogan "Friends of the PDF," was led by the COLINA presidential candidate Carlos Duque. Reuters reported April 25 that it "was the largest pro-government rally in recent memory."

Prime Minister Takeshita resigns, but who is the real victor?

by Linda de Hoyos

Amid cheers and gloats from the Western press, Japanese Prime Minister Noburo Takeshita announced his resignation April 24, as a measure to save the rule of the Liberal Democratic Party. By the time of his resignation, the successive revelations of the LDP leaders' funding through the Recruit Corp. had reduced Takeshita's popularity rating to a reported 3%.

Although the Recruit scandal involved exposure of the normal methods by which electoral campaigns in Japan are funded through private industry, the scandal was conjured up and its momentum maintained by outside British and British-allied forces. The *New York Times* openly called for the LDP to relinquish power in the wake of the scandal; the *Times* is an affiliated agency of the left-liberal *Asahi Shimbun*, which first broke the scandal. The London *Financial Times* has also been leading the crusade for Takeshita's early resignation.

Prime Minister Takeshita announced that he will carry out his scheduled trip to the Southeast Asian countries in early May, because his resignation represents no change in the continuity of Japan's foreign policy. However, if the British and U.S. interests who were bent on destroying the LDP government have their way, the body-blows suffered to the ruling party from the Recruit scandal will mark a halt to the designs of Takeshita's predecessor, Prime Minister Yasuhiro Nakasone, to set Japan on a policy-course that would make of it a political, not simply, an economic power on the global scene.

The British press agency Reuters, the day after the resignation, devoted long releases to quoting foreign sources that Japan's power had been cut down to size. "You're going to have a series of weak leaders who aren't going to be able to confront the important international issues," Reuters quoted Gerald Curtis, director of the East Asian Institute at Columbia University as saying. "The U.S. political analysts suggested that Japan's emerging leadership in global economic affairs may falter as the country's politicians turn inward to heal wounds caused by the Takeshita resignation and the ongoing scandal."

"If anything, the world's largest creditor and foreign-aid donor seems farther than ever from exerting political power commensurate with its economic power," chimed in the *Wall Street Journal*, which also quoted a European diplomat as stating: "It's going to take years before Japan moves forward

in the way any other democracy with this much economic power would. This transition just slows down the process."

If the Recruit scandal was the point upon which the Takeshita government met its end, the single greatest cause for Takeshita's downfall was the betrayal by the Bush administration on the negotiated agreement for the joint development and production of the FSX jet-fighter. The Reagan administration had demanded that Japan produce the jet-fighter, an upgraded version of the U.S. F-16, in cooperation with the United States. The Japanese, who had planned to develop it alone, acquiesced. Once the time came to sign on the dotted line, however, the Bush administration reneged, demanding the right to place conditions into the agreement that might make the pact acceptable to the U.S. Congress and Commerce Department. As of this writing, the FSX deal, which was to be signed in February, remains in the hands of the White House.

It would appear, however, that this U.S. policy, too, is "Made in Britain," not in the U.S. Congress. On April 26, two days after Takeshita's resignation, *Jane's Military Communications* annual review published an hysterical warning of the prospects of Japan's taking over the world's defense electronics markets. Japan could soon be challenging the share of the world arms market now held by U.S. and European defense electronics industries, *Jane's* editor John Williamson charged. "By 1990, Japan will be the third-largest military spender in the world after the United States and the Soviet Union." *Jane's* then quotes Dick Evans, director of Defense Enterprises at British Aerospace as saying that Japan could have a similar success in defense electronics and aerospace that it had in the 1960s conquering motorcycle markets once dominated by the British: "We don't want our aircraft to go the same way as the motorcycle industry."

Fallout in Japan

The resignation of Takeshita is not expected to end the rule of the LDP, despite *Asahi Shimbun's* calls for an opposition coalition to come to power centered around the Japanese Socialist Party and the Buddhist Komeito Party. Takeshita's resignation, say Japanese sources, was executed in order to save the LDP's rule. However, the scandal has touched all top LDP leaders, including party general secretary Shintaro Abe, the former foreign minister who was des-

ignated to become the next prime minister.

The primary victim of the scandal, aside from Takeshita himself, is former Prime Minister Yasuhiro Nakasone, who has refused to testify before the Diet on his ties to Recruit, thus prompting an opposition boycott of parliamentary deliberations. Japanese sources now expect that Nakasone will be indicted, or at least hauled in for questioning by the prosecution. Nakasone is known in Japan for his "right-wing" nationalism, but is also considered the linchpin of the U.S.-Japan alliance who negotiated Japan's cooperation with the U.S. Strategic Defense Initiative.

All major factional leaders of the LDP have been touched by the scandal; therefore, as reports from Tokyo now indicate, the LDP will attempt to find a new prime minister who has not been touched by the scandal, likely an elder-statesman, while it searches for a younger leader to lead the party in a national resurgence. Meanwhile, the party machinery and the government-industrial bureaucracy will maintain a policy-continuity.

The dangerous implications

Yet, in the medium term, the power that might emerge the most damaged from the bringing down of the Takeshita government is the United States.

- The attacks on the LDP have weakened the U.S.-Japan alliance. The U.S. refusal to negotiate honorably on the FSX gives impetus to those in Japan who believe that Japan "must go it alone." On April 22, for instance, Japan announced that it may develop its own anti-aircraft missile, rather than depend on U.S. technology for the \$7.58 billion project, the *Japan Economic Journal* reported. Secondly, the Commerce Department is now looking to place Japan under the Super 301 "enemy watch list" for its "unfair trading practices." Japan's concern is that under the current conditions of "Gorbomania," the United States will begin to paint its strategic ally, Japan, with the brush of the "enemy image." Does the Bush administration believe that Japan will simply take its abuse without response?

- Second, the United States is playing with the danger that Japan will no longer continue to prop up the U.S. dollar, and with it, the U.S. government. The forced ouster of Takeshita is a victory for those British-linked forces around the Mitsui *zaibatsu*, who have argued that the Bank of Japan should raise its interest rates—the first steps in withdrawing Japanese support for the dollar. The shenanigans around the FSX have, conversely, hit Mitsui's primary opponent, the Mitsubishi Corporation, which is the primary contracting partner in both the FSX and the SDI.

It would appear, therefore, that the British have succeeded in repeating the pre-World Wars I and II manipulations whereby Japan was pitted against the United States and vice versa. The results of those manipulations are as dangerous to the world's precarious strategic balance today, as they were then.

Purge of 'dead souls' sweeps Soviet plenum

by Konstantin George

The April 25 Soviet Communist Party's Central Committee plenum saw the purge of 110 people from the party's three highest bodies, out of a total membership of 301. The sweeping purge of over one-third of the Central Committee, during a time of deepening social and economic crisis throughout the Soviet empire, marks a new phase of consolidation of the power of the "Andropov Kindergarten," the Communist Party and KGB protégés of the late Yuri Andropov, including Mikhail Gorbachov and Viktor Chebrikov, the man in charge of the U.S.S.R.'s internal security apparatus.

The purge also marks a strengthening of Moscow Center at the expense of the outlying provinces of the empire. The plenum followed by two weeks the Moscow-ordered massacre of civilian demonstrators in Tbilisi, Georgia. The corpses of 120 butchered civilians, mostly women, show the future of the crisis-wracked Soviet empire under Muscovite rule.

Most of those purged were what Politburo member Vadim Medvedev branded the "dead souls," after the famous 19th-century novel of that title by Nikolai Gogol—those who had already been retired or stripped of the posts they held in party, government, and military, and were thus no longer really entitled to membership on the Central Committee. However, there were extremely important exceptions to this.

For example, the plenum also promoted 24 Central Committee candidate members to full membership.

Ten of the 22 military figures on the Central Committee were expelled. Nine of them, Marshals and Generals of the Army, were "dead souls," who had retired or had been retired from active service. One of the 10, however, Marshal of the Soviet Union Nikolai Ogarkov, was not only still active, but in the vital function of commander-in-chief of the Western Theater of War (TVD).

The facts surrounding the 71-year-old Ogarkov's removal are far from clear. What can be said with certainty, however, is that Ogarkov's school of military leadership remains. His "disciples" are in control. No other active military leader was removed, and the one military figure promoted to full membership, Gen. Col. V. V. Osipov, has been commander-in-chief of the Southwest TVD since Feb. 15, 1989, a war-time command created by Ogarkov in September 1984.

Settling accounts

What occurred on April 25 was the purge of a major component of a rapidly growing opposition to Gorbachov. The existence of such an opposition was admitted by Gor-

bachov himself in January, when he revealed that unnamed opponents had tried to "postpone shortly before it opened" the 19th Party Conference in July. He then cited opponents who had tried to stop the convening of the Sept. 30 Central Committee plenum, which expelled Andrei Gromyko and Mikhail Solomentsev from the Politburo, made Gorbachov State President, increased the political power of the KGB, and added Vadim Medvedev to the Politburo.

While "Czar" Mikhail has strengthened his own hand, many leaders of those republics and regions where nationalist unrest has boiled over in recent years, were ousted. They have not been replaced, substantially weakening the power and influence of those republics in the Communist Party's principal ruling body.

Kicked off the Central Committee on April 25 were the republic and regional party leaders removed from their local posts between the 1986 party congress and the present. These included recently deposed Georgian party leader Dzhumber Patiashvili, and the former party leaders of Azerbaijan and Armenia, Kyamran Bagirov and Karen Demirchyan. Notably, the list of victims included none of the Central Committee members who lost in the March 26 "elections" to the Supreme Soviet.

It was clear from his January speech that Gorbachov was preparing to settle accounts with an opposition, and from the fervent tones he issued, he had to move fairly fast. In the Sept. 30 clean-out, Gorbachov, Chebrikov et al. had employed the tactic of moving forward the regularly scheduled October plenum by three weeks, in order to throw opposition forces off balance. This time around, a regularly scheduled plenum for late April on "ideology" questions was proclaimed in late February, and then at the last minute, the plenum's agenda was changed.

The opposition group

The first solid confirmation that the plenum had been a fight which an opposition group lost, came from Politburo member Medvedev in a press conference afterward:

"A group of Central Committee members, Central Committee candidate members, and members of the Central Auditing Commission had turned to the Politburo with the request that they be relieved of their duties, because they could no longer work so fervently for *perestroika* as is necessary. . . . It concerns their own decision taken by those involved. It was the party which had called *perestroika* into life and it will not let the initiative slip out of its hand. Therefore, comprehensive personnel changes were necessary. The decision by the Central Committee is a serious and important milestone for the policy of *perestroika*."

That the group of 110 described by Medvedev was in fact an organized faction of some sort was also indicated by Gorbachov's keynote report to the plenum.

Soviet TV showed Gorbachov reading aloud what he called the "collective request" of the 110. Gorbachov

"thanked" them and the "resolve of the Central Committee, even if I don't want to portray its work in rosy colors." Gorbachov added, "In the discussions among party members and non-party people . . . they had even proposed their own variants for a solution to this problem."

Another TV excerpt showed Gorbachov saying: "The collective request does not demand any secret vote," because they are not being expelled "for this or that reason," but rather, "they themselves wanted to resign. That's the view of the Politburo."

A Novosti wire April 26, with additional passages from Gorbachov's report, also shows the plenum to have been a settling of accounts, and indicates that Gorbachov and the Andropov Kindergarten have studied the methods employed by Josef Stalin in his drive for absolute power:

"Present-day life with its dynamic, its dimensions, and its tasks, which the Central Committee has to tackle, demands a much higher efficiency. From precisely these concerns resulted their collective motion to the Plenum of the Central Committee and the Central Auditing Commission of the CPSU. . . . Therefore, the Politburo put forward the proposal that the request of the comrades be accepted."

The formula "Plenum of the Central Committee and the Central Auditing Commission" is important. Such expanded plenums, with the consequent expanded voting base, were the tool employed by Stalin at key junctures in his 1927-29 drive to crush opposition. Gorbachov, with the backing of Chebrikov and the post-Sept. 30 "Andropov Kindergarten" leadership, has employed this technique to outflank, outvote, and now purge a substantial bloc of Central Committee opposition. This plenum "packing" phenomenon occurred first at the March 15-16 Central Committee plenum, and now has occurred again at the April 25 brawl.

A 1990 'extraordinary' party congress

The April 25 plenum was a milestone in the turbulent Soviet faction fights generated by the economic crises hitting the U.S.S.R. and its Eastern European satellites. What Gorbachov is *trying* to do is clear. Whether he will succeed and survive the storms to come is not. If he does, the world will have the second absolute ruler of the Bolshevik dynasty in this century, and, no matter what the outcome concerning individuals, the Gorbachov "liberal reformer" image, intended for consumption by the West, will not survive.

In all probability, the final internal showdown will occur at an "extraordinary" party congress; the 1991 party congress will be moved forward by about one year. The cumulative effect of the vast purges since 1986 is that scores of party leaders, military commanders, and some top KGB personnel hold positions entitling them to Central Committee membership—something which can only be bestowed through a party congress. The matter cannot wait until 1991, and in the storms to come, Moscow's policy responses to the convulsions gripping its empire will emerge.

Austria responds to LaRouche case

by Lena Mletzko

The gross miscarriage of justice in convicting Lyndon LaRouche for alleged “conspiracy,” and practically sentencing him to a life prison term (15 years for the 66-year-old economist and political leader), has caused leading Austrian jurists and media to raise more than an eyebrow. Already in 1987, shortly after the first indictment of LaRouche for one count of alleged “conspiracy to obstruct justice” in the Boston case, Prof. Dr. Hans Klecatsky, former minister of justice of the Federal Republic of Austria, in a public statement blamed “this kind of lawlessness” on the “establishment of a secret ‘parallel government’ in the U.S. Under the influence of these circles U.S. foreign policy has become a disaster.

“The U.S. government for example not only fell into the disastrous support for the ‘Contras,’ but sold out the rights of other sovereign states as shown by the U.S.-Soviet deal to extradite Karl Linna and others,” Klecatsky said.

Sensitive to U.S. security policy

Due to the very special situation of Austria as a neutral but nevertheless pro-Western country bordering Communist Czechoslovakia, Hungary, and Yugoslavia, Austrian security policy observes American strategic dealings with particular scrutiny. After all it was John F. Dulles who in 1955 was instrumental in bringing about Austria’s *Staatsvertrag*, that forced all foreign troops to leave the country for the price of neutrality.

By now three prominent Austrian jurists have decided to join LaRouche’s appeal against the outrageous judgment of the U.S. District Court in Alexandria, Virginia as *Amici Curiae* (“Friends of the Court”).

On April 18, 1989, Dr. Viktor Liebscher, former Austrian State Attorney General (Generalprokurator) described at a Vienna press conference of the Commission to Investigate Human Rights Violations, how the European Court for Human Rights would strongly condemn the prosecution of LaRouche and his associates as grave violations of the European Convention on Human Rights (ECHR). The principles codified in the ECHR, including the guarantees for a fair trial and the right to defense, “all Western nations should have in common as their joint heritage,” Liebscher said. But after examining the “LaRouche case” he had to conclude, that especially the selection of the jury in the Alexandria court

without participation of the defense, the exclusion of exculpatory evidence, and the insufficient preparation time for counsel constituted obvious violations of Article 6 of ECHR. The mistrial declared in the Boston case a year ago May 4, though, and the subsequent “reopening” of the case in a different state—Virginia—Liebscher called “almost incredible.”

“This mistrial in a case, that obviously did not yield the result desired by the prosecution and that denied the defendants the chance of a probable acquittal makes me extremely suspicious,” he said.

Especially in light of the great power given to the jury by the American legal system, this arbitrary change of venue was a serious violation of constitutional rights and an illegal double prosecution prohibited also by the U.S. code, Liebscher said.

Parallels to Nazi justice

Also the interpretation of U.S. conspiracy law has met with great reservation among European jurists for decades. Whereas European law can punish only criminal behavior, the construction of “conspiracies” might allow prosecution of “state of mind.” Parallels to the National Socialist treatment of “analogous crimes” were obvious, Liebscher warned.

Former Justice Minister Klecatsky, in a message to the press conference, pointed to the similarities between the prosecution of LaRouche and the 1987 decision by the U.S. Department of Justice to put Austrian President Kurt Waldheim on the infamous “watch list.” As in the case of LaRouche, he said, the U.S. authorities did not bother to grant Waldheim the constitutional right to be heard and to present his defense prior to the decision. Klecatsky regards the “LaRouche case” as an important indication of “how much has still to be done to make sure that universally valid human rights are also guaranteed. The treatment of LaRouche and his political associates by American juridical procedures is incompatible with the principles of law and democracy.”

Many journalists asked, “Why is it, that the U.S. establishment is so concerned to eliminate LaRouche?” in reply to which Professor Liebscher pointed to LaRouche’s function as the intellectual author of the Strategic Defense Initiative. Contrary to the Bush administration, which is growing soft toward Moscow and falling for *glasnost* and *perestroika*, “LaRouche is fighting for an uncompromising anti-Bolshevik course,” he said. “This is the reason why leading military men in West Germany stood up for him.”

The official Austrian Press Agency (APA) put out a wire on the press conference under the headline: “Conviction of U.S. Politician a ‘Miscarriage of Justice’—LaRouche Commission Sees Parallels to ‘Watch-List’ Decision against Waldheim.” Aside from a representation of the facts on the case, the release reports the charge that the judicial persecution of LaRouche is probably connected to the attempt to cover up for President Bush’s role in the Iran-Contra affair.

100 Latin American Demand Freedom

One hundred Latin American Congressmen, from all shades of the political spectrum, have signed the following statement, demanding immediate freedom for Lyndon LaRouche. The letter is addressed to U.S. Supreme Court Chief Justice William Rehnquist and to Sam J. Ervin III, Chief Judge of the U.S. Court of Appeals for the Fourth Circuit in Richmond, Virginia. The text is as follows:

The undersigned, legislators from the nations of Latin America, express the hope that the Democratic politician, Lyndon H. LaRouche, known for his defense of the national sovereignty of the nations of Latin America, for his fight against drug trafficking, and in favor of the creation of a new international economic order to eliminate the International Monetary Fund's unjust policies, may immediately regain his freedom, as an expression of the justice which must characterize the government of the United States, and in observance of the principles and human rights consecrated in that nation's Constitution. We trust that North American justice, defender of human rights, will take practical steps to right the injustice of the political proceedings against LaRouche.

Titles for identification purposes only

Rep. = National Representative

Sen. = National Senator

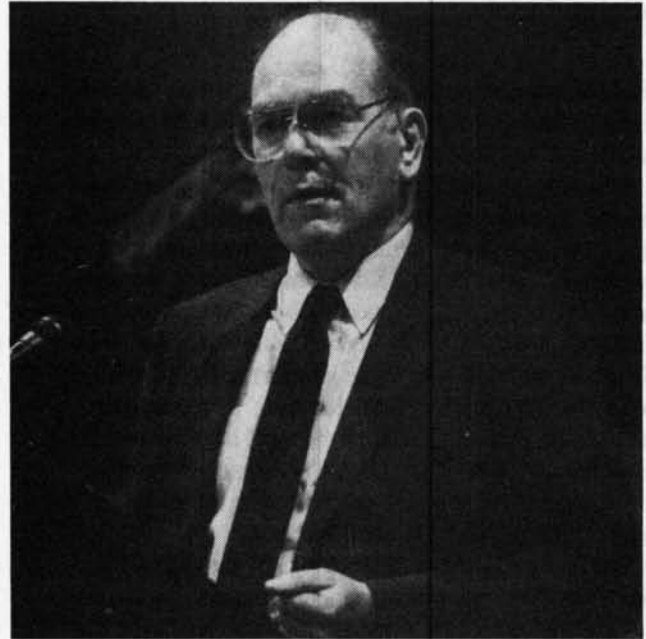
(Initials in parentheses are party affiliation/district)

Rep. Nelson Aguiar (PDT/ES), Brazil
 Rep. Ademir Andrade (PSB/PA), Brazil
 Rep. Vivaldo Barbosa (PDT/RJ), Brazil
 Rep. Adhemar de Barros (PDT/SP), Brazil
 Rep. Antero de Barros (PMDB/MT), Brazil
 Rep. Wilbert Bendezú Carpio (APRA), Peru
 Rep. Manuel Benza Pflucker (IU), Peru
 Rep. Genésio Bernadino (PMDB/MG), Brazil
 Sen. Aluizio Bezerra (PMDB/AC), Brazil
 Sen. José Paulo Bisol (PMDB/RS), Brazil
 Rep. Aécio de Borba (PDS/CE), Brazil
 Rep. Rita Camata (PMDB/ES), Brazil
 Sen. Gerson Camata (PMDB/ES), Brazil
 Rep. Geraldo Campos (PSDB/DF), Brazil
 Rep. Mauro Campos (PSDB/MG), Brazil
 Rep. Raquel Cândido (PDT/RO), Brazil
 Rep. Carlos Alberto Caó (PDT/RJ), Brazil
 Rep. Armando Capriles Capriles (CD-COPEI),
 Venezuela
 Rep. Paul Caro Camarra (APRA), Peru
 Rep. Augusto Carvalho (PCB/DF), Brazil
 Rep. Marco Antonio Castellano López (PARM/
 DF), Mexico

Rep. Célio de Castro (PSDB/MG), Brazil
 Rep. Jesualdo Cavalcanti (PFL/PI), Brazil
 Rep. Sandra Cavalcanti (PFL/RJ), Brazil
 Rep. Bernardino Cespedes Pérez (APRA), Peru
 Rep. Leonardo Cevallos Perez (APRA), Peru
 Rep. Rosário Congro Neto (PMDB/MS), Brazil
 Rep. Marcelo Cordeiro (PMDB/BA), Brazil
 Rep. Onofre Correia (PMDB/MA), Brazil
 Rep. Guido A. Córtez Gómez (APRA), Peru
 Rep. Paulo Delgado (PT/MG), Brazil
 Rep. Maria Teresa Dorantes Jaramillo (PARM/
 DF), Mexico
 Rep. Octavio Elísio (PSDB/MG), Brazil
 Rep. Patricio Estévez Nenninger (PARM/Son),
 Mexico
 Rep. Abigail Feitosa (PSB/BA), Brazil
 Rep. Miguel Andonie Fernández (CD), Honduras
 Rep. Tadeu França (PDT/PR), Brazil
 Rep. Nelton Friedrich (PSDB/PR), Brazil
 Sen. Marcondes Gadelha (PFL/PB), Brazil
 Rep. Ramon Garza Rodríguez (PARM/NL),
 Mexico
 Rep. José Genuíno (PT/SP), Brazil
 Rep. Joaci Goes (PMDB/PA), Brazil
 Rep. Miraldo Gomes (PDC/BA), Brazil
 Rep. Luis Gómez (PRD/SM), Panama
 Rep. Evaldo Gonçalves (PFL/PB), Brazil

Congressmen For LaRouche

Rep. Bertha González Pozada (APRA), Peru
 Rep. José Carlos Grecco (PSDB/SP), Brazil
 Rep. Virgílio Guimarães (PT/SP), Brazil
 Sen. Jamil Haddad (PSB/RJ), Brazil
 Rep. Juan Jaime Hernández (PARM/Jai), Mexico
 Rep. Chico Humberto (PDT/MG), Brazil
 Rep. Nelson Jobim (PMDB/RS), Brazil
 Sen. Manesuelto de Lavor (PMDB/PE), Brazil
 Rep. Alcides Lima (PMDB/AC), Brazil
 Rep. Maurílio F. Lima (PMDB/PE), Brazil
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 Rep. Bezerra de Melo (PMDB/CE), Brazil
 Rep. José Francisco Melo (PARM/DF), Mexico
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 Rep. Alberto Quintanilla (IU), Peru
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 Rep. Ana Maria Rattes (PSDB/RJ), Brazil
 Rep. Luis José Restrepo (Conservative), Colombia
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 Rep. Haroldo Sabóia (PMDB/MA), Brazil
 Rep. José Carlos Sabóia (PSB/MA), Brazil



Rep. Luiz Salomão (PDT/RJ), Brazil
 Rep. Fernando Santana (PCB/BA), Brazil
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 Rep. Edmilson Valentim (PC DO B/RJ), Brazil
 Rep. Basílio Vialni (PTB/PR), Brazil
 Rep. José Viana (PMDB/RR) Brazil
 Rep. Zosima Vicuña Vidal (APRA), Peru
 Rep. Maguito Vilela (PMDB/GO), Brazil
 Rep. Luis Ybazeta Zegarra (APRA), Peru
 Rep. Hermes Zanetti (PSDB/RS), Brazil
 Rep. Cesar Zumaeta Flores (APRA), Peru

Commission to Investigate Human Rights Violations

P.O. Box 535, Leesburg, VA 22075
 10 Rue Juliette Lambert, Paris, France

The deadly consequences of West Germany's 'realpolitik'

by Michael Liebig

In West German Chancellor Helmut Kohl's "major" government restructuring of April 1989, the only federal minister who was fired, was the only one still willing and able to look at the strategic realities facing Germany without going into a cold sweat. With the removal of Rupert Scholz, a clique of substanceless, opportunistic functionaries has established itself in Bonn, among which Kohl himself is not the most important. His continued presence in Bonn, through the summer, is highly unlikely. Wolfgang Schäuble (Christian Democratic Union, new minister of the interior) and Theo Waigel (chairman of the Christian Social Union, new minister of finance) are the real and zealous "movers" in Bonn politics in the spring of 1989. This clique has developed an oh-so-clever "realpolitik strategy of survival" that has potentially fatal consequences for the Federal Republic.

- The Federal Republic is blocking any form of modernization of NATO's operational tactical nuclear weapons, not only of the Lance successor models but also air-based distance weapons. This is providing the administration of U.S. President George Bush with its longed-for pretext to push forward the reduction of the U.S. troop presence in the Federal Republic.

- Out of pure opportunism, the extension of military service from 15 to 18 months has been canceled, which means concretely that the present strength of the Bundeswehr at 495,000 cannot be maintained.

- Gerhard Stoltenberg, the former finance minister and IMF apologist, will, as "savings commissioner," further reduce the already underfinanced defense budget.

- The Bonn visit by Soviet leader Mikhail Gorbachov in July is being awaited with breathless anticipation; new conventional "disarmament proposals" will be announced, along with "glorious prospects" of economic cooperation with the Federal Republic.

- The Federal Republic will pull out of nuclear energy, and there will be no recycling of nuclear fuel; reprocessing of nuclear fuel will be taken care of during the transition period by France and the Soviet Union.

- The Federal Republic will submit without protest to the emerging global crises—a combination of energy, food, and "environmental" crises—that are presently being prepared under the leadership of the Bush administration.

It is extremely doubtful that Chancellor Kohl will be in the position to implement this political program. It is also doubtful that the above-mentioned "movers," Waigel and Schäuble, will be in the position as alternatives and successors of Kohl to translate the program into action. The "gentlemen behind the scenes" from the large banks and heavy industry have also made their preparations here. In case of an international crisis, the way is cleared for a "national emergency" Grand Coalition that would be based on Social Democrats Hans-Jochen Vogel and Oskar Lafontaine, and Christian Democrat Lothar Späth.

Naturally, not only West German political functionaries and bankers are involved in these plans. The superpowers are not merely observing, but are strongly influencing this process. The ostentatious friendliness being shown for Vogel and West Berlin's new mayor, Social Democrat Walter Momper, in Washington, D.C. and Moscow simultaneously, or the extra-friendly commentaries in the British press on Späth are not the most important signals.

Kissinger's 'new order' for Europe

In the April 16, 1989 issue of *Welt am Sonntag*, Henry Kissinger presented his plans for the Federal Republic. The views presented are not private to Kissinger, but reflect the conception of the majority of the Anglo-American Establishment. This was made quite clear at the annual meeting of the Trilateral Commission in Paris April 8-11. Kissinger is known as a pathological liar, and so presented *his* plans for a condominium of the superpowers on Central Europe as a consideration of U.S. Secretary of State James Baker. Then, outraged, he rejected the idea that the United States is intending a "New Yalta." However, immediately thereafter, Kissinger wrote, "A confidential dialogue [on Central Europe] between Moscow and Washington will therefore, in its ultimate effect, not only be unavoidable, but is even desirable." No time can be lost, for "if anarchy [in Eastern Europe] breaks out and the tanks roll," it will then, perhaps, be too late.

With reference to the Western European side of his planned "new order" for Central Europe, Kissinger is, as usual, much more restrained. He stated, with a pessimistic, even fatalistic undertone, that the "denuclearization" of the Federal Republic and the parallel withdrawal of U.S. troops from the Fed-

eral Republic are unavoidable, and thus are to be introduced in negotiations—for example, those in Vienna—as long as something is received from Moscow in return.

Kissinger stated here in no uncertain terms, for any who would hear, that the “erosion of NATO” is, in fact, irreversible, that the “survival of the Alliance” can no longer be assumed. Kissinger’s historical perspective is, consequently, “Soviet hegemony in a denuclearized Europe.”

The established parties’ “survival artists” in Bonn are performing exactly as Kissinger’s script provides. But they are also behaving in exactly the manner desired by Moscow. The Soviets have made known their interest in Kissinger’s plan through Gorbachov and through diplomatic channels. This will also be discussed in the May 10-11 meetings in Moscow between Baker and Soviet Foreign Minister Eduard Shevardnadze.

Gorbachov’s visit to Bonn

The Soviet leadership desperately needs breakthrough successes in Western Europe, especially with regard to the Federal Republic. The domestic situation in the Soviet Empire is desperate. Granted, Gorbachov did succeed in disciplining the ruling *Nomenklatura* under his personal command, but simultaneously the objective economic and national-political conflicts broke out with an intensity that exceeded the wildest expectations. Gorbachov is presently pursuing sheer crisis management in his empire, but the situation is not at all under his control.

We must therefore expect that Gorbachov will submit a glorious-sounding “unique proposal” during his visit to Bonn July 12-15. Gorbachov wants, of course, to accelerate the withdrawal of U.S. troops from West Germany, and will therefore announce further “troop reductions” in East Germany and other Central European countries. Additionally, it may be expected that new, glorious offers of “cooperation” in the economic sphere will be made, just as previously, in 1978, Gorbachov’s predecessor Leonid Brezhnev, did so effectively on German television. It is also conceivable that Gorbachov will drop a few touching words on the “special relations”—absolutely nothing, however, along the lines of a “reunification”—between the two German states.

It is not speculation to assume that Gorbachov’s Bonn announcements will find agreement ranging from profound to hysterical among the established party functionaries. The points made above on the most recent “*realpolitik* accommodation” of West German policy will find their complete “confirmation.” And not only the established party functionaries: The new careerists around Franz Schönhuber’s Republikaner party and its supporters will observe with satisfaction that we can “do business” with the Russians in every way.

Günther Kiessling, who just published his book *Neutrality Is Not Treason*, must be placed in the last category. The content of the book is perfectly revealed by the title: Everything, including reunification, can be gotten from the Soviets

if we are willing to pay enough. If the right political, military, and economic price is paid to Moscow, then reunification will be in Moscow’s own interest, and will be immediately guaranteed by the Communist “reformer” Gorbachov. The Federal Republic of Germany must submit itself to Moscow’s political, military, and economic rule, and for that will receive “stepwise reunification.” This scenario of submission is repeated to the reader over and over again in a ghastly way, illustrated with equally repetitious observations that are in part obvious, in part banal.

Weakness in Washington

The Soviet leadership is not so dumb as not to see that, exactly like the Bonn contortions, the Kissinger offers with regard to a “new ordering” of the situation in Central Europe are the expression of a profound weakness of the Bush administration. No firm policy is coming from Washington, D.C. that takes account of the crisis in the Soviet Empire and the rebellion of the suppressed peoples of the East. Indeed, the opposite is the case: Washington is pursuing a strategy of “controlled withdrawal” from the European continent that will downgrade NATO and reduce its forces. The U.S. budget deficit provides one pretext for this; another is the current dispute over modernization of the Lance short-range nuclear missiles.

The crisis in the Alliance reached a peak on April 24, when West German Foreign Minister Hans-Dietrich Genscher and Defense Minister Stoltenberg arrived in Washington for a five-hour meeting with Baker and Defense Secretary Richard Cheney. Genscher and Stoltenberg demanded that the United States forego modernization of the Lance, and agree to negotiate with the Soviets the elimination of all short-range nuclear missiles from Europe—the so-called “third zero” option. Baker issued a terse statement after the meeting, which one foreign diplomat said “is a clear indication that things went very badly.” Cheney charged that those advocating negotiations with Moscow on the “third zero” option were falling into a “dangerous trap.”

Cheney and Baker’s comments are the height of cynicism, since the Bush administration has been trying every trick in the book—including the Lance issue—to get rid of Kohl, and bring the Social Democrats to power.

Radio Moscow happily noted the clashes between Bonn and Washington in a broadcast April 25, praising Stoltenberg for his “resistance against the Lance modernization.” The talks produced “severe differences between the United States and West Germany,” the broadcast gloated.

The Genscher-Stoltenberg policy drew angry fire from British Prime Minister Margaret Thatcher, who warned Bonn on April 25 not to break with the United States over the missile issue. Thatcher is expected to meet with Kohl in Germany on April 30.

The crisis in NATO will come to a head at the NATO summit meeting in Brussels at the end of May.

Bhutto sends a warning to Kabul, . . . and Moscow, and Washington

by Susan Maitra and Ramtanu Maitra

Responding to a series of verbal threats issued against Pakistan by both Moscow and Kabul—the firing of a Russian-made SCUD missile into Pakistani territory—Prime Minister Benazir Bhutto, for the first time since assuming office last December, has sent a clear message to Afghanistan: “If Pakistan is dragged into this war, then we will retaliate with full force,” Bhutto declared on April 23 in Peshawar, a town close to the Afghan border, which is the center of Afghan resistance.

Bhutto’s sharp words belie the whisper campaign launched by Kremlin super-ambassador Count Yuli Vorontsov and tacitly endorsed by Washington, that Pakistan’s Afghan policy is a special-interest proprietary of the military, specifically the showy Inter Services Intelligence (ISI) under Lt. Gen. Hamid Gul, and that if only Bhutto had control over her military, Pakistan would have stopped backing the Mujahideen. But that is only part of the story.

There is every indication that Prime Minister Bhutto’s harsh rejoinder was addressed not only to Kabul, but more importantly to Moscow and Washington, and that it was a response to a calculated strategy of coercion by the superpowers, to force Pakistan into line on the deal they have worked out over Afghanistan. Significantly, this superpower squeeze play has increased dramatically just as Prime Minister Bhutto appears to be launching her independent policy to solve the Afghan fiasco.

Why now?

The most immediate provocation for Benazir Bhutto’s declaration was the April 23 threat from Afghan Defense Minister Shahnawaz Tanai, who said Kabul would attack Pakistan with rockets in retaliation for increasing rebel attacks on major Afghan towns. Tanai’s interview with the official Afghan news agency, Bakhtar, was the most blatant threat yet issued by Kabul against Pakistan since Soviet troops left Afghanistan in mid-February. Earlier, both Soviet Foreign Minister Eduard Shevardnadze and Soviet Ambassador to Kabul Vorontsov had threatened that the Afghan imbroglio might “spill over into Pakistan.”

The new, more shrill round of Moscow-Kabul propaganda and threats is meant to cash in on the loss of momentum

by the Mujahideen as a result of the failure to capture Jalalabad. The new thrust to break Pakistan’s insistence on a viable solution in Afghanistan is also boosted by the claimed success in reopening the Kabul-Jalalabad road and breaking the blockade along the Salang Highway connecting Kabul to the Soviet border, as well as Kabul’s vaunted “secret negotiations” with the Teheran-based Mujahideen and some rebel commanders inside Afghanistan.

Both Kabul and Moscow know that their present advantage may not last, and that given sufficient time, the Mujahideen will bring the Kabul regime to its knees. They are certainly aware of the growing tendency among the Mujahideen groups to shun the prospect of “instant success” in frontal assaults like the failed Jalalabad campaign, and settle in for a prolonged siege of major Afghan towns—a war of attrition that is arguably winnable. Both Moscow and Kabul are also aware that the surest way to deny the Mujahideen that victory is to “decouple” Pakistan from the Mujahideen.

The saber-rattling from Moscow and Kabul is patently designed to increase pressure on the Bhutto administration, already under great internal and external pressure from growing ethnic problems in Sind, an intransigent political opposition, a fundamentalist upsurge fueled by the Soviet Union’s cozying up to Iran’s Ayatollah Khomeini, and an acute economic crisis.

The ‘New Yalta’ game

It is common knowledge that with the signing of the Geneva Accords, heralded as opening a new era of “détente” between the superpowers rather than as a real settlement to the Afghan crisis, the United States abandoned the concept of a free and independent Afghanistan. Earlier, Washington had found Pakistan’s opposition to the Soviet invasion of Afghanistan a handy vehicle for pursuing a “bleed the Soviets” gambit. But the lure of Mikhail Gorbachov’s “new Russia” proved irresistible. And once the Reagan administration had fallen headlong for Moscow’s changed image, the late Gen. Zia ul-Uaq—and, more to the point, Pakistan’s sovereign interest—became an obstacle to accommodation with Moscow.

Following General Zia’s mysterious death within four

months of the Geneva Accords' signing, the advent of a democratically elected regime in Pakistan gave Washington the chance to get the new, "progressive" regime on the "new détente" bandwagon. However, Mme. Bhutto had made it clear even before the polls that brought her Pakistan People's Party (PPP) to power in November, that she endorsed Islamabad's Afghan policy, and even hinted that the "forward Afghan policy" was in fact a brainchild of her father, the late Zulfikar Ali Bhutto.

So far, Washington has not reacted directly to Bhutto's stubbornness, but the pattern of U.S. moves in recent weeks clearly echoes and reinforces the strategy of coercion pursued more openly by the Moscow-Kabul axis. First, the threats from Kabul and Moscow have gone virtually unanswered, and the firing of the SCUD missile into Pakistani territory evoked only the mildest protest. Second, without recognizing the Mujahideen's interim government, Washington has sent an envoy to that interim government—a clear move to sideline the American ambassador in Islamabad, Robert Oakley, who might be expected to bring the Pakistani viewpoint to bear on Afghan affairs. Third, there are complaints from the Mujahideen that Washington has substantially reduced the supply of heavy weaponry necessary for the type of conventional warfare into which the Mujahideen are now locked.

A pointed leak

By far the most revealing move, however, was the recent *New York Times* "leak" attributing the futile Mujahideen assault on Jalalabad to Prime Minister Bhutto, who allegedly overrode ISI desires to stage an indefinite siege. That sources in Washington insist the Jalalabad campaign was directed by U.S. military advisers, only underscores the fact that U.S. Afghan policy is at best self-defeating, and at worst a deliberate con game.

This report from "high-level sources" is precisely targeted to activate a particular faction in Pakistan, that is led by Khan Abdul Wali Khan, head of the Awami National Party (ANP), a politician who spends most of his time in Kabul "on medical grounds." Wali Khan is the sole avid opponent of assistance to the Mujahideen in Pakistan. A favorite of the international media, Wali Khan has just made headlines with his open letter campaign to President Bush, U.N. Secretary General Javier Pérez de Cuéllar, and others on Afghanistan. Wali Khan implored George Bush to stop arming the Mujahideen "for the sake of Pakistan," and recommended to Mikhail Gorbachov that the matter be brought into the United Nations.

Wali Khan's media blitz was timed to coincide with new Soviet demands for a U.S.-Pakistan split—namely, Soviet Foreign Minister Shevardnadze's "offers" of a deal in which Moscow and Washington will mutually disarm the Mujahideen and Kabul, and Kabul President Najibullah's proposal for a meeting with President Bush.

Though his party is minuscule—the North West Frontier

Province-based ANP could not win more than a grand total of 2 seats from more than 220 in the National Assembly of Pakistan—Wali Khan is in a pivotal position to blackmail the Bhutto administration: The PPP rules the troubled and strategic North West Frontier Province in a coalition setup with the ANP. Wali Khan can bring down the NWFP government at will.

A rift between Wali Khan and Prime Minister Bhutto over Afghanistan policy could be expected to raise that specter, thus qualitatively putting more pressure on the Bhutto government in terms of stability along the border and in terms of its own viability.

What is at stake

The squeeze play by the superpowers comes at a time when Prime Minister Bhutto has set into motion a number of initiatives showing that she is taking up the Afghan issue herself, to end the present drift.

In early April, Bhutto sent official emissaries, all personally close to her, to Moscow, New Delhi, and Beijing, ostensibly in connection with Pakistan's candidate for the International Court of Justice. Press reports make it evident that the emissaries, carrying personal messages from Bhutto to the various heads of state, did not restrict their discussions to such narrow confines. In each capital, the Afghan issue was discussed. For instance, Iqbal Akhund, Prime Minister Bhutto's adviser on foreign affairs and national security, went to Beijing, and from there flew to New York to successfully counter the Kabul-Moscow move to take the Afghan issue to the U.N. Security Council. The same Mr. Akhund moved on to Washington to meet with, among others, National Security Adviser Gen. Brent Scowcroft.

In a related development, Mme. Bhutto has appointed Air Chief Marshal Zulfikar Ali Khan (ret.), a friend of the Bhutto family, as ambassador to the United States, replacing Jamshed Marker. Air Chief Marshal Khan was chairman of the review committee set up by Bhutto to examine the functioning of the ISI following her assumption of power. It has also been announced that Prime Minister Bhutto will be making an official visit to Washington in early June.

Whether Prime Minister Bhutto assembles the wherewithal to defy the superpowers and carry forward an independent policy to solve the Afghan fiasco remains to be seen. What is not really at issue—in spite of self-serving disinformation from the superpowers' media outlets—is what the basic elements of such an independent policy will be.

A review of Benazir Bhutto's statements on the subject since she assumed office reveals her identification of two aspects of the Afghan problem that are of vital importance to Pakistan: 1) a tangible solution to the Afghan problem must involve the return to Afghanistan of the 3 million refugees encamped in Pakistan since the 1979 Soviet invasion of their country; and 2) a tangible solution to the Afghan problem must involve establishment of a government friendly to Pak-

istan in Kabul.

In a very recent interview with a Swiss journal, Prime Minister Bhutto reiterated her view that peace and stability in Afghanistan would be impossible as long as the present regime in Kabul remained in power.

The bottom line for Pakistan

Prime Minister Bhutto has indicated that the two points mentioned above are primary requirements for Pakistan's own security. The Afghan refugee issue, it should be noted, is almost never addressed by either Moscow or Kabul (with the exception, that is, of Dr. Najibullah's 1987 "national reconciliation" plan inviting refugees home to be stocked up as hostages in the major towns to deter Muhajideen attacks, a plan which failed miserably). Yet, besides the financial burden on Pakistan at a time when the Pakistani economy is, as Bhutto herself has acknowledged, bankrupt and under the austerity *diktat* of the IMF, the refugees have created the social chaos that has taken violent proportions during the last three years.

Growing violence in the NWFP between the refugees and locals; intense competition for a few jobs between the same two groups in a country where unemployment runs as high as 30%; the devastation of scant forest lands in the NWFP, causing increased land erosion and filling up of irrigation canals; the large-scale infiltration into Pakistan of the Afghan Secret Service KHAD personnel with the purpose of stoking trouble; and the emergence of an ever-widening network of narcotics traffickers who, backed by hired assassins equipped with Kalashnikov assault rifles, rule the roost and control the law and order functionaries in Pakistan's major cosmopolitan port city, Karachi, are only a few of the more prominent types of fallout from the establishment of "people's democracy" in Kabul and the Soviet invasion of Afghanistan to shore up the Kabul regime.

The Karachi scene is particularly threatening. Unless the administration intervenes quickly enough to prevent further deterioration of the situation, Karachi may soon become another Beirut, where various ethnic groups huddle in ghettos and seek protection from their own militia and snipers.

Installation of a government that is genuinely friendly to Islamabad in Kabul is no less important for Pakistan. No country, not even the strongest, desires an unfriendly neighbor, but in this case, the argument is even more compelling. In the past, armed secessionist forces, such as the Paktoon and Baluchi secessionists along the Pakistan-Afghanistan borders, have drawn support, both moral and military, from Kabul to break up Pakistan. There are two more specific areas where Pakistan requires the assistance of the friendly regime in Kabul.

First, Afghanistan is expected to harvest about 1,000 tons of opium this year, and based upon previous years' patterns; most of it will find its way into Pakistan for conversion into heroin and shipment westward, leaving a trail of death and

social destruction within Pakistan. Pakistan already has a large number of addicts—their number shot up from a few thousand in the early 1980s to 2 million in 1988—and it is recognized that only a concerted regionwide effort can stop this growing rot. The present Kabul regime, whose writ does not extend beyond the major Afghan towns in any case, is neither capable nor has shown willingness to pay any attention to this growing menace. In fact, Dr. Najibullah has on at least one occasion indicated that it would continue, as a price of resistance to his rule.

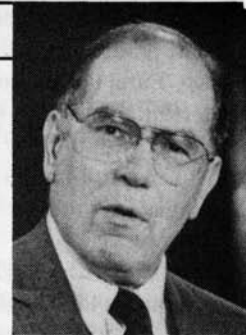
Second, a friendly Afghan regime is a prerequisite for meaningfully resolving the refugee problem. Refugees who left their homes almost a decade ago will not be interested in returning to risk their lives again. Their return only becomes a possibility if the Afghan and Pakistan governments jointly take measures to secure their lives and help them rebuild their future. Any sign of hostility between Afghanistan's government and Pakistan would instantly undermine the refugees' will to return.

The Salam expedition

The problem of the refugees' return is further complicated by the widespread devastation wreaked on Afghanistan during the decade-long warfare. Recently, the United Nations sent six missions—known as Salam 1 through 6—to evaluate the extent of destruction on the ground caused by the Soviet occupation. Although the published report is incomplete, because many teams could not reach areas where they were assigned to go, the picture that emerges is one of devastation.

According to the U.N. expedition's report, the infrastructure in the Panjshir Valley has been totally destroyed. Of the 1,300 villages in the province of Herat, as many as 600 have been destroyed or seriously damaged. The landscape is strewn with makeshift graves, the hospitals are full of limbless children, and so forth. The scene was so bleak, that it prompted a Frenchman on one of the expeditions to comment: "Visiting western Herat is like a visit to Verdun in 1919. For 20 kilometers, there is nothing but ruins; the roads and fields are overgrown with weeds."

In the midst of this, some 10-11 million Afghans, except those living virtually as prisoners inside the fortified towns, are trying to stay alive, foraging through the countryside. Some are trying to rebuild homes destroyed earlier by rockets and bombs. But, the expedition members pointed out, the land is peppered with mines placed by the Soviets and the Kabul regime, inviting death at every step. The report indicates that unless the roads and basic infrastructure are rebuilt before the refugees start moving back, it will be impossible to keep them alive. The food situation will get worse, and unless roadways are built, emergency food supplies cannot come through. Moreover, returning farmers will need seeds, equipment, and livestock to resume their lives, and there must be roads to bring in these essentials.



Why the foreign policy of the Bush administration is insane

The following are excerpts from an April 23 interview with Lyndon LaRouche, conducted by Sophie Tanapura of the Bangkok, Thailand newsletter Off the Record. The interview was conducted by telephone from Mr. LaRouche's jail cell in Alexandria, Virginia.

Off the Record: The Bush U.S. administration, for us in Asia, means the return to power of the "China card" group. Can you comment on the U.S. foreign policy to include the Khmer Rouge in the four-party coalition government in Kampuchea?

LaRouche: When one looks at the U.S. administration and its policy, questions like that do not necessarily fit. The administration is chaotic in its character; the Trilateral Commission and the corresponding London crowd are on top. One could say the administration is insane.

We must realize the international situation in which policy is drifting. First, the Soviet Empire is in internal chaos. The Beijing Empire is in internal chaos. The U.S. and Western Europe and Japan are in a chaotic financial, economic, and strategic set of relations. We are at the verge of the biggest financial collapse of the 20th century.

Inside the U.S. itself, the consensus, so-called, has broken down. The U.S. is run by groupings outside the government and above the government, which can be compared to warlords in old China. These include certain groupings of the Scottish Rite Freemasons, groups based in Boston, New York City, Atlanta, Texas, and so forth. These groupings of Scottish Rite Freemasons and their associates, are in a state of warlord warfare, with the Atlanta group the worst, and cutting up everybody else.

If there is no inherent stability in U.S. policy, except on a few scientific directions, U.S. policy is drifting toward the worst, not toward a definite goal, but toward the worst, whatever that may be: The lowest entropy is another word for it. There is no positive direction to policy, not even a positive direction in a bad direction.

For example, the U.S. is not sure that Gorbachov is going to survive politically, at least not with his present policies. The relations with Europe are terrible. The U.S. is allied with

Britain against continental Europe. The U.S. depends upon Japan's support, but the U.S. is working to destabilize and bring down the government of Japan. The U.S. has no confidence in the present regime in China. . . .

All things are possible. There is no inherent stability in U.S. policy except a drift towards fascism, United States-style—not German- or Italian model-style, but United States-style.

Off the Record: There is a growing sentiment in Southeast Asia, that Japan is acting a more imperial way. The Japanese economically are trying to buy up, rather than just putting investment, land, and companies in Southeast Asia. Some Japanese living overseas show the same arrogance as what is called the Ugly American. . . .

LaRouche: Japan was conditioned in the postwar period to play an economic role, rather than a truly political one. Japan has accepted playing a subordinate role under what is represented by the International Monetary Fund . . . [behind] the United States and the British. For many reasons, they play this role.

Japan is playing for two games, first to get a number-two position in the IMF, behind the United States, to become a policymaking shareholder.

Secondly, I think that anybody in Japan who is not altogether stupid, recognizes that the international financial system is about to collapse. Japan is concerned with securing its strategic lines of raw materials and related materials, in the future under these conditions, for obvious reasons. Japan is not a nation which culturally makes deep bonds with other nations, with other Asian nations in particular. Japan moves to get an economic power position, and certain kinds of related political influence, in as many countries as possible, in its estimation of the possibility, or even probability, that it may have to go back to a virtual barter-system, in order to secure its own interests. The monetary system will break down.

Given the fact that Japan has no political conception of how to organize relations among states, but only an economic one, and only a Japan view of economic interests, these

results you describe would naturally tend to be the tendency.

The problem is, the United States does not provide leadership; Europe does not provide leadership; and Japan has leadership thrust upon it, and in some respects it is a leadership that is politically unqualified. Therefore, Japan falls back on what it knows historically, as the Japanese way of looking at the problem.

Off the Record: On Thailand, the new government (which is becoming old) is making a lot of propaganda to transform the war zone in Indochina into a trade zone. That is their slogan. But the Chatichai government is against the Kra Canal project, and would rather have an oil pipeline. Now, you have a Chinese proposal to build a trans-peninsula oil pipeline, and another proposal already being carried out . . . to build a crane-lift for ships across the peninsula, for eight-ton ships (only fishing boats). The government is not going for the canal.

LaRouche: Unless you have the right economic policy, it won't work. At this point, the war zone has no means to buy. It needs credit. If you do not have a system of low-priced credit, in order to finance capital-goods trade, and related trade into the area to develop it, and enable it to develop to the level it can pay, it can never pay! This is like exporting, from the standpoint of present monetary policy; the opening up for trade might have some humanitarian benefits, but overall, it is like trying to sell a dessert course to a dead man.

As for the canal, it is well known that the Seven Sisters, and the Rockefellers in particular, have always been against the development of that canal. They are against it now. They would do almost anything to prevent the canal, because that would mean the development of Thailand. The people behind these policies, in Europe and the United States, intend to destroy Thailand. A development project which would give national growth impetus to Thailand, and would tend to develop the entire region, is exactly what they do not wish.

I think you will find that it is foreign pressure which is causing some people in Thailand to think that certain things are "realistic" politically, and others unrealistic politically. I think it is primarily British pressure, with which the Rockefellers are sympathetic allies, Kissinger pressure, one might say, which is responsible for causing people to perceive that certain things would not be wise at this time.

Off the Record: There was a recent statement made by Kissinger, that India should play a regional superpower role.

LaRouche: If you understand Kissinger at this time, the people behind Kissinger are dominant in international policy. Kissinger himself might not be. You might find everything Kissinger represents or has represented, at the top, but Kissinger himself coming out of power, because he is such an unpopular, vulnerable figure.

The question is, to those who own him, is he becoming more of a liability than an asset? Has he been used up? Is he

something to be thrown away and replaced?

In everything that Kissinger does, Kissinger is absolutely personally obsessed by me. That is the only way that you can understand what he is saying about the Indians.

To give you another indication of how Kissinger is reacting. I gave an address in Berlin, in October 1988, in which I proposed that Western assistance to the economic development of Poland be tied to certain arrangements concerning Germany. Kissinger tried to adopt his own version of that policy, at the same time that the Bush campaign organization, before Bush's election last year, and right after the election, was pushing to implement their own version, as they called it, of what I had proposed in Berlin.

In India, Kissinger is trying to do the same thing. He is trying to sound as if he has his own version of my policy on India. But what is Kissinger's actual policy, what is the policy of London? And what is the policy of Kissinger's partner, Gorbachov? One must look at this as a Kissinger-Moscow policy, not a Kissinger policy.

Moscow, like Kissinger, is playing a 19th-century balance-of-power game. Moscow is now playing balance of power with Beijing and with New Delhi, and, to the degree they can, with Pakistan. So each of these nations thinks they have a special relationship with Moscow and with the United States-Moscow-London regional matters power-sharing combination.

London, Kissinger, and Moscow are encouraging India to array itself against Beijing. They are also doing things which encourage Beijing to array itself against India. And so forth and so on. As Kissinger said at the Trilateral Commission meeting in Paris in April, in his press conference, he said he expects God may punish him, which I believe is absolutely true. Second, he said, he has never allowed morality to intrude into his politics. That is also very true. One should not take anything Kissinger says as being sincere. One must never assume that Kissinger has a thought that the rest of us would consider a moral one.

Off the Record: It seems that the Republic of China is presently in a pincer movement once again, because Deng Xiaoping has announced that if Taiwan refuses to negotiate, mainland forces could walk into Taiwan. At the same time there is United States pressure on Taiwan to liberalize its economy—

LaRouche: To bankrupt them. They are caught between these two. First, we have to understand that mainland China is presently disintegrating. Disintegration comes from existential considerations: the economy's impact on the culture and political institutions of the country. The question is, to look at mainland China, one must not look at China so much as a power, one must say, "How is the nation of China to be saved?"

This comes up with a very interesting implication for the United States pressure on economic policy on Taiwan. If

Taiwan follows the economic policies which were responsible for its successful economic development under the leadership of Chiang Kai-shek, then Taiwan is the seed which can save the nation of China.

If Taiwan follows the path of Deng Xiaoping, on the liberalization of Taiwan, in the way Deng has in his own way tried to adapt China to liberalization, then Taiwan has no significance for the salvation of China.

The other thing to understand about the economic liberalization policy, is that this is a reflection of the policy of the United States and of London. London is a formerly industrialized economy which has forgotten everything about economic development and economic success. The British economy is bankrupt. It lives on what are called “invisible earnings,” which otherwise are looting the wealth of other nations, through usurious banking.

In the United States, you have two factions. First, the United States leadership is ideologically *insane* on the subject of economic policy. Over the past 20 years, the United States has gone from a great power to a bankrupt one, and the cause of that is entirely this liberalization, free trade policy.

One has to look at what political forces are pushing this. If one looks at the forces arrayed directly against me in the United States, one understands this more clearly. The people involved include the circles identified by the names Henry Kissinger, and his partner Leo Cherne. Cherne is nominally a social democrat and one of the most powerful people in the CIA today. In my view, he is the famous Soviet mole inside the CIA—the one they have been looking for all these years. He comes out of what was called at one point the International Rescue Committee, which was earlier a part of the Communist International intelligence apparatus, the Bukharinite faction of the CP international intelligence apparatus.

The people in his circuit, his immediate assets, are all centered around the same thing: They are all second- and third- generation Bukharinites—Soviet Chekists. Their policies are not inconsistent with that Chekist policy, and their philosophy is consistent with Chekist policy. The institutions which they are associated with, are called the “right-wing social democrats” of the CIA. These are the forces associated with the League for Industrial Democracy, the Fabian Society branch in the United States. These are the people associated with free funding conduits, which are also funding conduits for the CIA as well as the right wing of the Social Democracy around Leo Cherne, associated with Freedom House. Cherne was formerly vice-chairman of the President’s Foreign Policy Advisory Board under President Reagan. He was my enemy inside the Reagan administration, and is my principal enemy even today inside the Bush administration.

The first foundation of the three I shall mention is the Smith-Richardson Foundation, which has an office in the CIA and is a CIA front. This foundation, among its other activities, recently funded the production of a book against

me, written by a Leo Cherne employee, Dennis King. This book was published by Doubleday; Doubleday is a U.S. asset of the international Bertelsmann Trust, which is on intimate terms with Henry Kissinger. The book is being promoted in the United States and internationally by the Leo Cherne network and Kissinger.

The second is the Olin Foundation, the largest of the foundations involved; it does the same thing. The third is the Richard Mellon Scaife Foundation, again a powerful one. It is behind Roy Godson, Walter Raymond, and other Leo Cherne assets.

This is the hard core of the National Endowment for Democracy, which is involved in the top leadership of both the Republican and Democratic parties. This is Prodemca, and also Project Democracy. It is also the social democratic labor organization of the State Department. It is also the U.S. Information Agency, which is part of this Cherne apparatus.

To understand these problems, one must understand this group of old Soviet Chekist networks inside the United States, operating as right-wing social democrats, who have never given up their Chekist philosophy—they still think as they did when they were Chekists in the 1920s and 1930s. They are controlling the so-called Project Democracy and related “democratic policy” of the U.S. government; they are also the biggest boosters, ideologically, of things like the Rand Corporation, which is controlled by them—that is the Trotskyist division. They control the so-called “liberalization” policy.

One can go more deeply into this, but one should look back into the early 1920s, to the case of Georg Lukacs, when he was still a Comintern agent in Germany, making addresses which resulted in the establishment of the so-called Frankfurt School, the Institute for Social Research. . . . This is extremely crucial for understanding the attitude of certain people in Washington toward Taiwan. They recognized, as Lukacs did, that the failure to bolshevize Western Europe and the United States during the five years following the Russian Bolshevik Revolution, was the result of an immunological factor in Western culture, and they were out to destroy that immunological factor, and said that must be done by what they called a “cultural paradigm shift,” as a precondition for bolshevizing the world.

What they object to in Taiwan, and in going after General MacArthur—the same thing, the figure of MacArthur being attacked, the figure of Chiang Kai-shek—is the image of the “authoritarian personality”; the image of “democratization” is one of the weapons developed by the Frankfurt School for the purpose of bolshevization of the world—cultural warfare to prepare the way for bolshevization of the world. That is what they are doing in Taiwan! What they are trying to do is destroy the cultural impact of Sun Yat-sen. If that cultural impact is destroyed, then the entirety of China will go through one of the worst collapses in the history of the nation of China. . . .

Medellín cocaine cartel loses top agent in Mexico

by Our Special Correspondent

In the early morning hours of April 8, a heavy deployment of forces from both the Mexican Army and the Attorney General's office succeeded in capturing one Miguel Angel Félix Gallardo, in the city of Guadalajara, Jalisco. Gallardo is considered the most important drug trafficker in Mexico, as well as the leading Mexican agent of the Medellín, Colombia-based cocaine cartel. His arrest, along with a massive raid of his networks and bases of operation across Mexico, is a setback to the infamous Colombia-Mexico-U.S. cocaine route, but halting it permanently will require economic and political changes on a far vaster scale than the Salinas government of Mexico appears prepared to make.

In a parallel April 8 deployment in the city of Culiacán, capital of Sinaloa state, the Mexican Army arrested 600 members of both the state Judicial Police and the local city police, and also detained the heads of both agencies along with the Attorney General's anti-drug director in that state—all accused of being paid informants of Félix Gallardo. Troops also raided various properties belonging to Gallardo in that city, where he has resided for many years. Those properties included homes, hotels, shopping centers, and ranches. Unofficial estimates by the Attorney General's office are that Félix Gallardo is worth at least \$500 million.

The arrest of Gallardo and his closest accomplices is one of the most dramatic triumphs yet achieved by anti-drug authorities in Mexico, and represents a severe blow to the violent process of "Colombianization" into which Mexico has been sliding. It is no secret that the drug traffickers have declared total war against Mexican law enforcement, with the Mexican Army their new target, and it was this fact which apparently led the nation's military and judicial authorities to unleash the offensive which led to Gallardo's April 8 capture.

Félix Gallardo and the Medellín Cartel

Félix Gallardo won notoriety internationally in 1985, when it was learned that he was the mastermind of the brutal murders of DEA agent Enrique Camarena and his Mexican pilot, Alfredo Zavala, both of whom had been hot on the trail of the Colombian cocaine connection into Mexico. The DEA learned that the Colombian cocaine trade was conducted through an "administrative council" whose president was Félix Gallardo and the Honduran-Lebanese trafficker Juan Ramón Matta Ballesteros, who fled Mexico after the Camarena assassination and was later jailed in the United States. According to the testimony of one Hugo Denere, a high-level

figure in the Félix Gallardo organization, Gallardo and company shipped 16 tons of cocaine into the United States during the period of March through December 1984 alone! The Gallardo organization was, in fact, in charge of nearly the entirety of the Colombian cocaine flow through Mexico into the United States.

Both Félix Gallardo and Matta Ballesteros are the third generation of the same heroin, marijuana, and cocaine trafficking network founded by Alberto Sicilia Falcón, currently a prisoner in Mexico. Sicilia Falcón is a former CIA agent, a Cuban-American who had worked for the CIA's Operation Mongoose in the late seventies, which had targeted Fidel Castro for assassination. Matta and Gallardo came into their own when Falcón put them in contact with Colombia's dope kings.

It was Gallardo, for example, who forged the deal whereby the Medellín Cartel of cocaine traffickers, represented by Matta Ballesteros, could carry out their operations in Mexico. To strike such a deal, Gallardo drew extensively on his wide-ranging political and financial contacts inside Mexico. The national press commented, in the aftermath of Gallardo's arrest, that he was closely tied to two former governors of Sinaloa state, Leopoldo Sánchez Celis and Antonio Toledo Corro. The state of Sinaloa was where the drug trade first took off on an international scale, during the era of Meyer Lansky in the "golden thirties."

Gallardo began as a bodyguard to Sánchez Celis, and was godfather to one of his sons. Various newspapers and magazines have published photographs showing the two side-by-side, even after Gallardo was being hunted by the authorities. In the case of Toledo Corro, the drug mafia had a free hand during his 1980-86 administration to assassinate at will and run the state as if it were its own private fiefdom.

On the financial front, Gallardo had the collaboration of several banks, among them Banpacífico, owned until 1982 by Arcadio Valenzuela. Until 1979, Gallardo's former treasurer Tomás Valle Corral was a leading Banpacífico executive and a trusted associate of Valenzuela's. Through such contacts, Banpacífico experienced dramatic growth which launched Valenzuela into national politics. In 1980, he was named president of the Mexican Bankers Association, an organization which included the heads of all the private banks of the country. Valenzuela also became the state of Jalisco's most aggressive financier, involving himself in the development of Puerto Vallarta as a major tourist center and making

massive real estate investments in the city of Guadalajara. In this, he had the help of the then governor of Jalisco, Flavio Romero de Velasco (1976-82), during the same period in which Sinaloa's traffickers—among them Gallardo—were establishing their general headquarters in the state. In April 1985, the former head of Romero de Velasco's team of bodyguards was arrested in Puerto Vallarta, together with mafia bigshot Ernesto Fonseca Carrillo, who participated in the Camarena assassination. Fonseca was Félix Gallardo's man.

The ties between Arcadio Valenzuela and the Gallardo organization were further exposed when, in June 1985, Mexico's anti-narcotics police chief Florentino Venture arrested Guadalajara businessmen Enrique and Jorge Cordero Stauffer, for laundering the dirty money of Rafael Caro Quintero, the Gallardo organization man who was directly responsible for the Camarena assassination. It became public that the Cordero Stauffer brothers were friends and partners of Valenzuela. Further, Gallardo held investments in Plaza Mexico, the enormous and costly shopping mall in the very center of Guadalajara, constructed and owned by none other than Arcadio Valenzuela.

Had Mexican authorities not moved decisively against Félix Gallardo and his organization, the country would have fallen into the hands of the Colombian cocaine cartels in short order. It is an open secret that the Gallardo/Colombian network operated with virtual impunity during the 1982-88 administration of President Miguel de la Madrid, whose internal security forces were massively corrupted by the drug traffickers, as proven on numerous occasions.

Beyond Félix Gallardo

While the Gallardo arrest has delivered—for the moment—a blow to the Colombian cocaine-trafficking route through Mexico, the reality remains that it is the debt-induced economic depression in Mexico which has led thousands of Mexicans to devote themselves to the cultivation and trafficking of drugs throughout the country. There is not a city anywhere in Mexico in which drug trafficking is not the number one cause of criminal activity. Sixty percent of the country's prisoners are accused of drug-related crimes, and the jails are already filled to overflowing.

At the same time, the country's agricultural producers have been bankrupted by policies—dictated by the International Monetary Fund and imposed by the Mexican government—of not giving remunerative price guarantees for wheat, corn, bean, and other basic crops. According to the testimony of anti-drug police and soldiers, they are frequently forced into combat with peasants who have rented their lands to the drug traffickers, or who receive seeds, irrigation systems, weapons, and dollars to raise—and protect—marijuana and poppy crops. This is the economic reality behind the internal production of drugs in Mexico, as elsewhere.

In addition, Mexico's financial and banking system offers enormous opportunities for the laundering of drug money.

The interest rates offered for deposits in the national currency are already above 40% a year. Further, there are no banking regulations which require certain large depositors to explain the origins of their funds. In fact, the Mexican stock exchanges reward those agents who garner the largest investments, no matter the source of the capital. The banks operate on the same principle.

Gallardo and the French Connection in Mexico

The arrest of Miguel Félix Gallardo was the culmination of a highly successful action against the cocaine trafficking network in Mexico run by the Medellín Cartel, but the ramifications will also be felt by that organization known as the French Connection which, it appears, is in on a deal with the Colombian bosses for the world distribution and sale of cocaine.

This arrangement came to light last Feb. 18, during the arrest in Ciudad Juárez of Italian citizen Giuseppe Catania Ponsiglioni, who was charged with responsibility for the huge Medellín Cartel cocaine shipments entering the United States via Ciudad Juárez-El Paso, Texas. The shipments were run on the Colombian end through a retired major of the Colombian Army named Ariza, and were backed by one Fernando González in Panama. In Mexico, Catania negotiated the cocaine's transfer to the United States through a group of drug traffickers run by Gilberto Ontiveros, one of Félix Gallardo's partners.

Catania represented the interests of the French Connection heroin ring. In 1973, he was arrested in New York when the U.S. police destroyed an important network of the French mobsters. Catania moved to Mexico in 1980, where he passed himself off as a prosperous businessman.

His February arrest in Mexico was accomplished thanks to the collaboration of the French police, who sent information about his presence in Mexico. That information had initially led to the June 1988 arrest of three members of the French Connection in Mexico—Jean Claude Kella, and Jean and François Orsini, all from Corsica. The three Corsicans were part of a larger European-wide organization run by Belgian Francis Vanderbergue, who was arrested in Brussels on March 30, 1988. Like Catania, Kella arrived in Mexico in 1980. His arrest resulted from the confessions of heroin trafficker François Spula, arrested in Switzerland in May 1986.



Bush paralysis on Lebanon: not such a 'great beginning'

Dr. Bouhabib, Lebanon's ambassador to the United States, was interviewed by William C. Jones of EIR's Washington bureau on April 20.

EIR: What was it that caused the recent escalation of Syrian attacks on the Lebanese in West Beirut after the consolidation of Lebanese forces under General Aoun?

Bouhabib: First, the intentions of Syrian forces have always been to enforce their hegemony over Lebanon. And the recent fighting in Lebanon is a result of regional games that ended up in Syria being isolated. The end of the Iran-Iraq War made Syria lose one game—or one card, as it were. The uprising in the West Bank and Gaza made Syria lose another card that they used to trade with. The coming back of Egypt to the Arab League would shortly make Syria lose a card. You know Syria was playing an important role in the area largely by accident, rather than because of its size or its importance. [Due to] the fact that Iraq was busy in the Gulf War and that Egypt, because of Camp David, was isolated from the Arab world, Syria became like a super-regional power. Now all of these cards are being lost to it, so they are trying to grab onto the Lebanese card to keep it together and to enforce Syria's hegemony over Lebanon.

Some people say that it is the seizure of the illegal ports, that General Aoun has imposed on these illegal ports, made Syria mad. Why? This illegal port is not a Syrian port. Why should Syria get mad at the illegal port? Why should Syria destroy a country because of the seizure of an illegal port? Syria is doing it because it's in her interest. It has nothing to do with the ports. It has nothing to do with the Muslims or the Christians in Lebanon. They are squeezed. There is an Arab League committee trying to push for peace in Lebanon. And they are squeezed by that and cornered because peace in Lebanon means Syria out of Lebanon. There is no peace, there will be no peace as long as Syria is in Lebanon.

EIR: Concerning the ports you mentioned, it has been widely known that a large portion of the drug trade has been under Syrian direction, possibly using the funds to finance their war effort. Could the fact that General Aoun intervened to establish control over the illegal ports have caused the Syrian reaction?

Bouhabib: The drug traffic was not the key issue. The drug traffic was moved to other ports under Syrian control. It was mainly the isolation of Syria in the area which led to the present escalation of the conflict.

EIR: Although the Syrians are not quite alone in the arena. Are they receiving considerable logistical and material support from the Soviet Union?

Bouhabib: The Soviet statements on Lebanon have been moderate. The "spirit of *perestroika*" would not allow them to come out openly to support Syria. If the U.S. would act to demand a cease-fire, to take the issue to the U.N. Security Council, I do not believe the Soviets would move to oppose it. If the U.S. accepts the French proposals on Lebanon, the Soviets would dare not oppose them. There must be no foreign involvement in Lebanon. Why is the U.S. not treating the Syrian occupation of Lebanon as it would the Soviet occupation of Afghanistan or the Vietnamese occupation of Cambodia? The U.S. is treating us differently. Why is the occupation of Lebanon not being treated in the same way as the occupation of other countries? I hope that the death of 250 Marines, tragic as the incident was, harmful as it was to Lebanon also—not only to the families of those Marines—would not reduce the United States from being a superpower or the superpower of the world, to a small power, a power where the Secretary of State would say, as did Secretary Baker, that we have no influence on Syria—"scant" is the word he used, scant influence on Syria. This is unacceptable from a superpower unless the intention is to reduce the role of the United States in the free world.

EIR: Traditionally the United States has been supportive of Lebanon throughout the years for a variety of reasons, up until the bombing which you referred to, where 250 Marines were killed. Recently, however, there seems to have been a shift in U.S. policy, if we consider the recent statements of Henry Kissinger, in which he said that God may not forgive him for saying so, but that he "rather likes" Syrian President Hafez Assad. Do you think that such comments indicate a shift in U.S. policy with regard to Lebanon, an acceptance of a Syrian presence in the country, perhaps in deference to overriding agreements with the Soviet Union with regard to

the Middle East?

Bouhabib: I think there is a misconception in the head of former Secretary of State Dr. Kissinger, that Syria can join Israel in a peace conference, that King Hussein is too weak to join, that the Israelis would not talk with Arafat, and that therefore Syria is the only candidate. This only shows the lack of knowledge of the area, the lack of knowledge of the peoples of the area.

I do not know how a giant like Mr. Kissinger, a giant in international thinking, can reduce himself to saying that Syria can play a role in the peace process. Syria is a country that lives on a "no peace, no war" situation. They are afraid of peace; they are afraid of war. And if Mr. Kissinger thinks that he convinced them in 1974 to have this disengagement agreement with Israel, it's because it was in the Syrian interest, not in American or Israeli interest. There is no doubt that Mr. Assad is a tough negotiator and a strategic thinker, but we should not read too much into that, and I think that Mr. Kissinger is totally and completely wrong on this.

EIR: Do you think that anything has changed in the Syrian attitude or behavior which would motivate a change in U.S. policy toward Syria?

Bouhabib: There is this kind of softness toward Syria. They want to turn an eye from Syria. They accused Lebanon of having a drug problem, of exporting drugs to Europe and the United States, without really pointing the finger at who is really controlling and protecting drug-trafficking. They say that terrorism is emanating from Lebanon. They don't say who is in charge of protecting these terrorist camps in Lebanon. They talk about the Pan Am 103 bombing, and they talk about Jibril, but they close their eyes to where Jibril is. They mention that his headquarters is in Damascus, but they try to avoid all of this kind of thinking. And it's probably because there is a strong trend of thinking in Washington that sees Syria playing a role in the peace process.

EIR: What is the actual military situation on the ground in Lebanon? What is the ability of the Lebanese Army to hold out, and what would be required by them to keep from getting wiped out?

Bouhabib: Let me say the following. The Syrians never fought a war. They bomb. In 1967, they did not fight Israel, nor in 1973. It was bombing or anti-aircraft missiles. In Hamar: It was destroyed by bombing. Tripoli in Lebanon was destroyed by bombing. Now again they are bombing. They never fought. The destruction in Lebanon is beyond the wildest imagination. We are receiving a lot of humanitarian assistance from Europe, especially from France, but we have yet to hear anything from the United States.

EIR: There have been certain moves in the U.S. Congress, for instance, a unanimous resolution in the U.S. Senate, calling on the President to demand a cease-fire. Do you think

there is momentum building to force the Bush administration to do something concretely, either together with the French or independently?

Bouhabib: I hate to see an administration which is in its initial stages and a President who has articulated his goals as peace in the world and support for all beleaguered peoples, friends of the United States, I hate to see them moving simply as the result of pressure coming from Capitol Hill and from allies such as France. It doesn't say much about the "great beginning." If this were the attitude of a smaller country, it can be understood, but to be an attitude of a superpower, that's really amazing.

EIR: What is the attitude of the Israeli government toward the growing Syrian destruction in Lebanon? The Syrian destruction of a sovereign Lebanon ought to be a threat to them. What has been the Israeli reaction to the latest Syrian escalation?

Bouhabib: I haven't heard any comment from the Israelis except "hands off." I think that if I were Mr. Shamir, I would be happy about what is going on in Lebanon. It gives them a justification to say "Ah, those who want us to allow the idea of having an independent Palestinian state, look what is happening to Lebanon," using us as an example in order to protect themselves.

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Losing the 'war on drugs' in Lebanon

If the U.S. continues to refuse to condemn Syria's aggression, Lebanon will remain in the hands of the drug lords.

It is no secret that the underlying issue in the six weeks of Syrian genocide against the civilian population of Lebanon is drugs. When Gen. Michel Aoun, the Interim President of the country, moved to shut down a string of illegal ports that are principally used to export drugs to the Western European and U.S. markets, Syria's drug lord-cum-President, Hafez Assad, opened up both barrels.

In the past six weeks of continuous artillery shelling of predominantly Christian East Beirut, at least 230 people have been killed; food, electric power, and water supplies into the area have been all but cut off; and much of the city that once served as the commercial center of the eastern Mediterranean has become uninhabitable rubble.

The logic behind President Assad's strategy is clear: Without Beirut, Lebanon ceases to exist as a united sovereign nation. And so long as the United States and the world community stand idly by and refuse to label Syria the aggressor and illegal occupying force, nothing of consequence will intercede to prevent Damascus's long-held dream of absorbing much of Lebanon into a "Greater Syria."

Middle East sources, however, have told the weekly newsletter *Middle East Insider* that Hafez Assad is now steaming over General Aoun's courageous call for all Lebanese to stand and fight to drive the Syrian invaders, as well as the Israeli and Iranian occupying forces, out of the country. Even more infuriating than Aoun's international call for a "national liberation" struggle against Syr-

ia's 40,000 occupying troops, has been the international spotlight focused on Syria's dominant role in the region's massive illegal narcotics trade.

At a recent demonstration of an estimated 12,000 Lebanese-Americans in front of the White House, leaflets and banners focused on the Assad regime's use of Lebanon as a hub of its drug-running activities.

It is widely known that since Syria's 1976 move into Lebanon, initially at the behest of the Arab League and the invitation of the Lebanese government, areas under Syrian occupation have become major centers for the production and manufacturing of illegal drugs. The Bekaa Valley, dominated by Syrian Army presence, is emerging as a center for the processing of opium into heroin, as well as the traditional "local crop," hashish. Opium poppy from as far away as the Golden Triangle region of Southeast Asia is now reportedly finding its way into areas of Lebanon under undisputed Syrian control, for processing and delivery to the world market.

In moving to consolidate his designs on Lebanon, President Assad has forged "mafia-style" arrangements with all of the militias, from the Druze to the Shi'ite Hezbollah and Amal to the Christians. The glue binding all these arrangements is the drug trade. The control over the smugglers' ports constitutes a principal source of revenue for all the militias, enabling them to purchase the weapons needed to keep the civil war going.

When General Aoun moved in early March to shut down these illegal ports and put them back into the con-

trol of the centralized government, that was a *casus belli*. Despite the enormous casualties inflicted primarily on the civilian population of Beirut, the future of sovereign Lebanon hangs on Aoun's ability to live up to his promise to drive the Syrian and other foreign invaders from Lebanese soil.

In mid-April, U.S. Secretary of State James Baker III told congressional leaders that he was hopeful that Moscow would exert pressure on Damascus to end the slaughter in Beirut by submitting to the cease-fire call put forward by the Arab League. This weak-kneed remark prompted General Aoun to denounce the Bush administration, likening it to a Hollywood comedy.

What may have triggered that angry reaction is the knowledge that Syria's drug dealings, a key motive behind Syria's Lebanon genocide, were likely "made in Moscow"—perhaps as early as 1967. The late Yuri Andropov, in one of his first acts as head of the KGB, convened a 1967 meeting of top Warsaw Pact secret police and interior ministry officials to map out a major expansion of Soviet bloc involvement in drug trafficking. The Bulgarian government was given responsibility for drug trafficking in the eastern Mediterranean and Middle East.

Reportedly, the Bulgarian ambassador to Damascus launched this program in earnest by no later than 1969—just the year before Air Force officers led by Hafez Assad seized power in a military coup. According to one source who was in Damascus and Sofia during this period, it was the nascent drug-trafficking infrastructure that put the Assad regime in power in Damascus. If these accounts are accurate, then drug trafficking and narco-terrorism are the very essence of the Assad regime.

Mercantilism surfaces in Peru

A group of businessmen is challenging the idiocy of the liberal economists, and demanding industrial development.

At a moment when the “free-market” ideology peddled by the International Monetary Fund (IMF) and the governments of the developed countries has seemed to conquer the thinking of businessmen even in the Third World, a strong current opposing it has sprung up unexpectedly within the business community of Peru.

A 5,000 word, two-page ad appearing in *El Comercio* of Lima on April 3, signed by almost a score of Peruvian businessmen, tore apart the liberal, anti-protectionist ideology of the Liberty and Democracy Institute (ILD), the darling of the IMF circuit, and raised the banner of “mercantilism,” as the only viable route for Peru and other underdeveloped countries, to ever develop and industrialize.

The ILD, under its head Hernando de Soto, has for years been promoting total deregulation of industry and total elimination of tariffs, and has championed what it calls the “informal economy.” This is the economy of “microproducers” and cottage industry, the street vendors and dope pushers, whom de Soto and the ILD consider the true entrepreneurs of Peru. Because his attack on real industry suits their purposes of preventing development of the Third World, the IMF and its backers in the United States and Europe have made a hero out of de Soto, and have widely promoted his book *The Other Path*.

In their ad, the businessmen, members of the Research Institute for National Economic Development, called the ILD’s bluff. The ad showed that the ILD case against industry boils down to a demand that domestic in-

dustry must compete, without benefit of tariff protection, in international markets, and must go out of business if it cannot match the “operating efficiency” of others. The ad demonstrated that this is a hoax, and that operating efficiencies of Peruvian industries were often the same as in foreign countries, or even higher.

The difference, the ad pointed out, is in the fact that overall productivity is not only dependent on operating efficiency, but on levels of physical and social capitalization, including such factors as capital intensity, level of technology, infrastructure, ability to use economies of scale, and other factors. The improvement of productivity can only grow with overall development of the economy; it cannot come overnight, nor by sheer act of will. “Obtaining high productivity is not a precondition for development, but a goal of overall development, since improving productivity is development itself.”

The ad then demolishes the ILD case, pointing out that every developed country today, from Britain to the United States to the nations of Europe to Japan and South Korea, has employed the so-called “mercantilist” or “neo-mercantilist” policies associated with U.S. Treasury Secretary Alexander Hamilton and with the German economist Friedrich List, often called the political economy of the nation-state. The opposing, liberal argument, draws its inspiration from the discredited and nowhere successfully applied Physiocratic notions that only primary production of agriculture should be developed.

The appearance of the ad has sparked a furious debate within Peru. The April 12 edition of the daily *Hoy* published a commentary, “Mercantilism and Industrial Development,” by Manuel Hidalgo, defending the viewpoint of the ad, and pointing out that ILD head De Soto is not only working with the IMF, but also recently met with Henry Kissinger. The article said that the ad “may now make it possible, outside of electoral politics, to unify a common national will for accelerated development.”

The day before, the daily *La República* had also covered at some length the debate between the faction of industrialists who had signed the ad, and the liberals of both the ILD (which is backing the left in next year’s elections) and the right-wing coalition the Fredemo. A survey just taken of industrialists revealed that 43% call themselves mercantilists, as against only 34% identifying themselves as liberals.

To help sharpen the terms of the debate, *EIR*’s office in Lima quickly organized a seminar on the subject, which drew 30 people on April 20, including many managers and executives of companies, to hear author Luis Vásquez speak on “The Battle for Integration: Mercantilism versus Liberalism.” Vásquez identified liberalism with the rule of usury and the suppression of industrial development, and made the case for why a backward economy must be protected if it is to develop.

The debate may also be a factor influencing Peru’s President Alan García. On April 22, following a meeting in Colombia to celebrate 20 years of the Andean Pact, García gave a speech in which he reiterated that the only path to economic development for Ibero-America is a full-fledged common market, a notably “mercantilist” proposal.

Stuck between the Fund and the strikes

Sarney's attempt to implement IMF wage-gouging decrees could trigger a strike wave under communist control.

President José Sarney's government has begun a new round of talks with the International Monetary Fund (IMF), but has suddenly found itself trapped between a rock and a hard place. If Sarney persists in enforcing the Fund's austerity dictates—as he would like to do—he takes the risk of derailing the fragile stability to which pre-election Brazil still clings, triggering untold chaos. It is perhaps this reality which has led Brazilians, for the first time in a long time, to begin to rumor the possibility that presidential elections scheduled for November 1989 may not occur.

The fulcrum of the IMF's new austerity demands is government wage policy, just the issue most likely to trigger social conflagration in Brazil. It is to the extent that the Sarney government is willing to gouge wages that the Fund is prepared to offer itself as guarantor for Brazil's creditors to release a paltry \$600 million which had supposedly been approved in the debt renegotiation pact of 1988.

With Fund prompting, the Sarney government's economic cabinet has begun anew to publicly urge the need for wage austerity. Planning Minister João Batista de Abreu has once again raised the possibility of firing 90,000 public employees, a central aspect of the failed "Summer Plan" the government decreed three months ago. The job-slashing decree was never implemented, due to the unanimous opposition of Congress.

However, all technocratic projections have been surpassed by the deterioration of buying power in Brazil.

Starting with last month's general strike, a wave of work stoppages took place in every key sector of the economy, including metal workers, port workers, professors, and bank employees. By local estimates, nearly 1.5 million workers are currently on strike. All are demanding wage increases of 80% and higher. Fury at the Sarney government's compliance with IMF genocide is being catalyzed, dangerously, by the CUT, the labor federation of the communist Workers Party (PT), which has provoked numerous anarchist actions.

In the face of this rising discontent, Brazil's bank creditors have preferred to send their demands "discreetly," using available journalistic channels. For example, the April 23 issue of *Jornal do Brasil*, a known mouthpiece for Citibank, used three full pages to promote what the oligarchy calls "Salinas-troika," a reference to the so-called reforms of Mexican President Carlos Salinas de Gortari. Those "reforms," initiated by Salinas's predecessor Miguel de la Madrid, achieved two important goals set by Mexico's creditors—the auctioning off of the majority of state companies and, above all, reducing living standards by some 50%—without triggering significant social explosions.

However, as can be seen by the ongoing labor ferment, imposing such an austerity program in Brazil would spark something much worse than Carlos Andrés Pérez's infamous *Caracazo*, and would set off interminable financial chaos, making Raúl Alfon-

sín's Argentina look like a paradise of stability.

The moribund Summer Plan has left the Sarney government with fewer options than ever. Interest rates have gone through the ceiling, the internal debt has risen 25% in only three months (from \$80 to \$100 billion), wages have lost 30-40% of their buying power. And, worst of all from the Sarney government's viewpoint, inflation has returned.

These disasters are part and parcel of the entirety of economic policies that have been effected since 1988, when the moratorium on debt interest charges decreed in 1987 was reversed. The recession—only held at bay—has returned with a vengeance.

In 1988, the GNP was negative, with a fall of -0.3% and a per capita value of 2.3%. Contraction of economic activity was headed, not surprisingly, by industry which fell 2.5%. The gross capital formation rate was 17.5% of GNP, a rate only similar to the period between 1983-85, the critical years of the recession caused by the monetarist policies of former minister Delfim Netto. For comparison's sake, one might note that Brazil achieved an investment index greater than 20% of GNP during the 1970s. To achieve a 6% annual GNP, the investment rate must be at least 22%.

The result of the collapsing investment rate is that the major state companies are being sacrificed, above all in the energy sector, which is the Achilles heel of the Brazilian economy. Thanks to the aggressive actions of the world green-fascist lobby, the World Bank has canceled any credits to Brazil's electrical sector. The lack of public financing resources, added to the Summer Plan's price freeze, has forced the state oil company Petrobrás to demand an immediate increase of 40% in fuel prices to stave off anticipated major income losses.

Washington courts the Socialists

The red-green alliance in the Federal Republic of Germany offers cooperation with the Bush-Baker team.

Willy Brandt's Socialist International is offering to play a prominent role in the redefinition of U.S. foreign policy under President Bush, and the new U.S. administration seems committed to accept this offer.

For the fourth time in six weeks, a delegation of senior West German Social Democratic Party (SPD) officials got the red-carpet treatment in Washington, D.C.

First, Egon Bahr, architect of the SPD's *Ostpolitik*, conferred with U.S. National Security Adviser Brent Scowcroft and Senators Sam Nunn and Les Aspin on East-West and European issues at the end of February. Then, in the first week in March, Socialist International chairman Willy Brandt met with Scowcroft to convey his support for the new Brady Plan for Third World debt management.

SPD chairman Hans-Jochen Vogel was received by the President and by Secretary of State James Baker, Federal Reserve chairman Alan Greenspan, Special Trade Representative Carla Hills, and Defense Secretary Richard Cheney in the first week of April. Vogel was generally introduced as the "potential next chancellor of West Germany"—whether as head of a coalition with the Greens, or the Liberals, or even a "Grand Coalition" with the Christian Democrats.

In mid-April, the newly elected SPD mayor of Berlin and head of a radical "red-green" coalition with the Green party, Walter Momper, arrived in Washington to present his policy to Bush, Baker, Ambassador to Bonn Vernon Walters, Senators Claiborne Pell and Richard Lugar, and Con-

gresswoman Pat Schroeder.

All four delegations were received in a way that can only be read as a slap in the face to Bonn Chancellor Helmut Kohl, who is considered to be on his way out.

The Bush administration seems to find the Social Democrats more useful in its Kissingerite policy of accommodation with the East, than Kohl's Christian Democrats. The scene reminds one of the early weeks of 1969, when the U.S. Establishment decided to have a Social Democrat as their next chancellor in Bonn—and threw their backing behind Willy Brandt.

Especially in the talks Vogel had with U.S. administration officials, the "new wave" became visible. The meetings had the character of concrete planning sessions, rather than distanced diplomatic encounters. Vogel stated support for the Brady Plan for the "consolidation of Third World debt" and discussed an equivalent of the plan for economic aid to Eastern Europe. He expressed support for the respective Kissinger proposals for European disarmament, on the condition that "the Europeans" (meaning the Socialist International and the SPD) be partners in this scheme.

Vogel declared his full backing for the new Bush-Baker approach on Central America and the Caribbean, which he said was "noteworthy because of its emphasis on diplomatic means of solving conflict . . . much different from Reagan's militaristic approach before." He said nothing about U.S. efforts to overthrow Panama's Gen. Manuel Noriega.

Returning these favors from Vo-

gel, Baker signaled "genuine interest" in utilizing SPD "channels of influence into Central America." He welcomed the work of German SPD member Hans-Jürgen Wischnewski, who has been touring the region repeatedly in the past months as a trouble-shooter for the Socialist International. Wischnewski, who maintains very close contacts with the Nicaraguan junta, has been in secret contact with the United States through Miami before, and was, among other secret missions, also involved in shuttle diplomacy between Washington and Panama's Noriega.

Wischnewski will soon receive an official invitation to give a detailed report to Baker, at a meeting at the State Department. This will include discussion of Socialist International contacts with several key governments of Ibero-America, like Mexico, Venezuela, Argentina, Peru, and Brazil—all of which are important in the political battle over Third World debt. An unsavory partnership between the Socialist International and the Anglo-American Establishment in "settling Ibero-American affairs" is shaping up. This has a tradition: It was Willy Brandt and Robert McNamara who set up the North-South Commission ("Brandt Commission") in 1977.

Concerning European affairs and the "New Yalta," the Bush-Baker team and the Socialist International are in basic agreement on arms control, U.S. military disengagement from Western Europe, on a post-nuclear strategy for NATO in Europe, and special aid initiatives to Poland and Hungary (in consultation with Moscow).

The German Social Democrats also agree with the Bush team on the principle of strict non-proliferation of advanced technology in the chemical and nuclear sectors, from Germany to the Third World.

International Intelligence

Salvador police arrest 72 in raids

Police in San Salvador April 19 arrested 72 people, including many women and children, in raids on the offices of a refugee organization, a women's association, and a union, which the military called guerrilla hideouts.

The raids followed the assassination of Attorney General Roberto Alvarado.

Defense Minister Gen. Carlos Eugenio Vides Casanova said the military had information that the groups raided were linked to the Farabundo Martí National Liberation Front (FMLN) guerrillas, who are believed responsible for the assassination.

Alvarado died when a bomb was placed on his car as it waited at a traffic light.

The day of the raids, Salvadoran politicians and military officials met to discuss tougher laws and the possibility of imposing a state of siege to combat guerrilla violence.

Soviet troops used poison gas in Georgia

Soviet troops used poison gas in Georgia, government sources there and in Moscow are now admitting.

The first reports came from the Center for Democracy in the U.S.S.R., which cited nationalist opposition sources in the capital of Tblisi, Georgia. It said that when drunken Russian troops waded into demonstrators there on April 9, "42 people from among the hunger strikers and demonstrators were killed, 42 were missing, and over 500 seriously wounded." Of the demonstrators murdered, "Twenty were women (two over 60 years old and one girl, 11 years old). They were all clubbed to death" by Russian troops employing the trench warfare spade used by paratroopers.

Moreover, the report states, "There is evidence that the troops used some type of poisonous gas in routing the demonstrators outside the House of Government. Minister of Health Menagarishvili admitted on Geor-

gian television . . . that clear symptoms of toxic poisoning were discovered in the bodies of the dead and among the wounded. All of the corpses had distended stomachs. Demonstrators claim that they were literally paralyzed and even left unconscious by the gas."

Menagarishvili was also quoted by the Georgian Communist Party newspaper *Zarya Vostoka* as saying people were still coming in to seek treatment for poisoning.

On April 22, Reuters quoted Deputy Health Minister Irakli Pagava saying that 21 children at one school had symptoms of mild gas poisoning and that laboratories were running tests on them.

Both the government newspaper *Izvestia* in Moscow and a group of experts have confirmed the admissions.

Vietnam has not withdrawn troops

Soviet Foreign Minister Eduard Shevardnadze and Vietnamese Foreign Minister Nguyen Co Thach met in Moscow April 23, and called for an international conference on Kampuchea to be held before Vietnamese troops complete their pullout "in September." But the call rang hollow.

Instead of preparing for a September troop withdrawal, Vietnamese forces in Kampuchea opposite Thailand's Chanthaburi-Trat Province are gearing up for a dry season offensive, according to the claim of Thai Capt. Bandit Bunyapruet, intelligence chief of the provincial defense force. He appeared at a press conference in Thailand only a day before the Shevardnadze-Thach meeting.

Captain Bandit claimed that Vietnam has not withdrawn 50,000 troops as announced, but only 20,000, most of whom were wounded or crippled. Even these, he said, were replaced by fresh troops from Vietnam.

An attempt was made to hide this, he continued. The replacements were immediately "merged" with regular Kampuchean units, through a simple change of uniform.

Lending credence to his claims of a

planned Vietnam-Cambodian offensive is the fact that a day before, bombardment by Kampuchean government forces drove more than 10,000 refugees and guerrillas out of Khmer Rouge refugee camps on the Thai border. It was described as the heaviest shelling at the frontier for four years. Bombardment started on the eve of a visit to the area by the Thai foreign minister.

Soviets announce new AIDS measure

Soviet foreign ministry officials announced April 24, that all foreigners living in the Soviet Union who leave the country for more than one month must submit to a test for AIDS upon their return.

Gennady Gerasimov, foreign ministry spokesman, said that a 1987 decree to this effect by the Presidium of the Supreme Soviet that has been only loosely enforced, will now be strictly enforced.

Exceptions will only be made for foreigners who have documents proving that they have been tested abroad within the previous month. Anyone testing positive will not be readmitted to the country.

Rome seminar held on LaRouche case

About 20 persons, including a leading Roman lawyer and an Italian Senator, attended a seminar in Rome, Italy sponsored by the Schiller Institute April 20, on the legal case of Lyndon LaRouche, jailed with six associates in the United States on "conspiracy" charges.

The attendance included a senior representative of the Prime Minister's office. All participants expressed their growing concern that the United States was becoming a fascist police state—with the LaRouche case an key indication.

An opening presentation on the American "secret government" by the Schiller Institute's Italian president, Fiorella Operto, was followed by a statement from Mrs. Cece,

Briefly

a leading lawyer in Rome and head of the European Liberal Christian Movement, who reported that after reviewing all documents in the case, she could only conclude that the government made no mistakes, but clearly set out to persecute and frame LaRouche. She will soon tour the United States to speak out on the human rights violations against LaRouche and associates, she announced.

Then former Senator Vincenzo Carollo, who recently came to the United States to look into the case himself, reported that LaRouche was the victim of powerful forces in the United States who are committed to the forceful elimination of their opponents. This "occult power," he said, he believed decided to go after LaRouche from the moment that the former presidential candidate identified the major banks as conduits for drug-money laundering.

Greenpeace had targeted USS Iowa battleship

EIR's April 21 edition (Vol. 16, No. 17), warned that the battleship *USS Iowa* had been targeted for sabotage by Soviet assets in Europe, centering on the international Greenpeace organization.

On April 19, the battleship's No. 2 gun turret exploded, killing 47 sailors, in waters north of Puerto Rico.

EIR, in the article, "Russian Sub Disaster Triggers Greenpeace" by William Engdahl (page 32), had reported:

"Leftist Danish journalist Jürgen Dragsdahl, writing a lead editorial in the daily *Information* of April 12, picked up the Greenpeace cudgels. Dragsdahl, who often writes anti-NATO pieces and has longstanding ties to left-wing groups such as Washington's Institute for Policy Studies, used the Soviet sub incident to demand support for Greenpeace's Nuclear Free Seas campaign. Noting the recent U.S. announcement that the battleship *USS Iowa*, equipped with nuclear-tipped cruise missiles, will join the June NATO naval maneuvers in the Baltic, Dragsdahl calls on Greenpeace to organize operations against the ship. Several days before the Soviet submarine incident, *Information* had co-sponsored a meeting in Co-

penhagen of various leftist and "peace" groups. West German "maverick" Admiral Schmaeling attended and denounced the planned presence of the *USS Iowa* in Danish waters."

Subsequent *EIR* questioning of a U.S. State Department spokesman, as to whether sabotage was being considered as a possible cause of the *Iowa* tragedy, was met with a terse, "No comment."

Lower-Saxony situation spells trouble for Kohl

West German Chancellor Helmut Kohl could face trouble if rumors prove true that one of his party's deputies in the state of Lower Saxony is about to defect to a small right-wing, pro-Soviet party, the Republikaner.

Rumors have it that the Republikaner leaders are engaged in secret backdoor negotiations with at least one member of the state's governing Christian Democrat-Free Democrat coalition, CDU deputy Kurt Vajen, who may join their party.

Kohl's Christian Democrats, with the Free Democrats, hold only a one vote majority in the state. Hence, the defection would mean a successful no-confidence vote from Social Democrats and Greens, and early new elections, which the opposition parties would likely win.

In that event, the Social Democrats would gain a majority of 23 in the Bundesrat (the chamber of states), making the Chancellor dependent on the opposition for any and all legislation.

Notably, the Soviet Communist Party paper *Pravda* April 26 characterized the Republikaner party as "highly dangerous for Chancellor Kohl." It said that the Republikaners' rise as a "conservative" party—many believe with covert Soviet backing—has created a real challenge to Kohl's Christian Democrats, who are losing their constituencies to the new party, costing them majorities in recent elections.

The Republikaner party and its chairman, Franz Schönhuber, have been outspoken in favor of a pro-Soviet "neutralization" of West Germany.

● **CHINESE STUDENT** protests are an "extremely bad omen" for leaders in Beijing, and could signal "a change in power," said the chief government spokesman for the Republic of China (Taiwan) government on April 29.

● **THAILAND** expelled 97 Burmese students who stormed and robbed a religious procession in the border town of Mae Sot. Of four Burmese students arrested, one was Aung Naing, former secretary of the All-Burma Democratic Student Front. Other students were taken by bus to Kanchanaburi province and repatriated to areas of Burma under control of ethnic guerrillas.

● **COLOMBIAN** secret police are investigating reports that Israeli and British mercenaries are operating entire schools to train assassins for the drug mafia there. It is known that five Israelis spent 45 days in Colombia in early 1988, and trained 50 assassins. They were followed by 11 British mercenaries.

● **SOVIET** Foreign Minister Shevardnadze is expected to offer Secretary of State Baker a bargain when he visits Moscow in May: a Soviet cutback in aid to Nicaragua, in return for a U.S. cutback in aid to Afghan freedom fighters.

● **PRIME MINISTER** Margaret Thatcher expressed "great concern" over reported arms deals between the South African government and extremists in Northern Ireland. She raised the issue during talks at 10 Downing Street with South Africa's finance minister.

● **YASSER ARAFAT**, head of the Palestine Liberation Organization, will pay his first official visit to France in early May for talks with President François Mitterrand, Foreign Minister Roland Dumas announced April 23.

Defense budget heralds abandonment of U.S. allies

by Leo F. Scanlon

Defense Secretary Richard Cheney took his first budget to Congress on April 25, and outlined a series of force structure reductions, and cuts in weapon systems purchases, which will reduce the U.S. military to its smallest size since 1950, just prior to the outbreak of the Korean War. The cutbacks in weapons purchases, the deepest since the Carter administration, will create havoc in the regional economies of Texas, New York, and California (at a minimum) and are being bitterly opposed in Congress already.

The force restructuring schemes are receiving less domestic attention, but they presage dramatic reorientations of U.S. strategic commitments which will otherwise be announced in the much awaited "strategic review" being conducted by the new administration. The main elements of this shift which can be deduced from the budget proposal are: troop and base cutbacks in Europe and the Mediterranean, reduced Naval presence in the Gulf and Pacific regions, and a reduction of crucial U.S. anti-submarine warfare assets.

In broad terms, the budget proposal hews to the plans endorsed by the service secretaries and Joint Chiefs of Staff, to protect the readiness capabilities of the existing forces by sacrificing major purchases of future weapons programs. About \$5.4 billion of the proposed \$10 billion reductions is accomplished in this way, with the remainder accounted for by stretch-outs of production runs, rescheduling purchases, and so forth.

Each service has sacrificed plans to upgrade those weapons platforms which are due to be replaced in the mid to late 1990s by new technologies, now under development, and which are untouched by cuts—so far. The Navy cut its plan to build the latest variant of its front line fighter, the F-14D, while funds were preserved for the research and development of the A-12, the mid 1990s follow-on to the F-14. The Navy

also canceled plans for the 15th Aircraft Carrier battle group, and production of one 688 class submarine. The Air Force sacrificed part of its programs for the B-2 Stealth Bomber production, and the F-15E fighter bomber, which is scheduled to be replaced by the Advanced Tactical Fighter (ATF). The Army dumped its AHIP helicopter modernization program, but preserved development funds for the LHX (Light Helicopter Experimental) which will also come on line in the 1990s.

While the preservation of the high tech programs seems a reasonable hedge for the future, the cost of maintaining and stretching existing assets to bridge the gap gets higher very fast. The Air Force has been preserving ancient B-52s, which are now older than the crews that fly them, for example, but as one analyst pointed out, the effort to do this with highly stressed fighters and helicopters leads to a situation where "they just start falling out of the sky on you." The Navy already has trouble with cracks in the E-2C Hawkeye (fleet surveillance plane) wing boxes, as well as the outer wing panels, and the wings of the A-6 Intruder, as well as their composite replacements (stalled by technical difficulties experienced by Boeing) are problematic.

Finally, none of these advanced programs is in the production phase, so they can be delayed further as the budget crisis deepens; and, since there have been no contracts let, there are no production line jobs associated with them.

Military spokesmen point out that even this desperate strategy is not likely to protect the readiness capabilities of the current forces. Cheney admitted that "most planned improvements in logistical support programs were deferred and further growth in the backlog of depot and real property maintenance will occur. The level of base operating support services will likewise decrease." In an interview given to *Sea*

Power magazine before the announced budget cuts, Chief of Naval Operations Adm. Carlisle A.H. Trost warned, "We have, in the area of ship and aircraft modernization, cut back rather markedly. . . . Shipyard modernization has not kept pace with plans for our shipyards . . . so we are building a bill for the future. . . . We have, in the case of the Persian Gulf operations, had to borrow from readiness accounts to pay the incremental costs of those operations. We are, in a sense, mortgaging future readiness, because we have had to dip into ship and aircraft maintenance accounts and defer maintenance."

An editorial to be published in the May issue of *Air Force* magazine warns, "The government, it might seem, cannot stick to any consensus whatever on the level of defense spending. . . . President Bush's January concessions will not establish a stable consensus any more than the summit did. . . . The 1990 deficit ceiling is \$100 billion . . . nothing compared to what comes next. The ceiling will be \$64 billion in 1991 and \$28 billion in 1992."

Projected budget deficits make this a setting for a blow-out. When these Gramm-Rudman quotas go into effect, the currently funded procurement programs will be winding down, leaving two options for further savings— indefinite delay of the advanced systems, and further huge reductions of overall troop strength.

Europe, Pacific capabilities hit

The echelon of program reductions just below the big ticket items listed above are those that involve production runs of existing weapons systems.

The most prominent in this respect is the decision to cancel plans for a 15th carrier battle group, a move which Navy spokesmen called "political" in its implications. Specifically, the U.S. will not be able to maintain a presence in the Persian Gulf and the Mediterranean as it has during the recent crisis, without drawing down resources devoted to Pacific or North Atlantic responsibilities. In both of these theaters, the anti-submarine warfare (ASW) role assigned to these battle groups under the "Maritime Strategy" doctrine developed during the 1980s, is a priority commitment. The decision to retire a major portion of the P-3 Orion sub-hunting airplanes, and to shift 10 Frigates (large ASW ships) into the reserves, severely constrains U.S. ASW capability—which, in turn, is the backbone of NATO and Japanese ASW strength. The next round of cutbacks will thus put the Navy perilously close to the condition demanded by the Soviets since the 1950s: no operations beyond the mid-Pacific, no carriers or subs in the Mediterranean, and reduced presence in the Northwest Pacific, North Atlantic, and Norwegian Seas.

The Army will cut its troop strength by 8,000 soldiers under the plan. Of those troops, 3,300 represent manpower dedicated to the Pershing missiles which are being removed from Europe and dismantled under the INF treaty. The 4th Infantry Division (the only one with three fully active Bri-

gades) will lose one mechanized Brigade—the one dedicated to rapid deployment to Europe in the event of conflict. Other cuts will come from deactivation of selected units. Several of the canceled weapons programs, such as the LANTIRN (all weather weapons aiming) system, were to have had a big role in the European ground battle plan as well.

The Air Force lost two Tactical Wings, and is being threatened with a plan to shift major portions of its capabilities into the reserves—a plan which would wipe out commitments in both Europe and the Northwest Pacific. This plan is advanced by Franklin Spinney, an engineer employed at the Pentagon by David Chu, assistant secretary of defense for program analysis and evaluation. Spinney is a noted leader of the anti-NATO "military reform caucus" associated with Colorado Democrats Gary Hart and Pat Schroeder. His boss, David Chu, is said to be the architect of the proposal to scuttle the V-22 Osprey program.

Base closures to follow

The congressional committee apparatus which developed the controversial scheme to close many major U.S. military bases, has now set its sights on overseas bases as well. The study produced in support of the domestic base closings has been shown to be a complete fraud, a fact which fits well with the swinish pronouncements Congresswoman Schroeder made in support of her plan to shut overseas bases: "Our bases overseas account for close to 30% of costs for all our military facilities. Yet DoD continues to give our overseas bases the same 'sacred cow' status that has protected too many wasteful military programs." Ignoring the fact that overseas U.S. bases have been reduced by 30% in the last period, Schroeder blames the cost increases on "the out-and-out greed of our supposed friends. . . . In essence, we are being forced to pay more for the privilege of defending our allies."

A DoD letter accompanying a classified study of the matter stated "as our posture abroad and operational plans change, either through arms control opportunities or base rights negotiations, it may be possible to realign or close some facilities." At the moment, Sen. Alan Dixon (R-Ill.) and Rep. Brian Donnelly (D-Mass.) have joined Schroeder's effort, and plan a series of hearings and legislation in the near future.

The most dramatic reaction to the budget plan has come from the representatives of the regional economies which have been hit by the cancellations. The previous defense budget cutbacks mandated by the Congress have not significantly hit at the main weapons system production lines. The present ones do, and the howls have just begun. The most noise was created by the proposal to cancel the production of the revolutionary V-22 Osprey, a "tilt-rotor" aircraft which takes off like a helicopter then flies as a turbo-prop. In Tarrant County, Texas, the heart of House Speaker Jim Wright's congressional district, 4,000 of 8,000 workers will lose their jobs if the program is scuttled.

Eagleburger, Kissinger promote Russians' high-tech trade scam

by Scott Thompson

Part II of an occasional series on Kissinger Associates "above the law." Part I appeared in our April 21 issue.

With almost no press fanfare, Attorney General Richard Thornburgh on April 15 took quiet steps to cover up a scandal that had implicated Deputy Secretary of State Lawrence Eagleburger, the former president of the global influence-peddling firm Kissinger Associates, in a money-laundering scheme that involved attempts by Yugoslavian intelligence to violate the Export Control Act—i.e., to conduct technological espionage against the United States.

On that day, the Attorney General called for a federal judge to review, entirely in private, surveillance tapes that involved Bahrudin Bijedic, Vinko Mir, and Vjekoslav Spanjol (all indicted on Dec. 1, 1988 through the joint IRS-Customs "Operation Flying Kite"), in which the defendants were discussing with U.S. government "sting" operatives posing as underworld figures how to smuggle U.S. technology to Yugoslavia. U.S. officials admit that Yugoslavia has frequently been the "pass-through" for such illegal technology transfer to the U.S.S.R. Spanjol, it has been alleged by co-defendant Hubert Francis Cole, is the number-two Yugoslavian intelligence operative in the United States.

While the Attorney General motivated this procedure for *in camera* review of the surveillance tapes, because, among others things, Spanjol allegedly said that he could tap into the computers of military contractors, there may be an even more sensitive issue raised on the tapes. This is, that Eagleburger had been on the board of the LBS Bank, a wholly owned subsidiary of the Ljubljanska Banka in Yugoslavia, which was also indicted, along with the chairman of the board of the LBS bank, Vinko Mir, whom the tapes show as an alleged co-conspirator in the espionage case.

The question is posed, whether Eagleburger's name had in any way surfaced during the course of the "sting," especially since Eagleburger, who had been U.S. ambassador to Yugoslavia during the Carter administration, has been in the forefront of those lobbying for expanded credits and trade with Yugoslavia, including of the sort that would be beneficial to technological espionage agents like Spanjol. Amazingly, Eagleburger seemed so little affected by his association with a bank indicted for criminal money-laundering in

regard to this alleged espionage case, that he remained on the board of the LBS Bank until Jan. 7, 1989, when it was clear that he would be named deputy secretary of state in the Bush administration. Eagleburger has thrown a sop to this violation of the Bush administration's Ethics Executive Order, which recently replaced the Johnson administration's Executive Order 11222, by stating that he will recuse himself from matters dealing with the bank until the litigation is complete. However, compared with the treatment meted out to former Sen. John Tower during his confirmation hearings as secretary of defense, Eagleburger's handling of this matter and the Attorney General's apparent coverup, point to a real fire behind the smoke and mirrors.

Bailing out Gorbachov

Just as Eagleburger had softened opposition within the Reagan administration to expanded trade with Yugoslavia, when he was undersecretary of state for political affairs, so today there is a concerted push for expanded trade with the Soviet Union, including the repeal or suspension of the Jackson-Vanik Amendment that precludes granting the Soviets most-favored nation status. While the "Scowgleburger duo" of former Kissinger Associates officials—Brent Scowcroft as national security adviser and Eagleburger at State—both refused to release the full list of the clients serviced by their former firm, there is sufficient evidence that they should both recuse themselves from dealing with the East-West trade issue, or else be prosecutable under the Ethics in Government Act (18 U.S.C. 208), which "prohibits participating in a particular matter in which the employee or specified other related persons, business associates, or entities has a financial interest."

Where the previous article in this series focused upon the potential conflict that would arise for this duo because of the major role played by their former Kissinger Associates clients who hold portions of Third World debt, it can also be said that Henry Kissinger's clients are in the forefront of East-West trade, providing credits and "dual use" technology that would, for example, significantly augment the ability of the Soviet Union to mount chemical warfare against the West. Kissinger used trade deals negotiated through the Departments of Agriculture and Commerce, as the opening gambit

of his "Détente I," just as his cronies are seeking to have the Bush administration do during "Détente II."

When he was national security adviser, Henry Kissinger overrode the objections of the Pentagon and the U.S. intelligence community to the sale of technology that would augment Soviet military capability. He approved sale of the Centalign-B grinder, essential for miniature, precision ball-bearings in missile gyroscopes, which the Soviets had unsuccessfully sought to obtain for 20 years. While Kissinger's SALT I permitted the Soviets to keep their giant land-based missiles, this seemingly insignificant (in dollar terms) trade deal allowed Moscow to MIRV those missiles, helping them to develop a first-strike capability against U.S. land-based ICBMs.

Briefed on the 15 clients that Eagleburger admits to having at Kissinger Associates, and the East-West deals in which those clients are engaged, a member of the Republican Research Committee's task force on East-West trade said: "Here we are beating up our allies—the Western Europeans and the Japanese—because they have supplied technology that might help Libya build chemical weapons. I ask you, who is our number-one enemy? The Soviets. Right? Well, Henry Kissinger is giving the crown jewels of our chemical warfare technology to the Soviet Union, while we beat up the Western Europeans and the Japanese."

The Soviet chemical industry

One of the major deals in this regard involves Eagleburger's client Montedison S.p.A., which is involved in the largest joint venture ever undertaken under Gorbachov's new joint venture laws: a \$5-6 billion petrochemical complex to be built by Montedison, Armand Hammer's Occidental Petroleum, the Italian firm of Ente Nazionale Idrocarburi (ENI S.p.A.), and Japan's Marubeni. The huge complex is to be built at the Tenghiz oil and gas field near the Caspian Sea, which the CIA had earlier estimated could only be developed with major inputs of Western technology. The plant on which Kissinger Associates and the Soviets are doing a feasibility study would produce 500,000 tons each of polyethylene and polypropylene, as well as various polymers, co-polymers, and composites.

On June 17, 1988, the Soviet news agency TASS announced that Montedison had entered negotiations to retool chemical facilities of all sorts throughout the U.S.S.R. A spokesman for the Pentagon stated categorically that these deals would potentially augment Soviet chemical warfare capabilities. A spokesman for Occidental Petroleum, Frank Ashley, dismissed the charge as "ridiculous," and refused to answer questions prepared by *EIR*'s medical editor on comparisons between the processes to create the deadly phosgene nerve gas and the processes employed by the Montedison-Oxy joint venture under study.

Another Eagleburger client, Union Carbide, a major U.S. defense contractor, has licensed its most advanced technol-

ogy to a British-Soviet joint venture, Asetco, to modernize and expand two petrochemical plants at Budyennovsk and Kazan in the U.S.S.R. Financing for this project is to come from Moscow Narodny Bank Ltd. and Morgan Grenfell. Meanwhile, ASEA, an Eagleburger client in Sweden, through its ASEA-Brown Boveri subsidiary, has applied for licensing to build a 200-megawatt high-temperature gas-cooled nuclear reactor (HGTR) at Dimitrovgrad, by 1996, costing more than \$560 million. This reactor, in advance of anything built in Western Europe, would be the first nuclear reactor sold to the Soviet Union, and ASEA is confident that it can steamroller over the CoCom restrictions on transfer of technology.

And of course, Chase Manhattan

There are many other Eagleburger clients from Kissinger Associates active in East-West trade deals involving dual civilian-military technologies, but the chief conflict of interest for the Scowlegburger duo may arise through Chase Manhattan Bank. Not only is Chase one of Kissinger Associates' leading clients, but Kissinger is the lieutenant of David Rockefeller on the Chase Manhattan international advisory board.

Chase has been at the center of trade with the Bolsheviks since the 1920s period of Lenin's New Economic Policy (NEP), when it was represented on the board of the American International Corporation, headquartered at 120 Broadway in New York City—the operational center of pro-Bolshevik financiers. Throughout the 1920s and 1930s, Chase functioned as an unofficial export-import bank, establishing a \$30 million revolving line of credit for Soviet-U.S. trade. It also sought to smuggle tank engines to the U.S.S.R. in the 1930s.

More recently, when the Rockefellers' protégé Kissinger was national security adviser, Chase was the first American bank in 50 years to open a branch in Moscow, at 1 Karl Marx Square. David Rockefeller, who had advocated expanding trade and credits as the cornerstone of "peaceful coexistence" since a 1964 trip to Moscow, was also a cofounder of the U.S.-U.S.S.R. Trade and Economic Council, whose board today includes a lieutenant general of the KGB suspected of conducting Soviet technological espionage efforts. During the first détente period, at Kissinger's apparent urging, Chase took the lead in financing the multibillion-dollar Kama River truck factory, which, among other things, produced the trucks that led the 1979 Soviet invasion of Afghanistan.

On Dec. 9, 1988, during the Gorbachov-Reagan-Bush Governor's Island summit, TASS reported that Gorbachov had asked David Rockefeller to coordinate an effort by Soviet and American bankers to determine, "What are the forms, allocations, and legal foundations for financing joint Soviet-American ventures?" In short, while Rockefeller and Kissinger reexamine the gamut of credit issues linked to East-West trade and joint ventures, the Scowlegburger duo is placed in key administration positions to implement their policies—unless they are blocked by rigorous enforcement of the Ethics in Government Act.

RICO batters U.S. rule of law

How the RICO statutes became the premier tool for restricting political debate—a constitutional police state. By Leo F. Scanlon.

The continuing series of juridical atrocities, committed in the lawsuits brought by the U.S. government against the political movement associated with Lyndon LaRouche, has astounded legal observers around the world, and caused many to ask how the legal system in America could operate in such a manner, while the Constitution itself still seems to stand. One of the secrets to this “magic act” is the RICO (Racketeer Influenced Corrupt Organization) Act, passed by the Congress almost 20 years ago, and which is receiving much attention in recent weeks.

In March 1989 the United States Court of Appeals for the Third Circuit (federal court) ruled that the Northeast Women’s Center, Inc. (a Pennsylvania abortion clinic) had valid grounds to use the civil provisions of the RICO statute to sue a group of protesters associated with the Pro-Life Coalition of Southeastern Pennsylvania, who had staged a series of demonstrations and a sit-in at the abortion clinic. Within weeks, 10 other lawsuits filed by abortionists, and state authorities prosecuting protesters, were amended to utilize RICO as well.

The protest movement is now finding itself confronting very serious fines and jail terms, with the potential of punitive awards totaling three times the monetary amount of “damage” caused by the protest. Damage is not calculated by totaling the value of property destroyed in the skirmish associated with the eviction of a sit-in, but includes monetary loss incurred by the abortionist as a result of the cumulative actions of the protesters. The more obscure implication of successful prosecutions on this basis is that the protest movement is classified by the FBI as a “criminal conspiracy” and an “ongoing criminal enterprise”; thus the guideline restrictions which prevent the use of intrusive surveillance techniques, entrapments, and other police-state devices, by the FBI against “political” movements, are nullified. With this step, RICO has emerged as the premier tool utilizing the criminal statutes to restrict political debate—a constitutional police state.

History of the RICO police state statute

The RICO law is the most enduring legacy of the frenzy whipped up in Congress during the famous “War on Crime” waged by the Nixon administration. This effort suffered from the fact that the Establishment intended to leave the enemy, international drug trafficking, safe in its sanctuary, and turn

the criminal courts into a meatgrinder which more and more came to resemble the senseless battlefields of the “no-win” war in Vietnam. Prosecutors, desperate to deal with a population becoming increasingly criminalized by the influence of drugs, demanded, and got, sensationalist gimmicks from the Congress to aid in their fight. The infamous “no-knock” search laws, pre-trial detention schemes, and other devices created in that era, have long since been eliminated or modified greatly, but RICO, which is called “the tactical nuke” of the prosecutor, has been consistently strengthened by the courts over the intervening years.

RICO was passed, supposedly, for the purpose of giving the government new weapons to use in its fight against the infiltration of legitimate businesses by organized crime. Unlike any other criminal statute, it states that it is to be “liberally construed” (criminal laws are normally to be narrowly and strictly interpreted), and this feature has prevented the courts from constraining its use.

Robert Blakey, now a professor of law at Notre Dame University, wrote the statute in 1969, and states flatly, that “We didn’t draft a statute that only applies to the Mafia. It is not only for persons whose names end in vowels.” Critics of the law, says Blakey, “want a Colosseum. They want to watch the Christians being eaten, but they don’t want the lions to have any teeth. And that is not how the system works.” Not coincidentally, Blakey’s analogy equates Christians with criminals and prosecutors with gladiators—an illustration of his equal contempt for Christianity and the law. Paul E. Rothstein of the Georgetown University Law Center is another prominent defender of RICO, and he exults in the Hobbesian legal world created by the statute: “Prosecutors are doing the job society has assigned them to do very well and very vigorously, just as defense lawyers should be rabidly fanatic for their side. . . . It is a tug of war. Both sides are struggling with all their might. That is how the truth emerges.”

RICO is said to have descended from the anti-trust and securities laws. These are very broad regulatory statutes which have no clearly and precisely defined activity as their targets. They can easily be abused by prosecutors, and usually are. The Commonwealth of Virginia and other states are using these statutes to prosecute fundraisers associated with former presidential candidate Lyndon LaRouche—a grotesque, but typical, use of these laws, under which, for example, Ro-

chelle Ascher was sentenced to 86 years.

RICO takes this tyrannical concept one step further: It makes it a crime to control a business through a "pattern of racketeering activity," and a person can be prosecuted for this. A "pattern" of racketeering activity is established by any multiple activities, such as phone calls, carried out by the alleged conspirator in furtherance of a criminal act; but "racketeering" remains completely undefined by the law—it can mean anything.

RICO has both civil and criminal provisions, and it allows civil standards of proof ("reason to believe") as opposed to criminal standards ("beyond a reasonable doubt") to establish guilt in a conspiracy charge. It is one of the few laws which can bar one person from associating with another.

At the same time, RICO provides for sweeping civil remedies (fines and triple damages), which is what the government usually seeks against its targeted victim. Most importantly, it gives the prosecutor the ability to ask the court to seize the assets and proceeds of an alleged "conspiracy" before the trial even begins.

Trade unions, then political movements

The main target of government RICO suits has been the International Brotherhood of Teamsters, an alleged hotbed of "mafia" activity. The government's July 1988 RICO indictment establishes "criminal conspiracy" among IBT leaders on the grounds that one executive of the union had been convicted of "vagrancy." Other members of the board are accused of being related to other alleged criminals, i.e., guilt by association. The use of union funds to hire defense lawyers is potentially a criminal offense, and in some cases defense lawyers have been issued subpoenas—a weapon which makes a mockery of the right to a defense in court.

The unions that have struck Eastern Airlines are now to be sued under RICO by Frank Lorenzo, the notorious corporate raider who looted the company for years. He charges that the strike activity (perfectly legal) constituted a conspiracy to disrupt the economic activity of the airline, and the unions are thus liable for damages. While this may seem a laughable contention, it is the very logic which has been employed against the anti-abortion movement by the abortionists, and has every bit as much chance to be upheld in a court.

Supreme Court runs amok

The terror potential of RICO has been reinforced by a series of rulings by the Supreme Court which established the prosecutor, not the judge, as the sovereign in the American courts. In 1982 the Court ruled that government misconduct in the form of withholding or destroying exculpatory evidence, which leads to a mistrial, does not prevent the government from retrying the case unless the prosecutor "provoked" the defendant into asking for a mistrial. Then, a 1985 Supreme Court ruling made it a minor offense for the prosecu-

tion to leak the proceedings of grand jury investigations—an act which formerly would guarantee a mistrial. In the same year, the court ruled that prior criminal convictions are not required to sustain a civil RICO action. These landmark decisions unleashed a wave of legal terror which has now spread to encompass the financial community, the defense establishment, and the Congress itself.

Ironically, "organized crime" figures represent the smallest percent of targets hit by RICO. The Justice Department says that from 1970 to 1980, RICO was used 217 times, and from 1984 to 1987, it was used 564 times. Fifty-six percent of those cases involved organized crime figures or government officials. A *Wall Street Journal* commentary by the executive director of the American Civil Liberties Union stated, "A 1985 study by the American Bar Association showed that only about 9% of civil RICO cases up to that time even involved allegations of criminal activity of the kind normally associated with professional criminals and that no probate civil RICO cases had ever been filed against organized crime groups."

Prosecutors in Chicago became notorious for using the pre-trial seizure provisions of RICO to threaten commodities traders at the Chicago Board of Trade. A midnight visit from the U.S. Attorney brought the promise that the house, savings, and personal possessions of the family would be immediately seized unless the trader "volunteered" information about an associate or supervisor.

The same technique has worked wonders in the ongoing "Ill Wind" investigation against defense contractors. The target is guilty of knowing someone who may have committed a criminal act; if he does not "cooperate" with the authorities, he will be classed a "co-conspirator" and subject to the property seizure provisions of RICO. The result of this methodology is an avalanche of "plea bargains" in which the victim agrees to plead guilty to a charge less severe than the one the other "conspirators" engaged in, and in return he will be dealt with leniently by the court.

In 1987 the Supreme Court upheld the constitutionality of the 1984 revision of the Federal Sentencing Guidelines, which eliminated judicial discretion in favor of "determinate sentencing" based on a Benthamite calculus. This reform puts a "guaranteed" sentence in the hands of the prosecutor, who can use it as a club in the plea-bargaining process, since cooperation with the government is one of the few exceptions to the sentencing limits imposed on judges. (The victim has no hope that a judge might impose a merciful sentence in a situation with extenuating circumstances, or a frameup.) "The prosecutor has more power than the judge, in sentencing," according to a prominent defense attorney.

The *coup de grace* is the RICO powers which allow the government to seek forfeiture of attorney's fees paid to the defense attorney on the ground that they have been paid out of defendants' improperly acquired assets. In many cases this means that no top-flight defense lawyer will touch a case

involving a RICO defendant. The defendant must rely on court-appointed attorneys who will be pressured to accept the prosecutor's "plea bargain" as the reasonable thing to do.

The press has given widespread coverage to the notorious arrangement foisted on Drexel Burnham's Michael Milken (an illegal arrangement in which he agreed to pre-pay large fines in return for leniency toward his company during the trial period) and similar cases.

However sleazy Milken may be, RICO reduces law to a level every bit as thuggish as the criminal activity it allegedly deters. RICO is used as a bludgeon in the most routine court proceedings. The largest suit involves an allegation by the AAA (automobile club) that a group of attorneys and insurance agents was involved in a phony accident con game, and it involves millions of documents and has taken years of court time. The other end of the spectrum is a divorce proceeding where the husband claims that his family engaged in "racketeering activities" associated with investments he made in their businesses. These bizarre matters are at best the province of civil fraud statutes.

While there are numerous proposals for RICO reform in the Congress, they are oriented to the civil provisions only. As yet, no one has dared to challenge the tyrannical content of the criminal portions of the RICO law in Congress, and a thug-like comment made by former U.S. Attorney Joseph DiGenova, on ABC's "Nightline" program, tells why. DiGenova alleged that the entire \$150 billion bailout of the savings and loan industry was necessitated by "fraud" on the part of the S&L executives, and threatened that they would be prosecuted under RICO for their "crimes." This theme has since been echoed by all the major "watchdog" groups in the media. "Nightline" host Ted Koppel pointed out that the Congress wrote the rules governing the S&Ls and must share in the blame for the problem, so DiGenova's logic would make them conspirators also. To the apparent shock of Koppel, DiGenova snapped back, "That's right, and they will find out that they are not above the law."

For further reading

"DoJ seizure of Teamsters 'smacks of totalitarianism,'" *EIR* Vol. 15 No. 28, July 15, 1988.

"When rule of bureaucracy replaces rule of law," Interview with Lennart Hane, *EIR*, Vol. 16, No. 2, Jan. 6, 1989.

Edwin Vieira: "Secret government moves to impose an oligarchical legal system in U.S.," *EIR* Vol. 16, No. 11, March 3, 1989.

'Verdi A' echoes in New York music world

On April 9, exactly one year after the famous conference organized by the Schiller Institute in Milan, Italy that launched a worldwide campaign to lower the tuning fork, New York City's Town Hall was the site of an operatic recital designed to promote what has become known as "Verdi's A." Singers from the Lubo Opera Company of New Jersey were joined by Adalisa Tabiadon, a young soprano from Italy and Pavarotti prizewinner, in singing a series of selections especially featuring the operas of Verdi and Beethoven at A-432, for an audience of over 1,000 people.

Since the April 9 concert, called "In Defense of the Human Singing Voice," reverberations of the tuning battle have continued to echo through the high-powered New York musical world, where many of the top stars of the Metropolitan Opera, past and present, have signed a petition circulated by the Schiller Institute in support of a law to mandate the "Verdi A" in Italy. So far, both of New York's mass circulation tabloids, *New York Post* and *Daily News*, have reported on the campaign, and Andrew Porter of the monthly *New Yorker* magazine gave the April concert a thoughtful review.

As the *Post* and Porter both report, the campaign was started by the controversial American political leader Lyndon LaRouche and his wife, Schiller Institute founder Helga Zepp-LaRouche.

First time in decades

The three-hour concert of operatic arias and ensembles on April 9 marked the first time in several decades, perhaps in this century, that a professional operatic performance was held in New York at "Verdi's pitch."

The artists demonstrated how the natural beauty of the human singing voice is enhanced when the scientific tuning of Middle C-256 is used (this was the basis Verdi used to set his A tuning fork at 432 Hz). This, combined with the quality of the performances, drew a warm response from the extremely diverse audience of over 1,000, which ranged from music critics, opera and symphonic conductors, and professional singers and players, to members of local church choirs

and senior citizens' groups, many of whom had never heard a live operatic performance before.

Anthony Morss, the program's musical director, introduced the evening by explaining that in fact, there's "nothing new about this" campaign to lower the standard tuning pitch. He explained how, when the pitch had climbed in the 19th century, "international singers complained, composers protested, and international commissions were formed" to try to lower the pitch, as it was in Paris in 1859, when the pitch was standardized at A-435 for a brief time. "Now, it's happening again, and this time, we have to act," he said.

The singing began with a demonstration of the point, as baritone Miguel Andoor and tenor Dimiter Mihov sang the celebrated "friendship" duet, "Dio, che nell'alma infondere amor" from Verdi's opera *Don Carlos*, first at the high tuning of A-440, and then at Verdi's pitch of A-432. The program included arias and ensembles from Verdi's *Don Carlos*, *Un Ballo in Maschera*, *Il Trovatore*, *Luisa Miller*, and *La Forza del Destino*, and Beethoven's *Fidelio*, among other works.

On April 24, the *New York Post* ran the headline "Stars Favor One LaRouche Pitch" across the top of its page 6 gossip page—probably the most read page in the daily. The paper picked up coverage from the *Opera Fanatic*, actually a hysterical attempt to discredit the pitch campaign, to report:

"Because orchestras sound more 'brilliant' when they play at a higher pitch, conductors have been gradually escalating the pitch for years, to the dismay of the singers. But it took the Schiller Institute, headed by [Lyndon] LaRouche's wife, Helga, to marshal the stars into an international campaign, says the latest issue of *Opera Fanatic*." The *Post* goes on to cite the names of opera celebrities who have backed the Schiller Institute campaign.

'Principle not in dispute'

Andrew Porter, veteran music critic at the *New Yorker* and himself a Verdi scholar, reviewed the Town Hall concert in the May 1 issue of the magazine.

"Pitch is climbing again, from the A-440 internationally enjoined at an 1885 congress of Vienna and reaffirmed several times since. Many American orchestras play a little sharper than that, many European orchestras sharper still. Yet 440 was already high, it seems—the result of misunderstanding or manipulating evidence at the Vienna congress. French 'diapason normal,' A-435, promulgated in 1859, should have been the result. Verdi, an insistent advocate of low pitch (stipulated in licenses for performing *Aida*), would have liked A-432, but he wrote to Boito—Italy's delegate to the conference—that a compromise on 435 would be acceptable: the difference was negligible; the important thing was to defeat the proposals for an unacceptably high A-450 that some were championing.

"Pitch has never been fixed for long. In 1619, Praetorius called A-about 430 'this present-day pitch of ours' but acknowledged the existence of pitchings as much as three sem-

itones higher and three semitones lower. Tuning forks show that Praetorius's general pitch was again general in the late eighteenth and early nineteenth centuries. Then it began to climb. . . . Conductors wanting their bands to sound "brilliant" encouraged the rise. Singers, not able to screw up their vocal cords as a fiddler or piano tuner can the strings, protested. The Paris Opera company in 1822 got the pitch there lowered for a while (from 431.7 to 425.8). At Covent Garden, Adelina Patti's influence helped to get the house pitch, which had climbed toward A-450, lowered to 'diapason normal' for the 1880 season.

Today, singers are again up in arms. The Schiller Institute—part of the Lyndon LaRouche network of organizations—has launched a campaign for lowering operatic pitch not simply to A-440 but to Verdi's A-432, and has enlisted in support, among many others, Elly Ameling, Gabriel Bacquier, Fedora Barbieri, Carlo Bergonzi, Richard Bonynge, Grace Bumbry, Montserrat Caballe, Piero Cappuccilli, Maria Chiara, Fiorenza Cossotto, Giuseppe Di Stefano, Placido Domingo, Dietrich Fischer-Dieskau, Mirella Freni, Gianandrea Gavazzeni, Marilyn Horne, Alfredo Kraus, Pilar Lorengar, Christa Ludwig, Sherrill Milnes, Leona Mitchell, Kurt Moll, Birgit Nilsson, Louis Quilico, Ruggero Raimondi, Joan Sutherland, and Renata Tebaldi. With such a cohort, victory could surely be won. All that the singers and conductors need do is insert a pitch clause in their contracts, such as Tebaldi (even though down to only A-440) used to have written into hers: any higher, and I won't sing, won't conduct.

"Some aspects of the institute's conservative agenda might surprise the author of *Die Räuber* and *Don Carlos*. Good ideas, however, can be shared by strange bedfellows, and at least in its campaign to lower pitch—to reduce strain and stridency, to replace 'automatic' brilliance by fullness, naturalness, and eloquence—the institute is likely to have musicians' support. The mathematical difference is small—less than a semitone—but singers claim that it makes a big difference: puts the breaks between registers and the 'passaggio' notes where the composers put them. However, a Town Hall recital this month presented by the institute did little to demonstrate the musical and vocal benefits of lowered pitch. There were two pianos onstage, one tuned to Verdi's A-432 and the other to A-440. At the start of the evening, a message from Miss Freni, commending A-432 as a preserver of vocal 'bellezza,' 'colore,' and 'facilita,' was read. But only one number—Verdi's Carlos-Posa duet, the first piece on the program—was sung at both pitches. . . .

"The principle, on the other hand, can hardly be in dispute. Alexander Ellis, in his famous 'On the History of Musical Pitch' (1880), castigated those who sought to enforce instrumental brilliance at the expense of singers—'as if the price of whole orchestras of instruments bore an appreciable ratio to the loss caused by the premature ruin of one great singer's voice.' "

Book Review

Is history a rat's maze or the embodiment of universal progress?

by Ron Fredman

How the Nation Was Won: America's Untold Story, Volume I, 1630-1754

by H. Graham Lowry
Executive Intelligence Review, Washington, 1987
497 pages, paperbound, \$14.95

The First Salute

by Barbara W. Tuchman
Alfred A. Knopf, New York, 1988
326 pages, hardbound, \$22.95

If a colony of rats were to convene a discussion of their respective family trees, then the wizened, elder rat would regale his audience with the great moments of rodent history, as passed down in unbroken, oral tradition since the dawn of time. With incised wit, this grey-whiskered fellow would accentuate the high points and gloss over the low points. One such high point must be when his species nearly broke mankind's control over Nature, the Black Death of the fourteenth century (see Tuchman's *A Distant Mirror*). For any egocentric rat, all this history would merely serve to underscore in subtle ways that "the times in which we live represent the greatest achievements of rodenthood, etc." While listening to the old rat, in the back row of the auditorium, some younger up-and-coming radical chic sewer hole dwellers, living in the gentrified slums of Urbania, would interrupt the old professor to focus the rat rage upon Mankind's, albeit waning, eradication efforts: "Now is the time for Mankind to get his just deserts . . . let our right feet be the instrument of Man's undoing!" It would never dawn upon the tiny brains of these furry vermin that if it were not for human development, then the potential relative population-density of rodents would never amount to today's magnitude.

Some rats, the self-defined priests of their mnemonic tradition, living high off the hog—with fine, thick slices of imported Swiss cheese and/or British Stilton's Blue cheese—would weave a tale so as to insure the continuation of rattiness or ratness. Amongst such as these, the truly divine propo-

tions of human history would never be told.

In the United States of America today, this reviewer is pleased to discover that there has emerged a truly human school of American history. H. Graham Lowry in his first volume leaves the reader with an inspired insight into the bedrock upon which our nation's principles were established years 357 ago. This book is filled with appropriate quotes to awaken anyone who has turned inward to despair, such as appear on pages 49-50 from the pen of Cotton Mather:

worthy to have their Lives written, as copies for future Ages to write after; *But these are Ancient Things! A Public Spirit* in all that sustained any *Public Office*, and a fervent *Inclination* to Do Good, joined with Incomparable *Ability* to do it, once ran through *New England; But These are Ancient Things!* . . .

There seems to be a shameful *Shrink*, in all sorts of men among us, from that *Greatness*, and *Goodness*, which adorned our ancestors: We grow *Little* every way; *Little* in our Civil Matters, *Little* in our Military Matters, *Little* in our Ecclesiastical Matters; we dwindle away, to *Nothing*.

The inspiration to do the good, which is essential in the Judeo-Christian culture of America, is amply documented in Lowry's book. On page 113, Cotton Mather beseeches his readers today as poignantly as 300 years ago:

It is an invaluable *honor*, to do *good*; it is an incomparable *pleasure*. A man must look upon himself as *dignified* and *gratified* by God, when an *opportunity* to do *good* is put into his hands. He must embrace it with *rapture*, as enabling him to answer the great End of his being. . . .

Government is called, the *ordinance* of God . . . it should vigorously pursue those noble and blessed *ends* for which it is *ordained: the good of mankind*. . . .

Rulers who make no other use of their higher station, than to swagger over their neighbors, and command their obsequious flatteries, and enrich themselves with the spoils of which they are able to pillage them, and then wallow in sensual and brutal pleasures;

these are, *the basest of men*. (From Cotton Mather's *Bonifacius, An Essay upon the Good*.)

This essay was "cited by Benjamin Franklin as the foremost influence on his life," the reader is informed. With such citations, Lowry recreates for the reader the generative principle of the transatlantic, Judeo-Christian conspiracy which created the American republic over one and one-half centuries *before 1776*, as he traces the roots of Benjamin Franklin back to the founding of the Massachusetts Bay Colony and the republican project of the Winthrops, and by telling the stories of such undeservedly forgotten heroes as Virginia colonial governor Alexander Spotswood, shows the direct influence of the English circles of the great Leibniz upon the opening of the American West and the fight for industrial development instead of slave-tilled tobacco plantations. Here we discover, for instance, that Dean Jonathan Swift, known to most only as the author of *Gulliver's Travels*, and often misunderstood as a cynic, was a key agent of Leibniz's scientific optimism at the court of Queen Anne and an American "Founding Father" in the best sense.

Lowry started from a strong hypothesis about the prehistory of the United States, and then assembled the painstaking documentation that devastates any contrary opinion regarding the alleged motives of the U.S. founders.

Theological subversion

Lowry may not have all the pieces of the puzzle; he does not claim that. One aspect of his book upon which he might wish to expand in a future work is his subtopic, *Theological Subversion* (pages 51-54). The reference on page 31 to Increase Mather's *The Mystery of Christ Opened and Applied* leaves the reader with too faint a trace of our forefathers' notion of human perfectability through Christ.

The majority within America's religious institutions, which believes in reason, progress, and science, needs to draw upon a 350-year heritage to energize the resistance to the witchhunt now under way, signaled by the recent IRS-announced targeting of 23 television ministries. This comes on top of Rev. Pat Robertson's aborted presidential campaign, which compounded the confusion of the "religious right's" role in the Reagan years, to suggest that a thorough church-cleaning is in order.

It seems best in such circumstances to build upon the shared good rather than merely to defenestrate the babe with the bath water; and in these circumstances, history could provide an invaluable lesson about the real origins of the moral impulse encountered among certain (although not all) "religious right" layers. America's story has been untold for so long because of the darkness spread by the heirs of the so-called Enlightenment, joined by their opposite numbers, who walk in the mystical tradition of the Mathers' enemy, proto "televangelist" Jonathan Edwards.

In the very last pages of Lowry's book, in the years 1747-54, the die is cast for America's bloody baptism. The year is

1747, and Benjamin Franklin establishes an independent, voluntary, and armed militia in Pennsylvania. Thus, the reader is reminded of the price for so "celestial an object as Freedom." Let their payment not be forfeit! Franklin's enemies, America's enemies take note.

The world turned upside down

Charles Beard and Frederick Jackson Turner were instrumental in burglarizing American history from Americans. With a brush and some tar they "enlightened" America: Genius and initiative became greed and luck, love and sacrifice became geographical opportunity and ambition. Is it any wonder that under the guidance of such Judas goats, the American people have lost their genius for imagining the impossible and then accomplishing it?

Now, let the reader turn to the Hollywood-soap-opera-author-*cum*-historian, the late Barbara Tuchman and her latest creation, *The First Salute*. In the West Indies, on Nov. 16, 1776:

... the guns of Ft. Orange on St. Eustatius were returning the ritual salute on entering a foreign port of an America vessel, the *Andrew Doria*, as she came up the roadstead, flying at her mast the red and white striped flag of the Continental Congress. In its responding salute the small voice of St. Eustatius was the first officially to greet the largest event of the century—the entry into society of nations of a new Atlantic state destined to change the direction of history. (page 5)

With this as her starting point, Tuchman races backwards through 150 years of history to cover the same period as does Lowry, but from a divergent and antithetical philosophical belief about human nature. Tuchman emphasizes the maritime considerations that went into the making of the Dutch, French, and American roles in the American Revolution. She contrasts that to the British and their Admiralty. Throughout, interesting bits of detail emerge: the role of the Dutch merchants in their own battle for independence in the Thirty Years War (1618-48), the Dutch role as gun runners for the American cause, John Paul Jones's heroic sea battle and its immediate political consequences, Admiral de Grasse's critically timed aid at Yorktown, and the belated British naval help for Cornwallis. Never in all this does Tuchman reach into the soul of the American Revolution. Always there is lurking as an explanation for motive the purgatory of greed and ambition: one power being replaced by another power, the geopolitics of the 17th and 18th century.

The cynicism which is critical to such a method of interpretation is captured with the following from page 34:

It is a peculiar habit of Christianity to conceive the most compassionate and forgiving divinities and use them to sponsor atrocity.

This reviewer believes there is something pernicious here, but not in her reciting of the facts; rather, the method which is woven through the recitation. Just as Wagner used the same notes as Beethoven, their end result was different.

On page 112, Tuchman writes the following:

It was America's good fortune at this moment in her history to produce all at once, as everyone knows, a group of exceptionally capable and politically gifted men, while it has been less remarked that it was Britain's ill fortune at the same time to have just the opposite.

"As everyone knows" these "gifted men" grew on trees like money and they happen to be harvested every blue moon of September. Though this reviewer is hard pressed to disagree with her commendation of America's Founding Fathers, reader, beware! She damns with such faint praise. Let the reader turn to page 213 to discover what Tuchman has to write concerning the great Dr. Benjamin Franklin, the chief conspirator of America's successful revolution:

Engrossed in the female charms and admiration of Paris, Franklin as envoy had acquired more celebrity than tangible aid. . . . Franklin, humiliated by the dispatch of special envoy to his post while he was present, was galvanized by Laurens' coming to make a more emphatic approach of his own.

Why does such an eminent historian retail the popular gossip concerning Dr. Franklin? Why does she lie about Dr. Franklin, who in fact was the chief fundraiser for America's liberation, as well as its chief architect? There is something Tuchman does not understand and it is not merely the case of the five blind men and the elephant. There are some more clues. On page 128, Tuchman lets something slip in describing an officer in the British navy who is a "possessor of that alert Scottish intelligence that so often caused uneasiness below the Border." Begging Scotland to forgive the reviewer, this reviewer has never found Scottish intelligence to be much different than human intelligence.

Before drawing the obvious inference about what courses through the minds of Tuchman's patrons who saw fit to turn this travesty into a Book of the Month Club main selection, let the reader turn to the last page of this racialist apology:

. . .the winning of the Revolution, which was considered the outstanding success in history of a popular military action, while the state it created was seen as having a mission assigned by God to build a model political nation of justice and equality and self-government. At the end of the 20th century we see in that proud design a more somber story, of injustice toward native Americans evicted from their lands, of inequality for those born of different colors and faiths, of government not by the best but by a collection of

shoddy and peccant men, inept and corrupt yet always laced with workers and dreamers of a change for the better. . . . But the state of "human felicity" that Washington believed "must result from the sovereignty of America" has not been the outcome. Two thousand years of human aggression, greed and the madness of power reveal a record that blots the rejoicing of that happy night in Philadelphia. . . .

If Crevecoeur came again to ask his famous question "What is this new man, this American?" what would he find? The free and equal new man in a new world that he envisaged would be realized only in spots, although conditions for the new man would come nearer to being realized in America than they would ever come in the other overturns of history. . . . Revolutions produce other men, not new men. Half-way "between truth and endless error" the mold of the species is permanent. That is earth's burden.

This apology for a cultural pessimism inimical to the the ideals that created the United States of America, is crafted, according to the Knopf publishers' promotional insert, by the two-time Pulitzer Prize winner Tuchman who is "drawing on her broad knowledge of history, her grasp both of human nature and of the workings of government, her eye for detail and her extraordinary narrative gift." Rubbish! Her pulp is meant to popularize the more professionally-oriented-to-historians cynicism of the school of the aforementioned Beard and Turncoat. With her "extraordinary narrative gift" ever so slightly more developed than the authors of *Dallas*, Tuchman manages to obscure the beautiful handicraft embedded in the nation's belabored birth.

At the ripe age of 28 years, Abraham Lincoln warned, in *The Perpetuation of our Political Institutions*:

At what point shall we expect the approach of danger? . . . I answer if it ever reaches us, it must spring up amongst us. It cannot come from abroad. If destruction be our lot, we must ourselves be its author and finisher. As a nation of freemen, we must live through all time, or die by suicide.

The question recurs "how shall we fortify against it?" The answer is simple. Let every American . . . swear by the blood of the Revolution. . . . Let it become the political religion of the nation. . . . Let [all] sacrifice unceasingly upon its altars.

This reviewer knows the purpose of Tuchman's false sponsors. Their purpose is to obscure one of history's greatest lessons: the American Revolution, the concrete proof of the triumph of the Cup of Gethsemane over the cult of the anti-Christ. Lowry guides the reader through the still intact secret passageways so as to enable the reader to reclaim his proper birthright: Not just for the American, but for the world of future immigrants, who shall be migrating to Mars and beyond.

General Scherer warns of Soviets

The former military intelligence head from West Germany defines the Gorbachov threat to the West.

In a press conference at the National Press Club Apr. 27 attended by embassies from 13 nations and leading international press, Brig. Gen. Paul Albert Scherer (ret.), the former head of the Military Intelligence Service for the Federal Republic of Germany, outlined the grave danger the Soviet Union continues to represent to the free world.

General Scherer described the internal crisis facing Soviet leader Gorbachov, and the impossibility of any "convergence" of the West with the Soviets regardless of Gorbachov's fate. He cited the personality change in Gorbachov over the last six months, which has found him irritable and depressed in public. This is due, Scherer said, to the failure of Gorbachov's internal reform policies, pivoted on currency and price reforms. The delay of these reforms until 1991, at the earliest, is the most important signal that Gorbachov's program is failing.

Nonetheless, any one of three scenarios for Gorbachov—his immediate ouster or assassination, his demise after a protracted struggle for power, or even his eventual "success"—would present the free world with a Soviet Union still dedicated to global domination.

Scherer said that the United States, in particular, "cannot survive without asserting its influence effectively on both coasts" of the Eurasian land mass; namely, in Western Europe and Asia. He added that the "trading nations" of West Germany and Japan cannot exist without the full military support of the U.S. He warned of the danger of perpetuating the "enemy image" of West

Germany and Japan inside the United States.

If the Soviets neutralized Europe, and the Europeans were to go to work for the Soviets, he said, "such a shift would cause the lights to go out in the U.S. very rapidly."

He said the Soviets remain very committed to the fight for world domination, waging an "underground war" unrelentingly since World War II. An additional 25,000 Soviet agents have recently been insinuated into the peace and other movements of Western Europe, there are 500,000 active Soviet agents already operating in the free world, and there is more Soviet infiltration in the U.S. now than during the early 1950s.

Areas directly next to the East bloc, "where the two blocs collide," such as West Germany, Turkey, and South Korea, are prime targets, where the Soviets do not invent their own movements, but "jump on moving trains." Muslim fundamentalism is one such train the Soviets are exploiting in Turkey, he said, as they did in Egypt to assassinate Sadat.

The combination of Syria and Islamic fundamentalism is key to Soviet designs for destabilizing the Middle East. Scherer warned that it is there, where all sides retain nuclear and chemical warfare capabilities, that World War III is most likely to break out, if it does.

In Ibero-America, "the Soviets hope to transform the strategic relations there by exploiting the issue of indebtedness of these countries with their 'passionate suffering' to destroy the Western world." In Asia, the re-

cent killing of a U.S. colonel in the Philippines confirms the "Pacific emphasis" that the Soviets retain. The Soviets are interested in building up India as the world's third superpower as part of their global strategy.

Scherer said that "convergence theories" which envision a gradual reduction in tensions are misguided: "Even those who seek with good will to reform the Soviet Union into a democracy will wind up with their backs to the wall."

This is because, he said, the Russians have never gone through the succession of "cathartic" experiences, which fundamentally change the psyche, such as the Renaissance, the Reformation, the revolutions in America and France, in which the West has shared. "Russia has always been outside of these developments. . . . They have not trodden the path of Western civilization for the last 400 years," he said. "Therefore, we must doubt the ripeness of the Soviet population to adopt democratic ideas as we have them in the West." Instead, he warned, "There will be blood raining out of heaven in the Soviet Union in the coming period."

Soviet "peace initiatives," such as Gorbachov's offer to cut conventional forces in Europe, serve Soviet self-interest in a number of ways, Scherer said. The Soviets are looking for loans from the West, the abolition of Co-Com (the 16-nation Coordinating Committee on Multilateral Export Controls which prohibits high technology trade of potential military value with the Communists), and access to Western technology. They also need to save money on their own military, while improving its offensive efficiency (by producing, for example, 10 of the most advanced tanks in the world daily). All of these aims, Scherer pointed out, gain from the Soviet conventional force reduction proposal.

House revolts against defense, domestic cuts

A joint effort between House liberals and conservatives, and Democrats and Republicans on April 26, defeated a bill that would have cut more than \$1 billion from Defense, and cut other domestic programs, to help pay for programs to aid the homeless and fight drugs.

The supplemental appropriations bill had been hastily drafted by Democratic leaders on the night of April 24 to provide \$4.7 billion for many programs that were running out of money before the end of the fiscal year. To offset the additional spending, the compromise called for across-the-board cuts in education, transportation, and foreign aid, as well as defense.

Conservative Democrats, upset by the new cuts in an already bare-bones defense budget, and liberal Democrats dissatisfied with the cuts in social programs, joined forces to stop the amendment in a 252 to 172 vote.

Defense Secretary Richard Cheney had warned House Republicans that he would urge President Bush to veto the measure if it were passed by the House.

White House grilled on Iran-Contra documents

Senate Majority Leader George Mitchell (D-Maine) and Sen. Daniel Inouye (D-Hawaii) requested on April 26 an immediate inquiry by the Senate Intelligence Committee into whether the Reagan White House withheld key documents or politically sensitive information from the 1987 congressional investigation of arms sales to Iran

and secret aid to the Contras. They are basing their request on the discovery that at least four significant documents released in the trial of former White House aide Oliver North may never have reached the Iran-Contra panel, and that the White House gave incomplete versions of two documents to the committee.

The Bush administration responded by saying they will call in former Reagan White House counsel Arthur B. Culvahouse to head a White House review of how documents were provided to the Congress. In a letter calling for the review, Senator Mitchell, along with Inouye and Sen. Warren Rudman (R-N.H.), said that they had evidence suggesting that the congressional panels investigating Iran-Contra had not received four documents released at the trial.

In several instances, documents provided to the congressional committees were in a less-complete form than those released at the North trial. The White House says that the Culvahouse inquiry will be completed in a few days, and Bush aides claim that all the documents cited by the senators were missed by FBI agents in a search of North's offices.

According to the *Washington Post*, White House counsel C. Boyden Gray, in a letter to Mitchell, claimed that the Bush administration "was not a party" to prior agreements in the Reagan years to provide information to the congressional panels. Gray said that the Bush White House would be as "helpful as we can."

Michael Kozak, acting Assistant Secretary of State for Inter-American Affairs, told a House Appropriations subcommittee that the 42-page document released at the North trial was "incomplete," and that the plan to link aid to Honduras to that nation's aid to

the Contras had never been accepted. Kozak said that the document was compiled for the trial, and did not provide a "totally accurate record of events." The 42-page document relates how Vice President Bush visited Honduran President Suazo to inform him that his country would receive greater aid from the United States if he accepted the Contras on Honduran territory.

Bush S&L bailout gets House changes

The Bush administration's proposal for resolving the crisis of the savings and loan institutions is gradually being transformed by the House Banking Committee.

The committee has adopted an amendment authored by its chairman, Rep. Henry Gonzalez (D-Tex.), which would provide almost \$100 million a year in interest rate subsidies for low-income mortgages. The provision would tap the resources of the Federal Home Loan Banks, from which, Gonzalez's staffers estimate, as much as \$3.75 billion of new loans to poor home buyers would be generated by lowering the interest rate on their mortgages by two percentage points. The White House is opposed to the measure on the grounds that such social concerns are inappropriate in bailout legislation.

Both Gonzalez and the White House have, however, been attempting to significantly raise the capital requirements for the savings and loan industry—a measure which they strongly oppose. The S&Ls argue that the proposed capital requirements are so strict that more than half of the institutions would fail to meet them by June 1991, and would therefore be

subject to disciplinary action by federal regulators.

The Gonzalez plan calls for institutions to have a minimum capital level equal to 2.25% of their tangible assets within 18 months after the bill becomes law. Tangible capital consists of retained earnings and the proceeds from the sale of common and preferred stock. Until now, the industry has been able to include as capital more than \$20 billion of "good will," an accounting device that takes account of a premium paid over market value in an acquisition. The Gonzalez-White House proposal would severely limit the use of "good will" and stop an institution from growing if it did not meet the tangible capital requirements.

Gingrich ethics stand under fire

In the wake of the ethics committee's report on the financial dealings of House Speaker Jim Wright (D-Tex.), House Minority Whip Newt Gingrich (R-Ga.) has been forced to defend his ethical standards. Democrats have questioned the arrangement between Gingrich and his wife, and 22 individuals and businesses who each paid \$5,000 to help promote a book the couple wrote.

At a press conference called by the Gingriches to explain the arrangement, Mrs. Gingrich ran out the door in tears under tough questioning by the press.

Mrs. Gingrich was paid \$11,500 by a partnership she formed with reporters to help promote the book. The investors include a number of prominent and wealthy conservatives, including Joseph Coors of the Adolph

Coors Company; Roger Milliken, president of Milliken Industries, a textile manufacturer; and Bo Callaway, Gerald Ford's campaign manager in 1976. Gingrich insists that he did nothing for the investors that he would not have done otherwise.

SDI critical, NDPC tells Defense committee

Appearing before the House Appropriations Subcommittee on Defense April 25, National Democratic Policy Committee representative William Jones testified on the critical importance of the Strategic Defense Initiative to the defense, economy, and moral and cultural well-being of the United States.

Jones's statement included an essay by Lyndon H. LaRouche criticizing the cuts made in the SDI program by Secretary of Defense Richard Cheney. LaRouche outlined how the Soviet Empire, presently threatened with major social and political upheaval, and with an internal economic collapse intersecting a growing world food shortage, is being pushed to the brink of war. LaRouche warned that the threat of the Moscow leadership embarking upon desperate, adventurous, military solutions to their own internal problems is greater than during any previous period.

"In such a situation," Jones said, "maintaining a credible and strong defense is more necessary than ever." The SDI, an integral part of such a defense, must be capable of destroying "a strategically significant" ratio of the warheads deployed by the adversary. "The technological spin-offs of a laser- and particle-beam SDI program," Jones explained, "would give a far greater pay-off to the civilian

economy than even the Moon shot."

Jones also indicated that such a development would help eliminate the growing cultural pessimism "that has been eating away like a malignant cancer for the last 20 years." "Only in a climate characterized by technological progress," Jones concluded, "can we restore to the general public a sense of optimism toward the future, which is the fundamental characteristic of a healthy society."

Witnesses balk in Wright financial probe

Rep. Julian Dixon (D-Calif.), chairman of the House Committee on Standards of Official Conduct (ethics panel), said April 25 that there could be some delay in the probe of the allegations of financial fraud against House Speaker Jim Wright (D-Tex.) after five major witnesses refused to testify.

Dixon and the committee's ranking Republican, Rep. John Myers (Ind.) went to San Antonio, Texas to interview several people who participated in an oil exploration venture from which Wright was said to have netted a handsome profit. They left abruptly, however, after learning that the five witnesses subpoenaed the week before would not testify.

The lawyer for the five witnesses, Stanley M. Brand, wrote that the rules of the committee permitted subpoenas only for preliminary inquiries and disciplinary hearings. Since the ethics panel had already completed its report on Wright, the preliminary phase of the investigation was over. Brand also charged that the committee had asked for material that was not pertinent to the case. Dixon and Myers returned to Washington to decide how to proceed.

National News

LaRouche associates to subpoena top GOP'ers

Jeffrey Hoffman, a defense attorney for four associates of Lyndon LaRouche on trial for trumped-up fraud and conspiracy charges in New York state, "plans to subpoena a who's who of Republican politics, including former FBI chief William Webster, Henry Kissinger, Richard Secord, and Ollie North," according to an article in the April 26 *Daily News* of New York City.

According to the *Daily News*, Hoffman "admits his clients solicited loans for a LaRouche publishing outfit. But he said the loans were never repaid because the 'government conspired' to force the LaRouche network into bankruptcy.

"The evidence is in government documents, Hoffman said. Among them: The now-infamous Ollie North notebooks and a memo to Webster from Kissinger when he was the President's National Security Adviser."

Presiding Judge Stephen Crane has pursued a bizarre "unique experiment" in jury selection, racing among pools of prospective jurors with defense attorneys and prosecutors in tow, trying to quickly complete jury selection. Both the defense and prosecution have objected to the procedure.

Roe v. Wade used to promote euthanasia

Nat Hentoff, a writer for the liberal New York *Village Voice*, took exception with the use of *Roe v. Wade*, the Supreme Court decision legalizing abortion, to justify euthanasia.

Appearing on CBS's "This Morning" show on April 26, Hentoff related how a Providence, Rhode Island court cited the abortion ruling as proof of a woman's right to privacy. The judge then turned around and granted the husband of an unconscious woman the right to starve his wife to death.

The ruling argued that since the woman could not enforce her "right"—her husband could.

It is exactly that "right to privacy" issue which Missouri's Supreme Court refused to accept when it became the first in the nation in 1988 to refuse a family's "right to die" petition for their daughter based on a constitutional right to privacy argument.

The U.S. Supreme Court heard oral arguments April 26 on the Missouri case, which may lead to reconsideration of *Roe v. Wade*.

Top FBI official: Satanism doesn't exist!

The FBI's chief expert on sex crimes against children, Kenneth V. Lanning, has publicly denied that Satanism is a growing factor in child abuse and ritual murders.

On April 6-7, just one week before the story of the Matamoros killings became national news, the *Richmond Times Leader* ran a two-part article quoting survivors of Satanic cults, on the occurrence of Satanic murders. The article is entitled, "Experts Say Tales Are Bunk, Rumors Abound But Nothing Proves That Cults Exist."

The newspaper quotes Lanning, saying that he is aware of claims of Satanic sacrifice in the Richmond area, but that he knows of no *bona fide* Satanic cult sacrifice in central Virginia or anywhere else in the nation, for that matter.

One individual quoted in the article claims to have witnessed 50-70 ritual human sacrifices by Satanists in the Richmond area. Lanning dismissed this: "It's unlikely that a group of individuals could come together, commit 50 to 70 human sacrifices, and no one finds any evidence, no mother of a [sacrificed] child ever has second thoughts . . . nobody ever makes a mistake. . . . Far more crimes have been committed and far more children abused in the name of God and Jesus than in the name of Satan."

Lanning is seconded by Dr. Park Dietz, a California psychiatrist and former University of Virginia faculty member, who maintains, "The true cult is the people who believe in this."

Lawrence Hake of the Richmond police and private investigator Patricia Pulling are quoted supporting the claims of survivors. "People are saying the same thing all over the country and those people are totally unrelated to one another, but what they say is consistent. To me that is a degree of credibility," said Hake.

LaRouche: FBI violated constitutional rights

Evidence of illegal FBI operations directed against Lyndon LaRouche and associates throughout the 1980s is contained in legal papers filed in New York federal court April 25, which are part of a motion in *LaRouche v. Webster*, a civil suit filed in 1975. Some observers reviewing the evidence have concluded that the LaRouche case is the best documented case of ongoing FBI Cointelpro operations they have yet seen.

Filed on behalf of plaintiffs LaRouche, Edward Spannaus, the National Caucus of Labor Committees, and others, the motion seeks to compel full government disclosure and production of documents before Judge Mary Johnson Lowe rules on a government motion for dismissal. New evidence which has come to light since 1985, includes:

- An FBI memorandum sent from FBI Assistant Director Buck Revell to FBI Director William Webster in February 1985 which is labeled "Do Not File." The FBI has claimed that it discontinued use of "Do Not File" files during the 1970s, after congressional committees discovered that these secret files were used to hide illegal or improper FBI activities.

- A telex message found in Oliver North's safe at the National Security Council, which discussed "collecting info against LaRouche." Other FBI documents which came to light in 1987 after the disclosure of the North telex, revealed that the FBI and CIA had requested a couple of freelance soldiers of fortune to "penetrate" the LaRouche Group.

- A Dec. 13, 1984 FBI memo concerning LaRouche and *EIR* which asks other FBI

Briefly

offices to "report derogatory information" to the FBI's New York office.

● FBI documents disseminated to foreign governments which characterize the plaintiffs as "authoritarian," "anti-Semitic," "violence-oriented," and as "Soviet disinformation" agents. Examples from 1980 to 1986 are cited, including West Germany, Britain, and France.

● In November 1982, Henry Kissinger wrote to Webster and charged that "the LaRouche group" might be a "disinformation campaign supported by some foreign intelligence service." Kissinger asked Webster to investigate the funding of "this network of organizations, newsletters and newspapers." At Kissinger's instigation in January 1983, the President's Foreign Intelligence Advisory Board asked the FBI to investigate whether the LaRouche group "might be funded by hostile intelligence agencies."

Observers believe that the "Soviet disinformation" and the "foreign funding" allegations were the pretext for dirty tricks against LaRouche by the FBI and an inter-agency "Get LaRouche" task force led by Walter Raymond, a National Security Council official who directed domestic covert propaganda operations known as "public diplomacy."

Dukakis's official witch defends her trade

Laurie Cabot, appointed the "Official Witch" of Massachusetts by Gov. Michael Dukakis, has begun a letter-writing campaign against allegations that witches are Satanists.

The newspaper of the U.S. Army, *Stars and Stripes*, reported on April 20 that these allegations have swept the United States after suspects named witch Sara Villareal Aldrete as a leader to the Matamoros Satanic drug-smuggling cult. Speaking in the name of the Witches League for Self-Awareness, which she created in 1986, Cabot protests, "We are not Satanists, we do not do black magic or any evil magic. . . . We need to separate ourselves from this hateful propa-

ganda." Of the witch Aldrete, Cabot says, "It's very loose terminology. These were drug runners. What they were doing had nothing to do with witchcraft. Witchcraft has no evil gods."

The league describes itself as a "national and international anti-defamation organization which is working to protect the civil rights, dignity, and public portrayal of over 6 million Witches, Pagans, and Pantheists."

Cabot claims that she and other witches "are part of a legally recognized religion that is peaceful and devoid of the evil doings associated with witchcraft stereotypes."

Greenhouse effect a fraud, Senate told

The "greenhouse effect" is a fraud, according to scientists who testified at Senate Foreign Relations Committee hearings on "An International Environmental Agenda" on April 20.

Pat Michaels, professor of Environmental Science at the University of Virginia, refuted every claim that there is a global warming resulting from man-made emissions of "greenhouse gases." Michaels detailed how "a different analysis" of climate record data "finds virtually no change in continuous U.S. temperature over the last century," and "analogous studies of Canadian data, and my mean layer temperature calculations for Alaska show, that indeed the area of no significant temperature change over the last 50 years is virtually all of North America. It is doubtful that this can be accommodated by a climate model with a realistic change in trace gas concentrations in that period."

In a jab at the policies proposed by World Wildlife Fund head Russell Train and World Resources Institute head Gus Speth, who also testified, Michaels warned, "I find it risky to enact sweeping environmental policy based upon visions that are at best clouded, and at worst failing."

Michaels's testimony was ignored by news media, and virtually the entire press corps left the hearings as soon as Train and Speth finished their testimony.

● **WILLIAM REILLY**, Administrator of the Environmental Protection Agency, warned April 24 that if global ecology is turned into a North-South issue, attempts to set an environmental agenda will collapse. Reilly told a National Academy of Sciences conference that the global meeting to ban CFCs in London in March nearly collapsed when Third World nations became upset at the radical measures that were proposed to shut down production of industrial chemicals.

● **D. ALLAN BROMLEY**, a Canadian-born particle accelerator physicist, was appointed by President Bush as White House science adviser on April 21. Bromley has been chairman of the nuclear sciences committee of the U.S. National Academy of Sciences since 1965, a director of United Nuclear Corp., and an associate editor of *Physical Review* and *Nuclear News*.

● **JAMES WATKINS**, the U.S. secretary of energy, called the recent licensing of the Shoreham, N. Y. nuclear plant by the Nuclear Regulatory System "perhaps the most important development for the nuclear industry in the United States in the past decade." In a press statement released April 20, he denounced the state of New York's plans to convert the plant to coal, saying that this would double the cost of electricity and pollute the atmosphere.

● **THE ENVIRONMENTAL** Protection Agency will ask that two widely used industrial compounds be banned, during two meetings on "saving the ozone layer" in Helsinki, Finland in early May. The two are methyl chloroform and carbon tetrachloride, which the EPA says can substitute for chlorofluorocarbons (CFCs), thus offsetting the ban on CFCs.

Editorial

Three strikes and you're out

There is an eerie resemblance between the shape of Anglo-American politics today and the blunders that led to World Wars I and II. The sons and grandsons of those who played the Great Game and almost lost two times before, are again trying to realign international alliances in accord with their notions of balance-of-power politics. Grossest among this new generation of players is, of course, Henry Kissinger.

The First World War was detonated by a crisis in the Balkans, and the Second was set off by the continuing economic warfare against Germany (Versailles), which laid the ground for imposing Hitler on the German people. A similar process forced a political shift in Japan to bring in the militaristic clique that ended up aligned with Hitler.

The gamemasters of that day hoped that the Germans and the Russians would fight it out, leaving Great Britain to pick up the pieces. Despite the miscalculation which led them to overlook the potential of a Hitler-Stalin Pact, and forced Great Britain to enter the war directly, disaster did not follow, because the Roosevelt government in the U.S. was fully committed to supporting the British, and U.S. economic muscle was adequate for the job.

There is an old adage that those who refuse to learn from history are doomed to repeat their mistakes; but there is nothing to say that they will be bailed out each time. The politics of late April have been characterized by willful blindness to the realities of Soviet politics—as usual—and a policy of undermining the governments of Japan and Germany.

To make matters worse, the U.S. administration is threatening armed intervention into Panama if it does not like the election outcome. According to present U.S. doctrine, if the candidates supported by General Noriega win, this is proof that vote fraud took place, and is unacceptable to the Bush regime. Either you vote as Big Brother tells you—or else!

The U.S. and British press over weeks have tried to create a grounds well to force out Japan's Prime Minister Takeshita. Now they openly applaud a situation in which a weaker Japanese government will have to turn

its attention to affairs at home, and cease intervening on a global scale. They foolishly believe that the government will become more malleable to Western raids on the Japanese Treasury and so on.

Reality will soon prove otherwise. The Japanese have been good friends to the American people, and honorably remembered their debt to General MacArthur, but it has been too long since the United States had a political leader with half the General's stature. The kind of calculated insults now being heaped upon Japan may well generate anti-American sentiment and the policies which that would imply.

Similarly with the Federal Republic of Germany: The British and Americans with their rhetoric for modernization, combined with the practical moves to decouple the U.S. from Germany, are engineering a split in NATO, and creating a mood in Germany for appeasing the Soviets, as characterized by the Kohl government's hysteria against the Lance missile, a missile which would penetrate the East bloc rather than landing on German soil. A continental European bloc is now in process of formation including the Scandinavian nations, Italy, Spain, and even in part France, which is backing the Federal Republic against the strident demands from Washington and London.

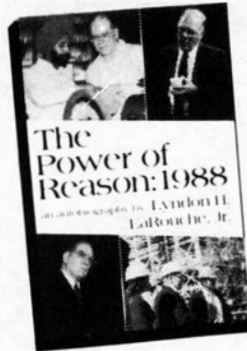
Meanwhile we learn that the Soviets have been gassing their own citizens—as reported in the Soviet press itself. How does the Western press respond to this latest atrocity? It is impressed with the freedom of press reporting now developing in the U.S.S.R.! The truth is that the Soviet Union is going through a process of Russification which will make them a far more deadly enemy than Hitler. The flaunting of terror tactics against the Georgians by their Russian overlords is just a taste of what awaits the rest of us, if we do not get the fools like Henry Kissinger out of power.

A policy of destroying allies and propitiating enemies; or worse yet, considering our allies to be enemies and our enemies to be friends, will mean the destruction of Western civilization. The United States is rapidly squandering the potentials it had to call upon in 1941, nor are there any replacements waiting in the wings.

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At Them

(but read it first)



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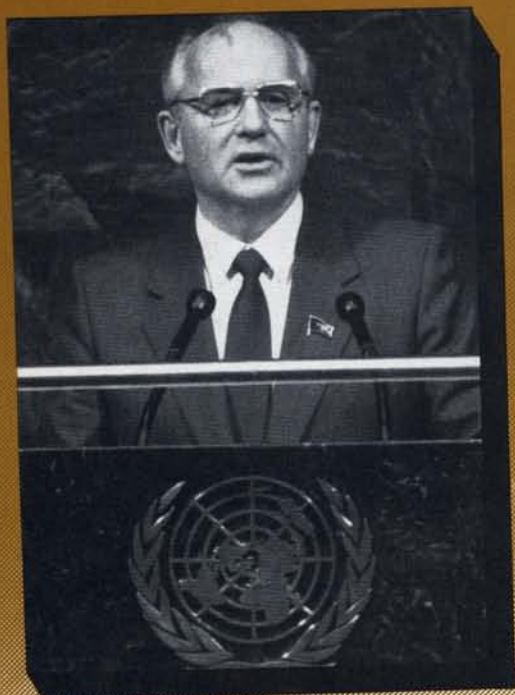
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The 'Greenhouse Effect' Hoax: A World Federalist Plot

In 1983, Soviet academician N.N. Moiseyev announced his "discovery" that a "nuclear winter" would wipe out all life on Earth following a nuclear war. It was later proven to be a hoax, but with collaborators in the West, the "nuclear winter" propaganda created the climate for the unilateral disarmament of the West.

In 1989, the same Moiseyev, with collaborators in the West, has announced his "discovery" that a "greenhouse effect" caused by "industrial emissions" is threatening the biosphere. This, too, is a hoax, but it is now creating a climate for the destruction of the West's industry and agriculture.

Here, *EIR* reports the scientific truth, and the political truth behind the "greenhouse effect" hoax: Kremlin leaders and their Trilateral Commission friends are using "ecological emergency" as the pretext to destroy the sovereignty of nations and establish one-world rule.

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