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From the Managing Editor

LLyndon H. LaRouche, Jr., in an interview from his jail cell published in our last issue, warned that very soon, the American people would face a greater danger from organized Satanism than it currently does from related drug-trafficking. The truth of that assertion is documented in this week's *Feature* (page 32).

In our latest interview with LaRouche (page 62), he analyzes the insane behavior of the Bush administration on all fronts. It has no real policy for any of the crises it is about to face, and instead is moving toward a bureaucratic, pragmatic form of American fascism—"liberalism gone amok."

This is vividly demonstrated throughout this issue:

- We witness the insane spectacle of the United States, with only appeasement as a policy toward the Kremlin, selling subsidized wheat to the Russians while it declares trade war on America's friends (*International*, page 42).

- President Bush charges that vote fraud is being planned for the Panamanian elections—but all the evidence shows it is the U.S. CIA that is attempting it (page 44).

- Continuing to back an International Monetary Fund that is systematically destroying America's friends in the Third World (page 6), the United States is forcing debt moratoria back onto the agenda of Ibero-American nations, and "good boy" debtor Mexico may be forced to take the lead (page 4).

As LaRouche put it, the Bush administration reacts to these developments desperately, without a policy, but with power, "like Hitler after Stalingrad," as if the "triumph of the eternal American will" will suffice. It will not.

Finally, see our lead *National* story (page 58) for what LaRouche called his "favorite spectator sport." Exposés of Henry Kissinger's multiple and criminal conflicts of interest give us all a "warm glow."

Vin Berg

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Bankers demand blood as strikes hit Ibero-America

by Peter Rush

The Mexican government is fast learning the lesson that the reward for subservience is to be kicked in the teeth by one's masters. The lot of slaves is to do as they're told, and to receive little or nothing in return. Mexico has slavishly placed itself at the beck and call of the International Monetary Fund (IMF), the major creditor banks, and the U.S. Treasury, for the past six years, implementing all the austerity programs and "structural reforms" demanded by these entities. Now, in response to Mexico's pleas for major debt relief, it has gotten hot air from Washington and a slammed door from the banks, which makes it increasingly likely that, irony of ironies, Mexico may end up, however reluctantly, leading the continent in a debt moratorium.

The U.S. government's vaunted "debt relief" proposals, designed by Treasury Undersecretary David Mulford and misnomered "the Brady proposals," boil down to a pittance from the World Bank and IMF, and U.S. jawboning. If the banks were cool to the plan at the beginning, they have now congealed and are fast approaching absolute zero.

The only good candidate for aid, Mexico, is being told, in "Catch-22" fashion, that it is already doing so well that it doesn't need much aid, while Venezuela is getting no bank aid because bankers say they don't believe the government can hold the line on austerity. It seems that aid is being promised, on condition that brutal austerity be maintained for long enough to demonstrate government ability to permanently enforce it—at which point the country is informed that for this very reason, it obviously no longer needs the aid.

The Mexican and Venezuelan requests for debt reduction, and the ongoing financial crises of Argentina and Brazil, are furthermore occurring in the context of a strike wave unprecedented in recent years, which is sweeping several countries. The strikes have been engendered by the very austerity the banks are still demanding, and threaten the very IMF-approved programs the banks say they need more of, if

they are to help out. At the same time, the banks are saying the strikes portend instability and make less likely any new money for the region.

The long-awaited negotiations between Mexico and the 15-member Bankers' Advisory Committee began May 2 in New York City, and were dead before they started. Speaking at the Council of the Americas the day before, Treasury Secretary Nicholas Brady had already revealed that "the parties appear rather far apart." A senior officer at a large New York bank heavily involved in Ibero-American lending, quoted in the *Wall Street Journal* May 3, was stronger: "The [Brady] strategy isn't going anywhere."

The banks, which had never signed on to the Brady debt reduction schemes in the first place, are still saying they can't see how they would work, and in any case are refusing any scheme that would reduce interest payments from countries like Mexico by more than a pittance. The banks' position is that only new loans can significantly deal with Third World debt problems. But since such loans would merely serve to capitalize some of the interest owed, while increasing the already crushing burden of total debt, such an approach rules out providing the net credits required to restart economic growth. The banks appear, as they have from the beginning of the crisis, supremely unconcerned about growth, and apparently continue to believe that blood can be squeezed from stones indefinitely.

Their attitude toward Mexico was revealed by the *Wall Street Journal* May 3, reporting on the first day of meetings between the Advisory Committee and Mexican negotiations. Reports the *Journal*, "The banks, united behind Citicorp in the Mexican negotiations, are in no mood" to accept secondary market value for Mexican loans. "They are eager to push Mexico into accepting a settlement similar to one they negotiated with Brazil last year." The Brazil settlement referred to gave no concessions on interest rate or debt relief, and

forced Brazil to issue billions of dollars worth of highly inflationary cruzados, while the banks bought up Brazilian businesses in "debt-for-equity" swaps, swaps that Mexico flatly opposes. To propose such a "deal" to Mexico at this time is like shoving an electric cattle prod into the outstretched palm of a man trying to shake one's hand. The insult will not be lost on Mexico.

Underlining the impasse, Citicorp Chairman John S. Reed and his chief debt negotiator, William Rhodes, flew to Washington the night before the talks began, to try to convince Mexican Finance Minister Pedro Aspe to scale back Mexico's proposals to the banks the next day, though without apparent success.

Moratorium threatened

With each passing week, Mexican officials have become more strident in threatening that they will be forced to declare a debt moratorium if the banks continue to stonewall Mexico's demands for \$4 billion per year in combined interest reduction and new loans. The latest, most explicit such public threat came from the unlikely mouth of Rosario Green, director of the Committee on International Affairs of the ruling PRI party, and executive director of the Committee on the Future of Mexican-U.S. Relations, whose U.S. head is Lawrence Eagleburger, just confirmed as deputy secretary of state and one of Henry Kissinger's top henchman in the U.S. government. Speaking to a joint meeting of the Finance and Program and Budget Committees of the Mexican Chamber of Deputies, Mrs. Green said, clearly on behalf of the Mexican government, that Mexico might be forced to declare a "temporary and selective moratorium" on its bank loans.

This scenario corresponds to advice to the Mexican government by nominally anti-IMF economists Jeffrey Sachs of Harvard and Rudiger Dornbusch of MIT, both of whom have said that the banks won't be able to do anything to hurt Mexico should it declare such a moratorium. But even the IMF, erstwhile fierce opponent of such measures, has already sanctioned countries suspending bank interest payments in cases where the banks refuse to help "worthy" countries such as Mexico; even the IMF can thus be expected to bless a Mexican moratorium. In fact, quite possibly it is the very intention of the banks themselves to force Mexico to declare a moratorium. This would both serve to up the pressure on the U.S. Treasury to bail the banks out, and to provide them a ready excuse to refuse new lending, which they consider throwing good money after bad.

Strikes spread

However, no matter how "managed" the IMF and Mexican authorities believe they can make such a moratorium, should Mexico really take that route, it would have potentially nonlinear consequences in provoking other nations to follow suit, and threatening the whole IMF-controlled gameplan for the Third World.

Moreover, strike fever is starting to spread in Mexico, threatening to undo President Carlos Salinas de Gortari's carefully crafted "Solidarity Pact," whereby workers agreed to suffer yet further cutbacks in real wages to pull down inflation. Forty percent of Mexico's employed teachers, 500,000 strong, struck for a 100% wage increase on April 17, rejecting the offer of 10% from the government. The pressure has forced the government to offer to increase the present \$2,000-a-year salary by 25%, still a pittance, which the teachers have rejected, and the strike continues as of this writing.

But the offer of 25% has sparked unrest among other public workers, and led 23,000 bus drivers in Mexico City to strike May 3, snarling transportation and leaving hundreds of thousands of commuters stranded with no means of getting to work. The government, terrified of a strike wave, responded immediately by canceling its contract with the bus company, Ruta-100, effectively firing all the workers, and announced that it would replace the company with a new one. One thousand buses were borrowed from outside the city to provide interim service—at four times the earlier subsidized bus fare—but demand for transportation far exceeded supply. Thousands of bus workers, joined by striking teachers, held protest marches through downtown Mexico City, blocking several major thoroughfares. It is now an open question whether the heavy-handed government tactics will backfire and produce more of an explosion, or will succeed in temporarily suppressing, once more, the aspirations of labor for a living wage.

Venezuela, whose President Carlos Andrés Pérez has staked his political future on being able to impose IMF shock treatment and still stay in power, is likewise experiencing strikes and protests. However, unlike in Mexico, the labor movement is not tightly controlled by the government, although traditionally run by the majority Democratic Action (AD) party, and on April 27, the Venezuelan Workers Confederation (CTV) voted unanimously to hold a general strike May 18, explicitly against the entire economic package of the Pérez administration.

And in a speech to 100,000 workers on May Day, CTV President Juan José Delpino, a top official in the AD, used extremely strong language against his party colleague President Pérez. "This government does not belong to Democratic Action, but to [Central Bank head] Pedro Tinoco and . . . a few people who have nothing to do with the party," he said, and called on the government to cancel its economic program, which is impoverishing workers and enriching the wealthy. In the parade, workers carried banners such as "No to the package of economic measures," and "First the people, then the debt." In previous weeks, entire towns have staged one- to two-day "civic strikes," and agriculturalists have been warning that spring planting cannot proceed without economic relief.

All of this has not been lost on the international banks.

Reuters wire service reported May 4 that “bankers are reluctant to commit new funds [to Venezuela] because they see no guarantees Venezuela can repay them,” in the words of one foreign banker. A diplomat is quoted saying, “Creditors may worry that if there is more labor unrest and violence, Pérez may be tempted to back down on the austerity measures,” and in fact, he has already felt forced to offer minor concessions in this direction. As a result, the banks have refused Venezuela’s request for a \$600 million bridge loan, unless Venezuela pledges its gold reserves and oil sales as collateral, which Venezuela has refused to do. As in Mexico, conditions imposed to please the bankers are engendering popular resistance that the banks are using as an excuse not to lend more money.

Strikes in Brazil, chaos in Argentina

For the same reasons, Brazil is now in the throes of a strike wave. Government sector wages were held constant for three months in 1987 while inflation surged, and fell in real terms again this winter, and workers are demanding catch-up pay. Over 2 million workers are now on strike, including 700,000 teachers, who are demanding an increase to \$2,640 a year base pay, and 182,000 autoworkers in São Paulo demanding an 84% increase. Fifteen thousand police in Rio de Janeiro struck for a 52% increase, and a wave of murders swept the city.

As well, 300,000 workers at the Central Bank and government-owned Banco do Brasil are on strike, and a government threat to fire them merely inspired more workers to join their comrades on the picket lines. Even the government statisticians are on strike, creating financial and economic havoc, according to the government.

Meanwhile, Argentina has gone the route that Mexico was about to adopt 18 months ago, before it coaxed labor into the “Solidarity Pact” by which inflation was lowered at worker expense. The Argentine government finally caved in to the grain cartels and speculators and freed the exchange rate, in its latest economic package announced May 1. As a result, Argentina’s currency, the austral is now trading at less than 25% its February level, inflation in April is said to be 40%, and prices for many basic items are two to three times their February levels. The May 1 measures decreed yet another price freeze, which has been universally condemned as ineffectual and unenforceable, plus other measures that have already been tried, and failed, including an export tax and tightened tax collection efforts. The government was careful to raise public service fares and rates 20% and fuel 25% just before the price freeze. Immediately, the price of beef, exempted from controls, rose 30%. Summing up the mess five years of his administration has created, President Raúl Alfonsín ruefully commented, “We are likely to hand over a nation in crisis to the next government.”

Without *real* debt relief, Argentina today is the mirror of all of Ibero-America tomorrow.

The IMF’s policy will new post-Ramadan

by Thierry Lalevée

The recent ethnic riots between Mauritania and Senegal, and the mid-April social crisis in Jordan which led to the dismissal of Prime Minister Zayd al Rifai on April 23 are the latest effects of the International Monetary Fund’s structural adjustment policies. Local observers expect that in the immediate aftermath of the Muslim holy month, Ramadan, ending in mid-May, more social and political crises of that kind may erupt, especially throughout North Africa.

The rationale is that many governments have borrowed heavily on their financial and food reserves to ensure that during that month, there are plenty of supplies to feed the various celebrations. Heavy austerity in line with the IMF demands is expected to be imposed immediately thereafter.

North African instability

Especially considered as risk areas are Algeria and Egypt. Egypt is struggling to avoid ratifying a new deal with the IMF by June. However, Cairo has been presented an ultimatum from the U.S. administration concerning its economic and military aid if basic arrears in payment of the debt service are not made by June 30. And this payment depends on Cairo’s ability to strike a deal with the IMF by mid-June.

Local sources are reporting that Egypt’s letter of intent with the IMF is ready to be signed; the terms will include an average of 30-40% price increases in items like fuel and electricity, and the phasing out of subsidies on key commodities like rice and sugar.

Ultimately the IMF program also includes drastic changes in the state and public sectors. Already electricity rates for industries are being increased by 40%. Egyptian officials are gearing to face social turmoil during the summer. Algeria is not too far from facing a situation similar to that which sparked last October’s riots.

Some basic economic changes since last fall, and an exceptional \$1 billion French credit earlier this year, have fallen short of meeting Algeria’s immediate needs. Over the last two years, it has faced a 13% decrease in agricultural output because of the combined effect of the drought and the locust plague.

As of mid-April, for the first time since independence,

lead to a social crisis

Algeria has gone to the International Monetary Fund to negotiate a \$201 million stand-by loan aimed at financing its growing food import bill. In recent months, growing social dissatisfaction has been expressed in several strike waves affecting both industrial workers and state employees, and even shopkeepers.

Momentarily quelled by Rifai's resignation, the disturbances in Jordan may erupt again at any time. Over the last six months, Jordan has been faced with major capital flight out of the country, which led to a collapse of its currency, the dinar, and severe cuts in foreign assistance.

As of December 1988, Jordan is no longer the recipient of several hundred million dollars a year in assistance, which had been decided by a 1978 Baghdad agreement, for a ten-year period. Saudi Arabia has been ambiguous as to whether it will maintain its \$360 million yearly subsidies. Hence, after much reluctance, Amman had to call in an IMF delegation in February and ratified an agreement on April 17.

Though the agreement is not suspended, King Hussein is expected to make some major modifications to soften its impact. Yet, it remains to be seen how this is going to be possible.

IMF strikes in Senegal, Mauritania

Though there has so far been no comprehensive explanation for the "explosion of madness," as it was described, which left hundreds killed in both Mauritania and Senegal, the devastating economic situation of both countries played a major role. Senegal, for instance, has been implementing IMF reforms over the last year, leading to major dissatisfaction in the education sector and recent demonstrations which led to severe clashes with the police.

For many citizens of both countries who are trying hard to survive daily, to go after the Mauritians in Senegal, or the Senegalese in Mauritania is looking for an easy scapegoat in a situation where there seems to be no way out. Starting at the beginning of the month, the ethnic riots were concluded at the end of April with tens of thousands of Mauritians being flown back to their country in French and Spanish planes, and the same with Senegalese in Mauritania. Crucial

social and economic mechanisms have been disrupted.

The Mauritians controlled 80% of the small shops in Dakar, which provided cheap food, often at credit, to Senegal's poorest. The Senegalese played a role in Mauritania's fisheries.

The events smacked strongly of the economic crisis in Nigeria several years ago when Lagos suddenly decided to expel tens of thousands of Ghanaian workers, who were declared illegal from one day to the next. Yet, because of the fragile situation inside Mauritania between its predominantly Arab population and its southern black African ethnics, a dangerous rift may have been widened between North African Arabs and black West Africans—similar to Sudan's civil war between Arab Muslims and southern black African Christians and animists.

The ECA indictment

The news that IMF-imposed austerity is the best recipe for internal and regional clashes among neighboring nations and ethnic groups is nothing new. Yet it is reaching a point where it may well become the rule throughout the continent. On April 20, the Economic Commission of Africa chaired by Prof. Adebayo Adedeji launched an additional warning against the IMF's Structural Adjustment Policies (SAPs) as it is being diplomatically called.

Arguing against the latest report of the World Bank which hailed those African countries that implemented the SAPs as "on the road to development," the ECA report showed that just the opposite was true. Those countries, the ECA report revealed, have experienced negative GDP growth between 1980 and 1987.

However, the SAPs have been exclusively concerned with "short-term balancing of finances, at the expense of long-term development and social progress" and "have failed to take into account the social and human dimensions of the long-term development objectives of African economies."

Ultimately the SAPs have led to "declining per capita income and real wages, rising unemployment, deterioration in the level of social services, rising health problems and rising poverty levels."

Adedeji warned, "If things continue like this, Africa will have more illiterate people as a proportion of the population than at independence. How can you develop in an illiterate society?"

Backing Adedeji's assertion was the sinister report in the April 3 *New York Journal of Commerce* on the case of Ghana. While presenting Ghana as the success story of a country which, since 1983, has been fully implementing the IMF's SAPs, the article reported the simple fact that one month's wages cannot buy a can of beer. Although in the last six years, Ghana has received up to \$3 billion in investments, it has all been spent repairing the infrastructure that links the gold mines to the harbors, while up to 50% of the population has sunk below poverty level. The story speaks for itself.

Canada to go under the IMF budget axe

by Matt Guice

During the last week of March, Canadian newspapers carried news of an International Monetary Fund staff report that demanded \$9 billion be cut from Canada's deficit. The demand marked Canada as the latest industrialized nation to come under the IMF axe, although some government and business people consoled themselves that the figure was just a "recommendation," not a demand. The deficit is running at \$29 billion per annum, with the national debt at \$322 billion for a population of 27 million. Debt service paid by Canada during 1988 was \$32 billion. (All money amounts are in Canadian dollars.)

One month later, Finance Minister Michael Wilson delivered a budget that fit the IMF advice exactly: it cuts \$4.4 billion from planned expenditures, and increases taxes for a gain of \$4.6 billion in revenues. With the help of loyal opposition parties, the debate has been focused on the mode of delivery and on some of the cuts, while the IMF has been allowed to hide its hand in the proceedings.

Slashed in the new budget are: daycare assistance and other social programs, including the withdrawal of *all* government support of unemployment insurance; 12% of foreign aid to Third World countries (\$1.8 billion over five years); \$16.3 million from the research and development budget of Atomic Energy of Canada, Ltd. Layoffs will eliminate 1,072 civil servants, of whom 482 are civilian employees of the Department of National Defense.

Defense hardest hit

Defense, in fact, is the hardest hit across the board. It is to sustain cuts of \$2.74 billion over the next five years. Seven military bases will be closed, and seven others scaled down. Every major equipment purchase planned by the Defense White Paper of 1987 is either canceled or cut, except for new coastal mine sweepers and 35 new helicopters to replace 30-year-old hulks.

The Armed Forces are expected to shrink by 2,500 men over the next few years, instead of the growth planned under former Defense Minister Perrin Beatty, who was shunted off to environmental affairs duties when the cabinet was reorganized after last year's national elections. The number of

new tanks to replace outmoded equipment has been cut to less than one-third of Beatty's program. There is no budget even to replace CF-18 fighter aircraft lost in crashes.

The much-touted plan to spend \$8 billion over 25 years to build 12 nuclear-powered submarines to patrol Arctic waters, is scrapped entirely in Wilson's budget. Canada will be left with a 16-vessel Navy for the 1990s, and shortly thereafter a 12-ship Navy. Adm. John O'Brien (ret.) has referred to this as "a rather expensive canoe club." Robert Penner of the Canadian Peace Alliance called the cancellation of the submarine plans "an incredible victory for the peace movement and one we'll be proud of for years to come."

For the Soviet high command, which has been devoting much attention to the Arctic "theater of military actions" and has been plugging a scheme for a nuclear-free "Nordic peace zone," the demise of the submarine program comes as good news (see *EIR*, April 28, 1989). The week before the budget was made



Brian Mulroney

known, it was announced that Canadian Prime Minister Brian Mulroney will visit Moscow this fall, where his talks are expected to focus on Arctic security and Canadian grain sales to the U.S.S.R.

Tax hike spares financiers

The budget provides for a new 9% sales tax, increases in personal and corporate income taxes, and additional taxes on gasoline and cigarettes. Not counting the luxury and sales taxes, Canadian families are to pay between \$75 and \$450 per year more in income tax, depending on their income.

The only tax previously discussed that was *not* put through, was the "financial margin tax," which would have raised \$1.4 billion from the core revenues (interest on loans, dividends, and insurance premiums) of banks, trusts, and insurance companies. This potential tax on financial institutions was dropped "for technical reasons."

From Finance Minister Michael Wilson, who drew up the budget, such a decision was no surprise. Described in a recent profile in the journal *Canadian Business* as the man Bay Street—Canada's Wall Street—"sent to Ottawa to whip the economy into shape," Wilson from the outset of his career catered to the interests of the international banks. Before he became established as a Toronto stockbroker, Wilson worked for Baring Bros. and Co. in London, from 1959 to 1961. He helped Baring develop the Eurobond market, which went on to become one of international banking's great money recycling facilities for the huge sums that accrue from real estate speculation, and narcotics trafficking, among other sources.

How does the IMF view Wilson's budget package?

Spokesman Graham Newman was quoted in Canadian newspapers: "As a general principle, budget deficits have been a source of concern in the industrial countries as well as the developing world. Obviously any actions that are taken to reduce budget deficits are a move in the right direction." Asked about the earlier stated demands of the International Monetary Fund, Newman said, "What we do in these reports is make recommendations, and if the governments follow them, all well and good. . . . Obviously one has to be aware of the domestic political constraints under which governments operate."

Debate or charade?

The "domestic political constraints" in Canada, however, all seem to be on the population. The Liberal Party leader, John Turner, whose resignation was announced May 3 but will not take effect until a party conference later this year, has chosen to "lead an aggressive and constructive opposition to the budget."

Turner himself, however, as a finance minister under Prime Minister Pierre Elliot Trudeau, also earned the name, "the boy from Bay Street." It has been asked if, as with his anti-American rhetoric in the last election, Turner's anti-Wilson rhetoric on the budget issue is meant to divert any genuine opposition to the IMF's goals. Indeed, Turner's Liberals and the New Democratic Party—the Socialist International-linked other major opposition party—are making their greatest noise not about the content of Wilson's budget, but about the fact that it was leaked to the press on April 26 and then released to the public by means of a press conference, instead of in a speech to Parliament, which is the usual practice.

In the past, finance ministers responsible for leaking budget figures or documents have resigned in Canada, as in Britain, where Hugh Dalton was forced to resign in 1947. But External Affairs Minister Joe Clark, a former prime minister, said that Wilson, "for whom respect is too high in the international banking community" to demand his resignation, would not.

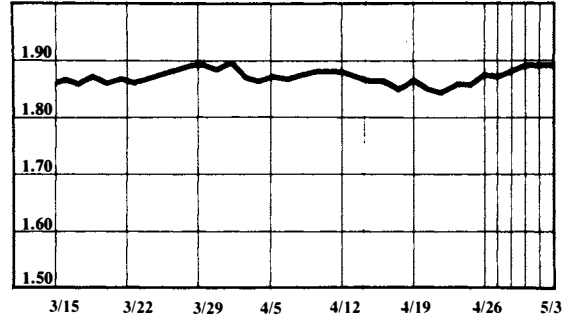
Prime Minister Mulroney stated, "If he had offered it, I would have turned it down." The government insists the leak came from a criminal act (theft), which Wilson was the victim of, so he should not have to resign.

While debate rages over the leak, the government is using its majority to push through the budget, as it did the free trade bill. That piece of legislation, the Canada-U.S. Free Trade Agreement, happens to have enshrined, for the first time in Canadian treaty law, "obligations under the IMF" for Canada (and for the U.S.), stating that certain national decisions must be made "in a manner consistent" with these multilateral "obligations." The principle of obligation to the IMF, codified there for the case of trade, is being applied by the Canadian government to the entire national budget, defense included.

Currency Rates

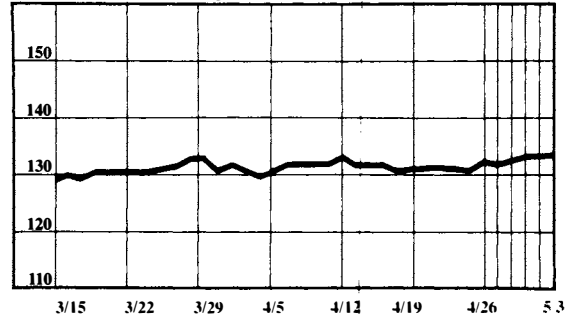
The dollar in deutschemarks

New York late afternoon fixing



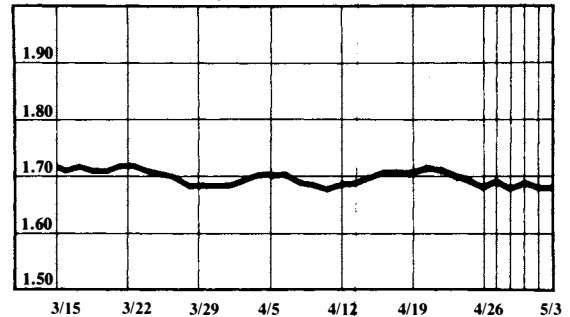
The dollar in yen

New York late afternoon fixing



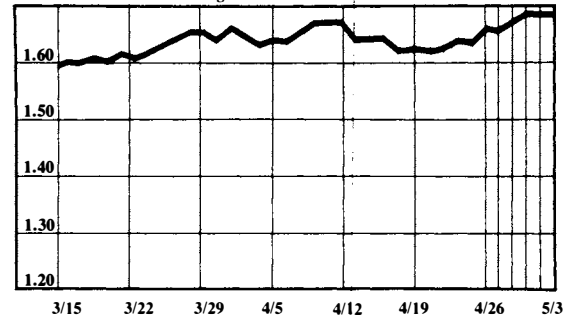
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



'Better late than never': India gives power sector a big push

by Ramtanu Maitra

After almost four decades of planned economy with government monopolization of the power generation and distribution sector, India's installed power capacity today hovers around 65,000 megawatts. Peak available power, always less than installed capacity, is more like 40,000 MW. More importantly, at the user end, the amount of power supplied drops sharply because of transmission and distribution losses. In this, India has one of the worst records in the world, losing as much as 20% in transmission and distribution—compared to 5.3% in Japan, or 4.7% in West Germany. It is widely believed here in India, though, that this cannot be entirely attributed to "technical losses," but instead is actually due in part to illegal tapping of power by unscrupulous individuals.

Theft and losses, like the ever-elusive "black money" (unaccounted-for cash which floods the country), will in all likelihood remain very high. In the end, it is only a whipping boy. The real problem, recognized of late by the planners after years of stoic resistance, is the absolute paucity of actual power generation capacity in the country. Since 1985, when the Seventh Five Year Plan was put into implementation, a lot of dust has been raised about the need to enhance India's electrical power generating capacity. Investors, both foreign and domestic, have pointed in no uncertain terms to the power cuts and brownouts as a major deterrent to increasing investment.

Now, as India braces to face the long hot summer months, and news of power cuts is pouring in from various parts of the country, serious efforts are afoot to catch up with the shortage of electric power generating capacity. But decades of benign neglect of this vital sector has made the task enormous and long-term capital requirements massive. The failure to remove the bottlenecks to more rapid introduction of nuclear power, in particular, means that even the present push, if fully carried through, will still leave the country with a very serious energy deficit.

Ambitious plans

The Seventh Plan, implemented by the Rajiv Gandhi administration, though formulated earlier, called for new installed capacity to the tune of 22,245 MW by 1990—the

largest increment for any five year plan ever executed. With a bit of luck, adequate finance, and a lot of effort, it is expected that most of the target will in fact be met (leaving aside 1,000 of 1,500 MW due to "slippage").

The commitment of the present administration to increased electrical power generation is reflected in the Eighth Plan (1990-94), now in the draft stage, and the government's long-term plan for the year 2000. According to the draft Eighth Plan, India would like to install another 38,000 MW of power generation capacity in the next five years—about 70% more than the Seventh Plan and twice the targets for the Sixth Plan (1980-84). (As a footnote, one might add that in the Sixth Plan, the gap between target and achievement was 5,440 MW—almost 28% of the target.)

A longer-term plan calls for the installation of a total of 177,000 MW by the turn of the century. What this means is that *every year*, beginning in 1995, India will have to install new capacities of 14,000 MW—the amount installed during the *entire* Sixth Plan.

Besides the promise, there are also indications that serious efforts are being made to mobilize the finances to meet this target. The conference of Ministers of Power of the various states on Jan. 23-24 recommended participation of the private sector in power generation. The government has also sought World Bank assistance for seven power projects (in addition to 14 ongoing projects to which the Bank has provided some assistance) that will add a total generating capacity of 7,580 MW.

More to the point, the present administration is pushing seriously for higher economic growth, and is aware of the need for increased power capacity to make that possible.

Years of neglect

At the time the First Five Year Plan (1952-56) was put into execution, India had less than 5,000 MW of electrical power for a population of 450 million. It should have been evident that increased electrical power was a virtual prerequisite for efforts at nation-building. Yet the first two five year plans do not reflect this concept. The first two plans together plotted an addition of 4,800 MW of power over a ten-year

period—and, in the event, 1,450 MW, or 30% of the target remained uninstalled due to “slippages.” Such “slippages” have accumulated over the decades to add up to a significant 19,000 MW, or almost 30% of today’s installed capacity (see Table 1).

The neglect of the power sector in India is not evident from the raw figures alone—which show an uneven but nonetheless distinct growth, in part because of the low initial base. But to understand the futility of such a slow rise in generating capacity, one has to look at the thrust of planning in the early days following India’s independence from the British Raj. The first three five year plans concentrated on developing heavy industries such as steel making, heavy machinery, and rolling stock for transportation, which consume large amounts of electrical power. Power generating capacity in those days was usurped to run these huge behemoths, albeit intermittently and inefficiently.

Next to nothing was left for the downstream industries necessary for industrial development, and other sectors. For example, the agricultural sector, which consumed about 21% of the power generated in 1986-87, consumed a meager 10.7% in 1970-71. In the early 1950s, when the first three five year plans were being chalked out, consumption of electrical power by the agricultural sector was negligible, and was not thought to require any particular boost. Similarly, domestic consumption, since most of India’s hinterland was doing without an iota of electricity, was also a paltry 8.8% in 1970-71 (see Table 2).

The impact of such lopsided planning, paying scant attention to the power sector except as an adjunct to heavy industry, is exemplified in the state of Bihar in eastern India. As of 1985-86, Bihar, with a population close to 65 million, had an installed power generation capacity of 1,594 MW. At 95 Kwh per capita, it is one of the lowest in the eastern region, but higher than in any state of the northeastern region (see Table 3).

In fact, since the vast majority of the population do not use any electricity at all, per capita consumption figures are misleading. In Bihar, per capita consumption of electricity is doubly meaningless. Bihar possesses two large steel mills (at Jamshedpur and Bokaro), which produce one-third of India’s pig iron and steel. The state also supplies 36% of the nation’s coal from its vast coal mines, and possesses a massive heavy engineering factory and the largest railway workshop in Asia, among other industrial showpieces. Most of the 1,594 MW of installed capacity in the state goes to keep these industrial installations going.

Outside of these facilities, the power situation remains as bleak as ever. After four decades of planning for social equality, the large number of small sector entrepreneurs are living a worse-than-impooverished life, using the primitive tools due to lack of electrical power. In spite of the fact that this small-scale industrial sector is a major employment provider and contributes about 50% of India’s total industrial output, a

TABLE 1
Slippages in installation of power generation capacity

Plan	(Years)	Target (MW)	Achieved (MW)	Slippage	Slippage as % of target
First	(1952-56)	1,300	1,100	200	15.4%
Second	(1957-61)	3,500	2,250	1,250	35.7%
Third	(1962-66)	7,040	4,520	2,520	35.8%
Annual	(1967-69)	5,430	4,120	1,310	24.1%
Fourth	(1970-74)	9,264	4,579	4,685	50.6%
Fifth	(1975-79)	12,499	10,202	2,297	18.4%
Annual	(1980)	2,813	1,799	1,014	36.0%
Sixth	(1981-85)	19,666	14,226	5,440	27.7%
Seventh	(1986-90)	22,245	11,344*	—	—

Source: *Power Scenario*, AIEI.

*First three years' figures.

TABLE 2
Percentage of electricity utilization*

Year	Domestic	Commercial	Industrial	Agricultural	Other
1970-71	8.8%	5.9%	67.6%	10.2%	7.5%
1975-76	9.7%	5.8%	62.4%	14.5%	7.6%
1980-81	11.2%	5.7%	58.4%	17.6%	7.1%
1985-86	14.0%	5.9%	54.5%	19.1%	6.5%
1986-87	14.2%	5.9%	52.5%	20.7%	6.7%

Source: *Economic Survey, 1988-89*, Government of India.

*Utilities only.

TABLE 3
Distribution of installed capacity* (in megawatts)

Region	Total capacity as of March 31, 1980	Total capacity as of March 31, 1985
Northern	8,248	11,838
Western	7,834	12,937
Southern	7,207	10,358
Eastern	4,866	6,567
Northeastern	334	791

Source: Planning Commission, Government of India.

*Utilities only

policy has been adopted which keeps this sector perpetually on the edge of disaster. To this vast multitude, power cuts mean nothing.

High cost of no power

In the 1950s, Dr. Homi Bhabha observed, in response to critics of the government's large investments in nuclear technology, that "no power is more costly than no power." Unfortunately the message was subsequently lost on the planners, whose policy failure, excused under the all-engulfing blanket of "financial constraints," has created a highly vulnerable economic situation. India has come to depend on the monsoon not only for the success of farmland productivity, but also for its industrial sector. It is not that India depends solely, or even heavily on hydropower for electricity (see **Table 4**). In fact, 73% of installed power generation capacity (including non-utilities) is non-hydroelectric. But in a state of perpetual shortage, that 26% of hydropower is a critical margin. Any additional shortfalls in electric power because of a reduction in hydropower generation causes a great deal of instability.

Recent reports indicate that power cuts have been in full fury in the southern states. The chairmen of the State Electricity Boards of the southern region met in April and ex-

TABLE 4

Installed energy-generating capacity mix*

Plan	Hydro	Thermal	Nuclear
End of First Plan	35%	65%	—
End of Second Plan	41%	59%	—
End of Third Plan	46%	54%	—
End of 3 Annual Plans	46%	54%	—
End of Fourth Plan	42%	54%	4%
End of Fifth Plan	41%	57%	2%
End of Annual Plan	40%	58%	2%
End of Sixth Plan	34%	63%	3%
End of three years of the Seventh Plan	32.2%	65.	2.5%

Source: Department of Power, Ministry of Irrigation and Power, Government of India.

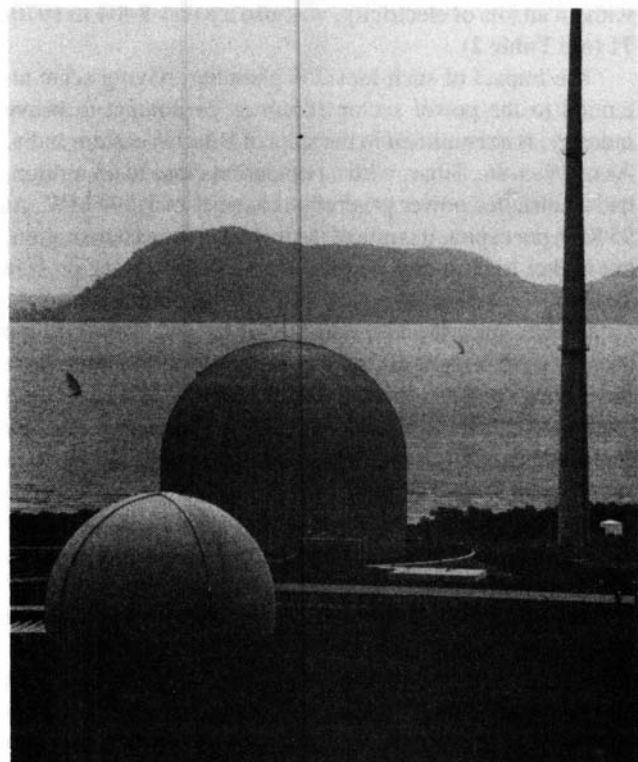
*Utilities only

pressed their grave concern over the power shortage. Besides the fall in reservoir storage levels in the south, the current shortfall is attributed to the inadequate coal supply to the Ramagundam Thermal Power Station in Andhra Pradesh due



Linda de Hoyos

The vast majority of India's rural population does not use any electricity at all. The government's Eighth Five Year Plan, now on the drawing boards, is an ambitious effort to tackle the problem.



United Nations

The optimal path for expanding India's electricity production is nuclear energy, but the current program is putting too much emphasis on non-nuclear plants. Shown here is the Bhabha Atomic Research Center in Trombay, India.

TABLE 5

Plant load factor of thermal plants for three eastern region states

State	1980-81	1984-85
Bihar	31.4%	30.5%
Orissa	34.0%	32.2%
West Bengal	42.1%	36.5%
All India (avg)	44.6%	50.1%

Source: *Economic Survey*, Government of India.

to a work strike in the coal mines, and the continued shut-down of the two-unit (230 MW each) nuclear power station at Kalpakkam. All four states in the southern region—Andhra Pradesh, Karnataka, Kerala, and Tamil Nadu—will have to undergo severe power cuts in the coming months, officials have announced.

It is difficult to estimate the financial losses that industry and agriculture have had to bear in any given year due to power cuts. No study exists which rigorously calculates the work-time lost due to power shutdowns nationwide. Many industrialists, on the recommendation of the powers-that-be, install captive power plants to keep production going. In Tamil Nadu, for example, the textile industry, consisting of 237 mills employing 131,000 workers directly and another 3.5 million indirectly, has opted to depend heavily on captive power. According to one report, 55% of Tamil Nadu's textile industry's power consumption now comes from captive power. This has been done to protect the large workforce who, if laid off, have to be paid a large sum as retrenchment compensation.

Small diesel generator sets of 2 MW capacity or less have proliferated in recent years, adding to capital costs and idle capacity of industries. According to one estimate, about 5,000 MW of power is generated through these diesel generators today.

Serious constraints

Now there is hope that all this may change. But the fact remains that even attaining the 177,000 MW goal for the year 2000 will not solve the problem by itself. In the first place, installed capacity—i.e., the boiler plate number—means very little if the plants are not kept in good working condition, or are not provided with adequate feedstock every day of their working life, or if the plant workers fail to realize that adequate wages are directly tied to attaining the desired productivity. The performance of India's power plants, at least most of them, leaves a lot to be desired in all these areas.

This is particularly significant because many of these plants are already old, and a number of them will be very old

by the time the 21st century comes along. The plant load factor, which provides a rough estimate of a plant's functioning, of power plants varies widely from one part of the country to another. In Bihar, for example, power plants on average work with a plant load factor of 31%, as opposed to the national average of 52% (see Table 5).

Second, the distribution of installed power capacity at present is wildly uneven from one state to another. While a resident of Delhi consumes about 550 kwh of power—a large part of it borrowed from neighboring states—residents of some states in northeastern India make do with less than 30 kwh on average. This huge difference indicates that unless future power generation, distribution, and consumption are made more or less equal throughout India, power shortages will continue to haunt parts of the country. It is a predicament that is aggravated by the fact that there is no central transmission grid, and thus no scope for shifting power from one end of the country to another as needed. Under such conditions, relatively power-short areas of the country will remain less attractive to investors generally, reinforcing the backwardness in those areas with all the broader repercussions (see Table 6).

Third, the Indian program is putting too much emphasis on non-nuclear thermal power plants. Out of the 38,000 MW envisaged for the Eighth Plan, 9,000 MW will come from hydro, 28,000 MW thermal (including 4,600 MW from natural gas), and 750 MW from nuclear fission. By the year 2000, power generating capacity using nuclear fission is estimated to be 10,000 MW—less than 6% of total capacity. Nuclear power has much to recommend it, especially since

TABLE 6

Per capita electricity consumption: some sample states (in kilowatt-hours)

State	1970-71	1980-81	1985-86
Haryana	98.2	212.9	247
Punjab	158.6	314.9	423
Rajasthan	49.8	98.9	140
Uttar Pradesh	60.2	87.4	118
Maharashtra	158.4	272.3	313
Bihar	65.1	76.1	95
Orissa	95.1	116.0	130
Kerala	75.6	101.2	140
Tamil Nadu	129.5	190.5	213
Assam	21.6	34.2	53
Manipur	5.1	5.9	32
Meghalaya	NA	30.8	76

Source: *Highlights of Power Supply Industry in India*, Central Electricity Authority of India, 1987.

*Utilities and non-utilities

India is one of the few developing countries to have fully mastered the technology indigenously. But perhaps the most compelling reason for pushing nuclear much harder is the cost of such heavy dependence on coal as is presently envisioned.

Coal versus nuclear

India's coal supply has an inordinately high ash content, making it a relatively inefficient energy source from the beginning—quite apart from the highly polluting quality of coal burning, made worse by its low quality. Moreover, the coal supply is concentrated in the eastern part of the country. Coal for power requires bulk mining, washing, and transportation, as far as 600-700 miles from the pithead in certain cases. It also requires highly efficient upstream capabilities of infrastructure and disciplined manpower. It will also require "dedicated" railroads to transport coal from the pithead to the power plant.

In reality, neither India's coal mining operations nor the railroads are efficient enough to handle such bulk material on a daily basis. Over the years, India's railroads have deteriorated, and very few new lines have been installed since 1970 (less than 3% of existing capacity, in fact). India's passenger traffic on the major routes is too heavy, as the network has not been extended enough to serve as more than a main artery.

Unless the railroad network is extended and the quality of wagon movement upgraded significantly, the massive movement of coal to service the power program will simply jam up the entire rail system. Under present circumstances, for instance, long stretches of railroad remain submerged and unusable for weeks when flood-waters from the tributaries of the Ganges, Brahmaputra, and some other rivers overflow following heavy monsoon rains. This particular situation is deteriorating every year, as very little attention has been paid to the rivers and mountains of the country.

To reduce dependence on coal-fired power plants, with the enormous costs indicated above, India would do better to put a greater emphasis on building nuclear power plants. Nuclear plants can be installed where extensive rail networks cannot be established because of difficult terrain—for instance, in northeastern India. Even with the present difficulties and cost of installing nuclear plants, they have proven completely cost competitive with coal-fired plants that are not located at or very near the pithead.

A 1979 *EIR* study of India's economy found that the optimal energy development path would have to make nuclear power the priority for rapid expansion over the medium term, even while doubling thermal power capacity in the relative short term. The *EIR* study, a 20-year economic perspective, set a 230,000 MW target for generating capacity in the year 2000, 80% of it nuclear. That target represents the electrical power capacity that would be required to provide a standard of living for the entire population equivalent to present-day industrial economies.

Du Pont, ICI behind the 'ozone' scare?

by William Engdahl

Significant evidence points to the fact that the recent campaign to ban CFC compounds (chlorofluorocarbons) for allegedly being "ozone killers" is a carefully orchestrated and well-financed hoax designed to allow a tiny handful of chemical multinationals to cartelize and extend their control over the world chemicals trade into the next century. At stake is control over a market for CFCs and related products which could easily total \$120 billion per year in the next decade.

On May 2, representatives of some 80 nations meeting in Helsinki, Finland under auspices of the United Nations Environment Program, solemnly endorsed a call for a complete ban on CFCs by the year 2000; less than 11 years from now. While some member states of the U.N. group called for establishing a global fund to be administered by the U.N. ostensibly to "help Third World nations develop the technology necessary to produce alternatives to CFCs," Britain's "practical" Environment Minister Nicholas Ridley bluntly attacked the idea, saying he preferred "bilateral" aid instead.

What he did not say was that Imperial Chemical Industries (ICI) is advising the Thatcher government on its "anti-ozone" strategy.

The chemical 'cartel'

Today, 13 companies worldwide produce the bulk of an annual 1.14 million tons of CFCs, most for refrigeration, air conditioning, and use as solvents in sensitive electronics manufacture. Du Pont, which patents its CFC under the trademark Freon, is the world leader, making 25% of the total, U.S. Allied Chemical is number two, with Britain's ICI tied to a French maker, Atochem (Elf Aquitaine), with 10% each. These four companies control about 60% of world supply. Significantly, these same four leading producers are now spearheading the campaign to ban CFC use!

Is this an expression of genuine concern for the welfare of the environment, or for the imaginary threat from the naturally occurring hole in the polar ozone cover? A spokesman for ICI admitted in a recent discussion that ICI is almost finished with a big new plant in Runcorn, Great Britain, which will produce ICI's "ozone friendly" HFC-134a alternative, beginning in 1991. A second plant to make the new chemical is under construction in the United States. ICI's Denys Henderson says the company has already spent hundreds of millions on the development of the "ozone friendly" chemical. "We are absolutely confident this is 'ozone

benign,' " he stated. But, he admitted, they are not so certain that it is safe for humans! Du Pont officials have confirmed that du Pont is constructing its own production plant for the same HFC-134a.

In fact, there is an "informal association" of the 13 multinational chemical companies in the United States, Western Europe, and Japan which are pooling research on this matter. No Third World companies—Taiwanese, Korean, Brazilian, or others—are included in this elite circle rushing to corner what is likely to be the most lucrative new market to come into the world chemicals industry in decades.

That major U.S. and British chemical companies collude to fix prices and divide global markets is not new. It has been standard practice since at least the First World War. Since sometime in the 1940s, according to informed London chemical industry analysts, du Pont has had an "informal arrangement" with ICI to cooperate on a variety of issues of mutual concern. Some people believe this cooperation is what lies behind the dramatic escalation of worldwide "ozone hole" scare campaigns and a series of recent meetings in Montreal, The Hague, London, and the latest in Helsinki to cut or eliminate world production of CFCs. If this succeeds, it will be a tragedy in more than one way.

'World's leading chemical company'

On April 28, ICI chairman Henderson told his shareholders, "Our aim is to become the world's leading chemical company." There are some hints as to how ICI plans to do this. Henderson was a key adviser to Prime Minister Thatcher before she chaired the recent London conference on "Saving the Ozone Layer." ICI has come out publicly demanding "complete elimination" of CFC use in the next decade. Du Pont and ICI, according to well-informed industry sources, have already secured patents on an "ozone friendly" and expensive "alternative" to the cheap and chemically inert CFC. One chemical industry analyst with a leading London stock brokerage told this news service, "There are billions of dollars at stake. ICI is positioning itself to corner an extremely lucrative market. This is a very rich prize they are after."

According to persons familiar with the development of the chemical industry in developing countries, the market grip of du Pont, ICI, and the tiny handful of elite companies in their "informal association," realized its domination of the world market was fundamentally threatened over the coming decade. Countries such as Brazil, Taiwan, South Korea, and certain OPEC countries are rapidly developing independent and nationally owned chemical industries which are becoming self-sufficient in producing CFCs and other basic chemicals. "For these large companies, elimination of a few percent in their market share can destroy their entire price structure. These Third World producers have become a serious threat to them on the margins, and that is critical," stressed one London industry analyst familiar with the internal corporate debate. "The ban on CFCs will be a big, big problem

for especially Third World countries," he stressed. "The big chemical multinationals want binding legal sanctions internationally to enforce the ban on CFCs. They have invested huge sums in development of alternatives and they aren't about to let Third World producers take this market away from them."

The greening of du Pont

According to sources inside the U.S. government in Washington, du Pont, the U.S.-Canadian conglomerate controlled by Edgar and Charles Bronfman of Seagram's, played a decisive role in shaping the 1987 Montreal Protocol of the United Nations Environment Program on drastic reduction of CFCs. A du Pont spokesman told this reporter in a recent interview, "We had input into the Montreal Protocol. In 1986, du Pont came out calling for strict controls on CFC use. By 1988, we declared that we would phase out all CFC production by the end of this century." Not surprisingly, this is the exact timetable that ICI has had and it is the exact program which has now been adopted by the Helsinki monitoring conference of the UNEP. Du Pont suggests that enforcement of the CFC ban, especially against Third World producers of the cheaper and simpler CFCs, will be a "nightmare," but indicates that there are already advanced plans to use the trade enforcement mechanisms of the General Agreement on Tariffs and Trade to maintain control of the huge new chemicals market.

According to ICI, their new "ozone friendly" HFC will cost a hefty price. And, ICI calculates it can charge some 500% more than it can get for its present CFC, Arcton. Present CFCs cost some 60¢ per pound, while the New Age variety "ozone friendly" HFC-134a will cost \$3 per pound. That is quite a tidy reason for some corporate giants to suddenly befriend the "environment."

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U.S. maritime industry crisis: no merchant ships on order

by Marcia Merry

There is perhaps no period of crisis in U.S. maritime history comparable to today's, save the era of the ill-advised presidency of Thomas Jefferson, when traitorous Vice President Aaron Burr prevailed in replacing a vigorous Navy and shipbuilding capacity with the pathetic "mosquito fleet." Then came the British invasion during the War of 1812.

Today, the battleship *Iowa* disaster raises the issue of the battleworthy condition of the U.S. Navy. But of even more strategic importance is the rapidly sinking U.S. shipbuilding industry. By every measure—number of yards, number of orders for ships, size and modernity of capacity, skill levels of the workforce, the U.S. shipbuilding industry needs emergency attention. Proposals have been forthcoming, but Congress and succeeding administrations have refused to act.

The accompanying bar diagram shows the decline down to absolute zero in the number of new merchant vessels under construction or on order at private U.S. shipyards. Only U.S. Navy contracts are keeping the industry alive—but barely.

In just the last 10 years, the number of U.S. yards building ships for the Navy and for commercial customers declined from 25 in 1979, down to 16 today. Those 16 are doing work for the Navy. As of the end of 1989, five of those yards will have completed their existing contracts; that will leave only 11 yards with new Navy contracts.

The last order for a merchant ship to be built in a U.S. yard was placed in 1984, with Bay Shipbuilding Corp. of Sturgeon Bay, Wisconsin. The containership *Kodiak* was delivered to the owner, Sea-Land Services of New Jersey, in November 1987.

In tonnage terms, in January 1978, U.S. shipyards had nearly 7% of the world's orderbook for commercial deadweight tons. But as of today, the U.S. has nothing.

Implications for defense

The implications of this for U.S. defense are dire. This subject is presented in depth in the report by the Shipbuilders Council of America, "Ship Construction Report." In the overview to the report, Council President John J. Stocker warns, "Obviously, with no commercial work in place, all 16 yards are effectively held hostage to the budget process. Reductions to the Navy's shipbuilding budget, in the absence of a

commercial market, will have a devastating impact on the industry."

The projections made by the council for expected Navy ship construction and conversion projects over the next five years show that U.S. shipyard capacity will be devastated. The report states, "Of the total of \$53,281.1 million projected over five years [Department of Defense naval shipbuilding], programs now held by the six largest Navy builders account for \$48,628.6 million in total program dollars representing 91.3% of the total. This is a strong indication that the future Navy program, as has been the case in the past, cannot support current shipyard capacity. We see no relief in this plan, particularly for the second-tier yards which are facing closure. If immediate help is not forthcoming in the form of government sealift ships [government-commissioned merchant vessels] or new commercial building, four of the five most capable second-tier yards in the country will almost certainly be closed or reduced to repair yard status by the end of calendar year 1989, and we will be left with a maximum of six major yards, fully committed to Navy work, with which to face any mobilization requirement."

The lack of merchant vessel orders which led to this attrition in shipyard capacity is attributable to a number of factors over the past 20 years which could all have been prevented, with the right government policies. Beginning in 1981, the U.S. government moved to end all federal assistance programs to domestic yards. In addition, U.S.-flag merchant ship owners were encouraged to place orders abroad, because special legislation was passed to waive the law which says that all U.S.-flag ships must be built in U.S. yards. U.S. commercial ship construction collapsed to the point that, today, nearly 95% of the remaining workload in domestic yards is either U.S. Navy or other government orders.

The passing away of shipyard capacity has been characterized by many twists and turns of "restructuring." For example, the Avondale Industries, Inc. yard in New Orleans was "saved" through an employee stock ownership plan in 1985.

In 1986, the famous General Dynamics Fore River Shipyard in Quincy, Massachusetts, shut down outright. Then came the news in April that Drexel Burnham Lambert and

Michael Milken would back a deal to partially finance re-opening the plant. The catch is that there must be a worker-buyout arrangement, under which workers must commit themselves in advance to pay cuts of between 17% and 20% from their former General Dynamics wages.

The most-cited cause for the demise of U.S. yards is the issue of wage levels. However, the reality is, wage levels are high in Japan—the national yards with the most work. Today, there are 139 vessels on order in Japan. The next highest nation for work orders is South Korea, with 91 vessels. There, while wage levels are lower, the modernization of equipment has been remarkably high.

Strategies to turn around this crisis decline in U.S. ship-building capacity have come forward from several quarters in the recent period. One constant sticking point is what is made to appear to be the conflict between the need of U.S.-flag shipping lines to purchase new vessels at the lowest cost, as against the need of U.S. shipyards to have a flow of commercial business to stay in operation for the good of the national military-industrial base.

U.S. Rep. Robert W. Davis (D-Mich.) has introduced a bill that requires U.S. merchant vessels to be built in U.S. shipyards. Davis has expressed concerns about allowing foreign-built ships to operate in the U.S. merchant fleet and to still be eligible for certain government subsidy and cargo preference privileges.

Speaking April 19 to a maritime club in the Port of Washington, Davis said, "The buildup of our wartime mobilization base—both shipyard and sealift—are equally supportable." He said that while rapid modernization of the commercial fleet—which might take place utilizing foreign yards—is a

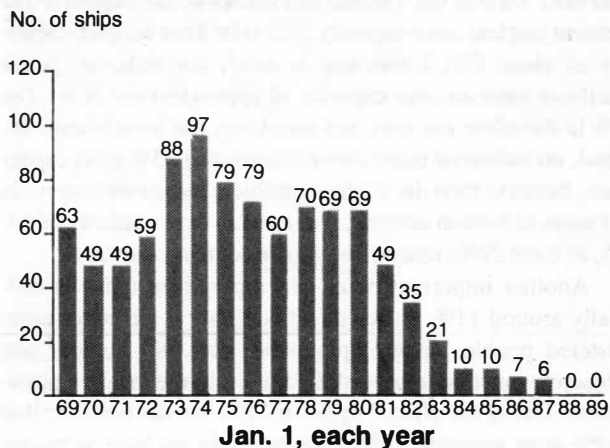
laudable goal, it must not be accomplished at the expense of American shipyards, which also have a role as a "critical element in our wartime mobilization base."

The new president of the Society of Naval Architects and Marine Engineers, Arthur J. Haskell, has taken a compromise position. On April 14, at his organization's meeting in New Orleans, Haskell presented a proposal to allow U.S.-flag operators engaged in international trade to procure and repair their vessels anywhere in the world without losing certain rights to U.S. cargo preferences. However, lines engaged in domestic trade, with coastal privileges, would be subject to special tax duties on any work carried out in overseas yards.

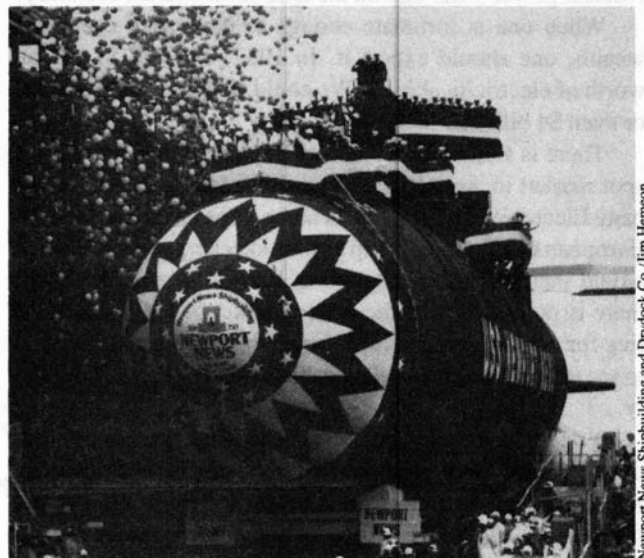
The Shipbuilders Council of America politely said in their newsletter, "We applaud Mr. Haskell's intent in trying to formulate a solution that is equitable to both maritime segments. Attempting to solve the problems of one industry at the expense of the other just doesn't work. The last administration tried it, and look what happened: The situation of the merchant fleet didn't get any better, the shipyards were devastated, and the nation's maritime defense mobilization base deteriorated to its lowest point in history."

Proposals made repeatedly by the Shipbuilders Council envisage revitalization of commercial maritime research and development in new ship design and ship production process improvements, and development of a comprehensive defense sealift program—involving federal backing of a certain number of merchant fleet vessels to be part of the sealift readiness group. Detailed financial projections have been made for how these new sealift commercial ships could be used to then amortize the investment made in America's shipyards.

FIGURE 1
New merchant vessels under construction or on order at U.S. private shipyards



Source: Shipbuilders Council of America.



In 10 years, the number of U.S. shipyards declined from 25 to 16, and those 16 are working for the Navy. By the end of 1989, only 11 will still have Navy contracts. Shown here is the launch of the U.S.S. Newport News in 1986.

Newport News Shipbuilding and Drydock Co./Jim Hemeon

Denial of technological progress amounts to outright genocide

Mr. Parker was technical adviser on nuclear questions to five French research ministers, and is today chairman of an international economic consulting group, XA-EP. XA-EP manages a "future scenario" computer bank which covers over 40 countries. This interview was translated from the French magazine Fusion.

Fusion: What do you see as the desirable future of nuclear power in Europe?

Parker: The first thing we French should try to get is a common market for electricity. Let me explain: The British are lucky enough to have oil deposits, the Germans have coal, and we French are fortunate enough to have a nuclear "deposit." Nuclear-origin electricity has allowed us to save the equivalent of 60 million tons of petrol, which we did not have to buy. When the plants being built now are finished, we will be able to save the equivalent of 100 million tons of petrol. In other words, the French nuclear "deposit" is almost equal to that of the British petrol in the North Sea, or to that of an average oil-producing country, like half a Kuwait. Nuclear power is the tiger in the tank of the French economy.

When one is fortunate enough to have such economic wealth, one should export it. In 1987, we sold \$1 billion worth of electricity abroad. We could easily go up to \$2, \$3, or even \$4 billion.

There is a kilowatt-hour stock exchange, just like the oil spot market in Amsterdam. EDF [the state electricity company Electricité de France] has taken steps toward having the European Community set up a common energy market which would include free circulation of kilowatt-hours. After all, there is no reason why the future market of 1993 should be free for coal and closed for kilowatt-hours. . . . My wish is to see us fully use our nuclear capacity and export it massively.

You know about the results of the latest nuclear referendum in Italy: That country will virtually have to give up nuclear energy, because of the panic spread by the Greens and the anti-nuclear lobby, which are massively financed in Italy by Libya and Algeria, both of whom sell petrol to Italy. The Italians I know are panicked by the idea of being completely dependent on the Libyans and the Algerians for their energy supplies. They definitely want to diversify their foreign pur-

chases of energy and there is a whole lobby, especially in the north of Italy, that would like to buy our nuclear power.

I was recently interviewed by Radio Suisse-Romande: The journalist started telling me, in effect, that I was against the Greens. I answered that on the contrary I was all for the development of Green movements in Switzerland, for example. After a green campaign that succeeded in scaring the population, Switzerland put off the decision about building two nuclear plants. I told the journalist that this fact made me very happy: It meant we would build two more in France and sell them the electricity—and they would pay for it in strong Swiss francs. It will create skilled jobs in France and bring in foreign currency!

It's a matter of playing off the scenario used by oil and coal producers, who spread scare campaigns about nuclear energy in order to sell a little more coal or oil. Of course, when I push these arguments to the limit, it's mainly for pedagogical reasons. I want to expose how the great nuclear fear is mainly a coverup for economic and rumor warfare. I am trying to wake our neighbors up.

Fusion: In the context of the single market for kilowatt-hours you propose, France would have to lift the restrictions on the nuclear program, and go back to building two or three power units a year.

Parker: First of all, I would like to take up the subject of the present nuclear over-capacity. We now have an over-capacity of about 5%. I feel that is much too little; all petrol facilities have an over-capacity of approximately 50%. The 5% is therefore not only not shocking, but insufficient. Indeed, no industrial plant should function at 95% of its capacities, because then the slightest problem means shortages. In all areas of human activity, you need an over-capacity of 10, 15, or even 20%; otherwise, you're courting shortages.

Another important point. Unemployment today is officially around 11%. In reality, it is higher if we count unregistered people, underemployment, etc. Our number one objective must be to give skilled work to the inactive population. Out of the official figure of 11%, we can consider that 3-4% is an incompressible minimum. So we have to reduce unemployment by 7-8%. Let us assume this result will be obtained in five years. Well, those new workers will need

energy and we can estimate that our industrial electricity consumption will increase by 8%. I brought up this issue with officials of EDF and came to the conclusion that solving unemployment in France, down to 3 or 4%, would use up the whole of our present over-capacity. We would end up with no margin, which is very, very dangerous. In other words, if we decide to reduce the nuclear program to next to nothing, as has just been done, with only one unit every two to three years, that means implicitly that we have given up trying to solve unemployment. If so, it should be said out loud. It means accepting the crisis as a *fait accompli*: accepting 11% unemployment *ad vitam eternam* [into life eternal]. It's totally unacceptable. I think we need a drastic political and social program for reducing unemployment within five years. But building a nuclear plant takes 10 years. So, from today on, we have to start building new nuclear plants, as over-capacity, to reduce unemployment.

If we wait until unemployment is solved, we won't have the necessary power when it's needed. My most pessimistic scenario for France, is the one that is being played out right now. It will lead us to a 15% unemployment rate by January 1993. Just extrapolate the curve—that means defeat. It means an economic June 1940.

Fusion: In your reasoning, you assume that jobs given to previously unemployed people are industrial jobs and not of the make-work type, like working in fast food stores or punching tickets on the thruway. You assume they are skilled jobs if they are high in energy consumption.

Parker: Absolutely. These are real jobs, for workers with a high added value. Not broom sweepers, but skilled workers, who operate robots, lathes, machine tools, etc. That requires energy. In France, our great advantage is that we have a nuclear "oilfield" of 100 million tons a year. We must exploit this asset. Although oil prices are low today, everyone knows this is part of a strategy to make oil competitive with nuclear and other sources of energy. If the world goes back to petrol, the prices will shoot up once again. We are dealing with a classical strategy of economic warfare. To dissuade countries from using nuclear energy, nothing is more effective than to act unpredictably and to offer spectacular price drops from time to time.

I remember clearly that from 1969 to 1972, the so-called top specialists came up with many reports assuring the government that petrol would be available forever for \$2 or \$2.50 [per barrel], and that the nuclear program should be cut back. We know what followed: two petrol shocks together with the emerging of the crisis and of unemployment. Had we not cut back our nuclear program, we would have begun 1973 in a much better position. Now we are making the same mistake all over again as in 1969-1970.

Fusion: This leads me to a question I wanted to raise with you: the two-tier society. Some thinkers say that by arti-

cially blocking technological development, we get to a point where a handful of highly skilled people are enough to maintain existing infrastructure.

Parker: First of all, people must realize that their standard of living is directly linked to high value-added technological activities. In France, even the least skilled worker earns the minimum wage. The minimum wage plus social insurance contributions corresponds to an hourly cost which is 10 times greater than in Bangkok. How is it that a sweeper is worth 10 times more in Paris than in Bangkok? What makes the difference? It is because we have high value-added activities like the nuclear, space, electronic, robotic, and automobile sectors. The only reason low-skilled jobs in France earn more than in Thailand, is technology, and the nuclear sector.

I am all for nuclear power and for space research, not because of fanaticism, but because I do not want to see my fellow countrymen reduced to the living standards of the Third World.

I attended a colloquium on technological risks last year. We spent three days discussing petrol, railroad accidents, planes that crash, platforms that burn, etc. At the end, I was burning with impatience, because I wanted to tell those people: "Let's speak about the main risk, the risk of zero technology, because that one is real!" Since I couldn't get my word in, I wrote a book on the risk of no technology [*La bombe à neutrons, désinformations en chaîne*, PUF, 1988].

Take the case of Tanzania, a country with zero technology. Its population has stopped growing. Cholera has come back with a vengeance, all the traditional epidemics are out of control because of a lack of healthcare personnel. It is a total return to the natural state, to the pure ecological state, in other words, to a complete catastrophe. A company that goes to Tanzania is undertaking a veritable expedition; it has to take its own water, toothpaste, soap, toilet paper, vaccinations, food. . . . Our greenies who go there in 4 × 4 Rovers with all their material find what they're looking for: They find all the most dangerous species of mosquitoes! But I wish a better future to my fellow-countrymen.

Take the case of India, which is living through a disaster. The arable land-area per inhabitant was 0.5 hectares in 1950; it is headed down to 0.15 for the year 2000. We are literally moving towards a scenario of Sahelization. The most important problem in India is the deforestation of villages by the women and children who live there. Once deforestation has taken place, it sets off a vicious cycle. India's main problem is energy: They need irrigation, and therefore need to pump the water; they need to produce fertilizers and especially, to replace wood by another energy source. As the Indians have little coal and petrol, they are ferociously pro-nuclear. With everyone repeating that we have to help the Third World, it would be crazy for us to give up our nuclear techniques which the Third World needs so sorely. I think the West would help India more by sending them a nuclear power plant than Mother Theresa!

Diabetes to enter the space age?

PIMS could radically improve the lot of 1.5 million diabetics, but fiscal chiseling may keep it from happening.

In yet another of the biomedical spinoffs from the space program, scientists from the Johns Hopkins University Applied Physics Laboratory under sponsorship of the NASA/Goddard Space Flight Center have developed a device that could revolutionize the treatment of America's approximately 1.5 million insulin-dependent diabetics, and save billions of dollars, possibly as much as half of the annual medical and indirect costs of diabetes, such as lost productivity, which the American Diabetics Association estimated at \$20.37 billion in 1987.

The device, known as the Programmable Implantable Medication System (PIMS), has been spectacularly successful in 16 patients in which it has been evaluated on a trial basis over the last two and one-half years.

PIMS is but one of innumerable modern medical technologies spawned by the space program. In fact, without NASA technologies, the majority of the equipment in intensive care units as well as operating rooms would not exist, or be much more primitive.

The impact of space technology is most evident in command systems, telemetry, power systems, miniaturization, and long-term reliability. This is because of the similarity of circumstances which confront a spacecraft in outer space and an implanted device in the inner space of a human body. In both cases there is a need to monitor and intervene, by remote control, in regions which are not directly accessible without some difficulty.

According to Robert E. Fischell, who developed the PIMS, "The device has characteristics very similar to

an orbiting spacecraft. PIMS includes a command system; a telemetry system; a miniature, long-life power system; and very large-scale integrated circuit chips. It has also been designed and fabricated using space reliability and quality assurance techniques."

In the course of his testimony before the House Committee on Science, Space, and Technology on April 13, Fischell listed its advantages:

"1. A precise medication rate is available. The desired physiological effect can be obtained while reducing overdosage. This could decrease buildup of tolerance and side effects.

"2. Perfect compliance can be achieved, without requiring patient compliance.

"3. Medication can be delivered with any desired periodicity.

"4. Accidental or deliberate overdosage is prevented.

"5. Decreased use of medication is possible;

"6. More appropriate medications can be used.

"7. Medications that would normally require the patient to be hospitalized could safely be given on an outpatient basis."

In sum, the PIMS allows the correct dose of the appropriate medication to be delivered to the appropriate organ at the right time, thus maximizing therapeutic effects and minimizing side effects.

Does it really work? At the same session the subcommittee heard the testimony of Professor F. Jackson Piatrow of American University, an insulin-dependent diabetic who was the first person to receive the pump in No-

vember 1986. As Dr. Piatrow stated, "It has worked perfectly ever since and has contributed to a marked change for the better in my control of diabetes and in my psychological adjustment to the disease."

When will this breakthrough in medical technology become available to the 1.5 million insulin dependent diabetics in the U.S.? Perhaps never.

To begin with, the three-year trial period of the initial program is drawing to a close, and as Dr. Piatrow stated: "We would feel unfairly used if the worst case scenario—compulsory removal of the pump—were to come to pass.

"We are assured that no one contemplates extraction of the pump just because an arbitrary time limit has been reached. At the same time, there is no question that the PIMS program is over.

"No more federal money is going into the program to sustain it, even though the program is effective and well received."

Not only is the pilot program coming to an end, but FDA approval for commercial sale will require the testing of an additional 100 units by the medical device company licensed to produce the device. The problem is that even if FDA approval is granted, which appears almost certain from the results to date, there is no reimbursement from Medicare or any insurance company for these devices. Thus only wealthy individuals will be able to afford the approximately \$8,000 initial cost of the pump, whereas if the same technology were used to create a heart pacemaker or a new dialysis machine, all the expenses would be covered by insurance or Medicare.

While the savings to society from one spinoff medical advance could nearly equal NASA's entire annual budget, fiscal quackery may yet triumph.

The fraud of the Fowler bill

Under the banner of 'sustainable agriculture,' the bill will take more cropland out of production.

Sen. Wyche Fowler (D-Ga.) submitted a bill to Congress on May 2, entitled the Farm Conservation and Water Protection Act of 1989. This bill initiates a return to labor-intensive and unpredictable "sustainable" crop-growing methods, by implying that today's modern agricultural practices are "environmentally unsound" and that the U.S. has a major health problem from food grown using modern methods.

The bill was announced to a packed press gallery, with Fowler flanked by Sen. Patrick Leahy (D-Vt.), chairman of the Senate Agriculture Committee, and Sen. George Mitchell (D-Maine), Senate Majority Leader. This gives the Fowler bill the imprimatur of the Senate leadership, which means its New Age concepts will be taken up in the deliberations on the upcoming 1990 five year farm bill, which have just begun.

On hand at the press conference announcing the bill were dozens of Washington environmental lobbyists. The bill has been endorsed by the World Wildlife Fund, the Audubon Society, and other such groups. Its emphasis is to save "wetlands" and "wildlife"—not people and farms.

The low-input sustainable agriculture (LISA) methods that this bill endorses have virtually no scientifically researched data to prove that farmers using "sustainable" methods could produce the abundant yields of today's high-tech methods.

The bill specifies that the U.S. secretary of agriculture will establish a LISA program that is designed for "family-size farms." The official

congressional definition of a "family farm" is one that has gross farm product sales of less than \$40,000 per year. Fifty percent of U.S. farms fall into this category, yet these farms produce only 5% of the U.S. food supply. This bill caters to the majority of farmers who produce the least amount of food, but will establish new regulations that will affect the larger food growers who will probably not participate.

Technical guidelines describing LISA farm production programs will be created to ensure "substantial reductions in the use of fertilizers and pesticides."

This bill funds expanding federal bureaucracies for the purpose of developing regulatory mechanisms that will monitor how much food is grown, where it is grown, and how it is grown. One proposed new agency will be the Farm Conservation Service, which will coordinate funding for the research, analysis, and assistance to farmers for LISA systems that have not yet been thoroughly researched. A commission will be funded to certify organically grown food, and the Farmland Protection Act will be amended to establish a special assistant to regulate the disbursement of federal funds to farmers based on how they use their land.

Heavy endorsement by a full spectrum of environmental groups funded by malthusian anti-population foundations, makes this bill a very suspicious vehicle, to say the least. The National Wildlife Federation, in a letter of support, commends Senator Fowler, saying, "It is essential that we find ways to protect and restore wet-

lands." Senator Fowler's bill would pay farmers to return 5 million acres of what once was swamp but is now farmable lowlands—90% of which is capable of being cultivated—back into swampland.

The bill establishes a program to test well water on farms. If it is determined to be contaminated by chemicals at only 25% of the allowed regulatory levels established by the Environmental Protection Agency, the farmer will be required to implement a ground water protection plan based on controlled use of fertilizers and chemicals. If he refuses, then he must register his farming practices each year with the government.

The Conservation Reserve Program (CRP), which takes cropland out of production for 10 years, will be expanded from its current goal of 45 million acres to 60 million acres by 1995. In some cases, at least 50% of this land must be planted to trees for at least 15 years.

When directly confronted on the question of world food shortages by *EIR* Agriculture Editor Marcia Merry, Senators Fowler and Leahy attributed the problem to overpopulation.

"On the issue of population and feeding people," Merry asked, "... what might be the implications for implementing the things you're proposing in terms of therefore having famine?" Senator Fowler replied, "Whatever you want to call it, sustainable agriculture is possible at considerable yields with techniques, some tested in Egypt and Mesopotamia 3,000 years ago." Senator Leahy criticized "the abysmal record the administration has had in supporting family planning programs in other countries. . . . But we have a lot of land in this world that could be in agriculture and it's not, because of the enormous population growth."

Business Briefs

Foreign Aid

U.S. to cut aid to Sudan

The United States is expected to cut all economic assistance to Sudan during May or June. This will involve \$120 million, especially affecting a \$40 million special assistance wheat sale project which could be terminated by early July. The cut will not affect the U.S. Agency for International Development (AID), however.

The *New York Times* reported that the cut will be made on the understanding that "Sudan is hopeless" economically, and cannot be helped.

However, the crucial aspect, the *New York Times* virtually admits, is the administration's "New Yalta" dealings with Moscow over "regional matters." While Sudan was generally assisted on the basis of Sudan's strategic position in the Horn of Africa and pivotal role in regard to Egypt, Chad, and Libya, "recent consultations between the United States and the Soviet Union" have led to a reassessment of the "strategic importance" of the region. That is, the United States is ceding the region.

Agriculture

Repossessed German farm tools to Russia?

Armin Blum of the West German Society of Small and Medium-Sized Businessmen, which is affiliated with the Christian Democratic Union party, is organizing for a massive sale of equipment from bankrupted German farmers to the Soviet Union, according to the Soviet government newspaper *Izvestia* April 22.

Many of the up to 140,000 small West German farmers who are already bankrupt or soon will be, are trying to sell their machinery in a saturated market. The machinery could be crushed for scrap metal, but Blum "came to the *Izvestia* editorial office recently with a request for help in selling

this equipment to Soviet peasants."

Izvestia lists what is offered: "Complete sets of machinery and instruments for private farms with a complete cycle of production. There are the necessary tools for cultivating, processing, and storing potatoes, vegetables, fruit, and sugar beets on areas of up to 3 hectares. With, of course, small tractors and a selection of trailers. There is equipment for stock-raising units, including refrigerators and small shops for producing dairy products, sausages, hams, and so forth. In addition, small mechanized workshops are offered with a full range of machine tools, as are rural forges with instruments and diesel stations for an independent energy supply. From 15,000 to 20,000 of these kits could be sent to family farms in the U.S.S.R. as early as August of this year."

The suggested price is 5-10% of the original cost of the machinery, and might be even further reduced, to the equivalent of the price if sold as scrap metal.

Izvestia's editors urged action by the Soviet government to overcome bureaucratic and other obstacles to the deal, such as lack of hard currency, saying, "We cannot wait."

Food

U.S. to sell more grain to Soviets

President Bush approved the sale of 1.65 million tons of wheat at subsidized prices to Russia on May 2, after three weeks of disension in the administration. Earlier, the administration had agreed to raise the ceiling on this year's overall grain (wheat and corn) sales to the Soviet Union from 20 to 24 million tons.

The subsidy mechanism is the Export Enhancement Program (EEP), under which government-owned grain is given free to the grain cartel companies, to guarantee their profits when they sell grain at a discount to the chosen customer—in this case, Russia.

President Bush, in a written statement May 2, said that the White House "concluded that the dual objectives of maintaining market share for our farm exports and ad-

vancing international negotiations warrant the use of the EEP in this case."

According to the *Washington Post* May 2, Bush began a round of consultations with key members of Congress on May 1, after a cabinet council meeting failed to produce a decision on whether to approve a U.S.-subsidized sale of 3 million tons of grain to the Soviets. Budget officials had opposed subsidizing any portion of the added sales, as too expensive. The National Security Council also opposed the subsidized sale. Some senior White House officials opposed it on free trade and other economic grounds. The Agriculture Department supported it.

"In addition, several other agencies maintain that U.S. stocks are so low now that prices to U.S. consumers could rise if the subsidized sale goes through," said the *Post*.

An unnamed administration official told the *Post* that Bush was "leaning" toward approving subsidies for half the purchase, which seems to be what he did.

Energy

Watkins fights for Shoreham nuclear plant

Energy Secretary Adm. James Watkins, the former Chief of Naval Operations, on April 28 launched an all-out effort to put the Shoreham nuclear plant on Long Island, New York, on line, and immediately ran up against a wall of hysterical counterattacks from New York Gov. Mario Cuomo and a host of anti-nuclear activists. Watkins proclaimed the planned dismantling of the fully constructed and licensed Shoreham plant to be "stupid."

"If activists can keep it from running, then by God, I can prevent things from being shut down when it's stupid," proclaimed Watkins.

He denounced Governor Cuomo's effort to strike a deal with Long Island Lighting Company, owners of Shoreham, in which the state would purchase the plant for one dollar in exchange for granting LILCO a major rate increase. Once purchased by New

York, the plant would be dismantled. Watkins denounced this as "irrational" and a "tragedy unfolding."

Cuomo fired back, calling the energy secretary's call for Shoreham's startup "the temperamental foot-stomping of a disgruntled Washington bureaucrat."

Watkins, a nuclear physicist and a protégé of Adm. Hyman Rickover, the father of the nuclear Navy, has vowed to wage a vigorous pro-nuclear campaign. He described the internal problems within the Department of Energy in this regard as serious, noting, "a significant cultural turnaround has to take place."

Science

New York Times cold on fusion

The *New York Times* has launched an early attack on the extraordinary experiments of Dr. Stanley Pons of the University of Utah and his former teacher, Britain's Dr. Martin Fleischmann.

Fleischmann and Pons produced a "cold" fusion process in the laboratory, that is, demonstrated release of energy by fusion, which heretofore was thought to depend on generating temperatures approximating those of the Sun. Their experiment, however, was conducted at room temperature, and has the scientific world in an uproar.

The *Times* denounced "cold" fusion in an April 30 editorial, "The Utah Fusion Circus." The editors said that the reported results of the experiment lacked "reasonable credibility." It would be best, the editorial continued, if the pair "disappear into their laboratory."

The *Times* seemed unphased by the fact that the experiment's results have been reproduced around the world a dozen or more times since its March 23 announcement—everywhere from Japan to the United Arab Emirates.

Attacks on scientific breakthroughs are a *New York Times* tradition going back more than a century. *Times* editorials, for example, denounced the Wright brothers as hoaxsters, and warned the reading public

that Edison's electric light bulb would cause pregnant women to miscarry.

Meanwhile, at the American Physical Society meeting in Baltimore May 1, several speakers also attacked the new breakthrough, saying they had found "no evidence" for cold fusion. Chemist Nathan Lewis of the California Institute of Technology said that there were conventional explanations for what Pons and Fleischmann found, and that the heat produced was a normal process of a fuel cell.

Neither Fleischmann nor Pons was present at the meeting. But fusion scientist Steven Jones of Brigham Young University, who had independently conducted similar experiments, did address the meeting and, as the *Baltimore Sun* put it, "stood by his evidence of cold fusion," although he noted that his experiment produced only a fraction of the energy that the Fleischmann-Pons experiment produced.

Banking

Gonzalez 'disgusted' with Bush S&L plan

Rep. Henry B. Gonzalez (D-Tex.), chairman of the House Banking Committee, has proclaimed himself "thoroughly disgusted" with the White House's plans for the savings and loan system.

Congressman Gonzalez sent a letter to President Bush on April 21, charging that during a meeting the previous day at the White House, administration aides had turned a deaf ear to his plan to require the thrift industry to finance low-income housing. "I am thoroughly disgusted," Gonzalez said in an interview with the *Dallas Morning News*.

Gonzalez argues that if the thrift industry receives government assistance through the \$157 billion package, it has a "moral responsibility" to finance low-income housing. "It seems a matter of basic fairness that these taxpayers be assured that the dollars they are expending will actually produce an industry that carries out a public purpose," he wrote to Bush, "... meeting the real housing needs of the nation."

Briefly

● LAWRENCE LIVERMORE

National Laboratory in California has announced two new spinoffs from Strategic Defense Initiative research: "photon torpedoes" and technology for realizing super high-power dye lasers. Possible applications include miniaturization of particle accelerators. For example, the Superconducting Super Collider, currently projected to be about the size of the Washington Beltway, could be scaled down to fit in a living room.

● A RAILCAR

shortage could threaten U. S. grain exports this year, said William Harding, a vice president at the Louis Dreyfus grain company, at a railroad conference in Montreal at the end of April. He said the current fleet of 100,000 cars couldn't handle a good harvest. If U. S. grain exports rise to 5 billion bushels this year, as some predict, the railroads might need as many as 140,000 cars in peak periods.

● ISRAEL'S

Bank Hapoalim is making an unprecedented provision for bad debt of \$450 million, mainly to cover its huge exposure to Israel's highly indebted kibbutzes, the country's collective farms. Losses incurred by the nation's top five banks, largely due to bad kibbutz debt, rose over \$1 billion at the end of April. Banks also made large loan loss provisions to cover for the bad debts of Koor Industries, owned by the Labor Party-allied union federation Histadrut.

● TWO MILLION

head of cattle in Uruguay are expected to have died by early winter because of spring and summer drought.

● CONSTRUCTION

spending fell for the third month in a row in March in the U.S., by 0.3%. It had fallen 0.8% in February and 0.7% in January. Though the entire fall was due to a 9.1% plunge in public construction, many analysts expect the building industry to stay sluggish because of rising interest rates.

Chernobyl: The political fallout three years later

The Soviets ignore the basics of nuclear power, and that's even clearer today. An interview with Dr. David Marples by Marjorie Hecht.

Three years after the Chernobyl disaster, scare stories about radiation are spreading through the Soviet Union. And in the Ukraine, the nationalist movement has taken up the same irrational anti-nuclear polemic that Soviet leader Gorbachov has promoted for export to the West.

Interviewed here is David Marples, research associate at the Canadian Institute for Ukrainian Studies, University of Alberta, Edmonton. Marples is the author of two books on the Chernobyl disaster, both published by St. Martins Press, Chernobyl and Nuclear Power in the USSR (1986) and The Social Impact of the Chernobyl Disaster (1989). Marples began his research on Soviet nuclear power in 1984, while working at Radio Liberty in Munich. Often quoted in the press is his October 1985 prediction that if steps were not taken to improve safety operations and construction procedures, there would soon be a serious nuclear accident in the Soviet Union.

Marples was interviewed March 22 by Marjorie Mazel Hecht, managing editor of 21st Century magazine.

EIR: There are three main areas I'd like to address. First, is the information that you are stressing from your personal and private investigations in the Ukraine that are not generally known in the West; second, is the Soviet policy on nuclear power; and third concerns the reaction in the Ukraine and Byelorussia, what you call the "patriotic opposition movement."

I'd like to start with the last topic: Here we are three years after the Chernobyl accident and they are just now, in February 1989, evacuating 20 new villages in Byelorussia because of radiation contamination. Then, you have a *Moscow News* reporter coming in, exposing the incompetence of the local authorities, the local party officials, in dealing with this

situation and the radiation effects, which really is on the level of scare stories—but scare stories based on reality. . . .

My question is, why is this all happening now? Why three years later do you have a reporter from *Moscow News* coming in and exposing something, and almost simultaneously, as you put it, there are demonstrations of 10,000 people, meetings, protests? I can't imagine that the *Moscow News* reporter was not unknown to the government authorities. Why did they let him do this? What really is going on here?

Marples: I think first of all, the scientific authorities in the Soviet Union were fairly well respected immediately after the accident. There's been a long tradition in the Soviet Union and in the Ukraine in particular of simply accepting official information, not necessarily believing it, but of accepting it without question. This has been monitored, in fact, by the Ukrainian physician Yurii Shcherbak. Shcherbak described a "technocratic mafia" sitting in Moscow in armchairs making all the decisions on nuclear power in distant regions in the Soviet Union or in various republics in the European part of the Soviet Union.

Public opinion as such was in its infancy in 1986. It simply didn't exist as we know it today in the Soviet Union. So the Soviet public was much slower to react to Chernobyl. And it is only now when the first real health effects are beginning to take shape. Because one should remember that the leukemias would take three or four years and the first cancers would now be starting to develop. So one couldn't really look for long-term effects until now; this is really the first time that they would be appearing.

In terms of what *Moscow News* did: I think the *Moscow News* article reflected the frustration at the local level with the amount of information provided by the Soviet Ministry of Health. The Soviet Ministry of Health and its Republic

counterpart, the Ukrainian Ministry of Health, which has overall authority over the monitoring of the victims of Chernobyl, and the Center for Radiation Medicine in Kiev, which is doing on the spot monitoring, until very recently had produced no information whatsoever about the effects of the Chernobyl disaster.

EIR: Well, then, what do they do, if not that?

Marples: That is their job. They must have information but they are simply not publicizing it. Last year I had a discussion at External Affairs Canada and brought this question up, asking them what they had heard from the Center for Radiation Medicine. An official said, "Oh, the Soviets will tell us in their good time, but at the moment we have nothing." And I told them that really they should have something by now. I think in the case of the *Moscow News* reporter, he simply decided to go and find out for himself.

Usually when a journalist does this, he would approach either the Center for Radiation Medicine, or he would go to the government commission cleaning up after Chernobyl, or he would go to the Kombinat Production Association. He ignored all the official groups and went directly to the population.

The Soviet response to that report has been quite furious. The Center for Radiation Medicine collected a team of scientists together and published a response in a Kiev newspaper, which said that his report was nonsense and unfit for export abroad, that they had also sent a team there after he had been to Narodichi, and they had discovered that all his figures were greatly exaggerated. For example, they said there were not 62 deformities, but there were actually only 8, that the number had not risen since before the accident. They also maintained that the problems among the livestock that had arisen were the result of the state of the soil—nitrates and other elements within the soil, not radiation.

But after this report had been published, the editors of the newspaper, *Pravda Ukraini*, commented underneath their breath that the reasons for the problem were not the reporters' incompetence, but rather the secrecy of the Ministry of Health that was forcing him to go and ask the public, rather than official bodies, what the situation was.

I think that the same problem is the cause of what I call the patriotic opposition movement in the Ukraine today, which does not accept official information on Chernobyl and has made it part of a general ecological movement, which has now turned quite strongly against nuclear power. And this movement has been fueled by *glasnost*, because in the Ukrainian press today, it is perfectly possible to read about demonstrations that are taking place against the Lithuanian nuclear power plant, or the shutting down of the Armenian nuclear power plant last week, and there in the Ukraine, on the face of it, nothing is happening. The Chernobyl plant itself is still in operation. So, I think that the Ukrainians feel that although other areas are making progress in terms of *glasnost* and in terms of how the authorities are reacting to

public views, in the Ukraine the opposite is the case.

The party hierarchy in particular, was almost nonexistent after the Chernobyl disaster, and today has tried its utmost to ignore the growing demonstrations and the protests. There was a recent interview in *Radyans'ka Ukraina* with the Ukrainian Politburo member Boris Kachura, and he tried to introduce a new aspect to this, namely, that the Ukrainian party leadership was very much involved in Chernobyl, in fact, took part in the cleanup campaign. The interview said, "How come we never heard this before? You know, we had all kinds of people on television and radio and on the spot, but we never saw a Ukrainian Politburo member." And he said, "Well, it was because we were too busy to talk to the press."

So the party hierarchy now in the Ukraine is trying to change the interpretation of Chernobyl, and this also is regarded as an act of great cynicism.

EIR: At the time of the accident, it seemed very clear to me in reporting and writing on the accident that the Soviet nuclear program reflected the Soviet disregard for human life. In other words, it's not nuclear power that is "bad," it's the way that the Soviets went about it. They needed the power so badly, that they took shortcuts, in terms of getting their war economy going. And their shortcuts reflected a total disregard for what would happen to people, safety concerns, etc. And they were very arrogant about this and quite public about it. So, what you are saying about how they are continuing to treat the situation certainly fits with this initial analysis.

Marples: It fits with that, although there is another point I should have mentioned. There is a genuine fear that if the real situation is revealed in terms of radioactive fallout—although I guess that it's more or less been revealed now by *Pravda* a couple of days ago—then it would cause widespread panic among the population. And panic is not a healthy situation. It's not a justifiable thing to say at all, because the public has a right to know.

But the Soviet nuclear program was established in the 1970s, and it was obviously very carelessly conceived. You have the example of the Crimea, where you have a plant not only in a zone of high earthquake activity, but a zone where volcanoes have erupted as recently as four months ago.

EIR: A war push was driving them, and the other kinds of safety considerations that are taken up routinely in every other nuclear country were not followed.

Marples: No, they were not followed; it was simply a means of getting energy by the quickest possible means. Reactors were coming on line in annual intervals just like in a planning period. Nuclear power was simply adapted to a regular five-year plan program, just like any other industry. The other part of it, of course, is the lack of qualifications of the people working on the plants. Chernobyl was the classic example, but you could look at virtually any nuclear power plant.

Also, I read quite recently in the Ukrainian press of about

10 days ago, that there is no fixed solution for the radioactive waste from the Chernobyl disaster. And this is a matter of great debate, and of course, this applies to the entire industry, not just Chernobyl. The low-level waste is being buried beneath the ground in the clay soil in what they call a coffin. But the high-level waste is simply being stored in concrete containers above ground, within the 30-kilometer zone around the plant. This is not a really viable long-term solution.

EIR: No, and certainly viable long-term solutions exist. The other nuclear countries reprocess nuclear waste or vitrify it for burial. The technologies are known, but they do cost money.

Marples: The Soviets are planning to build a reprocessing enterprise by the year 1991, for this waste, so it is still a couple of years down the road, and they are trying to get the specialists with the right sort of know-how together in order to man it. This is obviously not an easy process for them. It will have taken them five years since the Chernobyl disaster.

EIR: But since they need the energy so badly, what I don't understand really, getting back to the protest movement, is what is behind this? What do the Soviets hope to get out of this? They cannot shut down all the nuclear plants in the Ukraine—it represents a hefty proportion of their total energy.

Marples: The Ukraine at the moment makes up about one-third of their nuclear capacity, and if their plan for the year 2000 had been completed, it would have made up 50% of Soviet capacity.

EIR: That's enormous considering, as you point out, that the Ukraine is only 3% of Soviet territory and 18.5% of the population. Yet, the Ukraine was to have 50% of their nuclear energy. Why, as you pointed out in your report, is Gorbachov supporting this movement of anti-nuclear activists. Obviously, they could not afford to shut down these reactors, nor could the Ukrainians afford to shut them down if—to take some wild example—they come to independent power. Are they going to shut down all these plants and have nothing, no industry.

Marples: I don't think Gorbachov ever condemned the Ukrainian nuclear program per se. What he has condemned is the lack of openness on the whole nuclear power issue. In this particular aspect, he has sided with the Ukrainians against what they see as the bureaucrats in the Ministry of Nuclear Power. Because none of these nuclear power plants were ever planned or discussed in the Ukraine. This is the main argument put forward by the protesters, that they have had no say in the matter. Somebody in Moscow tells them where they have to put the plants, and then they just go and build it.

In an interview with the Kiev newspaper *Molod' Ukrainy*, Academician F. Ya. Shipunov said on this that the Ukraine today, with the current amount of nuclear capacity, which is about 11,000 megawatts, has enough electricity not only to

feed Ukrainians but even to export it. That is, Ukrainians don't need more electricity from nuclear power plants. So they are asking, what is the point of this program? What is it going to be? Where is it going to? And could they not conserve electric power consumption and simply not build any more nuclear power plants.

In addition to that, there is the question of Eastern Europe, because at least three Ukrainian nuclear power plants are now feeding the East European grid.

EIR: Where specifically does that power go?

Marples: Electricity from the plant at Khmelnytsky in western Ukraine goes to Poland. The one in south Ukraine is feeding Romania and Bulgaria. And part of the electricity from the Chernobyl plant is going directly to Hungary. Czechoslovakia even gets some, but I'm not sure because it depends on how it dips into the grid. Czechoslovakia is very dependent on nuclear energy anyway and does have its own nuclear plant, whereas the Romanians and the Poles have started to build plants but have never finished them.

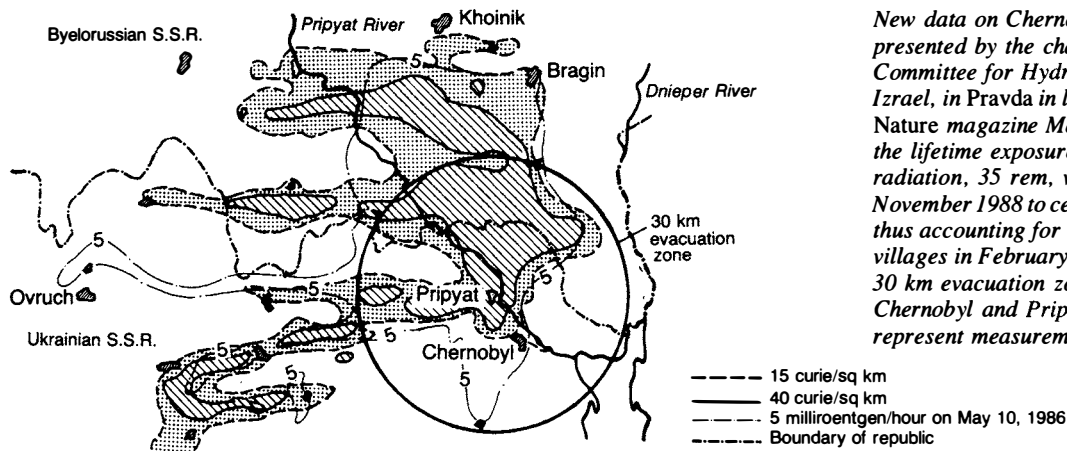
EIR: Are you saying then that you think that this movement, the patriotic movement, is against new plants, but would consider holding the line and keeping those 11,000 megawatts?

Marples: I couldn't exactly say that. The person who said that was an Academician called Shipunov, who actually, although he was interviewed by the Ukrainian press, came down from Moscow. The Ukrainian opposition is basically made up of writers and intellectuals, with the addition of a few, hardline nationalists from western Ukraine, who have sort of joined in. In fact, the attitude of the authorities has been to listen to the writers and intellectuals and to arrest the hard-line nationalists, in almost every case.

But the writers and intellectuals don't like nuclear power. And at the demonstration in Kiev last November, the demands were to simply stop the nuclear power program in the Ukraine altogether. And having said this, no foreseeable energy alternatives were put forward, other than a "cleaner form of thermal power." This Shipunov himself said that the hydroelectric stations should be closed down, too. He maintains that they also, for the amount of power they are producing in the Ukraine, which is probably about 15%, could be done away with, too.

EIR: What does he want—a return to the Dark Ages, when people read and wrote by candlelight?

Marples: Well, first of all, his article was on solar and wind energy, so that gives you an idea of where he is looking in the future. But as for the present, I think he foresees the future more in terms of thermal plants using natural gas, or a cleaner form of coal. In at least two cases in Ukraine, the nuclear plants that have been closed down have been transferred to exactly this: thermal power plants based on natural gas.



New data on Chernobyl radiation was presented by the chairman of the State Committee for Hydrometeorology, Dr. Yurii Izrael, in Pravda in late March. As reported by Nature magazine March 30, Izrael said that the lifetime exposure limit for external radiation, 35 rem, was applied only in November 1988 to cesium-contaminated areas, thus accounting for the evacuation of 20 more villages in February 1989. The map shows the 30 km evacuation zone, which includes Chernobyl and Pripjat. The shaded areas represent measurements of radiation.

Source: Adapted from *Nature*, Vol. 338, March 30, 1989, p. 367.

EIR: Which two plants are these? Are these new plants?

Marples: Yes. One was almost completed in Odessa, and the other one was in Kiev. These were to have been cogeneration, with the use of power also to heat the major cities. Because these plants had to be located relatively close to the city, it was decided to shut them down. The same thing happened in Minsk last September, where the Minsk plant, which was the same design, was also closed down.

EIR: So, these are nuclear plants that are being transformed into gas-fired thermal plants. But if you look at the overall ecological situation, the Soviet Union is a mess. It really hasn't had any regard for pollution at all. Yet, nuclear would be the cleanest form of power-generation, compared to coal and gas.

Marples: Well, it's a cleaner form than coal. . . . The complaints have been that in the area of the Ukraine, the nuclear power plants are consuming too much water, and that many of the rivers in the areas around them have now dried up. In addition, some of the reservoirs into which the cooling water runs off, have overheated, and as a result, the form of animal life within them is changing.

EIR: It's amazing to me that the Soviets ignore the basics of nuclear power. When you look at a textbook on nuclear power, it tells you exactly what conditions have to be met—water flow level, rate of flow, temperature, and so on. No one would ever do what you say they have done in the Soviet Union. . . . You can go through a list of requirements for siting a nuclear plant. That the Soviets don't do this is mind-boggling.

Marples: It's not only with nuclear power. Until recently, the general attitude seems to be that, for example, the water supply is there to be tampered with, one way or another. And if you simply want to divert the Dnieper River, so that it runs

all the way across to the Danube, you can do this. This scheme was bitterly attacked in the Ukraine, and now it has been finally abandoned.

But the other point that I should mention is that the complaints have been that when there is a public protest—say, in the Crimea, where 350,000 signatures were collected against building the Crimean nuclear plant, or when the Academy of Sciences sends down a team to investigate and make a report on the state of that nuclear power plant—that it has no binding authority. In fact, the Ministry of Nuclear Power can still go ahead, and has done that, in the case of the Crimea. That plant is still being built today in the Crimea. Nothing has changed.

In January, 10 scientists wrote a letter to *Pravda*, publicizing the situation in the Crimea in order that it could not be ignored by the Ministry in Moscow. They said in the past that we make these recommendations and then nothing happens. Officially, there has to be a decision of the Council of Ministers, but the Ministry of Nuclear Power is within that same governmental structure, as is the Ministry of Power itself.

EIR: Isn't it militarized?

Marples: Yes, it is. Well, I wouldn't say militarized but it's very secretive. There is another ministry that is militarized that is used in the nuclear power development, which is called Medium Machine Building. That certainly had a big part to play in the Chernobyl cleanup, which immediately aroused suspicions that Chernobyl was used for military production.

EIR: All of those reactors, all 24 of the RBMK graphite-moderated design like Chernobyl, could be used for military production.

Marples: Yes, and in fact, they were designed for military production. Chernobyl seems to me to be one of the possibil-

ities for military use, because the Leningrad plant, which was the first one of that design, is used for public tours. When there are foreigners who want to see a nuclear plant, they usually take them to either Novovoronezh or Leningrad. And it seems to me that the military plants are probably elsewhere, maybe Smolensk or Kursk, or someplace like that.

EIR: The question I have is that here you have this terrible ecological problem. You have Gorbachov and the Soviets who have supported a green movement, an anti-industrial ecology movement for the West, for export, not for themselves. If the Soviets actually go with a green program, there's going to be mass starvation in the Soviet Union. Chaos will reign. So, the question I still have is, why are they tolerating and perhaps even encouraging this kind of movement in the Ukraine? Is this part of a larger faction fight? Do you see it as that?

Marples: Yes, I sure do. I think that within Ukrainian society, it's divided now, more or less down the middle. Except that the opposition movement is greater in size. It simply doesn't have the same kind of power. But there are also elements within this movement that the Moscow party sees as quite healthy. For example, the movement for greater openness, or the greater use of the Ukrainian language in state institutions as a state language, publishing literature that was formally banned, revising history. There are various aspects, because Ukraine has a probably more tragic history than most republics. On the other hand, the anti-nuclear is simply a component that has arisen. It was never encouraged. It simply developed spontaneously.

EIR: But can anything develop "spontaneously" in the Soviet Union?

Marples: Well, I think this did. When I was in Moscow in 1987, I could see the ecological movement being directed from above. It was quite clear. But what has happened in the Ukraine is that the general fears produced by Chernobyl have changed the direction of this opposition. It's quite different to listen generally speaking to an ecological movement in Moscow and an ecological movement in Kiev. In Kiev it's more of a populist form.

Now, I think if the Ukrainian party had reacted to this and had tried to direct the movement, and had at least listened more openly to what was happening after Chernobyl, there would be no threat to the nuclear power industry in the Soviet Union. It may have had to be modified in terms of being a stupid program, but it would still be acceptable on a certain level.

EIR: Is that because there would be more trust?

Marples: Yes. But now because of the attitude of the authorities, and also because of the ministries in Moscow, the attitude of the public now is we either shut these power plants down or we're going to have a demonstration, or we're going to do something more drastic. I don't know where the line is

going to be drawn. I think Gorbachov made the point by going to Chernobyl and maintaining that it was quite safe. He did actually say that the important thing is the safer development of nuclear power. [Nuclear physicist Y.E.] Velikhov also said, we affirm that nuclear power is the only solution for the Soviet Union.

But it's a little bit late now. I don't see the public as being convinced at all. I just read a huge article on this Khmelnytsky plant in western Ukraine, which now has one reactor and is scheduled to rise to four reactors—at least it was in the original plan—and now the plan is suddenly being doubled so it's going to be eight reactors, 8,000 megawatts. And again you've got the same thing happening. The public is saying, "We can't possibly build this. This is ridiculous."

So the lessons have not been learned. I guess that's the main point.

EIR: To me, I look at the anti-nuclear part of the situation and that would be suicide for them. Yet, the way the Soviets have dealt with the radiation and the cleanup, to get back to my first question and the point that you described in your talk at Wayne State University, is also, not suicide, but homicide. However you look at it, it's killing people not to deal with the safety question.

Marples: Yes, the attitude is incredibly callous. I read a report that came out today as a matter of fact in the Associated Press, where a member of the Center for Radiation Medicine has said well, the public in this area is only getting 2.5 rems of radiation per year, why are they worried? This may not seem like a lot, but it is an awful lot more than the public is expected to suffer. And I believe the figure in Canada is something like 0.05 rems a year on average.

EIR: I would have to look it up. . . . But the fact that 20 villages were just evacuated in February of this year. . . .

Marples: Yes, and even though Kolenko's report is out, there are new reports that just came out today on more villages, where deformities are just there. People have taken photographs of them.

EIR: Deformities in the livestock?

Marples: In the livestock.

EIR: Are these in Byelorussia?

Marples: Yes, Byelorussia and the Ukraine, and, I believe, parts of Russia were evacuated. This must still be the same area that they are looking at.

EIR: Is this within 30 kilometers of Chernobyl?

Marples: No, it's farther, it's between 50 and 80 kilometers from the reactor. Of course, this is the problem, in the 30-kilometer zone they did look more carefully, but outside it, the problems have been ignored for a long, long time.

EIR: What is your best estimate from what you have read

and the information sources you have on the actual increase in cancer levels in the Ukraine and Byelorussia?

Marples: I'm not even sure I can do that.

EIR: Have they put out anything on this?

Marples: The Soviets certainly haven't. The only figures are estimates by Western specialists who have tabulated the cancer rates in places like Scandinavia or Eastern Europe and then estimated from that what the levels are in the Soviet Union and then come up with figures. But I found that even if I was capable of doing that—I'm not a medical specialist—I still wouldn't do it.

For example, the figures that have been given don't take into account many factors, such as what happened immediately after the accident, what protective measures were taken, how many people were outside, how many were indoors, what sort of health levels were in those villages to begin with, and, especially, how many people were involved in the clean-up work. The figure of people involved in the clean-up is not 50,000, as originally announced, but 260,000. So that's a vast number of people who have to be taken into consideration.

EIR: These people were not necessarily from the immediate area around Chernobyl?

Marples: No, no, in fact, many of them were not from the immediate area.

EIR: Were they there voluntarily?

Marples: Initially there were volunteers, but there were also a large number of army conscripts, from various parts of the Soviet Union, from the European part of the Soviet Union, the Baltic republics.

EIR: In the local press, from what you had said, I got the impression that cancers were beginning to show up.

Marples: Oh yes, that's true. But officially, from the official figures, we don't have any evidence of that. It's only from reports of the inhabitants themselves, or little raion (county) medical services. The "experts," from the Center for Radiation Medicine, said that these figures are not to be relied upon. So that the figures that would be given to the IAEA or international bodies generally would not include whatever is being tabulated at the raion level. This is why it's nearly impossible to make estimates.

EIR: Of course, you also have the panic factor, where people tend to attribute anything, any illness, to the accident.

Marples: I can give you an example of that. After the accident in 1986, the number of illnesses, things like stomach illnesses, pneumonia, problems with the throat, thyroid, increased throughout the areas under investigation. This was revealed by the Ukrainian information section from the Ukrainian government. They have also said that some 260,000 people were investigated in the fallout area, and of these

260,000, 38% were declared to be in need of medical attention. But of this figure of 104,000, most of these were elderly people who did not have medical checkups earlier. . . . No matter what the situation had been, they were going to look worse than was the case because they had gone years without medical attention. So I questioned whether you could have 104,000 people who were simply subjected to illnesses regardless of the radiation fallout. Some of this must have been due to radiation. . . . But it has been documented that illnesses increased considerably. That is the case, but we just don't know how many future cancers there are likely to be.

EIR: When you mentioned before that this is nothing new for the Ukraine, you just have to look at the famine in 1933 and this kind of brutality. Millions of people were killed then; this brutality is not new and it's not new in this area.

Marples: No, it isn't, and I think that the peasants, if I can use that word, the peasants' conception is also quite different. You know, you cannot see radiation and they simply don't have the means to measure it, and they have had to be living with the problem for three years. In my view, Narodichi is the tip of the iceberg, because there must be huge areas in Byelorussia in particular, which have simply never been examined. Only last year, it was pointed out in *Novy Mir* that some of the doctors examining patients in certain villages were only allowed to go into these villages on a shift basis. That is, they could only stay for one week and then they had to leave, because the background radiation was so high. But the families living there had never moved. They were there the whole time.

There is a basic, almost callousness in the lack of precautions.

Now, there's one other aspect that I wanted to mention. The Western perspective, the view of Western scientists in particular, on Chernobyl has contributed directly to the lack of understanding here about Chernobyl. . . . They simply accepted everything they were told, in the main.

EIR: You mean—in my paraphrase—they said, "Isn't it nice that they have told us so much for the first time?" This is what many of the Western observers said.

Marples: That's exactly right. Without mentioning names, I feel that some of the Western scientists or doctors who went to Chernobyl . . . really should have kept us better informed or should have asked more questions, or should have demanded to go to different areas. Instead of simply thinking, well, we're being treated like royalty, I'll just go along with this.

EIR: Do you think that any of them were trying to cover up and make things easier for the Soviets by putting forward that kind of a view?

Marples: I think there's a possibility that some of the people who went there had an interest in, let's say, not highlighting the larger problems. There may have been a desire simply to

go back and have access to the data of the Center for Radiation Medicine, or it may simply have been, with all due respect to the nuclear power industry, that people from the International Atomic Energy Agency did not want to issue a report that might be negative for the industry worldwide. I thought that too.

EIR: Do you mean that they thought it would make the Soviets more secretive and not want to participate in the international body?

Marples: Yes, because the IAEA really has very little authority. In fact, until 1985, it was never even allowed in the Soviet Union. So, this was a major breakthrough for this agency. And I've talked to people in the Canadian industry who literally have laughed at it [the IAEA] and said, well, it's just a joke; we don't take it seriously. We certainly wouldn't have them come looking in our plants. This is like an insult. So I do feel rather strongly about it and I guess it's one reason that I've written two books on the topic. . . .

EIR: If I look at Three Mile Island, which happened 10 years ago, and a population in Pennsylvania, that was not a peasant population, certainly much more educated, there was panic after TMI, and that accident in no way resembled Chernobyl—there's no comparison in terms of the severity and in terms of the immediate response and precautions taken. Yet, there was generally a panic, including especially in the media. People are afraid, they can't see the radiation, they don't have a scientific approach to it. So I can imagine in the Ukraine as more of this information on radiation comes out that the situation is very volatile.

Marples: Yes it is. Also, of course, the political situation in the United States is stable. It's not a society in transition, in major change. Chernobyl just happened to coincide with Gorbachov's coming into office, and the combination of the two is the biggest single factor. Really, if it had happened under Brezhnev, I don't think we would have found out very much. I think they would have had to have said something—because of the Swedes complaining—but they certainly wouldn't have said anything very much. It's a fact that although I'm complaining and complaining bitterly, we do know more about Chernobyl than about just about any other major nuclear accident. . . .

EIR: In looking at Gorbachov's speech at the United Nations, which focused very much on environmental concerns, and his calling for, in effect, a global environmental force—you could even call it a police force—to see that the sources of pollution were stopped, I think that the movement you've described in the Ukraine, especially the Writers Union, fits very much with what Gorbachov wants. To me, Gorbachov's program would destroy the West, it would shut down industry and progress here, but I don't see any indication that the Soviets would shut down anything in the Soviet Union. So for them to have this environmentalist or green movement

springing up doesn't seem to me to be the kind of problem for them that it would be in the West. I would think that Gorbachov would be happy to see this. I'd like you to comment on this.

Marples: I think it would work better in the Soviet Union. The problem really is that in the Soviet Union these movements have generally been directed from above. In the West they are more or less anti-establishment in nature. In Canada, for example, we have Energy Probe, which is very anti-nuclear power. They see nuclear power as something that is being put forward by the government. Well, in the Soviet Union, it's almost like an attempt to direct something that's not really any more under the government or party's control. If it can be directed, then it can be controlled—it goes without saying. But at the moment, there are so many different ecological movements—you know the Greens are just one. . . . In the Soviet Union, and they have already succeeded in stopping a lot of programs. For example, a chemical factory built in Odessa has just been abandoned after widespread protest. So I don't think that it's something in the West that governments would necessarily control, but in the Soviet Union, they would prefer to direct it from above.

EIR: When I look at this situation and I see the agenda of the green movement—I'm lumping them all together, all of the various different groups, Worldwatch, Friends of the Earth, etc.—their programs in general are Malthusian and anti-industry. For all of the world, and also for the Ukraine, I don't see this as a solution . . . that will allow future generations to live better than the current generation. I think that the only way to do that is to have a positive program for development.

My question is that as you've described this group in the Ukraine, their demands are all negative ones that will only bring disaster, by cutting off any real possibility for development. If they really wanted to have their population thrive, they would have to advocate modernization, industry, and the kind of American System methods that built this country, not the methods that we are using right now, but the methods that built this country under Alexander Hamilton, for example. . . . That would be self-preservation for the Ukraine, and I don't see any hint of that, and I certainly don't see it in the green movements of the West.

Marples: No, the difference between the West and the Soviet Union, and the Soviets and Ukrainians point this out, is that development has been imbalanced in the Soviet period. It was pointed out in one newspaper article recently that in the 19th century the Soviet Union, for example, was a major exporter of grain, and now 25% of its grain is imported.

EIR: It's a real testament to the Communist system, isn't it?

Marples: Yes. The person who wrote the article saw this as an example of what has been done wrong before in agriculture and he was describing the lack of attention to forests, river systems. It should be stressed that the same article could have

been equated with the same populist movement. It was more or less like let's get back to the land, and when we're developing industry, let's take steps not to destroy the agricultural environment. It mentioned, for example, that the development of the coal industry destroyed vast tracts of arable land, which is irreplaceable.

So, the development for the future, I don't think is necessarily of nihilism, or wanting to deprive themselves of modernization. It's just that traditionally that that part of the Soviet Union—I shouldn't even say that; the Ukrainians would lynch me for saying that—that area, has been an agricultural breadbasket and it is no longer. So, what applies to the Ukraine is not necessarily the case elsewhere in the Soviet Union. You could say some of the more industrial cities have traditionally supplied industrial goods, whereas the Ukraine has had crash development, particularly in the Stalin period, which has destroyed it as an agricultural nation. . . .

EIR: And killed millions, in the meanwhile. . . .

Marples: Yes. The nuclear power issue has been more or less appended to this, just one more example of what's gone wrong. I've not seen any in-depth analysis of the pros and cons of the development of nuclear power plants from the populist movement. What I've seen is: "Look at Chernobyl, look at what's happened in the Crimea, this is the same idea as in the '30s when they industrialized all this area and ruined our farmland. It's the same system that's operating. Nothing has changed." So I see it more as a movement that wants greater control over its own development.

EIR: But in order to have your land be productive, you need energy, and some of the most productive farmland is in Europe, where they don't have vast tracts, but they have very advanced agricultural methods. It's the same in this country: Your productivity is related to your input. You need the power for irrigation, for example.

Marples: But I think that in the Soviet Union, the amount of power usage is two or three times greater than in the West. It's effectively wasted in many areas.

EIR: Power usage for . . .

Marples: Well, for industry, for example, and maybe even for agriculture. It's simply not used economically. That is why for a while it's been a question of having more and more power, without sort of thinking, well, maybe we can conserve the power we're already using in different ways. . . .

It's an interesting question, and one that I don't really have an answer to. I have noticed colleagues of mine actually going so far as to use the pronoun "we" when talking about the Ukraine, "We want this" and "We want that." I don't equate myself with any movement over there. I'm simply observing it, trying to see where it is going. I see it first and foremost as something with a political end in mind, which is a removal of the current leadership of the party in the Ukraine.

EIR: . . . I also have a political aim. The LaRouche movement is concerned to see that people don't die of hunger, and what we see coming, fueled by the Greens, no matter what their individual motivations may be—many of them are not Malthusians; they are in there for what they think are positive reasons—the result of their programs will actually be responsible for the deaths of millions, many more millions than died in the Ukrainian famine. . . .

My interest therefore is to suggest what kinds of development programs people should pursue. . . . There are ways to develop that will be compatible with a healthy environment, and in fact, that advanced technology is the only way to guarantee that. So that's my interest. . . . What worries me about this movement is that in thinking that they are going after the party leadership, they pick up really the worst of the Malthusian demands of the Western green movement, which have their roots in Bertrand Russell, H.G. Wells, and the continuation of that line of thinking, which was very much anti-people. They thought that the world would be better off with fewer people.

Marples: I don't even know if there is a tradition over there. That's the problem. I mean you can't silence a people for 70 years and then expect them to suddenly start talking rationally.

EIR: But you have to hope that there are those among them who have some larger vision, who are real leaders in that sense.

Marples: But they are not in a position to make decisions. They are only in a position to protest against what happens. So I don't know. It's in its infancy, and there are a whole lot of other facets too. The whole language issue is one of the new things that has developed that is linked very closely with this new movement . . . to get the Ukrainian language as the state language in the Ukraine. It sounds strange. . . . The party has organized a letter-writing campaign against this movement on a variety of grounds but everyday the papers there are full of letters opposing Ukrainian as a state language. Somebody must support it, because there were thousands at the inaugural meeting.

EIR: I would think that one positive demand they could make is for a health exam for the whole area, to see that everyone is examined. Of course, the implications of that for the health system are staggering, for if you bring everyone up to a modern standard of health care, it's costly.

Marples: The Soviet health system is notoriously bad. That is something that's been pointed out in these reports. They are quite self-critical now, which hasn't always been the case.

EIR: It makes the area really ripe for the spread of AIDS.

Marples: The AIDS epidemic is really taking off. In fact, I'm sorry I can't give you some figures—I don't have them right in front of me—but it really has gone up astronomically. . . .

Manson revisited: the story behind Matamoros

by Carol White and Harley Schlanger

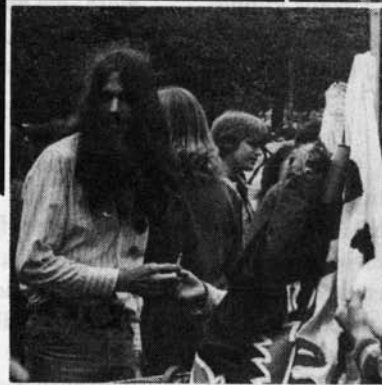
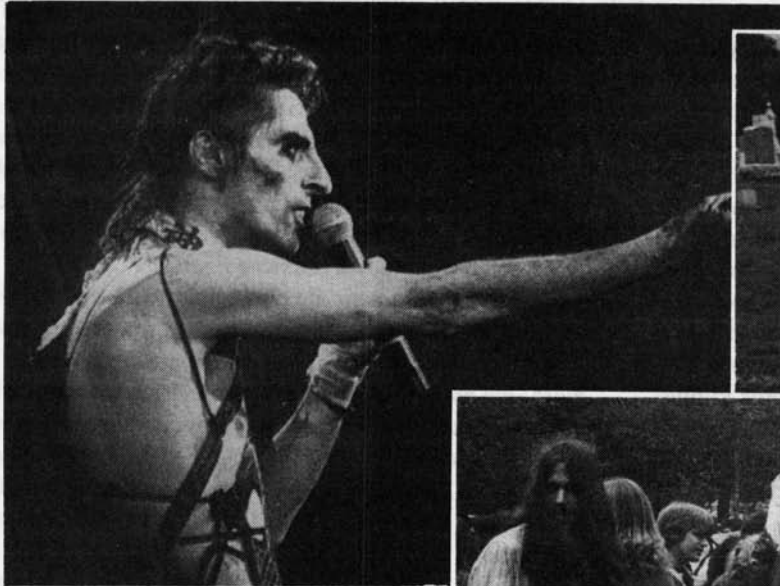
Since 1969 this country has seen a number of shocking instances of ritual, cult violence. Going back only six years further to 1963, we lost one President to assassins' bullets, and two others were threatened with death by assassination. Governor Wallace was forced to resign as a candidate for high office and has spent the rest of his life in a wheelchair; Martin Luther King, Jr. is dead.

It is beyond the scope of this report to tie all of these together with documented evidence. On the other hand, it is an insult to our intelligence that the assertion is made that one of these, plus the Manson murders, Jonestown, the Son of Sam killings, the Atlanta child murders, and now the Matamoros killings, are isolated instances of either individual or group madness.

The truth is that since 1960, with the deliberate spread of the drug-counter culture out of the Esalen Institute, under the direct supervision of Aldous Huxley and Dr. Gregory Bateson, this country has suffered from the proliferation of cults, and from a systematic degeneration of the overall level of culture.

Things have gotten to the point today that there is such a thing as "classic" rock music, or perhaps "Christian" rock music, which is viewed as a cultural benefit in contrast to the "heavy metal," more overtly Satanic version. Similarly, there is a drumbeat to force Americans to accept the view that Satanism and witchcraft cults which worship the Devil—or the hedonist principle—are the moral equivalent of Judaism or Christianity, and must be accepted as *bona fide* religions.

Even 20 years ago, this arrant and evil nonsense would have been recognized as such and rejected by most Americans. Yet today, Army chaplains are told to allow members of the Armed Services to practice Satanist rituals, and servicemen are allowed to observe the special dates, such as Halloween and Walpurgis Night, as holy days. That Col. Michael Aquino was not discharged from the service, but instead had top security clearance, despite evidence that members of the Temple of Set cult which he leads were involved in abusing children, is a national disgrace for the United States of America.



The lost children of the rock-drug counterculture are the recruiting ground for the more hideous forms of Satanism that are proliferating today. Counterclockwise, from top left: rock star Alice Cooper, potheads on parade in New York City, and a cemetery in Maryland, desecrated by a Satanic cult in 1986.

Stuart Lewis

The cultural degeneration of the United States, which has so markedly accelerated over the past 20 years, has not been accidental. Men such as Bateson and Huxley carried out a policy, which we have defined in detail in the book, *The New Dark Ages Conspiracy*, as the reintroduction of a neo-feudalist dark age, a universal fascist regime, which would be administered jointly between a Russian oligarchy and a Western (preferably Anglo-American) oligarchy.

The results of their work are not only seen in headline events such as the recent Matamoros killings, but they are the everyday reality in the schoolyards and playrooms, as more and more children, at a younger and younger age, are being introduced not only to drugs and promiscuity, but to Satanic ritualism as well.

By putting the pieces of the picture together, our intention is to deny any credibility to the hoax that these are separate cases, and to inspire political action to halt the cancerous growth of Satanism.

Matamoros killings: a timely warning

When Mexican police uncovered the bodies of 11 men during what had appeared to be a routine drug raid, international attention was transfixed. Since April 11, more bodies have been found outside the border town of Matamoros, and other ritual burial sites on the U.S.-Mexican border have been found as well. Not only were the victims of the murderous

cult brutally tortured before their deaths, but their bodies appear to have been subject to cannibalism as well.

While one victim, a college student named Mark Kilroy, appears to have been lured to his death as a chance pickup, other victims were identified as having been involved in the narcotics trafficking also practiced by the cult. Kilroy, a student at the University of Texas at Austin, had gone across the border during spring vacation, with some friends from his home town.

After the first shock from the killings died down, the U.S. press has attempted to downplay any connection between the cult ritual murders and the wave of Satanic activity being observed in American schools and campuses. An attempt has been made to portray the Mexican killers as members of an ethnic sect connected to the supposedly otherwise harmless Santería religion. These cults are not so innocent.

For example, an *EIR* correspondent living in the West had the following story related to him by a victim of Santería who fortunately only lost her money to the cult. Her in-laws are connected to a market which sells apparently Catholic religious objects but is actually tied into Santería. Her brother was a drug addict, and her mother approached members of the cult for aid. They took money and performed certain animal sacrifices prescribed by Santería. Of course, the brother's condition was not improved, but furthermore it turned out the brother was actually getting his drugs from

that same market.

At a higher level of complicity, there is an effort to create the fiction that most Satanic and witchcraft cults do not sacrifice animals or commit ritual murder, or indulge in sexual abuses. For example, the FBI's chief expert on sex crimes, Kenneth V. Lanning, told reporters from Virginia's *Richmond News Leader*, in an April 6 interview, that while he was aware of claims of sacrifice in the Richmond area, he did not believe that *bona fide* Satanic cult sacrifice was practiced either in central Virginia or in the United States as a whole.

Another self-styled expert, the Episcopal Rev. Michael G. Rokos, a member of the Baltimore Cult Awareness Network, told a forum on April 25 that the Matamoros killings were done as part of an indigenous Aztec ritual. This man made a strong defense for Satanist groups, which he said were legitimate religions.

Killer cults

One problem which police officers dealing with Satanic crime face in the United States, is the fact that the Church of Satan and the Temple of Set have been given legal status as *bona fide* religions. Santería is another such cult.

There are of course, variants of Satanic practice itself—cult ritual practice, individual ritual practice, abuse which is garbed in Satanic ritual to threaten the victims and keep them quiet, and occult dabbling which is only semi-serious. Furthermore, groups such as Wicca or Santería, the Church of Satan, and the Temple of Set try to keep an agreeable public face in order to keep the police at bay, and in order to attract new members who are only gradually introduced to and entrapped in illegal activities.

Santería is a version of Satanism which involves the fusion of rites ascribed to the Nigerian Yoruba tribe and Christianity. It has two Cuban variants, Abaquá and Palo Mayombe, which are assassin cults connected to the drug trade. Similar such variants exist throughout Ibero-America. The Matamoros murders are ascribed to Palo Mayombe, particularly since the cult leader, Adolfo de Jesús Constanzo, still at large, is a Cuban national from Miami. The cult referred to themselves as "El Compañía," say Texas press accounts.

Investigations have extended into Houston, Texas, where police have found a tie-in to the cult's drug-trafficking activities. Serafín Hernández Ribera, the father of Matamoros suspect Serafín Hernández García, was arrested in Houston April 17. He appears to be a kingpin in the drug trade and was arrested for conspiracy to distribute, and possession with the intent to distribute marijuana. Investigators are now also saying that the Matamoros cult was doing a big-time business in the cocaine trade.

The stars

Police in Mexico City have identified Constanzo as a well-known homosexual, and gay pornography was found in his Mexico City home, according to the Matamoros Federal Ju-

dicial Police Commandant, Juan Benítez Ayala. Two of the suspects who have been jailed as members of the Matamoros cult have homosexual nicknames. These are Sergio Martínez Sera, 23, known as La Mariposa (the Butterfly), and David Serna Valdez, 22, called El Cozuetto (the Flirt). Reportedly lists of names found at Constanzo's home indicated numbers of people involved in the homosexual pornography circuit. These are now naturally under investigation, and may involve some well-known Mexican figures.

Even more dramatic are direct links to the entertainment industry which have surfaced. Actors, a singer, and a beautician have been named, all of whom are connected to Televisa, the major private Mexican television network, which also produces Spanish-language programming that is marketed internationally. The Mexican Federal Police are now probing the connections between the drug-running cultists and several well-known media stars. There are also clear connections to Hollywood.

The first break on this side of the story came when the police identified that Maria Teresa Quintana, the sister of one of the imprisoned cult members, Martín Quintana Rodríguez, as a high priestess in a Mexico City branch of the cult. She has apparently agreed to cooperate with the police and has revealed the names of a number of people "in high places" who have participated in cult activities. The house in Mexico City was equipped with expensive security gear, several luxury cars were parked in the driveway, and, in general, it gave the appearance of affluence as well as evil. (Satanic altars and paraphernalia were found on the scene.)

The beautician, Alfredo Palacios, had clients who starred in major soap operas produced by Televisa. One of these, Lucía Méndez, is the star of a soap opera which portrays the present-day activities of a coven of witches who have been reincarnated after being burned at the stake during the Middle Ages. People who have viewed the drama reported that the witches are portrayed as dynamic, exciting figures, in contrast to good women who are uniformly dull and ineffective.

Another Palacios customer is the Televisa star called Talina Fernández. Studio gossip alleges that she burned her skin while participating in a black mass. The star "La Tigresse" Irma Serrano and Televisa producer, director, and actor Ernesto Alonso have also been mentioned in the Mexican press in connection with the cult.

Televisa is currently producing three soap operas on the subject of witchcraft, and has hired Anton La Vey as a consultant on witchcraft practises. He, of course, is the head of the California Church of Satan. He has played a similar role in Hollywood, and was the adviser for Roman Polanski's Satanic movie, *Rosemary's Baby*. Polanski and his wife, Sharon Tate—the actress murdered by the Manson cult—were involved in the the production of several Satanic films, and there are indications that she, at least, also participated in witchcraft rituals.

The Matamoros murders follow this pattern.

The Texas picture

Police now believe that the group responsible for these rituals includes at least 12 members, headed by Constanzo. The members of the group assert that the human sacrifices had been conducted to “give them power, to protect them from the police and make them invulnerable to bullets.”

Prior to the discovery in Matamoros, two similar finds were made along the U.S.-Mexico border. On March 24, five bodies were found near Tucson, Arizona. Police said that they had been mutilated; it is suspected that these murders were drug-related. And in Agua Prieta, south of Douglas, Arizona, 12 bodies were found. Again, the victims had been tortured and mutilated, with fingers cut off (a particular *modus operandi* of Satanic killers). Preliminary investigation has led to the conclusion that these deaths are also narcotics related.

In Chambers and Liberty counties, in the Houston area, mutilated and skinned animals, including dogs, have been found. In Baytown, an abandoned house was found to have Satanic symbols on the walls, and mutilated animal remains inside. In Pine Grove, east Texas, two 14-year-olds are in custody, charged with having killed the mother of one in a Satanic death pact.

In the Rio Grande Valley, where Brownsville is located, officials have been quietly noting an enormous growth in Satanic incidents. These have been reported in San Benito, Port Isabel, Rio Hondo, and Mercedes. In Pharr, the Church of the Eternal Flame, believed to be a center of Satanic activity, burned down the night Mark Kilroy's body was found.

Peter Stout, an investigator with the Valley Humane Society, said he has found horses skinned, with their blood drained, dogs split open and nailed to inverted crosses, and bulls with their tongues and sexual organs cut out. Sgt. Roberto Avita, head of the Brownsville Police Department Juvenile Division, said, “It's a whole lot bigger than some people believe is possible.” He asked, “What's the barrier to stop you from going from one [kind of] sacrifice to another?”

The Houston area, the primary drug market serviced by the Constanzo cult, has experienced a recent increase in Satanic violence. In one recent incident, police found a murder weapon used in the stabbing of a homosexual in a safehouse loaded with Satanic and “skinhead” paraphernalia.

Satanic networks on the campus

It is being suggested that University of Texas student Mark Kilroy was chosen as a sacrificial victim by chance, but this is rarely the case in such murders. Far more likely, he was lured to Matamoros and to his death by members of a Satanic cult located on the campus of the University of Texas. Since one of the high priests of the Church of Set, Stephen Flowers, is a professor at the university, recruitment of a Satanist coven on campus is to have been expected.

Cult leader Sara Villareal Aldrete was also a student. She

was a physical education major at Texas Southmost College in Brownsville, and also an aerobics instructor. At least one other member of the cult, one of the Hernández brothers—now in police custody in Mexico—was also a student.

An anthropology professor, Tony Zavaleta, at Texas Southmost College, specializes in Mexican folklore beliefs, and both Aldrete and Hernández were students of his. Coincidentally, at the time that the story broke, he was about to conduct a three-day seminar on the campus on the subject of the occult and Satanism. The crowd was so large, that he had to move his seminar to a larger hall. He was quoted, “Now I can't help wondering if there are any others in my classes. It makes me a bit paranoid.” One might question what was, indeed, his role.

Constanzo reportedly studied at Miami Dade College in Florida, where at least one faculty member, Mercedes Sandoval, has surfaced in the press in defense of Santería's “non-violent” religious nature. Sandoval was an adviser for the film *The Believers*, which was apparently watched repeatedly by the Matamoros cult, for the accuracy of its representation of their practices. In any event, there are preliminary indications of a nationwide Satanic infrastructure located on college campuses.

As we have reported before in *EIR*, Houston is the home of the Rothko Chapel, which featured Islamic fundamentalist terrorists in 1981, to annual appearances by “whirling dervishes.” There are also persistent rumors that black masses and animal sacrifices take place there. Down the street is the de Menil Collection, home of the de Menils' personal art collection, which recently exhibited works by Michael Tracy, a follower of the “Vienna Blood Group” of Hermann Nitsch and Rudolf Schwarzkogler. Nitsch practices bloody cult rituals in his “Theater of Orgies and Mysteries.”

The Manson pattern

Since the Manson Family killings in 1969, there has been a succession of striking murders: Jonestown, the New York Son of Sam killings, and the Atlanta, Georgia, child murders. In each there was an element of coverup. The Atlanta murders and the Son of Sam killings in New York were each ascribed to one individual despite the fact that there was ample evidence that these were ritual murders in which many individuals were involved in the killings.

Maury Terry, in *The Ultimate Evil*, and Ed Sanders, in *The Family*, document an extensive network which tied in the Manson murders to the Son of Sam killings—even though they took place ten years apart. In all of these cases, drugs, prostitution, pornographic videos, and snuff films (during which people are murdered) were involved. In each, the cult breached every layer of society.

We see the same story in the Matamoros murders. Students, drug runners, the theater set—all are involved. Further investigation seems likely to confirm that the Church of Set and the Rothko Chapel fit into the picture as well.

The Manson parallel to Matamoros

There are many parallels between the Manson cult killings and the Matamoros affair. The degenerate Manson Family—seemingly the dregs of society—nonetheless were connected by more than violence with the Hollywood set.

The Manson gang in 1969 murdered 35 people in an orgy of blood, the most famous of whom was actress Sharon Tate. The mad-dog killers and their victims may well have met socially; in any event they shared mutual friends among the Hollywood crowd and mafia circles, and even among the Satanic sects rife at that time. Voyetek Frykoski, for example, who was killed at the same time as Tate, and who was a close friend of her film-director husband Roman Polanski, was involved in large-scale drug dealing as was Charles Manson. Perhaps with reason, a whole section of the Hollywood “elite,” like Frank Sinatra, Elizabeth Taylor, and Paul Newman feared for their own lives after they learned of the brutal murders.

Circumstantial evidence exists directly connecting Manson with a Satanic outfit called the Process Church of the Final Judgement. Links between the Process Church and the New York Son of Sam murders have also been established. Certainly Manson’s belief structure accords with that of Process. One quotation from a pamphlet produced by the Process Church, quoted by former Los Angeles County District Attorney Vincent Bugliosi, states: “Through Love, Christ and Satan have destroyed their enmity and come together for the End: Christ to Judge, Satan to execute the Judgement.” This is also remarkably close to formulations by New Age Guru, Barbara Marx Hubbard.

Manson got out of jail in 1967, and hung around Haight-Ashbury, where he collected a gang of runaway youth, predominantly young girls below the age of 16. He achieved such dominance over these girls, to whom he dispensed drugs with a lavish hand, that they would commit any sex act with any individual or individuals, at his command. Manson considered these children to be fair game. Indeed at his trial, he angrily addressed the courtroom, saying, “What about your children?” rising slightly in the witness chair as if he were about to spring forward and attack everyone in the courtroom. “You say there are just a few? There are many, many more, coming in the same direction. They are running in the streets—and they are coming right at you.”

Movie studio connections

In a more recent book, *Manson: In His Own Words*, by

Nuel Emmons, which was published in 1986, Manson admitted that his relation to his “family” was actually a continuation of his earlier pimping, for which he was jailed in 1960. When he left prison in 1967, he had established criminal connections which opened up contacts to him in the movie studios. He provided both drugs and sex to members of the movie community, including his own high-priced bisexual services. He also made pornographic films, sometimes starring well-known public figures as well as members of the family. He also had aspirations to be a rock star, and hung out with members of various rock groups, including Dennis Wilson of the Beach Boys, a group which has been welcomed at Mrs. Reagan’s White House festivities.

Manson tells how he met a 45-year-old woman in San Francisco, at one of the Satanic cult houses which he frequented, and she invited him and his “family” to stay at her home, located in Topanga County, near Los Angeles.

Manson describes this place as a freak-out pad with weird practices going on. At one point, he feared that one of his girls might even be sacrificed. Drugs abounded and were very strong. He admits to entering into Satanism at this point, in the following terms. “The day we first drove up, we were innocent children in comparison to some of those we saw during our visits there. In looking back, I think I can honestly say our philosophy—fun and games, love and sex, peaceful friendship for everyone—began changing into the madness that eventually engulfed us in that house.”

He goes on to tell how this Satanic center was patronized by the power elite: “On the other side of the coin [i.e. from the hippies], there were those who lived in the city and walked the straight and narrow by day—people who made great contributions to society. They came in the dark of night, visiting the Spiral Staircase [the family nickname for the house] to indulge in what they preached against by day. There were nationally respected celebrities, a prominent sports figure or two, some of the influential and wealthy, and on occasion, some who wore the cloth and preached the word of God. It was a strange house, but one to learn in; a place where mental sickness and mass confusion were the best one could expect.”

In time, the Manson cult turned more and more to violence, and the pornographic films which they produced included animal and human sacrifice. According to reports from a number of sources, they were closely involved with a network of Satanic cults, including some whose specialty was drinking dog’s blood, identified with the goddess Circe.

Another, similar group led by a priestess named Jean Brayton, was known as the Solar Lodge of the Ordo Templi Orientis. This group ran ceremonies which involved ritual murder and sexual abuse, but also included both the drinking of dogs’ blood and the sacrifice of chickens. They were forced to flee to Mexico at about the same time as the Tate-LaBianco murders, when authorities found them to be abusing a caged child.

Warning: Satanists may spread AIDS

by Jeffrey Steinberg

A Satanic sect run by an active duty U.S. Army Reserve officer may have been responsible for infecting over one hundred children with AIDS.

On April 22, the U.S. Army base at the Presidio near San Francisco sent out letters to an undisclosed number of parents advising them that their children should be tested for AIDS. The children were all suspected victims of rape by a pedophile ring that operated out of the Child Development Center on the Presidio base during 1985-86. One of the prime suspects in the case, according to the letter, was "rumored" to have tested positive for the AIDS virus. According to media accounts, that suspect was Gary Hambright, a self-described Baptist minister and former daycare worker at the Presidio who was closely linked at the time of the rape spree to Lt. Col. Michael Aquino (USAR), the founder and head of the avowedly Satanic, Temple of Set.

The headquarters of the Temple, Lt. Col. Aquino's Russian Hill home, was raided by the San Francisco Police on Aug. 14, 1987, based on allegations that the home had been the scene of a rape of a four year old girl. In the raid, police confiscated 38 pornographic videotapes, photo negatives, and other evidence that the house had been the hub of a pedophile ring operating in and near the base.

A month later, Hambright was arrested on ten counts of "lewd and lascivious acts" with six boys and four girls ranging in age from three to seven years. The incidents occurred in September-October 1986. At the time, San Francisco police spokesmen said that they believed there were at least 56 children assaulted by Hambright and others. All the children were attending the Presidio daycare center at the time, and all were offspring of either active duty or civilian Army personnel. In April 1988, FBI Special Agent Richard Held of the San Francisco office filed an affidavit stating that "to date, 102 children had been identified as potential victims" of the Presidio pedophile ring. It is presumed that the parents of all 102 of those "suspected victims" were sent the letters.

Aquino and his wife Lilith were never indicted with Hambright. Although several of the children identified the couple

as participants in the rape scenes, some of which were allegedly videotaped by Aquino in the bathroom of his house, and although several children had provided detailed descriptions of the interior of the Aquino house, the reserve officer claimed that he had been in the Washington, D.C. area for the entire year that the rapes had allegedly occurred—taking a military intelligence course at the National Defense University. Although Aquino was posted to the NDU at the time, he did retain his Russian Hill temple/home and frequently traveled back to the West Coast, according to published accounts.

Eventually, the U.S. Attorney in San Francisco dropped the charges against Hambright under mysterious circumstances. The federal prosecutor acknowledges that the children had been sexually assaulted. An undisclosed number of the victims contracted chlamydia, a form of venereal disease that can cause blindness if not promptly diagnosed and treated. However, when Hambright was arrested over one year later, he did not test positive for chlamydia. Doctors and prosecutors admit that chlamydia, once properly treated, leaves no detectable after-effects. Supposedly, the U.S. Attorney's office dropped the prosecution, rather than present a case based solely on the testimony of the children who had been raped.

Hambright was fired from his job at the Presidio daycare center and his current whereabouts are not known.

Lt. Col. Michael Aquino was transferred from the Presidio to the U.S. Army Reserve Personnel Center in St. Louis, Missouri. At the time of the Hambright rampage, Aquino had been the deputy director of reserve training at Presidio. Even in the aftermath of the Presidio scandal, Aquino retained his top secret security clearance.

Asked by *San Francisco Chronicle* reporters John Whittinger and Bill Wallace to comment on Aquino's continued security clearance, U.S. Army Public Affairs officer Maj. Greg Rixon, stated at the time: "The question is whether he is trustworthy or can do the job. There is nothing that would indicate in this case that there is any problem we should be concerned about."

Satan in uniform

By his own accounts, Aquino, in addition to being a practicing Satanist, is a specialist in psy-ops, the use of psychological warfare techniques in a combat environment. A Temple of Set biography describes him as follows:

"Dr. Aquino is High Priest and chief executive officer of the Temple of Set, the nation's principal Satanic church, in which he holds the degree of Ipsissimus VI. He joined the original Church of Satan in 1969, becoming one of its chief officials by 1975 when the Temple of Set was founded. In his secular profession he is a Lieutenant Colonel, Military Intelligence, U.S. Army, and is qualified as a Special Forces officer, Psychological Operations officer, Foreign Area officer, Civil Affairs officer, and Defense Attaché. He is a graduate of the Command and General Staff College, the

National Defense University and the Defense Intelligence College, and the State Department's Foreign Service Institute."

Sometime in the 1980s, Aquino and another Army officer, Col. Paul E. Vallely, co-authored an article submitted but never published in *Military Review* called "From PSYOP to Mindwar: The Psychology of Victory." Praising a 1980 *Military Review* article by Stanford Research Institute affiliate Lt. Col. John Alexander called "The New Mental Battlefield: Beam Me Up, Spock," which advocated widespread use of ESP in military intelligence, Aquino went even further in calling for a new Nietzschean military doctrine of "Mindwar."

"Like the sword Excalibur," he wrote, "we have but to reach out and seize this tool; and it can transform the world for us if we have but the courage and the integrity to guide civilization with it. If we do not accept Excalibur, then we relinquish our ability to inspire foreign cultures with our morality. If they then devise moralities unsatisfactory to us, we have no choice but to fight them on a more brutish level."

If Aquino's doctrine of "Mindwar" sounds remarkably like Nazi invocations, it is no coincidence. Aquino writes that he modeled the Temple of Set on three Weimar-era occult secret terrorist organizations that were antecedents to the Nazi Party: the Thule Society, Vehm, and Ahnenerbe. On Oct. 10, 1983, according to an official Temple of Set document, Aquino staged a Satanic ritual at the Wewelsburg Castle in Bavaria, which he described as follows: "As the Wewelsburg was conceived by Heinrich Himmler to be the *Mittelpunkt der Welt* (Mid-point of the world) and as the focus of the Hall of the Dead was to be the Gate of the Center, to summon the Powers of Darkness at their most powerful locus."

According to former Temple disciple Ronald K. Barrett, by no later than 1982, Aquino was running the sect as an avowedly Nazi organization. "Philosophically he has taken the Temple of Set in an explicitly Satanic direction, with strong overtones of German National Socialist occultism. . . . One fatality has occurred within the Temple membership during the period [May 1982-July 1983], the alleged suicide of a San Francisco attorney who attempted to convince the membership he himself was the incarnation of the Egyptian god Set."

One of Aquino's leading followers in the Temple of Set, Dr. Stephen E. Flowers, a professor of Germanic philology and the history of religion at the University of Texas at Austin, has admitted to interviewers that he is in close contact with the Republikaner Party in the Federal Republic of Germany. The pro-neutralist neo-Nazi Republikaner party is heavily penetrated by Soviet bloc intelligence services. In recent elections in West Berlin, the Republikaner skimmed enough votes from the Christian Democrats to throw a majority to a coalition of the Green Party and the Social Democrats, who now govern the city.

The Church of Satan

Aquino is a protégé of Anton Szandor La Vey, the founder in 1966 of the Church of Satan. A former lion tamer for Clyde Beatty's circus and a police photographer for the San Francisco Police Department, La Vey relaunched the Golden Dawn movement of Aleister Crowley, the notorious British Satanist, ritualistic sexual pervert, and drug addict who migrated to California. La Vey's Church of Satan recruited from the drug-rock counterculture of the late 1960s, founding Satanic covens or "grottoes" in many major cities around the United States. La Vey's Satanic Bible sold over a half-million copies. Such Hollywood celebrities as Jane Mansfield and Sammy Davis Jr., counted themselves among La Vey's disciples.

So did Roman Polanski, the husband of actress Sharon Tate, who was brutally murdered by followers of Charles Manson. Disputed reports place Manson himself in the orbit of La Vey's Church. One Manson Family member, Susan Atkins, worked for La Vey in a San Francisco go-go bar which specialized in Satanic rituals.

In 1975, Aquino took over the Church of Satan, changing its name to the Temple of Set, after the Egyptian god of evil, leaving La Vey to continue his public relations antics on behalf of Satanism, but apparently putting the movement under military discipline. Today, law enforcement officials have only the vaguest idea of how many hard-core followers Aquino has. Usual estimates range between 50-100, mostly concentrated in the military and on universities—probably a gross underestimate.

Out of his new base of operations in St. Louis, Aquino maintains a nationwide computer data base and bulletin board called "BaphoNet." Thousands of Satanists, and would-be initiates (referred to by law enforcement specialists as "dabblers") organized into local covens, or some running Satanic and New Age bookstores, access a daily flow of information and marching orders through their personal computers. In addition, Aquino and the Temple of Set are an integral part of an international Satanic underground movement. One center of that underground is the Sorcerers Apprentice bookstore and mail order house in Leeds, England, which maintains an active mailing list of over 40,000 readers. British law enforcement officials believe that Christopher Bray, the manager of the bookstore, is also involved in money laundering through the sale of Satanic artifacts. These officials suspect that the trade is a cover for white slavery rings servicing the growing super-rich Satanic elite, who often overlap with secret lodges of international Freemasonry.

According to law enforcement sources, even before the April 22 letters from the U.S. Army to parents of the Ham-bright victims, the Pentagon had reopened its investigation into Aquino and the Temple of Set, even temporarily lifting Aquino's top secret clearance. A Pentagon spokesman refused to either confirm or deny that report in a call from *EIR* on May 1.

Wicca and the Atlanta child murders

This is the story of Victoria Karp, her daughter, and her four grandchildren. Today, Victoria's daughter and her children are in hiding, protected by the Sanctuary movement. The children are Alicia, 9; Gary, 7; and Daryl, 5. The youngest child is 2. He was not involved in the events that Victoria describes.

Her daughter and grandchildren are currently "on the run," because of a judge's decision to give custody of the children to their father, despite the fact that he admitted to abusing them sexually, and worse yet, despite the fact that he is a third-generation member of the Wicca cult. The children reported to their mother and grandmother that they had been abused in the home of their paternal grandparents, and that they had witnessed the murder of other young children.

The Wicca cult has tax exempt status in the state of Georgia, where it is viewed as a legitimate religion. Victoria Karp's story is of high-level protection of this cult, even in the judiciary itself.

The following is an account taken from an interview with Victoria Karp conducted by Debra Freeman in February of this year.

Victoria Karp's story

On a Sunday in August 1986, Victoria, her daughter and son-in-law, and Alicia were sitting together in church. Gary and Daryl, then ages 5 and 3, were in the nursery, not old enough to sit through a service yet. At the time, Alicia was not quite 7. Alicia's mother noticed that the child was masturbating vigorously. After a few moments, she began fondling her father's penis and then moved to sit in his lap where this activity continued.

Victoria's daughter picked the child up and sat her down between herself and Victoria. However, after a few moments, the father picked Alicia up and put him in his lap and the activity resumed. After church, Victoria's daughter called her up at home and asked her mother if she had witnessed the same thing. Victoria said that she had; that there was obviously something very wrong going on. Victoria's daughter said

she had confronted her husband about what she had seen. He denied it and insisted that she was suffering from postpartum psychosis and that he would not discuss this with her. The next morning, he went to work as usual.

Victoria went to her daughter's home and began questioning Alicia. Alicia became hysterical and said that she was doing what her dad had taught her and that he liked her to do it. When her son-in-law Alan came home from work, Victoria confronted him. At first he denied what had happened, but then admitted it and agreed to visit their pastor and seek therapy. However, when Victoria left, Alan packed his bags and left.

He never came back home. He did proceed to call everyone he could find to tell them that he didn't know what to do, because his wife had gone crazy. He also called Victoria and her husband and told them that if they opened their mouths about anything, he would sue them and take every penny they had. When Alan would come to take the children for a visit, Alicia would become hysterical and physically resist going with him. The more their mother questioned the children, the more they revealed.

It was clear that Alicia was not the only child who had been molested. The two boys, Gary and Daryl, had been sodomized. The family went to Family and Children's Services to seek help. They were told to hire an attorney and to seek verification of the children's stories from a psychiatrist and a therapist. When these professionals corroborated the children's stories, Alan was arrested.

The case was later thrown out, when the court decided that the children were just too young to be credible witnesses. Meanwhile, Victoria's daughter had filed for divorce. She had temporary custody of the children, and Alan was granted weekly four-hour supervised visits. Things were calm for a bit, but then the children starting reporting incest between Alan, his mother, and his grandmother. It was back to court for another hearing.

This time, the judge ordered all parties to undergo psychiatric exams. It was during these exams that the stories came pouring out. These children had not been subjected to mere sexual abuse, but had been victims of ritualistic abuse. The children said they were Wicca witches. They said Wicca witches were different from other witches. White witches do not kill, brown witches do "bad stuff" but do not kill humans, but Wicca witches do. Of the three children, it seemed that Alicia had had the worst time.

Perhaps it was simply that she was older and understood more about what was going on. She told of sexual relations with her father, her grandmother, aunt, and others.

Additionally, the child was used as a prostitute and was frequently filmed and photographed, while various perverted sex acts were performed on her. She said that in the beginning she liked it, because it made her feel important and she was told she was very special. She said that they told her that her part in the rituals was so important that other little girls had

to act as stand-ins when Alicia couldn't come.

Child sacrifices

What Alicia did not like, however, were the sacrifices. She said that she saw the parents of a little boy hand him over to be sacrificed and that that had really scared her. She said that she always believed that if something happened to her or her brothers, her Mom would come looking for her.

This belief was shaken when her father told her that her mother knew everything. He also told her that everyone did these things, but just didn't talk about them. Once, Alicia got really upset over something and wouldn't cooperate, insisting that it was time to go home. But, she wanted to wait for her brother Gary. After a time, they brought her pieces of a little boy with red hair and told her it was Gary. After she became hysterical, the real Gary came out. Alicia doesn't know who the other little boy was. Gary told about going out "hunting" with his dad at night. He said that bank machines were good hunting grounds, but that sometimes, on a bad night, they would just go out and find street people to use in the rituals.

He said that sometimes, kids were brought in by van and stored in houses or warehouses. The three-year-old insisted that his Aunt Pat had a penis. He also said they would always "drown" him by blindfolding him and shoving a "hose" down his throat—lots of different people would stick hoses down his throat and then shoot liquid out of the hoses as they pushed the hose deeper and deeper. All three children said balloons were stuck inside them and blown up. (Later, during the raids, the police did find helium tanks. They said it was a common practice used to stretch the children's vaginal and anal openings without scarring them, in preparation for rituals.) The kids also reported that some kids were taken to "farms" in the country, but they didn't know where.

Alicia also reported that her father had other wives and children and that she had half-sisters. Unlike her younger brothers, Alicia remembered dates and addresses of places they were taken. She identified 11 houses. As the stories grew more and more bizarre, the police were brought back into the case. They decided to raid some of the houses Alicia had identified, but wanted to wait until a Satanic holiday. Finally, after nine months, two of the homes were raided. Police found sacrifice tables, large supplies of jelly and condoms, dog and cat remains, but nothing to indicate that human sacrifices had been conducted. The children insisted that people and bones were buried in tunnels under the houses and "in the walls." The police never did go beyond the initial raids.

Finally, 13 months after the children's allegations, Alan, his mother, and his great-aunt were indicted for cruelty to children and held on \$50,000 bond each. Victoria and her family were told by the police to keep quiet and not discuss the cases with anyone. Even so, she and her family were subjected to incredible harassment.



This drawing is by one of Victoria's abused grandchildren.

Terrorism

On several occasions, attempts were made to run them off the road. They received threatening phone calls. Pets were killed. Dead animals were crucified on their property. Hideous photos, some of Alicia, were sent to them. All incidents were reported to the police and the Fulton County Police Department, along with the Georgia Bureau of Investigation, which claimed to be investigating the case. The children grew increasingly hysterical.

At one point, the family took a vacation trip to Brady County, Tennessee. Their motel was raided by 15 county police officers who took the children into custody. They had received an anonymous call that the children were going to be sacrificed! The children were finally released after Victoria was able to convince the police to contact Fulton County authorities.

Now that state lines had been crossed, the family went to the FBI. They took down all the information and said they would look into it. Six weeks later, the FBI withdrew from the case, citing the fact that they were shorthanded and that, in their opinion, the Fulton and Cobb County police were doing an excellent job.

As the investigation continued, nine hours of videos with the children's testimony were filmed for use in court.

Victoria's daughter was also in the middle of a civil case seeking to divorce Alan and gain custody of the children. Superior Court Judge Robert Flournoy, who had just recently

been appointed to the bench by Georgia Gov. Joe Frank Harris, ordered the videos, all the children's drawings, basically all the information that had been gathered for the criminal case, turned over to the court in the civil action.

During the civil action, the lawyers, their wives, and their children were terrorized. The home of Victoria's pastor, who had been very supportive, was burned down. Nevertheless, the case continued. Victoria's daughter was seeking custody and wished to deny Alan visitation rights.

The judge denied her request. Despite testimony from a long line of experts who had examined the youngsters, as well as from Dale Griffis, a retired Ohio police chief with extensive experience in dealing with cults, the judge gave the mother custody, but with liberal visitation rights (6 p.m. Friday to 6 p.m. Sunday) granted to the children's father.

The order was appealed, but in Georgia, civil appeals go before the same judge.

Victoria's daughter refused to comply with the order and denied her ex-husband the right to unsupervised visitation of the children. She was found in contempt of court.

Judge Flournoy gave her three months in which to change her mind. In the meantime, the family encountered a shocking revelation. A report appeared in the *Atlanta Journal* newspaper of another famous child molestation case in Cobb County. It is a case that has become a national *cause célèbre*—the case of Faye Yager. Mrs. Yager's first husband, Roger Jones, had systematically abused their two-year-old daughter. When Mrs. Yager, who was 22 years old at the time, tried to take action, she was institutionalized and subjected to 17 electroshock treatments.

In the course of the case, she, her parents, and her attorneys were jailed. Roger Jones's attorney was Robert Flournoy—the same Robert Flournoy who was the presiding judge in this case!

Aug. 16, 1988 was the day Victoria's daughter was to appear before Flournoy and declare whether or not she would comply with his visitation order. On Aug. 13, she and her children went into hiding. Ultimately, Flournoy turned custody of the children over to Alan.

Today, Victoria's daughter remains in hiding. The same FBI that was too busy to investigate Wicca cult abuse of the children is today searching for her and has placed legal wire taps on Victoria Karp's phones, in case her daughter attempts to contact her.

But the story still isn't over. Alan, his mother, and one of the homeowners whose home was raided are suing the Karpes and the police in federal court for violations of their civil rights—their constitutionally guaranteed right to freedom of "religion." Needless to say, the lawsuit (which follows an earlier \$75,000 libel suit) has shut up the police, the therapists, and others who had been involved in the case.

The Atlanta child murders

The cult connection to a series of murders of black chil-

dren in Atlanta was widely publicized due to the efforts of Roy Innis, the head of the Congress on Racial Equality (CORE), to force police action. Innis relied upon a witness, Shirley McGill, who substantiated his charge that rather than a lone assassin, a drug network which practiced ritual sacrifice, was involved in the killings. Miss McGill herself claimed to have witnessed the murder of four black children and one adult. Wayne Williams, since convicted for all the murders, was according to her a member of the cult, but only one of many.

Innis first brought Miss McGill's information to light in April of 1981. While child murders did occur thereafter, confirming that the arrest of Williams was not sufficient to arrest the activity of the cult, the number of such murders abated. Innis was asked to leave Georgia by the FBI director in Atlanta. On Feb. 2, Innis held a press conference in New York, with subsequent television interviews to follow on Feb. 13. His son was shot to death by three assailants, in New York, while he was walking home.

It was thought by Innis at the time, that the Wicca cult was involved in the child murders. According to McGill, the murder cult to which she was connected was made up of black drug runners, who also engaged in occult practices. She said that the high priests, however, were white and were also involved with a parallel white organization. She described the murder victims as children or young adults who had distributed drugs for the cult, but had run afoul of them for some reason, such as holding back money. The ring was believed to have gross profits in the neighborhood of \$125,000 per week—a considerable sum in the early 1980s.

She described cult practices as including animal and human sacrifice, and sodomic sexual activity by humans with animals, the making of pornographic films, prostitution, and the practice of Satanic witchcraft. According to her, they also held black masses. She was employed by them as a bookkeeper, but had reason to fear for her own life.

The Atlanta Wicca tried to change its name to "Church of the Old Religion" in 1979 following the murder of a 15-year-old girl, who was killed during the performance of a ritual open to the public. According to accounts, a Wicca member placed a gun to her head after the girl said "kill me" to him, during the ritual. The man who pulled the trigger was indicted by an Atlanta grand jury.

The Wicca cult at that time had a connection to a Wicca group in Toledo, Ohio, led by a Mrs. William Cather, who took the name Lady Circe. The Atlanta cult explicitly described by Miss McGill (not Wicca per se) was part of a drug ring which sold cocaine and marijuana.

Following the arrest of Wayne Williams for the murders, Atlanta Police Commissioner Lee Brown and Atlanta's FBI chief, John Glover, were transferred or promoted out of Atlanta to Houston, Texas, and Washington, D.C., respectively. In the April court term of 1982, Wicca was given tax exempt status in the state of Georgia.

Washington declares trade war on the world

by Marcia Merry

"It is a crazy situation when the United States is subsidizing Communist bloc nations and hurting its allies," is the best description of the outbreak of world trade policy disputes that has occurred this spring. The remark was made to the media by Rick Farley, the director of the Australian National Farmers Federation, commenting on the May 2 decision by President Bush to offer 1.65 million tons of scarce wheat to the Soviet Union at a subsidized price. The Australian farm reaction characterizes the whole "crazy situation" in world trade. While talking a lot of hooey about ending "trade-distorting practices," Washington is alienating allies and forcing a reorientation of U.S. and allied trade into an alignment with the interests of the Soviet Union.

On April 28, the Office of the United States Trade Representative issued a 214-page report called "Foreign Trade Barriers," which presented what the report calls a "Compilation of Country Barriers," listing hundreds of alleged trade violations by 34 trading partners of the United States. This report comes in fulfillment of a section of the Omnibus Trade and Competitiveness Act of 1988, which requires the Office of the U.S. Trade Representative, now occupied by Carla Hills, to submit an annual report to the President, the Senate Finance Committee, and various House of Representatives committees, on the subject of "significant foreign barriers to and distortions of trade."

The next step under the 1988 legislation is for the U.S. to retaliate against selected trade partners and practices. Under section 301 of the law, referred to as "Super 301," selected countries will be expected to correct trade practices objectionable to the United States over a three-year period, and subject themselves to U.S. scrutiny and intervention annually.

The "Smoot-Hawley memorial" report caused an uproar even in advance of its release. Officials and private associations of Japan and the European Community, the chief trading partners of the United States, came out denouncing the report, the thinking behind it, and the whole omnibus trade legislation of 1988. The European Community issued a report of its own on May 3 charging the United States with 42 trade practices that violate the interests of the 12 member-nations of the EC.

For one full week after its release, the U.S. Government Printing Office bookstore sold out its stocks of the report each day, as embassies and attorneys bought hundreds of copies to review the charges against their nations and economic trade sectors. Between one and nine pages in the report were taken up for each of the 34 countries to list the "trade-distorting" practices charged against that nation.

The EC trade officials are using the report as the occasion to further promote the role of the General Agreement on Tariffs and Trade (GATT), which Agriculture Secretary Clayton Yeutter also supports. But the immediate results of the "fair trade" rhetoric of Washington is to create acrimony and chaos—to the benefit of Soviet interests.

The longest entry in the U.S. report is on Japan, which is 18 pages on objectionable policies and contested trade goods, ranging from leather footwear to auto parts.

For the European Community, the biggest trade partner of the United States, agricultural trade was the foremost area of disputed practices, covered in nine pages of objections. The issues ranged from oilseeds to the EC ban on beef from U.S. cattle fed hormones. Also listed as objectionable were subsidies to the Airbus corporation, restricted access to telecommunications trade, "restrictive rules of origin and local

content requirements," barriers to "intellectual property" protection—copyrights, etc.—quotas and tariffs on softwood plywood and various other items.

Accompanying the issuance of the report are various initiatives by U.S. Trade Representative Carla Hills, Congress, and other government agencies, to retaliate against nations charged with committing perceived trade "violations." May 30 is the target date for making initial retaliatory decisions.

Target: Japan

Carla Hills has released a target list of Japanese products that could face 100% duties, doubling their price in this country. The list covers tape recorders, color televisions, copying machines, and many other popular products. Hills said the potential targets were chosen because of a finding by the administration that the country has not opened its own telecommunications market to American companies. On May 24, a hearing is scheduled to review the "short list" of what might be chosen for retaliation.

The Japanese Electronics Industries Association released a report to Carla Hills and the public in advance of Hills's target list, saying that in view of the planned retaliatory action by Washington, the association favored canceling altogether the current treaty on electronics trade in force between Japan and the United States since 1986. The Japanese logic was that if the United States plans in advance to use retaliation in case bilateral talks go against their wishes, then there is no grounds for a treaty.

Many other countries have responded to the U.S. trade threats with similar criticism. South Korean officials called U.S. charges of unfair trading practices, "incorrect." Trade Minister Han Seung-soo told a press conference that the report lacked objectivity, and failed to recognize the recent steps taken by Seoul to open its own markets to U.S. imports. Han said, "Considerable portions [of the report] are incorrect. Some statements are different from fact and others cite figures whose bases are not clear." On May 11, trade officials from Seoul and Washington will conduct new talks, in which Han has indicated in advance that he will make concessions in terms of easing controls on foreign investment. But Han suggested that South Korea will retaliate through the GATT, if the U.S. imposes sanctions against his nation.

The U.S. report specifically names as possible targets for sanctions: Japan, South Korea, Taiwan, and Brazil. Canada, India, and the European Community are included as among the worst offenders of "free trade" as defined by the United States.

At the same time as the release of the U.S. trade report, Vice President Dan Quayle took a 12-day tour of Southeast Asia, issuing threats on trade, and offering no incentives for good relations.

On May 3, the European Community expressed its disapproval of the 1988 U.S. trade legislation—which authorized the contested U.S. report—in its own annual report on

trade barriers. Released in Brussels, the EC report identifies barriers, including export subsidies, customs barriers, taxes, public procurement policies, and quotas, which total 42 areas of alleged U.S. trade violations of EC member-nations' interests. Trade spokesman Claus Ehlermann said the release of the EC report is an annual event, and was not timed with the U.S. report.

The EC report takes issue with the 1988 Omnibus Trade Bill, saying that the U.S. law will "make it more likely that unilateral action will be taken to redress allegedly unfair trade practices. Such unilateral action without authorization from the General Agreement on Tariffs and Trade is illegal." The EC report also cites such specific practices by the United States as its "nonconformity" in terms of customs users' fees, and other practices.

Among the many ironies of the current sparring over trade are the EC and U.S. complaints over each other's "buy home-made" policies. The May 3 EC report attacks the "buy American" provision of the 1988 trade law, as constituting "permanent discrimination in favor of U.S. products."

In turn, the U.S. trade report attacks the EC "buy national" policies. The report complains, "EC member states' 'buy national' policies and a lack of transparency on pending procurements and contract awards have cost U.S. firms substantial sales opportunities during the past 20 years."

In the midst of these general charges and countercharges over trade, President Bush's May 2 decision to offer the Soviet Union a subsidized sale of 1.65 million metric tons of U.S. wheat, was immediately blasted as hypocrisy by much of the world trade community. Australian Prime Minister Bob Hawke called Bush's action "surprising and hurtful." Vice President Quayle had visited Australia just one week earlier and asserted that U.S. trade policies, including the infamous "Export Enhancement Program," were not detrimental to the interests of Australia—a wheat exporter. As usual, Quayle was ignorant of the facts—especially as viewed by Australian grain traders. Australian Grains Council director Laurie Eakin said the Australian share of the Soviet wheat market has crumbled to 3% from 20% since the U.S. began selling subsidized wheat four years ago. Australian Democrats deputy leader Michael Macklin said the sale—the first subsidized sale since the Bush administration took office—was a "kick in the guts" for Australian farmers.

In fact, Bush's action was predictable from the point of view of the administration's commitment to appeasement on every count. Years of free trade rhetoric by Clayton Yeutter, former U.S. Trade Representative, and now Agriculture Secretary, have nothing to do with the current food tribute being paid by the United States—and also the EC—to Russia. Bush justified his action by saying that it was necessary to support Gorbachov's *glasnost* and democratization. Senate Agriculture Committee chairman Patrick Leahy (D-Vt.) further draped the decision in the mantle of "fair trade" by saying the United States has the right to retain its current "market share."

Bush charges vote fraud in Panama, but who is really planning it?

by Carlos Wesley

As campaigning for Panama's national election May 7 came to a close, U.S. President George Bush repeated his charges that a victory by the pro-government candidate, Carlos Duque, would be the result of electoral fraud. In a speech to David Rockefeller's Council of the Americas May 2, Bush said, "Let me be clear: The United States will not recognize the results of a fraudulent election engineered to keep [the commander of Panama's Defense Forces, Gen. Manuel] Noriega in power." Two days later, Bush said, "I have been very disturbed by reports that the elections will be less than fair, less than free, and less than open." Bush refused to tell reporters at a May 4 Washington press conference how the United States would respond if the slate it was supporting, the Democratic Civic Opposition Alliance (ADO-C), failed to win. "We will cross whatever hypothetical bridge we may have to cross later on," he said.

But the evidence in Panama itself has been that the Bush administration was the one engaging in fraudulent election practices in Panama, with the aim of placing puppets in power, rescinding or forcing major modifications of the Panama Canal Treaties, and continuing to cover up Bush involvement in the Iran-Contra scandal—about which Noriega is rumored to know a good deal.

Rep. Newt Gingrich (Ga.), House Republican Whip, threatened May 4 that the U.S. might renege on its treaty commitment to turn the Panama Canal over to Panama in 1999 unless the U.S.-financed opposition was handed power. "The American people would not feel in any way comfortable turning over control or administrative leadership of the canal to a puppet government that is dominated by a dictatorship," said Gingrich, claiming that the elections would be rigged in favor of Duque.

Joining the chorus was Deputy Secretary of State Lawrence Eagleburger and the U.S. Senate, which unanimously passed a resolution the same day accusing Noriega of planning to steal the elections. Eagleburger, former president of Kissinger Associates, did not rule out the use of force against Panama if the election results did not please the United States. "I would think that we ought to keep that amongst ourselves and think about it until we see how the election comes out," said Eagleburger May 4. "I would not want to speculate."

The administration's line was in keeping with the two-stage U.S. plan leaked to the *Washington Post* April 30: First, discredit the results; second, exercise a range of options against

Panama including "sending in American troops."

The administration's charges of fraud against Panama were like the emperor's new clothes: There was nothing to them. Notwithstanding claims of polls "showing the opposition is leading," the last weeks of the campaign showed that it was the pro-government National Liberation Coalition (COLINA) which had the support of the electorate and not the CIA-financed ADO-C, which pledged during the campaign to renegotiate the Canal Treaties.

This was clearly seen in the closing rallies of each camp, traditionally a reliable barometer of vote-getting strength. While COLINA's forces filled the centric Plaza de Mayo to overflow capacity on May 4, with a crowd that CBS radio described as "huge," the American-backed ADO-C had "their poorest showing" of the campaign at their closing rally the day before, said one eyewitness. Not only was the ADO-C crowd small, but at least one-third of them were high school students below the voting age.

"Your presence here is gigantic and overwhelming proof of our victory on May 7," presidential candidate Carlos Duque told the estimated 500,000 people. "The people have proven with their massive presence at this rally that we are the absolute majority. This puts an end to the lie that we will win by fraud," he said.

A Belgian observer, one of the hundreds of foreigners monitoring the elections, reported that what had most impressed him was the attitude of the participants. "The people at the opposition rally were somber, bitter," he said, while those at COLINA's rally "were happy, full of enthusiasm."

The polls also projected an overwhelming victory by the pro-government COLINA. A tracking poll conducted by the Lieberman Poll Corporation showed that while, at the beginning of the campaign, the American-supported ADO-C slate had enjoyed a comfortable lead, the momentum of the campaign had shifted overwhelmingly in favor of COLINA's Duque. The Lieberman poll, which was released May 5, two days before the election, projected that Duque would get upwards of 45% of the vote, while Guillermo Endara of the ADO-C would receive 36% of the total, with 8% going to the other opposition candidate, Hidelbrando Nicosia of the Partido Pañamenista Autentico.

And no wonder. The U.S. administration's heavy-handed interventionism just proved too much for most Panamanians.

CIA operations

On April 5, CIA operative Kurt Frederick Muse was arrested in Panama and charged with conspiring against the security of the state. Muse led authorities to the site of several clandestine radio and television transmitters, to be used to incite riots after the elections. The clandestine transmitters were brought into Panama by a mysterious U.S. government agency operating from a base of the U.S. Southern Command, called the "Program Development Group."

The transmitters were provided by the CIA, the *Washington Times* reported May 1. According to the *Times*, even after Muse's operation was uncovered, transcripts for the clandestine radio programs continued to be smuggled into Panama as "authorities had not seized all 12 suitcase transmitters the CIA provided to the opposition."

Muse's operation was but one aspect of a CIA undercover operation ordered by President Bush in February to shape the outcome of Panama's election. The attempt by the United States to fix the elections included a \$10 million campaign contribution by the CIA to the opposition's ADO-C, reported *U.S. News and World Report* in its May 1 issue.

In fact, the total cost of the U.S. vote-buying effort in Panama may have been as much as \$120 million, said the Venezuelan daily *Ultimas Noticias* on May 3.

Part of the American money was used by the opposition ADO-C, with U.S. government approval, to purchase prime time television spots for its campaign on RPC television network, owned by the brothers Carlos and Fernando Eleta. Arrested April 6 on charges of conspiring to smuggle 600 kilos of cocaine a month into the United States, with a street value of \$300 million, Carlos Eleta is languishing in a Georgia jail awaiting the posting of an \$8 million bond, \$3 million of it in cash. His brother Fernando has yet to visit him in his Georgia jail cell, reportedly because there is also a warrant out for his arrest.

The collaboration between the U.S. government and Eleta against Panama's current government once again shows that the administration's contention that it wants to get rid of Noriega because of his supposed "drug involvement" is just so much nonsense. In fact, many other U.S. top allies in Panama against Noriega are up to their noses in drug-money laundering.

The ADO-C second vice-presidential candidate, Guillermo "Billy" Ford, handpicked by the U.S. Embassy in Panama, is a major shareholder of Banco Continental, a bank caught laundering drug money in March 1985. He was also a co-owner of Miami's Dadeland National Bank, when that bank was proven in a U.S. court to be laundering drug funds and was the base of operations for a major drug ring. During the campaign, Ford pledged that if elected, one of his key aims would be to prevent any changes in Panama's bank secrecy laws, which would be a major advantage to drug-money laundering.

It was when Noriega successfully pushed to modify the

banking secrecy laws in 1987, that the U.S. push to oust him was launched in earnest.

An ADO-C election would have ensured a Panamanian government willing to help in the coverup of the Iran-Contra scandal. One of Ford's partners at Dadeland Bank was Stephen Samos, who confessed in open court, during a federal trial in Miami, to his role as a mastermind in the drug-money laundering and drug-trafficking scheme based at Dadeland. Despite his confession, Samos remains a free man, protected by the U.S. government. Why?

According to the *Wall Street Journal* of Jan. 8, 1987, Lt. Col. Oliver North's former boss at the National Security Council, Adm. John Poindexter, used Samos to administer the Contra resupply operations. Samos arranged to set up a company in November 1984, Amalgamated Commercial Enterprises (ACE), that "was an important link in the private network resupplying Nicaraguan insurgents," reported the *Journal*. In addition, the *Journal* said, Samos also set up accounts with Panama's Banco de Iberoamerica, "which sources believe may have been used in the Contra money trail."

Given this U.S.-backed ADO-C alternative, most Panamanians were obviously going to back the pro-government COLINA slate. This became evident weeks before the election. An ADO-C campaign swing to the Island of Taboga, on the Pacific Ocean entrance to the Panama Canal, was greeted by masses of islanders waving pro-government flags and shouting: "Where are the \$10 million," referring to the CIA's campaign contribution.

Pressures arising from Muse's capture, Eleta's arrest on drug charges, and the administration's leaks that it was financing ADO-C, visibly demoralized opposition backers. Dissension also broke out among the three standardbearers. While ADO-C's Ford and first vice presidential nominee Ricardo Arias Calderón responded to charges that they were being backed by the CIA with, "So what? It does not change anything," presidential candidate Guillermo Endara sensed the mood of the electorate and adopted a nationalist stance. Endara, who had reportedly said previously that an American intervention "would be welcomed with open arms by most Panamanians," said in the closing days of the campaign, "I would rather put up with Noriega for many more years than see a U.S. invasion."

Even within the U.S., there are concerns about the damage to U.S. national security interests in Ibero-America that would be caused by a military invasion of Panama, given the framework of growing resentment against the U.S. brought on by the continent's debt crisis. Among those who have expressed doubts about Bush's willingness to invade is Joint Chiefs of Staff chairman Adm. William Crowe. "Panama is not an ideological battle, this is a battle of personalities," a source quoted Crowe, according to the May 1 *Washington Times*. "And I'm not going to have 19-year-old kids die for a battle of personalities."

LaRouche advertisement unleashes a political uproar in Brazil

by Valerie Rush

The April 28 appearance in the *Washington Post* of a half-page advertisement demanding freedom for Lyndon LaRouche and bearing the signatures of 100 Ibero-American congressmen hit official Washington like the proverbial ton of bricks. Within 24 hours of the publication of the ad, the U.S. State Department ordered its mouthpieces among the Brazilian media to launch a slander-and-confusion campaign directed at the 71 Brazilian signators of the ad. At the same time, the press attaché of the U.S. embassy in Brasilia, William R. Barr, sent a May 2 letter to all 71 congressmen (see *Documentation*), repeating the slanders against LaRouche formulated by paid propagandists of the drug lobby and insulting the intelligence of the Brazilian legislators by suggesting they had somehow been tricked into defending a convicted swindler.

The statement appearing in the *Post* took the form of a petition to U.S. Supreme Court Chief Justice William Rehnquist, and to Chief Judge of the U.S. Court of Appeals for the Fourth Circuit in Virginia, Sam J. Ervin III. It reads: "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."

The 100 signers of the ad came from across the Ibero-American political spectrum.

The propaganda line issued in major Brazilian press outlets in response centered on the claim, "They didn't know what they were signing." *Jornal do Brasil*, whose majority ownership passed to Citibank in a debt-for-equity swap last year, headlined one of its articles, "It's Hard to Remember Everything Signed." The daily *Correio Brasiliense* claimed the signators were "surprised" to learn that LaRouche was "a

convicted swindler." The daily *O Globo*, leading State Department mouthpiece in Brazil and flagship publication of a media network which boasts the world's most widely viewed pornographic soap operas, suggested that the legislators were "hoodwinked."

This, not accidentally, is identical to the U.S. media response to the March 18, 1986 election victories of two LaRouche supporters in the Democratic primary in Illinois, in which the press was instructed to assert that the voters "didn't know who they were voting for." In Brazil, after being told of their alleged ignorance in this fashion, many of the congressional signers insisted to reporters that, on the contrary they had signed the petition because they knew LaRouche stood for defense of Ibero-America's sovereignty. Others were clear that they had signed with full awareness of LaRouche's legal status—in fact, that was precisely the point of the petition!

Exemplary is conservative congresswoman Sandra Cavalcanti, who told one journalist pushing the "weren't you lied to" line that she had been fully informed of the charges against LaRouche and the entire trial proceedings, and had found them sufficiently "strange" to justify her signature on the appeal for justice. Deputy Carlos Alberto Oliveira dos Santos, grilled by *Jornal do Brasil* on why he signed, responded, "My personal solidarity is due to LaRouche's position in defense of the sovereignty of the Latin American countries and, as is known, that involves the foreign debt question."

Not exactly what the State Department wanted to elicit.

In a formal response to press attaché Barr on May 4, signator Oswaldo Lima Filho, a federal deputy of the majority PMDB party and one of the most respected of Brazil's political old-timers, ignored the embassy's slanders and insisted that it is LaRouche's constitutional right "to a fair trial with due process of law" which was clearly violated by the U.S. courts, and which was the concern of the petition signers.

On April 25, just prior to the appearance of the *Post* ad, federal deputy Luiz Salomão raised for the second time the issue of justice for LaRouche before the Brazilian Chamber of Deputies. Earlier, on Feb. 28, he had reviewed the political

persecution of LaRouche, and used the image of LaRouche as “an American Dreyfus” to challenge the validity of the court findings against the U.S. economist and political leader. He had concluded his first presentation with a demand that the U.S. embassy in Brazil respond to his queries. His second address reiterated “the request I already made from this podium for the American authorities represented here, who have tried to pose as ‘sheriffs of human rights all over the world,’ to explain the shameful episode, the persecution of Mr. Lyndon LaRouche’s group. . . .”

Documentation

The weekly Relatorio Reservado (Confidential Report), the insider publication most carefully read by the Brazilian elite, ran the following story on page 3 of its April 24-30 issue.

‘Congress: LaRouche case debated’

The chief judge of the United States Supreme Court, William Rehnquist, has in his hands a document signed by 71 Brazilian congressmen from all parties requesting the release of U.S. politician Lyndon LaRouche, sentenced to 15 years in prison in the state of Virginia on charges of tax evasion, among other things. The congressmen—64 deputies and 7 senators—are convinced LaRouche was the victim of a conspiracy to neutralize his political activity on behalf of the interests of the Ibero-American countries on the foreign debt question and against the continent’s narcotics-trafficking network. Between the lines of the short text of the petition, however, a more complicated question emerges.

The movement to free LaRouche is being promoted by the magazine which the politician founded and edited, the *Executive Intelligence Review (EIR)*, which closely followed the Iran-Contra scandal investigation and challenged the conclusions of the commission headed by Senator John Tower, later nominated by President George Bush to be United States Secretary of Defense.

According to the exposés *EIR* published in 1987, the arms sales to the Iranian regime and the Nicaraguan Contras were not isolated facts, but were part of the operations of a parallel government—covered up under the name of “Project Democracy”—and having as its keystone Lt. Col. Oliver North, one of the principal people implicated in the Iran-Contra case. According to the magazine, this group was even involved in the fall of Brazilian ex-Finance Minister Dilson Funaro. Moreover, Buster Horton, the very foreman of the jury which condemned LaRouche to a term equivalent to a life sentence (LaRouche is 66 years old), seems to be part of the group,

through his links to the Federal Emergency Management Agency (FEMA)—an agency subordinated to the United States National Security Council and in charge of keeping the government apparatus functioning in the event of a grave crisis—of which Oliver North is also part.

For the magazine’s editors, the arrest and conviction of LaRouche—as well as one of his aides, sentenced, according to *EIR*, to 86 years in prison—is the way to prevent the most far-reaching implications of the Iran-Contra scandal from ending up compromising President George Bush himself, as happened to Richard Nixon in the Watergate case.

The following are excerpts from two of a series of three articles on the LaRouche case appearing in Jornal do Brasil of April 29, one day after the appearance of the Washington Post ad.

WASHINGTON—What do deputies José Genoíno (PT-SP) and Artur da Távola (PSDB-RJ) have in common with Pompeu de Souza (PSDB-DF) and Marcondes Gadelha (PFL-PB) and 64 other Brazilian parliamentarians—in addition, of course, to the fact that all were elected to the National Congress by direct vote? The answer appeared today in a page of the American daily *Washington Post*: all of them, and 40 other Ibero-American parliamentarians, lent their names to an immense ad which asks the American government to pardon the 15-year sentence imposed, last January, on one of the most controversial U.S. political figures of the past two decades and who, at least in the eyes of justice here, is nothing more than a thief.

His name is Lyndon LaRouche. . . .

LaRouche is systematically accused of being a fascist and of financing neo-Nazi groups in the United States—allegations which were never proven and which his followers categorically deny. “Those accusations are made by pothead journalists who smoke marijuana before writing their article,” Scanlon retorts. . . .

“He never had the right to a fair trial. The government twisted the facts and hid the truth,” charges his main spokesman, Dana Scanlon. As for the ad published yesterday, Scanlon explained that the idea was an old one. LaRouche is very well known in Latin America for his economic ideas and his absolute opposition to the International Monetary Fund, she says. “Last month, Peruvian Senator Josmell Muñoz did a tour of several parliaments in search of signatures and made the ad possible.” Muñoz had a ball in Brazil. The overwhelming majority of the signatures are from Brazilian parliamentarians, who perhaps know LaRouche’s economic theories—something which very few people know around here—but they certainly do not have the slightest idea of the polemics which go on about him.

That is certainly the only explanation for the fact that leftist deputies such as Edmilson Valentim (PC do B-RJ) or Vivaldo Barbosa (PDT-RJ) would have signed a paper asking

to free a man who constantly attacks the left and the Soviet Union, calling both the world's worst evils. . . .

'It is hard to remember everything signed'

BRASILIA—The justifications of the parliamentarians who signed the statement of solidarity with Lyndon LaRouche are extremely diverse, but almost always touching on the abridgement of the right to defense and Latin American countries' sovereignty. Often, however, there are deputies and senators who do not even remember rightly what they signed and even admit they sign many things almost every day in a rather superficial manner.

Deputy Célio de Castro (PMDB-Minas Gerais), for example, says that in this case he signed the statement at the request of Amnesty International. As for the meaning of his signature, he explained it is to provide "conditions for attaining a just verdict, since his right to defense is being curtailed. We did not go into the merits of the verdict, but we are concerned that often what is legal is not just."

Among those who took a little time to recall the motive which brought him to sign the statement on behalf of the American economist was Deputy Carlos Alberto Oliveira dos Santos, or Caó [nickname] (PDT-Rio). Then, he remembered that the struggle against the foreign debt was crucial. "My personal solidarity is due to LaRouche's stand in defense of the sovereignty of the Latin American countries and, as is known, that involves the foreign debt question." Fernando Santana (PCB-Bahia) only knows that he signed on the request of colleagues. He does not even recall who presented the document, "People sign lots of things every day in the Chamber. But my name is there. I take responsibility for it."

'Brazilian politicians ask liberation of American rightist'

The following are excerpts from an April 29, 1989 article in the daily O Globo, carried on page 8.

WASHINGTON—Brazilians in general certainly do not have the slightest idea of who Lyndon LaRouche is. But 71 of their representatives in Congress seem to know him well—unless they have been hoodwinked. These Brazilian deputies and senators signed a letter, with 29 other Latin American colleagues, published yesterday as a paid ad in the *Washington Post* asking the Chief Justices of the Supreme Court of the United States and of the Appeals Court of the State of Virginia for immediate freedom of that person—who, in Washington, could not even gain the support of a half dozen politicians. . . .

LaRouche's few most fanatic followers define him as "the third Socrates"—even though he seems to the average American like an Anglo-Saxon Reverend Moon. The publications he publishes (small-run dailies and magazines) target the Church as well as communists and homosexuals. "LaRouche's followers denounce their critics as cretins, com-

munists, traitors, or homosexuals. They think LaRouche is the only hope for the planet's survival, and that the world is crazy if it does not accept it as such," wrote political commentator John Mintz in the *Washington Post* recently.

Despite this fame, no fewer than 71 Brazilian parliamentarians testified to Lyndon LaRouche's good character in a letter published yesterday under the auspices of the Commission for the Investigation of Human Rights Violations—an entity created by LaRouche himself. Among them are well-known figures of the Brazilian political panorama like Adhemar de Barros, Rita and Gerson Camata, Carlos Alberto Caó, Sandra Cavalcanti, Artur da Távola, Aécio Neves, and Beth Mendes. The list also includes PTers like Jose Genoíno and Irma Passoni. . . .

U.S. Information Service intervenes

The Brasilia office of the U.S. Information Service (USIS) sent every signer of the Washington Post advertisement a packet, including a cover letter, a copy of their letter to Deputy Luiz Salomão, and a copy of the ad. The letters are dated May 2 and are on "USIS, Brasilia," letterhead, signed by U.S. press attaché William R. Barr. They read as follows:

Dear Mr. Congressman,

On April 25, Deputy Luiz Salomão invited the United States Embassy to provide clarification on his accusations to the effect that Mr. Lyndon LaRouche had been tried and convicted for political reasons.

For your information, we are attaching a copy of the letter we sent to the illustrious parliamentarian with the requested clarifications and which indicates that Mr. LaRouche was convicted on 13 counts of mail fraud, illegal loan solicitation, and violations of the U.S. tax code.

We believe it opportune to add, furthermore, that an organization entitled "Commission to Investigate Human Rights Violations," headquartered in Leesburg, Virginia, where the LaRouche Organization has its headquarters, published a paid advertisement in *The Washington Post*, April 28 on the matter. The advertisement included the name of Your Excellency among the many which, supposedly, signed the petition asking for Mr. LaRouche's freedom. We also include a clipping of the ad.

The letter to Salomão reads:

Esteemed Deputy:

On April 25, Your Excellency made a speech in the Chamber's short working session criticizing the legal process conducted in United States courts which resulted in the conviction of Lyndon LaRouche for violating U.S. laws. Concluding, Your Excellency invited the American Embassy to "provide clarification on this question."

Your Excellency alleges that Mr. LaRouche was tried for his political ideas. That is not true.

Mr. LaRouche was convicted in December 1988, on 13 counts of mail fraud and illegal loan solicitation. He was also convicted of damages to the U.S. Internal Revenue Service. Mr. LaRouche has not filed income tax returns since 1979.

In January 1989 he was sentenced to 15 years in prison. (Mr. LaRouche could have received a sentence of up to 65 years for the crimes for which he was convicted.)

The victims of the mail fraud and illegal loan solicitation imputed to him were citizens who loaned money to the LaRouche Group. Many of them were elderly retired people who lost thousands of dollars in loans that were never repaid and which, according to testimony, the LaRouche Group had no intention of paying.

Mr. LaRouche was not tried for his political convictions which, as unpopular as they may be, are constitutionally protected, a protection extended even to Mr. LaRouche's allegation that Queen Elizabeth II heads a narcotics trafficking network.

As for the inclusion in your speech of references to Capt. Alfred Dreyfus, any suggestion of parallel with Mr. LaRouche is absurd. Dreyfus was the victim of prejudice based on anti-Semitism; the Anti-Defamation League accuses Mr. LaRouche's organization of being overtly anti-Semitic.

Deputy Oswaldo Lima Filho replied to Barr in a May 4 letter on Chamber of Deputies stationery. The text reads:

Thank you, sir, for sending the May 2, 1989 letter, accompanied by documents sent to Mr. Deputy Luiz Salomão, about the request for reversing the trials conducted by the Courts of the State of Virginia, U.S.A., against citizen Lyndon LaRouche.

An examination of the publications sent me by *Resumen Ejecutivo* magazine about the trials in question demonstrate that the accused was absolved of identical accusations by verdict of the Criminal Court of Boston, and that the trial before the Court of Alexandria, Va., was too short, with the accused being denied some of his constitutional rights.

The appeal signed by one of the great jurists of the United States of America, attorney Ramsey Clark, former U.S. Attorney General, demonstrates the violation of these rights in the cited trial.

Neither I nor the signators of the referenced appeal to the U.S. Supreme Court question the issue of merit involved in the trial, but rather its procedural defects, defects which violate the Constitution of the United States.

Whatever Mr. Lyndon LaRouche's political or religious convictions may be, he is "entitled to a fair trial with due process of law" [in English in the original].

That is what is expected by this long-time admirer of the U.S. Supreme Court, of whom Justice Marshall is a permanent adornment and example.

Greens grab Ecuador's jungle, target Brazil

by Mark Sonnenblick

On April 5, Ecuador submitted to one of the largest land-grabs in history. Its central bank agreed to honor at face value \$9 million in foreign debt which "environmentalist" groups had bought for \$1 million. What's more, it will pay 60% annual interest to the groups' local front, the Nature Foundation (*Fundación Natura*), in local currency.

John Shores of the Nature Conservancy lobbying group in Washington boasted, "The bonds will have an interest rate of 60%, so even if the economy doesn't improve, we will get 10 or 20 times our investment, while lowering Ecuador's debt."

Ecuador's debt, upon which it has not paid a penny since January 1987, now stands at \$10 billion. So, it has been cut by \$9 million, less than a thousandth part. American Express Bank, Morgan Guaranty Trust, and Bankers Trust were able to unload for \$1 million, debts which were otherwise totally worthless. The \$10-20 million that bankrupt Ecuador will have to pay out to the Nature Foundation over the next eight years cannot help but add to the country's inflationary blow-out.

The Nature Foundation will spend the money running a national park system to make preservation of plants and animals the nation's priority, instead of improving the lot of impoverished human beings. Foundation president Roque Sevilla boasted in a paper he wrote for the United Nations Environment Program, "Ecuador now has 14 protected Natural Areas which encompass more than 11% of the national territory."

'Our Amazon for development'

Ecuador, Bolivia, Costa Rica, and the Philippines have succumbed to such "debt-for-nature" schemes. But, nationalist forces in Brazil and Peru have blocked the malthusians from violating their territorial sovereignty.

"The Amazon region is 7 million square kilometers with resources and plains which should serve Latin America," Peruvian President Alan García asserted April 17. He spoke at the founding session of the Amazon Parliament, which was formed by Brazil, Peru, Ecuador, Venezuela, Colombia, Bolivia, Guyana, and Suriname. The Amazon Parliament "will be the instrument for integration to solve common problems," declared its first chairman, Peruvian Deputy Hector

Vargas Haya.

Brazilian Ambassador to Peru Orlando Leite-Ribeiro the same day rebuked the United States and European countries for their hypocritical campaign to prevent the economic development of the Amazon. "Countries which, throughout history, have plundered several continents are now trying to coerce our sovereign right to self-sufficiency," he said. As documented in the forthcoming *EIR* Special Report "The 'Greenhouse Effect' Hoax: A World Federalist Plot," much of the devastation to the Amazon has been done to pay usurious debt service to the top U.S. and European banks.

Those same financial circles covet the strategic minerals yet undiscovered under the vast Amazon basin. The recent boisterous campaign to internationalize the Amazon can be traced back to meetings organized by Henry Kissinger in Rio and Brasilia, Nov. 18-19, 1981. One participant, Martha Muse of the Tinker Foundation, confided at the time that the main topic was the future of the Amazon, then a subject remote from public interest.

A few months later, during an April 1982 trip to Brazil, *EIR* Ibero-American Editor Dennis Small warned Brazilian leaders that U.S. support for the British seizure of Argentina's Malvinas Islands presaged a new round of Teddy Roosevelt-style "gunboat" diplomacy. Small warned that sovereignty would be violated and territory seized to collect foreign debts. Brazilians left Argentina at the mercy of the British. Today, the political gunboats of the environmentalists, the U.S. government, and the U.S. media are making the Amazon into "a Brazilian Malvinas."

So many U.S. senators have been poking around the Amazon lately, that the local governors asked them to stay home. During a late March junket, Pennsylvania liberal Republican Arlen Specter gave Brazilian President José Sarney an ultimatum to put the Amazon under international management. When he refused, conservative Idaho Republican Steve Symms charged that Sarney "is trying to rally public opinion in favor of the Amazon region as if there were a campaign for the internationalization of the Amazon. He wants to make the Amazon into the Brazilian Malvinas; but he will not get it."

The big stick

A month after he became President, George Bush was already quietly ordering Japanese leaders not to help Brazil develop the Amazon. In Senate testimony April 20, World Resources Institute chairman Gus Speth insisted that the United States turn from such "quiet bilateral negotiations" to "a global bargain" on ecology, enforced through "a series of international conventions." He predicted, "Environmental diplomacy will become the most important area of diplomacy in the coming decade."

At the same Senate Foreign Relations Committee hearings, Worldwide Fund for Nature (WWF) chairman Russell Train demanded that no country be given any U.S. foreign

aid unless, like Ecuador, it give his group veto power over its domestic policies. He also demanded that no country be allowed relief on its foreign debt unless it submit to internationally policed "conditionalities" on its "natural resource management."

Most Brazilians are enraged by this imperialist assault on their right to develop. The military has blocked foreign intervention in the Amazon on national security grounds. During April, the ecologists took note of such resistance. WWF president Kathryn Fuller observed that "concerns about having outsiders dictate land use policy" and "lack of local conservation groups [have] been an obstacle to swaps in other countries."

So, the Globo TV network, owned by WWF international board member Roberto Marinho, and other media are working overtime to germinate local conservation groups to provide a cover for gunboat conservatism. By supporting such "local" agents, the Soviet Union has avoided the acrimonious diplomatic flaps which the Bushmen's "big stick" has provoked.

V.V. Volsky, the Soviets' top Ibero-American expert, pledged in *Pravda* Feb. 22, "the Soviet Union's adherence to the idea of ecological security of the planet, and . . . its readiness to unite efforts in the struggle for the preservation of the environment. . . . Now even in Brazil, which previously considered the fate of the Amazon forest reserves to be its internal affair, voices are heard ever more loudly, in support of coordinated international efforts in the interest of saving these 'lungs of the planet.' "

The loudest noises in Brazil for surrendering sovereignty come from the WWF's local front, Funatura, whose chief science adviser, José Goldemberg, is a board member of Moscow's International Fund for the Survival and Development of Humanity. The U.S. National Academy of Sciences brought Goldemberg to chair a panel in Washington, D.C. at its May 2-3 "Forum on Global Change and Our Common Future." Funatura's president, Mari Teresa Jorge de Tabu, urged foreign governments to "wait a little while," rather than continuing to provoke reactions from the military and Sarney. "Brazil needs time, and more care is needed in how things are said by outsiders," she cautioned.

The Soviets and the Teddy Roosevelt "conservationist" imperialists in Washington are trying to configure Brazil's presidential elections in November so as to sharply reduce the power and influence of military nationalists. One of their pet projects is Luiz Inacio da Silva, nicknamed "Lula," now boosted by Gallup polls showing him as the frontrunner. Lula heads a popular front of Marxist and "Green" organizations. He told businessmen in São Paulo, April 25, "Sure we could utilize the Amazon to go fishing abroad for money. This government lacks the wisdom and competence to do it." Lula made clear to businessmen in his audience, "I do not agree with that retrograde niggardly nationalism, that 'the Amazon is ours' and nobody can participate."

Brazil-U.S. relations crumble

The Bush administration has no policy but confrontation and threats for South America's largest power.

Three months after assuming the presidency of the United States, George Bush has yet to show a single concrete foreign policy initiative toward Brazil, except for a slew of escalating pressures ranging from ecological and trade matters to technology transfer limits.

In the first week in May, the White House trade office released its "Annual Report on Foreign Trade Barriers," in which it envisions new trade sanctions against Brazil by openly criticizing the country's new Constitution for the preferential treatment it gives to telecommunications companies under majority Brazilian ownership.

The U.S. administration's colonialist intentions toward Brazil were demonstrated early in the game, when President Bush employed ecological justifications during his February trip to Tokyo to argue that Brazil should abandon sovereign control over its Amazon territory. Bush hinted that financial pressures would be employed to achieve that goal, and tried to get the Japanese government to cancel a loan to the Brazilians for construction of a Brazil-Peru highway.

Now, the U.S. State Department has moved to tighten the technological limitations imposed on Brazil, and especially against its nuclear and aerospace programs. The Kissinger boys at State are apparently determined to enforce the former secretary of state's arrogant claim that "history will never begin in the South."

On April 27, the *Wall Street Journal* published a report emphasizing that the United States would not permit any transfer of technology for space

soundings that would guide satellite launchings. The restrictions are to be extended now to certain kinds of supercomputers used in meteorology. The article cites State Department sources using the same old blackmail line that things could change if only Brazil would sign the nuclear non-proliferation treaty. Brazil has opposed the treaty, viewing it as a threat to its sovereign right to develop nuclear technology.

At the same time, the group Nuclear Scientists is escalating its campaign against the Brazilian nuclear program. Spokesman David Albright charged that when the Aramar Research Center, run by the Brazilian Navy, brings 2-3,000 centrifuges on line, Brazil "will have the capacity to produce the bomb." According to Albright, Brazil is one of the few countries able to produce the super-hard steel necessary for fabricating the centrifuges used to refine uranium. Our greatest concern, says Albright, is that at that point, Brazil will have achieved full nuclear independence, since it will have sufficient uranium to supply the Aramar center without help from abroad.

Albright also attacked the Brazil-Argentina nuclear cooperation treaty. He warned that under a Peronist government, Argentina would revive and expand its nuclear program, and that the joint efforts of the two nations would turn them into nuclear powers in their own right.

The response to such pressures from abroad has been unequivocal. The president of Brazil's National Nuclear Energy Commission, Rex Nazareth, declared, "As long as I am alive,

the national interests will be safeguarded. The United States will not inspect our centrifuges." Rear Adm. Othon Pinheiro, one of the brains behind the Navy's nuclear project, charged that ever since Brazil achieved a full nuclear cycle, the United States has been upping the pressure into what is now a full-scale "nuclear blockade." But, declared Pinheiro, "We will pay them back by continuing the program and building here what we cannot get from the outside."

Over the course of the next few weeks, the general secretary of Brazil's foreign ministry, Paulo Tarso Flecha de Lima, will begin talks with Kissinger protégé and Deputy Secretary of State Lawrence Eagleburger, supposedly to establish a "positive agenda" between their two countries. However, it would appear that the only "positive agenda" from the Bush administration's viewpoint would be complete Brazilian submission.

This was demonstrated by the statements of Kissinger's lawyer, William D. Rogers, in a recent interview with the Brazilian magazine *Veja*. Employing the traditional cynicism of his patron, Rogers admitted that the Brady Plan was never intended to solve the foreign debt problem, but was merely a political instrument for subjecting nations, especially those which will have "major elections this year"—Brazil and Argentina—to the will of the banks.

"The international financial climate could become so intolerable that the debtors will have no other choice but moratoria," said Rogers. Asked what the consequences would be, Rogers responded, "The debtors would remain isolated, expelled from the financial system. Their credit would be cut, and financing for transactions on the international market would disappear."

Beijing making new bid to seize Taiwan

by Our Special Correspondent

Increasingly severe pressure is being brought to bear upon the Republic of China on Taiwan to compromise its political and economic sovereignty. A few months ago, Communist Chinese leader Deng Xiaoping announced that the People's Republic of China is considering resorting to force, should the R.O.C. continue endlessly to refuse to come to the negotiating table.

Until now, the P.R.C. had made it clear that it would not hesitate to use forceful means to take over the island, were the R.O.C. to turn to the Soviets, were the R.O.C. to declare itself independent and sovereign, were the R.O.C. to develop its own nuclear weapons capability, and were serious uprisings or other social disturbances to occur on the island.

Deng's latest announcement only makes the threat of invasion by mainland Chinese forces more immediate, and is perceived by Taiwan as a sword of Damocles. From the standpoint of Deng, one can understand that he is getting on in years, and the question of unifying the "two Chinas" has become for him an obsession which he would like to see resolved within his lifetime.

China watchers, however, interpret his recent threatening announcement as a sign of weakness on the part of Beijing. It reflects the failure of their diplomatic offensive, should Taiwan ignore all threats and continue its present policy.

The 'Three No's' policy

Ever since the end of World War II, in order to counter encroachment by the Beijing government and in a fight for sheer survival, the Taipei government has been very adamant about adhering to its "Three No's" policy: 1) that there will be no negotiation between the two governments on any official level; 2) that there will be no economic relations between the P.R.C. and Taiwan; and 3) that there will be no cross-channel travel between the P.R.C. and Taiwan.

The "Three No's" policy was designed to let the world know that Taiwan stands firm and will not be absorbed into the Communist orbit. It cannot be denied that these three assertions have served in the past as a very effective way to maintain its political integrity.

Until the end of 1987, the Taipei government stood firmly by its "Three No's" policy. However, on the question of cross-channel travel, the R.O.C. has had to slacken somewhat, as many who had followed Gen. Chiang Kai-shek and

retreated to Taiwan from the mainland in 1949, now at retirement age, were longing to visit their homeland and relatives for the last time, as in accordance with Chinese tradition, "an old leaf must return to its roots." The Taiwan government proceeded with caution, however, and only non-government and non-military personnel were allowed to benefit from the new policy.

As a result, hundreds of thousands flocked home to mainland China. Preliminary fears were allayed when, after one year, the new policy seemed to have benefited the R.O.C. more than it did harm. Taiwanese going back to villages where they were born, saw for themselves how backward and miserable mainland China had remained. On the other hand, news of Taiwan's prosperity spread to virtually every corner of the mainland.

On the question of negotiating with the P.R.C. on a government-to-government level, the R.O.C., on the contrary, has remained and will have to continue to remain intransigent. Were it to agree to go to the negotiating table with the P.R.C., the first hint of such a trend would give an unmistakable impression to all Taiwanese that the ship is drawing closer to the Communist orbit, which would inevitably cause panic on the economic front, undermining the foundations of the government.

What is most disturbing, however, is that certain Western media have been giving the false impression that the two sides are moving closer to the negotiating table, that Taiwan is willing to compromise. Even to allow the world to toy with the idea that one day the P.R.C. would annex Taiwan as its province, would totally jeopardize the island's political existence.

Flexible diplomacy

Taiwan's determination to survive persistent attempts by the P.R.C. to take it over has transformed it into one of the most successful models of an Oriental society in the world. Several infrastructure, industrial, and construction projects were launched to boost both the productivity level and the export capacity of the island, resulting in an economy of extraordinary dynamism.

Today, the Republic of China can boast of an economic growth rate of 11% and a positive trade balance of US\$19 billion in 1987. Its foreign exchange reserves doubled from \$46 billion in 1986 to \$77 billion in 1987, far exceeding the foreign exchange reserves of the People's Republic of China.

Although officially isolated on the diplomatic front, the R.O.C. adopted the policy of *Su Chia Uay Chiao*, or "substance diplomacy," which consists of multiplying economic and commercial relations with as many countries as possible, especially with those that have recognized the P.R.C.

The recent March visit to Singapore of Taiwan's President Lee Teng-hui sparked a hysterical reaction from the Beijing government, to the effect that Taiwan is pursuing a "two-China policy." Even though the People's Republic of

China enjoys diplomatic representation in Singapore, President Lee Teng-hui was received as an official state guest. With the Singapore visit, President Lee launched Taiwan's new offensive, which he called "flexible diplomacy."

At a press conference on March 27, P.R.C. Foreign Minister Qian Qichen commented angrily: "There is no flexibility about the one China policy. Flexible diplomacy is a new term. In our view, it means using economic and commercial relations to create two Chinas. This kind of policy goes against the Kuomintang's own declaration in favor of one China and against the Chinese people's belief in one China. We have to be clear. We cannot be flexible. I want to point out that we are not against Taiwan's pursuing economic relations with other countries, but we will not tolerate her establishing official diplomatic relations with other nations. . . . That the Philippine Parliament is preparing to pass a bill concerning economic and commercial relations with Taiwan, is against the common communiqué signed between the P.R.C. and the Philippines, against the Presidential Decree 313 of President Corazon Aquino herself."

Pressure on the R.O.C., however, is not only coming from the Beijing government. The United States is also involved, putting pressure on the R.O.C. to liberalize its economy, to float the Taiwanese dollar, and to relax foreign exchange controls. The United States has also forced a sharp

appreciation of the Taiwanese dollar against the U.S. dollar, up 46% since January 1986, which has had the net effect of pushing up production costs in Taiwan, making exports more expensive and less competitive on the international markets.

Collusion between the United States and mainland China with the aim of selling out Taiwan is nothing new. The secret trip made by Henry A. Kissinger to Beijing in mid-1971, while he was national security adviser, which led to President Nixon's own trip to China of Feb. 21-28, 1972, triggered the beginning of a long and hard struggle by the R.O.C. to represent China internationally, in circumstances of increasing diplomatic isolation.

Collusion on the part of the United States is even a necessary factor in mainland China's plan to subjugate Taiwan by any means possible. With the return of Henry Kissinger and his protégés to influence in the Bush administration, one could say that this is the return of the "China card" group, and the R.O.C. is once again caught in the same pincer movement that it was almost 20 years ago. The aim of the Beijing leadership is to socially and economically fragment Taiwan, and then walk right in.

The fate and freedom of 20 million Chinese in Taiwan are at stake, and a successful model of an Asian country's effort to free itself from economic backwardness must not be allowed to be destroyed.

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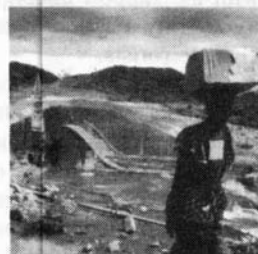
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May Day riots explode in Berlin

Will the Western Allied Powers be forced to intervene to restore order, in a modern version of a Berlin crisis?

As in past years, the traditional "alternate May Day celebration" in the Kreuzberg district of Berlin this year culminated in violent street riots. Thanks to the fact that West Berlin is now governed by a "red-green" coalition government, the city authorities are even less capable of dealing with the crisis than in the past.

Three hundred and twenty policemen were injured, 14 of them severely. Seventy-five stores, banks, and post offices were wrecked and plundered, 34 private cars were set on fire, and 120 police cars were destroyed.

Most of the destruction was caused by some 2,000 largely masked rioters, who emerged from the May Day festival at Lausitzer Platz in Berlin-Kreuzberg. The organizers of the festival were mainly left-wing groups, ranging from the more moderate Social Democrats to the Communist SEW and the pro-terrorist Alternatives, which overlap with the professional rioters of the Autonomous Groups and with the support underground of the Red Army Faction Baader-Meinhof Gang terrorists.

Without warning, the rioters began an all-out frontal attack, hurling stones and sharpened iron cramps, flares, and roof plates on the small contingent of 300 policemen deployed near the festival. Before reinforcements of 1,300 riot police had been brought in, the mob ransacked and burned department stores, set fire to vehicles, built street barricades out of burning tires, and attacked the firefighters. Fortunately, the mob failed in their effort to set afire a gasoline

station in a densely populated residential area, which would have caused many casualties.

Police spokesmen characterized the insurrection as the "heaviest since 1980." Total material damage is in the millions of deutschemarks, and TV footage from the scene reminded one of the daily disaster reports from Beirut.

The Kreuzberg insurrection was well prepared, and capitalized on the fact that the new "red-green" Berlin magistrate of the Social Democrats and the Green Alternatives has declared a "policy of de-escalation" as one of its top priorities. This means that the magistrate is dismantling the special riot police, and restructuring the political police, counterespionage units, and the normal riot police. According to the red-green magistrate's plans, the city's security forces are to fight "right-wing or neo-Nazi violence" and drop all surveillance and legal action against the left-extremist political underground.

Underlying this policy is the fact that the red-green magistrate wants the integration of West Berlin with the Soviet-controlled eastern part of the city and with the surrounding territory of East Germany. The aim is to bring down the Berlin Wall, in the process of hoped-for "reconciliation between East and West."

The East has set as its precondition for integration that the military, counterespionage, and intelligence presence of the three Western Allied Powers be reduced to zero, that political prosecution of pro-Soviet groups op-

erating in West Berlin be stopped, that "all affairs relevant to the city" be managed "by the Berliners themselves." This means the Communists in East Berlin and the red-green magistrate in the West would rule, in close consultation with their Soviet puppet-masters.

Western counterespionage experts in Berlin have repeatedly pointed at the fact that many of the riots are steered from a Communist command post at Kurstrasse, East Berlin. The core groups behind the riots are well funded and well trained, with depots of stones and other riot gear set up far in advance of riots. There is a paramilitary structure, involving radio communication among the riot leaders, who are protected by bodyguards from being caught by the special riot police.

The red-green "de-escalation strategy," which tells the police to refrain from any "offensive" posture and avoid direct confrontation, makes it virtually impossible to arrest any of the perpetrators.

This May Day, the "strategy" of the police was largely to defend themselves against the mob. For most of the time the police were "nearly at the end of their capabilities," according to police commissioner Georg Schertz. Only 16 arrests were made, out of 2,000 rioters.

East bloc insurrection specialists may even play a more direct role. Since most of the rioters are masked, it can't be ruled out that specialists brought in from across the sector borders, from the East, are among the leaders. At least some of them have received training in the techniques of armed insurrection and guerrilla war—not necessarily in East Germany, but likely in special camps in Nicaragua, where 200 or 300 irregular warfare troops per year from all parts of Germany are trained by East German instructors.

Book Review

Russian nationalist imperialism profiled

by Rachel Douglas

The Russian Challenge and the Year 2000

by Alexander Yanov

Basil Blackwell, New York, 1987

302 pages, hardcover, \$24.95

It would be nice to be able to recommend Alexander Yanov's book as a useful pre-history of the Pamyat phenomenon, the Russian racist mobs whose shadow looms over the entire process of *perestroika* in the Soviet Union today. It is too rare, after all, that a writer on Soviet affairs puts a Russian icon crowned by the red star of Communism on the cover of his book, or polemicizes against the notion that 1917 was the great divide in Russian history. To buy the book would be a waste of money, however, since the same material was assembled by Yanov in his *The Russian New Right*, a paperback that cost less than \$10, nearly a decade earlier.

In *The Russian New Right*, Yanov acquainted readers with little-known movements such as the All-Russian Social-Christian Union for the Liberation of the People (VSKhSON), the group around *Molodaya Gvardiya* (*Young Guard*) magazine in the 1960s, and the neo-Slavophile underground journal *Veche*. He put forward evidence about their patronization by individuals and factions within the Communist Party and police apparats.

Much of that material is repeated in the middle section of *The Russian Challenge*. In updating his presentation of the "right," Yanov doesn't bother to talk about the Pamyat (Memory) group of Dmitri Vasilyev et al., whose growth and activity had already burst into public view by the time *The Russian Challenge* came out. Perhaps this has to do with the author's evident desire to paint Mikhail Gorbachov in the most favorable light, as a person having no inclination in the direction of Pamyat or other Russian chauvinists. In a chapter called "Fascism Takes to the Streets," he does provide lengthy

quotations from a 1977 manifesto on "the formation of a broad worldwide anti-Zionist and anti-Freemason front," written by the sinister Nikolai Yemelyanov, who is much admired by Pamyat.

Yanov on Yanov

Unfortunately, what Yanov *has* added is an account of debates within academia during the past decade, about the nature of the Soviet Union, the resurgence of "the Russian Idea," and Russia's "attempts to join civilization," all cast by the author as a war over the merits and demerits of the personality and views of Alexander Yanov. These questions are not devoid of interest, but Yanov's preoccupation with his own place in the battles makes for tedium in his account of them.

Although he recommends that a "historical approach" is needed for American "intellectuals and politicians" to understand Russian imperial nationalism, Yanov repeatedly abandons his own rich knowledge of history, for the pitfalls of formalist modeling (or muddling) that afflict political science. The result is sometimes comical, as with Yanov's remarkable Figure 1, "Five Centuries of Russian History in One Chart," which looks like somebody's wash hung out to dry on an elaborate clothesline. It is more often atrociously misleading, as when Yanov states that 19th-century writer Fyodor "Dostoevsky, unlike [VSKhSON leader] Vagin, was not involved in devising plans for Russia's future." Come again? Did Yanov, who emigrated from the Soviet Union in 1974, somehow miss reading Dostoevsky's *Diary of a Writer*, in which the ideologue of Russia's privileged mission outlined grand schemes for the country's future order and place in the world?

Grand strategy?

In a concluding chapter, "Is the West Ready for the 'Year 2000'?" Yanov plays at grand strategy by categorizing various Western academics' views of the Soviet Union, without any reference to the economic and cultural collapse devouring the West itself. He believes that Gorbachov wears the white hat of a Western-oriented reformer, and that Western nations should attempt to help *perestroika*.

In the February and March 1989 issues of *International Affairs*, the Soviet Foreign Ministry monthly, Yanov, as the first guest author from the ranks of recent emigrés, contributed a two-part article: "New Thinking and American 'Brezhnevism.'" He proposes that the way to make a breakthrough in United States policy toward the Soviet Union, is to build on "the Princeton school of demilitarizing the rivalry" (as opposed to "the Harvard school of non-intervention"), until America were "opened up to the refreshing winds of reform," and the "cauldron of Gorbachovist Moscow seething with new ideas [could] blow up the comfortable provincial torpor of 'Brezhnevist' Washington." To put it charitably, Yanov's constructs do tend to get the best of him.

International Intelligence

Sun Yat-sen's portrait displayed in Beijing

The portrait of Dr. Sun Yat-sen, the founder of modern China, was prominently displayed in Tienanmen Square in Beijing during May Day celebrations—a break with Chinese Communist tradition.

Dr. Sun is also honored as the founder of the Republic of China, whose government now sits in Taipei, Taiwan. Taipei's *China Daily* reported May 3 that the pictures of Marx, Engels, Lenin, and Stalin were not displayed, for the first time.

Mao Zedong's picture was displayed in the square as usual.

Officials emphasized that the change did not indicate any new position on Marxism, and that the People's Republic of China, like other countries, was only honoring its national heroes. In fact, the practice of honoring Dr. Sun only stopped during the Cultural Revolution.

One mainland Chinese journalist, however, said that Dr. Sun's portrait, although it has been displayed for national holidays for the past six or seven years, had never been so prominently displayed in the main square.

Afghan government using chemical weapons?

The Soviet-puppet government of Afghanistan was reported to be distributing gas masks in the besieged city of Jalalabad, apparently in preparation for use of chemical weapons against Pakistan-backed resistance forces, a Mujahideen commander told U.S. sources May 1.

From Kabul, meanwhile, five Afghan pilots told a news conference that the Air Force had developed a technique for evading Stinger missiles which the rebels are using in Jalalabad. The pilots said the technique enabled them to use combat aircraft more effectively and with impunity against guerrilla targets around the city.

There is a very real "danger of defeat in

Afghanistan," columnist Cord Meyer, the old CIA hand, wrote in the *Washington Times* May 1. "In spite of formal intelligence warnings . . . the Pakistani government with the concurrence of the U.S. decided March 5 to persuade local guerrilla forces to make an all-out assault on Jalalabad. . . . The only publicly expressed reservations came from some of the most experienced internal field commanders, such as Abdul Haq, who warned that the guerrillas were not equipped with the heavy weapons and specialized training necessary to break through the defense in depth around Jalalabad."

He continued that as a result of the Jalalabad failure, there is growing conviction by the administration and Congress that a thorough review of policy assumptions is needed. He speculated that if Jalalabad, Kabul, Kandahar, and Herat are able to hold out under Communist control until next winter, the war will be lost.

Sihanouk off again, on again on settlement

Prince Norodom Sihanouk, leader of the coalition of rebel forces in Cambodia, has warned that a "brutal awakening" awaits those who have recently become sympathetic to the negotiating position of the Vietnamese and their puppet government in Phnom Penh. He stated flatly that a settlement to the Cambodia problem was "not feasible at all in the near future," the *Bangkok Post* reported April 30.

Yet, barely a week later, the same Sihanouk waxed optimistic about such a settlement.

"The old Sihanouk, for his part, wishes those in the Free World and others who find sympathetic and even attractive the sirens of Hanoi and Phnom Penh not to have one day a brutal awakening," he said in his earlier statement.

In part, Sihanouk may have been responding to remarks by Acting Supreme Commander of the Thai Armed Forces Gen. Chavalit Yongchaiyudh, who was quoted by the Bangkok newspaper *The Nation* April

26, that Thailand's aid to the Cambodian resistance movement will automatically cease if and when the last Vietnamese troops have left.

Sihanouk's forces, as well as Thai intelligence, have contradicted Vietnamese claims that they have withdrawn troops from Cambodia. Sihanouk told the *Bangkok Post* that Hanoi had integrated into the Cambodian Army "thousands" of Vietnamese regulars and technicians, with another 100,000 armed Vietnamese acting as militiamen, and that there were 1 million Vietnamese settlers in the country.

However, on May 2, in talks between the parties to the conflict in Jakarta, Indonesia, Cambodian Prime Minister Hun Sen formally asked Sihanouk to return to Cambodia as head of state. "We proposed to invite Prince Sihanouk to return home to be the head of state of Cambodia and we will open our government. Then we will set up an electoral commission to allow the other parties to take part and then to organize elections," he claimed.

A day later, wire services quoted Sihanouk: "If Hun Sen supports all these suggestions . . . then I will join my *sonk* Hun Sen. If the Khmer Rouge rejects that, but if Hun Sen fulfills all my requests, then I will resign as the President of democratic Kampuchea. I will go to Phnom Penh as head of state. Hun Sen must accept the principle, the principle of a quadripartite government. If the Khmer Rouge reject it, it could be three-party."

Sihanouk said he had negotiated independently with Hun Sen, not as president of the guerrilla coalition.

The Pope on the 'gift of science'

Pope John Paul II praised science as a "gift of God" at the conclusion of the eucharistic celebration on Sunday April 23, before an audience of 25,000 people in St. Peter's Square.

"Consideration of the gifts of the Holy Spirit . . . leads us today to speak about

Briefly

another gift: that of *science*, thanks to which we are given the possibility of knowing the true value of creatures in their relation to the Creator.

"We know that contemporary man, precisely because of the development of the sciences, is particularly exposed to the temptation to give a naturalistic interpretation to the world: Confronted with the manifold richness of things, of their complexity, variety, and beauty, man faces the danger of assigning absolute value to things, of almost making them divine to the point of being the supreme aim of life itself. This happens above all in light of the wealth, pleasure, and power, that can be obtained from material things. These are the main *idols*, to whom the world bows down too often.

"To resist such a subtle temptation and to remedy the nefarious consequences to which it could lead, the Holy Spirit helps man with the *gift of science*. This helps him to correctly evaluate things in their essential dependency on the Creator. . . .

"Man succeeds in this way in discovering the *theological sense of the created*, seeing things as true and real manifestations, even if limited, of the infinite Truth, Beauty, and Love that is God. . . .

"Illuminated by the gift of science, man discovers at the same time the *infinite distance that separates things from the Creator*, their intrinsic limitation, the insidious role that they can play: in committing sin, one makes bad use of them. . . ."

Korean government cracks down on rioters

About 6,000 riot police sealed off the Yonsei University campus in Seoul, South Korea April 28 to prevent 2,000 students and workers from entering the campus for anti-government protests. Protest organizers have been mobilizing to demand the release of jailed dissidents and workers and a repeal of labor laws.

It was recently announced that the Ministry of National Defense has drawn up a plan to mobilize 80,000 military technicians

to put into the nation's key strategic industries in the event that those industries are paralyzed by labor strikes.

South Korea's crucial textile industry was hit by strikes at the end of April.

President Noh Tae Woo, after six policemen died in student rioting, threatened to take emergency measures if unrest continues. The policemen died of smoke inhalation and injuries sustained while jumping from windows after student radicals set the nine-story Dongui University library building ablaze in Pusan.

In a television address, Noh said, "Behind the flames that divested those youths of their lives, there are forces bent on violent class revolution, believing in murder, arson, abduction, and destruction."

The national news agency YONHAP said the President's speech did not rule out the possibility of martial law.

Paul Kriesberg, a Korea expert at the Carnegie Institute, commented, "Noh Tae Woo is going to be extremely reluctant to do what he's threatening to do," since if he reverses "all democracy," it could bring down his government.

AIDS: Soviets step up syringe production

The Soviet Union is stepping up production of disposable syringes and condoms in a bid to control the spread of AIDS. Health Minister Yevgeny Chazov said the supplies are being increased because early directives to fight the disease have been ignored.

Toward the end of April, Mikhail Gorbachov revealed that 30 million disposable syringes, purchased abroad, have not been used because Soviet manufacturers have been unable to supply needles.

More than 50 children were infected with AIDS late last year when they were injected with the same needle at an intensive care unit in a hospital in southern Russia. The disaster forced Soviet health authorities to admit that the spread AIDS was a serious Soviet health problem, not just a problem for the "decadent capitalist nations."

● **THE UNITED STATES** wants to restore ties with Laos to an ambassadorial level, where they have not been since Communist forces took control in 1975. "There is common interest on both sides to upgrade representation as a sign of generally improving relations," an American official was cited in the April 29 *Bangkok Post*.

● **POPE JOHN PAUL II**, visiting Madagascar May 1, said that advanced countries have a moral duty to pull Africa and the rest of the Third World out of poverty and underdevelopment. The Pope told diplomats that short-term solutions were not enough. The Third World needs to benefit from a transfer of technology that could boost long-term development.

● **A HUGE FLEET** of Communist Chinese fishing boats may be preparing an invasion of the Republic of China on Taiwan, the military there has warned. Almost 75,000 mainland fishing boats approached the islands of Quemoy, Matsu, and the Pescadores in the Taiwan Strait in the past year, Lt. Gen. Lee Chen-lin told the legislature in Taipei.

● **TWO SOVIET** special forces (*spetsnaz*) officers were arrested in West Germany at the end of April. Federal Prosecutor Kurt Rebmann said the pair were "sleepers" assigned to spy on French military bases.

● **THE PAKISTANI** government of Benazir Bhutto is attempting a further crack down on the drug trade there by drafting a bill that would permit confiscation of the property of drug-traffickers.

● **ONE LEADER** of the mass student-worker protests in Beijing is a member of the Uygur minority from the remote Sinkiang province in the northwest, bordering on Soviet Kazakhstan.

More crimes of Henry Kissinger come to light

by Scott Thompson

EIR has long charged that former Secretary of State Henry A. Kissinger has not only committed crimes against the security interests of the United States and its allies, but also specific violations of U.S. law and government ethics regulations that would properly ban him and his closest cronies from any positions in or around the Executive Branch. We have highlighted the manifold conflicts of interest that *should* have prevented former Kissinger Associates officials Gen. Brent Scowcroft and Lawrence Eagleburger from gaining high office in the Bush administration (the posts of national security adviser and deputy secretary of state, respectively).

Now, with an April 30 broadside in the *New York Times*, these charges have been made in one of the principal house organs of the Eastern Establishment itself. The front-page article by investigative reporters Jeff Gerth and Sarah Bartlett, entitled "Kissinger and Friends and Revolving Doors," while it does not tell the whole story, nevertheless documents part of the conflict-of-interest picture in a useful way.

A golden handshake

According to the *Times* account, the financial disclosure forms (SF 278) of Kissinger's "Scowleburger duo"—Kissinger Associates' vice chairman Brent Scowcroft, and the firm's president, Lawrence Eagleburger—show that Henry Kissinger gave these two friends a "golden handshake" or gift, when they left his firm to join the Bush administration. Kissinger gave Eagleburger, who was facing potentially hostile confirmation hearings by the Senate Foreign Relations Committee, a severance payment of \$112,879, in addition to annual salaries and bonuses of \$460,238 for his role as president of Kissinger Associates, and \$213,872 for his role as

president of the more secretive, affiliated consulting firm, Kent Associates. Jeff Gerth of the *Times*, meanwhile, discovered that Scowcroft "belatedly disclosed that he held stock in Kissinger Associates and, according to Mr. Kissinger and public documents, he arranged last month to have Mr. Kissinger buy it back for nine times its estimated worth."

Both these gestures might be seen as intended by Kissinger to assure the loyalty of his friends in their new positions.

The SF 278 form of Gen. Brent Scowcroft, which White House Counsel C. Boyden Gray belatedly supplied to *EIR*, also reveals a major violation of the financial disclosure provisions of the 1978 Ethics in Government Act. First, it is noteworthy that, in filling out the form, General Scowcroft attempted to portray himself as a mere "consultant" to Kissinger Associates; he did not admit that he had actually been the vice chairman until he was confronted by a journalist.

More importantly, General Scowcroft failed to list those firms that were clients of Kissinger Associates for which he had provided more than \$5,000 in services. Eagleburger, because of potentially hostile questions by senators, stuck to the letter of the law by listing 15 such clients, if he obviated the spirit of the law by refusing to name all of them.

Scowcroft, who was paid \$293,300 for his services last year by Henry Kissinger, had a number of such clients, and it is also known that Kissinger, Eagleburger, and Scowcroft had carved up roughly equally the major clients of the firm. In a belated amendment dated March 7, 1989 from Scowcroft to White House Counsel Gray, Scowcroft explains that the reason that he did not comply with the law was that "Dr. Kissinger denied my request for a list of the clients for whom I worked." If this is the best cover story that the staff director

of the National Security Council can devise, it will be a bad four years for the Bush administration.

It is clear that Scowcroft is knowingly and willfully in defiance of the financial disclosure provision of the Ethics in Government Act, for which he can be prosecuted and fined up to \$5,000. A complaint to this effect has been sent by *EIR* to C. Boyden Gray.

New York Times investigator Jeff Gerth raises another conflict of interest for Scowcroft, namely, one arising from his earlier position as chairman of the President's Commission on Strategic Forces, otherwise known as the "MX Commission." *EIR* pointed to similar conflicts that arose for Henry Kissinger when he was chairman of the President's Bipartisan Commission on Central America, also during the Reagan administration. (See *EIR*, April 21, 1989, "Henry Kissinger and His Associates Place Themselves Above the Law"). Briefly, Rep. Henry Gonzalez (D-Tex.) and Sen. Jesse Helms (R-N.C.), both raised a hue and cry over the fact that Kissinger, who then chaired the international advisory board of Chase Manhattan Bank, which employed Kissinger Associates as a consultant on Third World debt, should chair a commission that dealt with the debt issue and its impact on Central America, where Chase and other Kissinger clients were major creditors. Congressman Gonzalez charged that Kissinger Associates was acting as "a private State Department peddling influence" in the region.

Likewise, Gerth discovered that while he chaired the MX Commission, Scowcroft was a director of the Lockheed Corporation, a major defense contractor. Lockheed had only a minor role in production of the MX missile, which was the focus of Scowcroft's report. But, it was the manager of the Trident missile. And, Gerth writes, "The commission's final report . . . contained a number of other recommendations, including 'continued development and deployment of the Trident II (D-5) missile as rapidly as possible.'" When queried by Gerth, a Pentagon lawyer said of this conflict, "If I realized they were going into that area, I would have asked him to make some decision whether to discontinue his consulting with Lockheed or withdraw from the commission's deliberations in that area."

Lockheed is not the only potential national security conflict arising for Scowcroft, who has told White House Counsel Gray that he will recuse himself from dealing with almost 70 firms. Among those firms with which he faces potential conflicts are: Hewlett Packard Co. (held stock); Lockheed (director); Xerox (stock); AT&T (stock); ITT (stock), plus Eagleburger had been on the board of the firm, that employed Kissinger Associates as a consultant; Mitre Corporation (director); the Rand Corp. (director); E.I. du Pont de Nemours (stock); Westinghouse Electric Co. (stock); Aerospace Corp. (stock); and Pacific Telesis (stock). Until he sets up a qualified blind trust, Scowcroft has had to recuse himself from several national defense contractors, as well as such major consulting firms as Rand and Mitre.

Countering the debt bomb

Perhaps the greatest conflict facing Henry Kissinger arises from the issue of Third World debt—although this does not figure in the *Times* exposé. As noted above, Kissinger Associates' clients include Chase Manhattan Bank and Midland Bank of Great Britain, which hold billions of dollars of debt in Ibero-American countries. Another board member of Kissinger Associates, Edward Lewis Palmer, had been until recently a director and chairman of the executive committee of Citibank, which nearly went under in 1987 when Brazil declared a moratorium on payments of interest on its debt. Further, William Dill Rogers, another Kissinger Associates board member and Henry Kissinger's personal attorney, has astonishingly been hired by Brazil to advise it on debt negotiations with these very same banks.

The first major conflict for Henry Kissinger arose when he was chairman of the President's Bipartisan Commission on Central America. However, there is an even bigger conflict, which is shrouded in secrecy, that arises from Kissinger's subsequent 1984 appointment to membership on the President's Foreign Intelligence Advisory Board. PFIAB is a super-secret board employing private citizens that advise the President on the quality of intelligence, analysis, and operations in all areas of national security; members themselves have access to the most sensitive national secrets.

A former member of PFIAB confirmed to *EIR* that the board established a "Third World debt task force," whose chairman was PFIAB vice chairman Leo Cherne, who had been a lifelong friend of Director of Central Intelligence William Casey. Cherne, a self-described protégé of Bernard Baruch, came from the ultraleft-wing of the Roosevelt movement in New York, which frequently overlapped the Left and Right Opposition of the Communist Party. Because of his connection with Baruch, his writings are tinged with the corporatist economic outlook of Benito Mussolini, whose model Baruch and Clare Booth Luce had convinced President Franklin Delano Roosevelt to follow in the New Deal's National Recovery Act.

While Casey had first called for upgrading U.S. financial intelligence in 1979 at a meeting of the American Bar Association, Cherne has confirmed to a journalist that it was only after the 1982 detonation of the "debt bomb," with Mexican President José López Portillo's sudden assertion of Mexican sovereignty against Chase, Citibank et al., that the U.S. intelligence community began to employ against the Ibero-American debtor nations the same methods it had built up at the cost of billions of dollars to counter the Soviet Union—e.g., the massive electronic surveillance network of the National Security Agency. This was DCI Casey's baby, and, it is believed he shared the project with Cherne, who had an office in the Old Executive Office Building only one door from Casey's, when Cherne directed PFIAB's "Third World debt task force."

Let us be perfectly clear. This financial warfare project

has turned large parts of the national technical means of the United States developed for combatting Russia into arms of Chase, Citibank, and so forth that employ eavesdropping, codebreaking, and psychological warfare experts to profile Ibero-American leaders' vulnerabilities during debt negotiations, so that there will be no "debtors' cartel" or repeat of the 1982 shock from Mexico.

While Cherne has so far refused on national security grounds to state whether or not Henry Kissinger works with the debt task force at PFIAB, it is known that Kissinger uses his security clearance from PFIAB to review documents on subjects outside his immediate assignments, as well as to initiate political intelligence operations. It has been charged that Kissinger not only briefs Chase and other creditor bank clients on policy, but that he mounts U.S. government intelligence operations to effect debt collection for them.

For example, even before he joined the board in 1983, Kissinger's friends, David Abshire and Edward Bennett Williams, used the board to order FBI Director William Webster to open an investigation of Lyndon LaRouche, who had been a party to the 1982 steps by the López Portillo government, and also the author of *Operation Juárez*, for an orderly reorganization of the debt that would both preserve the major banks from going belly up, while permitting significant growth by the debtor countries, free of IMF "conditionalities." Kissinger's friends lied that LaRouche and his associates might be funded by "foreign hostile intelligence."

Even before he joined PFIAB, Kissinger was working with one member, Alan Greenspan, now Federal Reserve chairman, to develop a "debt-for-equity" looting scheme that would supplant bad debt for equity in the industries, raw materials, and other natural resources of sovereign Ibero-American nations. Kissinger and Greenspan first recommended this approach on Aug. 27-28, 1983 at the American Enterprise Institute meeting in Vail, Colorado, during a private session with representatives from 50 major firms, who paid Kissinger and Greenspan large honoraria for this advice. This policy has since been implemented as part of the "Brady Plan" of the Bush administration, as well as by Kissinger's firm, Chase Manhattan Bank, through extensive deals with Brazil.

Another more recent operation that Kissinger is suspected of having run through PFIAB is the arrest of Mexican oil workers union leader Joaquin Hernández Galicia ("La Quina"), who was framed so that Mexican President Carlos Salinas Gortari could "privatize" the Mexican oil industry in a major debt-for-equity deal. This scheme to sell off Mexico's patrimony had been floated by Kissinger during meetings with top officials in that country in January 1988, only a week before La Quina's arrest.

Just as Kissinger used PFIAB to open the "Get LaRouche task force," an investigation is also under way to confirm whether this is the secret story behind the projected looting of the Mexican oil industry.

North conviction a the 'Watergating' of

by Jeffrey Steinberg

The May 4 conviction of Lt. Col. Oliver North on three felony counts for his activities during the Iran-Contra debacle has triggered a new flurry of speculation as to the survivability of the Bush presidency. Unless George Bush adopts a radically different approach than his current "no guilty conscience" attitude toward mounting demands that he and former President Ronald Reagan provide a more forthright account of their role in the Iran-Contra episode, the President may find himself swept up in a torrent of new revelations and damning questions that may ultimately bring him down.

In the closing moments of the North trial, defense attorney Brendan Sullivan introduced a sanitized version of a document based on National Security Agency intercepts, which proved that then-Vice President Bush, President Reagan, and CIA director William Casey were all aware of the profiteering of North's co-defendants Gen. Richard Secord and Albert Hakim in sales of U.S. missiles and other arms to Iran. A series of documents released during the course of the North trial showed that both Reagan and Bush were apparently involved in a *quid pro quo* with the government of Honduras to unfreeze hundreds of millions of dollars in American aid in exchange for Honduran support for the Contras. While the illegality of the *quid pro quo* is doubtful, inasmuch as Congress had already allocated the funds to the Central American state, the fact that the documents were not provided to the congressional panel reviewing the Iran-Contra affair has produced howls of "coverup" that sound remarkably similar to the early choruses of Watergate.

In fact, at the present time, no fewer than seven congressional committees have announced that they are reopening investigations into the circumstances around the withholding of the document and the precise role of Reagan and Bush in negotiating the third-country Contra aid by Honduras and other countries. The House Appropriations Committee has additionally announced that all foreign aid to Central America will be held up until the committee receives a full accounting of the Reagan-Bush *quid pro quo* deal. The Senate Foreign Relations Committee is likewise holding up indefinitely the confirmation of John Negroponte as ambassador to Mexico. The former ambassador to Honduras during the Bush visit to Tegucigalpa in 1985 is being squeezed to provide his version of the events.

prelude to George Bush?

With the flurry of congressional activity sure to grab headlines for months to come, there are other far more ominous events on the summer calendar that promise to surface other dramatic and previously covered-up aspects of the Iran-Contra mess. In a sense, President Bush's apparent confidence that the Iran-Contra affair is a "paper tiger" is based on inside-the-Beltway myopia. Congress, according to many Washington sources, is so deeply implicated in the scandal on both sides of the aisle—that no one on the Hill really wants to get into a public brawl with the President. Allegedly, Sen. Daniel Patrick Moynihan (D-N.Y.), operating behind closed doors at the Senate Intelligence Oversight Panel, struck a deal with the White House that would assure that Congress's probe into Iran-Contra is "full of sound and fury"—and little else.

According to some well-placed sources, Bush's biggest problems may derive from some of the Iran-Contra principals who find themselves hung out to dry, particularly in the wake of Ollie North's conviction. These sources report that Adm. John Poindexter, among others, is thoroughly disgusted with President Bush's "wimp act," and no longer feels any bonds of loyalty to the sinking ship of state. Poindexter, first as a senior aide on the NSC and later as national security adviser, had daily access to both Reagan and Bush—unlike North, who only had a handful of face-to-face meetings with the President, always in the company of others. The new flood of documents and proffers that can be expected to surface in the Poindexter trial, not to mention those of Secord and Hakim, represent new headaches for the administration.

Outside the Washington Beltway, in a federal court in Miami, a criminal case is speeding through the pretrial discovery phase that could bust open another exposed flank for the Iran-Contra gang. Jack Terrell, Tom Posey, and other assets of Oliver North's "Enterprise" who helped in the Contra supply operations, are charged with violating the Neutrality Act by training mercenaries and providing lethal aid to the Contras. According to observers, police and FBI records have already been surfaced in the case, which shows that the FBI Foreign Counterintelligence Unit, under the auspices of Deputy Director Oliver Revell, was systematically covering up the involvement of key Contra arms suppliers in cocaine trafficking as early as 1984.

FBI official Revell was reportedly a major target of defense attorneys during the Oliver North trial. However, tapes and documents sought by Brendan Sullivan in an effort to show that Reagan administration higher-ups were fully aware of North's Iran and Contra efforts, were suppressed by Judge Gerhard Gesel. Those documents reportedly showed that as late as 1986, Revell was personally coordinating a major missile purchase through the Israelis for the Khomeini regime in Iran. Why would an FBI official be involved in overseeing an arms-for-hostages deal with Khomeini? The answer lies in Revell's extracurricular activities on behalf of the "Enterprise"—an important piece of the Iran-Contra puzzle that has yet to be fully explored.

The Revell angle could be probed by any of the seven congressional committees preparing to reopen aspects of the flawed Irangate investigation, particularly in light of the FBI's role in screening documents in Oliver North's files for both the Congress and the staff of Special Prosecutor Lawrence Walsh. In the new climate of super-ethics in government, Revell's handling of documents that likely implicated him in some of the very crimes for which North, Poindexter, and the others were indicted, could very well emerge as one of the biggest scandals of the entire sordid affair.

Already cognizant of the Revell liability, Attorney General Richard Thornburgh reportedly called FBI Director William Sessions onto the carpet in March for allowing Revell to continue to ride roughshod over the bureau. In April, Sessions quietly passed over Revell and another top FBI official, John Otto, in appointing his new executive deputy. Revell is reportedly now looking for outside employment. While his departure might ease the blowback on the FBI as the scandal unfolds, it puts Revell, whose Abscam and Brilab capers set a precedent for what has been called "creative extortion," in a position where he could bring down some top Bush people.

The case of Don Gregg

As we go to press, confirmation hearings for Bush's vice presidential national security aide Donald Gregg, the nominee as ambassador to South Korea, are scheduled for May 12. A career CIA official who worked closely with William Colby and Theodore Shackley, served in the Carter National Security Council staff during the Khomeini and Sandinista revolutions, and has been accused of involvement with the Medellín Cartel during the Iran-Contra events, Gregg has been targeted by some Democratic senators as a prime candidate for grilling on President Bush's role in the Iran arms dealings. Rep. Lee Hamilton (D-Ind.) told reporters in early May that he finds it impossible to believe that Bush was "outside the loop" on Irangate, inasmuch as detailed notes exist of a summer 1985 meeting between Bush and the late Israeli government official Amiram Nir, in which Nir provided a blow-by-blow description of the arms-for-hostages dealings with Iran.

Many political factions committed to the cleanout of the intelligence community following the wild excesses of the Casey era are particularly disturbed that Gregg was not sent packing by Bush. Gregg is seen as a continuity of the Shackley crowd from Reagan to Bush, and some institutional factions would rather see Bush go down the tubes than see the Shackley underworld reemerge as a powerful force within U.S. intelligence.

Warlords

The biggest flaw in President Bush's overly rosy prognosis of the Iran-Contra scandal centers, however, on another matter altogether. The President thought he had hammered out bipartisan deals on a range of issues from Central America to the savings and loan bailout. Very rapidly those deals began to break down, beginning with the altered terms of the \$150 billion S&Ls payout. So long as there is no fundamental shift in monetary and economic policy coming out of the White House, the precarious state of the economy will breed an inherent instability.

Politically, that instability has manifested itself in an outbreak of warfare among rival regional financial and political interests, which one observer has likened to a war among street gangs. For the moment, that brawl appears to be most concentrated in the South, where Atlanta and Houston/Dallas-based rival interests, reflecting the Carter and Bush forces approximately, have been battling it out for months. First, Georgia Sen. Sam Nunn (D) brought down Texas Republican John Tower from his perch at the Pentagon. Next, Georgian Rep. Newt Gingrich (R) pilloried Texas Sen. Jim Wright (D). Where this fight will ultimately lead is unpredictable. However, with the muscle of the Trilateral Commission behind the Atlanta crowd to a large extent, nothing can be excluded.

Under these circumstances, analogies to Watergate inevitably emerge. In Watergate, a confluence of forces representing different shades of the American political spectrum—from the Kennedy machine to the *Washington Post* to the CIA—joined to bring down Richard Nixon. No historian to date has ever accused the Watergaters of converging on common political objectives and motives.

One issue that clearly did bind all the differing elements in the Watergate coalition, however, was the role of Henry Kissinger. The more Kissinger's grip tightened around Nixon, the more forces rallied to the "Get Nixon" banner.

President Bush would do well to heed the lessons of recent history. He should dump not only Kissinger and his cronies, but all the other excess baggage that he brought into the White House from the Reagan-era Iran-Contra circus. He should then remind the American people, in the course of wiping the slate clean, that the Reagan administration would never have gotten embroiled in the Iran-Contra affair if the Trilateral-run Carter administration had not installed Khomenei and the Sandinistas in the first place.

Interview: Lyndon H. LaRouche, Jr.

Washington bunker like Adolf Hitler after

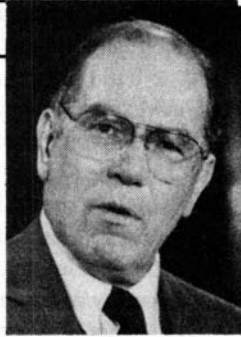
Mr. LaRouche was interviewed by EIR Editor Nora Hamerman on May 1. Since Jan. 27, he has been a political prisoner in the Alexandria, Virginia Detention Center.

EIR: The first question I would like to ask is for your thoughts on the developments around "cold" fusion.

LaRouche: Well, I've said in a couple of places that we have to be very careful about this. I've compared this to the case of so-called high-temperature superconductivity. And it is obvious when I went through what the experiments were, for example in Italy, by Olzi and others, that it was not superconductivity and it couldn't be. What it did was produce an *effect*, which is equivalent, as an effect, an external effect, to what would have been the case *if* there were superconductivity involved.

But the internal process, the internal mechanisms are not superconductive. As a matter of fact, the ideal superconductive device is one that does not conduct at all! Doesn't move a single electron! There are other things involved. Therefore, you had a device that takes a good deal of skill to make these things work at present, but it produces an effect. The engineers are quite happy when they get a workable bit of material, that produces an effect very much as if it were a superconductive device. They get the flow of electrons they are looking for and they are quite happy. They are not too much worried about what goes on in terms of theoretical physics inside the process—as long as it works. Whereas the Italian physicists were in an absolute state of dismay because what this does is throw into a cocked hat, the prevailing theoretical physics.

In the case of so-called cold fusion, I think there is little doubt that there is fusion occurring, either helium-3 or helium-4 output rather than a neutron [produced]. Everyone seems to agree except for a few dissenters, who apparently, like those who say they did not find any neutrons, but did they



mentality: Stalingrad

find helium, would be the question. Did they find helium-4?

A lot more work has to be done. But in the meantime, whatever is happening, to produce this effect, again defies, as in the case of so-called high temperature superconductivity, blows into a cocked hat a certain very highly prized body of accepted theoretical physics. For example, the Bohr atom is the first thing that is shattered by this cold thermonuclear explosion! And the Coulomb effect which is used by Jones: Obviously the Coulomb effect, while it is useful to measure the reaction against the so-called Coulomb effect, it is obvious that this is not a Coulomb effect. We had the same thing back in the mid-1970s. We were talking with people who were working on fusion then about their idea of the Coulomb effect and how it could be overcome; when it's obvious that in that fusion, and in inertial confinement fusion, it is not the Coulomb effect, it is isentropic compression.

Or in the case of the structure of the atom here, it's obvious that the gravitational model of packing of the nucleus and the usual models are all crap, it just could not happen in the way it happened if that were true. Well, we are in the position, having done some work on this sort of thing, to know *why* it's not true. Also I'm probably better equipped, since I've been looking at this alternative for some time, than many of our hard-nosed, stubborn defenders of classroom mathematical physics. I'm much better equipped to cope with this sort of thing psychologically and emotionally.

Nonetheless, beyond the few things that I do know, I *don't* know. And the obvious relevant crucial experiments have to be conducted, along the lines that my friends and I wish them conducted, as well as the way that other people would wish them conducted.

So, what one should say is, "This is very good. We're not quite sure what it is, but it is very good." We've got to push it as fast possible and find out what really is going on here, because whatever it is, it is very good.

EIR: Speaking of excitement, I guess you know about the nuclear reaction that's been touched off in Brazil by the publication of an ad in the *Washington Post* demanding justice for you and your fellow political prisoners, and signed by 100 national congressmen from various countries in Ibero-America.

LaRouche: It wasn't the publication of the ad that set things off, it was—

EIR: The leaking of it—

LaRouche: What happened was, a number of things occurred around the trial, irritating relevant forces in the administration, particularly the Kissinger friends and Leo Cherne types very much. And also irritating people who had gone along and bought into the package deal to put me out of circulation. And this was building up pressure on them. They didn't like it. Then to have a hundred congressmen from Central and South America sign that statement to the Supreme Court saying that this was a travesty of justice and should not have happened, particularly over 70 from Brazil, this to the State Department, particularly to Eagleburger's friends, and maybe to Baker's as well, was like doing root canal.

And these idiots naturally went "ape." And the embassy and consular stations in Brazil, and the CIA, and so forth went berserk. They forgot what Brazilians are.

EIR: Which is?

LaRouche: The Brazilians have a big country and they have big egos and you don't push them around the way the State Department and the CIA tried to push them around, in almost instantaneous overnight response to the appearance of that ad in the *Washington Post*. And that's what the nuclear reaction is. The insane behavior of the U.S. government generally at present, reminds us more and more of the Hitler regime after the Battles of Stalingrad and Kursk. They have power, tremendous power, but they imagine that they can solve all their problems as Hitler did, by asserting the triumph of the immortal American Will, the Establishment Will. And they are behaving as Hitler did more and more toward the end.

More and more like desperate lunatics. And what the State Department showed in Brazil, and showed the Brazilians, and showed the people around the continent—because everyone around the continent with any influence was marching this development—that the George Bush administration, so far, is acting like a desperate Hitler, Nazi government, after the battles of Stalingrad and Kursk, watching toward *Götterdämmerung* saying, "With pure will, the flames will never touch me."

EIR: Could you say more about in what respects the American administration is defining itself as a fascist regime. The word fascism is used by many people in many different ways.

LaRouche: Fascism is very simple. Fascism was defined

very neatly by a fairly obscure follower of John Dewey, called James Burnham, back in the early 1940s. He called it the "managerial revolution." And he pointed to three phenomena; empirically he was right about all three.

He pointed to Bolshevism under Stalin. This was a bureaucratic rule by what we call in the newspaper vernacular today, "technocrats." Not politicians, not constituencies, but technocrats, bureaucrats.

Then you go around to Nazism and you find the same thing, sociologically, from his standpoint, that you find in Stalinism—technocrats, bureaucracy.

Then you go to the United States. And you look at what is happening even then, to the evolution of society in the United States, particularly under the influence of the New Deal. And the corporatist tendencies were initially very strong, from NRA [National Recovery Act] on under Roosevelt, and which were lingering as a trend under the Roosevelt period and afterwards. And you saw bureaucracy, technocrats replacing real political forces, as a system of government. And so Burnham concluded, all right, this is the "managerial revolution."

Or, so we shall [see] that technocrats run the world. Now that is really fascism in one form, it's one of the characteristics of fascism. German fascism, Stalinism, the Social Democracy is full of these fascist tendencies; it's endemic to the Social Democracy for the same reason; Italian fascism, American liberalism is fascist in its tendency, in this respect. The way our industry has evolved, we have gone away from an entrepreneurial society to a technocratic society, a technocratic, rentier society—and that's fascism.

Now, but what defines fascism as a significant phenomenon is something else: an economic policy, from which the sociological policy flows. All fascism, including the American variety, is Gnostic to outright Satanist. Bolshevism was conceived in Satanism, and remains Satanist to the present day. Gorbachov is the man with the Mark of the Beast. He is at least a candidate, if not the nominated contender, for the position of Anti-Christ.

Nazism: Hitler was a Satanist. Mussolini was a Satanist. Many of the American Freemasons who are tied up in the Establishment, have gone over from Freemasonic Gnosticism, to outright Satanism, which is why Satanism is tolerated the way it is in the United States today. They *hate* that which is Western Christian civilization. They hate the idea of the divine spark of reason embedded in a newborn child, and a society based on the principle of the divine spark of reason. Therefore they hate scientific and technological progress, as a characteristic of education, personal development, and personal life within society. They may use the stuff for weapons, but as a characteristic of daily life, as the basis of designing economic policy and social policy, the promotion of the creative powers of the individual, oh, that they hate.

So these societies all tend to be bureaucratic and they are against the Renaissance policy of scientific and technological

progress. They are against the idea that there is a divine spark of reason and creative mind in every individual, to be nurtured, to build society around the nurturing and utilization of that *human* potentiality, that *human* value.

So they prefer blood and soil, the worship of the "feminine principle," Isis, Cybele, Magna Mater and so forth. They believe that irrational impulse, racial instinct, governs things. They want that kind of society, as did the Russians, as did the Nazis, as did Mussolini, and as do the Anglo-Saxon variety of bureaucratic fascists.

Now when you subject a society to that Gnostic ideology or outright Satanism, what you get is a declining society economically, in terms of physical economy. Perhaps a society grows in GNP, because GNP is a meaningless measurement. It grows in terms of monetary aggregates, which is purely a measurement of financial usury. But the physical productivity, the net output per capita and per hectare of land of industrial goods, agricultural goods, basic economic infrastructure, the productive power of society physically goes into a decline under these policies.

So what happens, is the society no longer works. You cannot have a society because the system is based on triage. Which section of society is going to be thrown over the cliff because of the shortage of this or that? Or those that remain, what if they happen to object to getting less and less, poorer and poorer, and therefore they have to be kept in line so they don't become an organized protest force against the arrangement. And then you get fascism: a managerial society, which believes in technology only for military purposes, which believes in trying to limit it and suppress it in terms of development of the population and the economy, finds itself a declining society, as did Rome in its decline, as did Byzantium in its long process of decline, and therefore turns to repressive measures, executed by the irrational will of the detached bureaucratic or managerial phenomenon. They impose dictatorial rule for no reason, just the power of the bureaucracy, pragmatic consensus. The characteristic of Stalinism was pragmatic consensus. The characteristic of Nazism and Italian fascism was pragmatic consensus of this sort. The characteristic of American fascism is the pragmatist liberal, liberalism gone amok, liberalism turned into cannibalism. . . .

EIR: Dennis King has written a book about you saying *you* are a fascist. How can he get away with that?

LaRouche: Very simply. Dennis King works for Leo Cheme. They in turn work for wealthy families, typified by John Train, Richard Mellon Scaife, or the families behind the Smith-Richardson Foundation, which funded King. Or the families behind the Olin Foundation, which are part of the same apparatus. The book is being published by Bertelsmann, who is a friend of Henry Kissinger, Doubleday. And it's done *for* Henry Kissinger. Kissinger works for *families*, principally in Britain, and the United States.

EIR: And these families have fostered—

LaRouche: These are fascists. Now they are dealing with a new Socrates, me. What do you do with a new Socrates? You can't accuse him of doing anything he *does*. That does not work. You don't want to popularize knowledge of what he *does*, because that might work to his advantage. So therefore you must very carefully accuse him of what he is *not*. If he is incorruptible, you must charge him with corruption. If he is an anti-fascist, you must charge him with being a fascist. If he is opposed to racism, you must charge him with being a racist, and an anti-Semite perhaps. So what they simply did was take a page out of one of the people undoubtedly Dennis King admires very greatly, Nazi Propaganda Minister Josef Goebbels, to imitate him. And these people around Leo Cherne function that way. That was the principle of the "bodyguard of lies" of British intelligence during World War II: You protect yourself with lies, and never attack an adversary for what he is, accuse him of being that which precisely he is *not*.

EIR: What do you think about what's going on in the Soviet Union right now, with these major purges?

LaRouche: It's not surprising to me. They were going into a transition anyway. It's been long fated, and we wrote about it. It's part of the Dostoevsky, Photius model. They are going back to "Russian society," as we predicted, becoming a purely fascist society, which is inherent in their nature. They are becoming a Great Russian racist society—Yeltsin represents that, and these idiots in the West think Yeltsin is a great democrat, because he got a majority of the vote. He did not do as well as Adolf Hitler did in 1934! Hitler was a much bigger democrat than Yeltsin, by counting the percentage of votes!

Yeltsin reflects the Pamyat Society, which is pure and simply Russian fascism. That's what's happening. What will happen in Russia? The place is going to tear itself apart. The mightiest military power on Earth is tearing itself apart internally. What will it do? *It will go to war*. While these idiots are screaming peace, we are headed for war. And what they are proposing, to appease Moscow, to propose to defend Gorbachov against his critics in the Soviet Union, this is exactly the way to have a war.

EIR: The Soviets have been open about their brutality, by admitting they gassed their own people in Georgia.

LaRouche: I don't think they admitted anything, I think they bragged about it. . . .

From these events, you get echoes. An interesting dog and pony show. There is a statement by Cheney, the defense secretary, and a statement by Gates from the CIA. Then you have disavowal of Cheney's perception particularly by [White House Chief of Staff John] Sununu on behalf of President Bush.

There are two aspects of this. First, the consensus was to

agree to perceive, or to be seen saying that one perceives, that we must aid Gorbachov and hope he wins at all costs. And Cheney and Gates said, "No. He's probably going to lose." Which is true. There are three points: Either he goes out, with his policies; he stays in, together with his opponents, on their policies, not his; or another crowd replaces him, which our dear friend the general [former head of German military intelligence Gen. Paul-Albert Scherer] referred to as the cement-heads.

Those are the three options. The result of any one of these three options is to throw the Soviet command into what is called flight forward, which means aggressive adventures. The two areas to look at most prominently are the Middle East, where the likelihood of a Syria-Israeli war lingers, or a military adventure against Germany of some kind in Central Europe. Or the Yugoslav thing which is right on the platter waiting to be cooked.

So these fellows are idiots. The American people have to be told the truth. They must be told that those who preach like Chamberlain today will produce results as Chamberlain did in 1938.

EIR: Do you think that the U.S. policy toward Panama is going to play into Soviet hands?

LaRouche: Of course it is. If that policy was not imposed on the United States from Moscow, it should have been. The problem is that some idiots in Washington have their egos involved in this phony business, and in Washington they have very few legs, few hands, but big rectums and big egos.

EIR: Overall, what is your view of the strategic situation?

LaRouche: I think the world is moving very rapidly in the next six weeks toward a new ratchet of crisis. Between the 15th of March and the 15th of April, we notched up a new round of crisis. Then the next six weeks till the first week of June we are notching up another level of crisis. The end of May and beginning of June is a time in which the moving hand writes on the walls of the Oval Office, above President George "Belshazar" Bush, and starts to write, "*Mene, Mene. . .*" And then the Medes and the Persians in the form of the Inter-Action Council and its friends, the following week, bring down the U.S. economy and the U.S. financial system and the dollar. That's the way things look as if they were moving, right now.

And unless George does a turnabout from a lot of the policies he's committed himself to so far, that's what's going to happen.

The only fortunate thing I see on the horizon is the *New York Times* unleashed a report on Kissinger, which might cause Scowcroft to tumble a bit around Washington, and that could have very interesting international repercussions. I won't jump to any conclusions about what will happen, but I watched that phenomenon with a *warm glow*. It's one of my favorite spectator sports.

N.Y. 'Get LaRouche' trial set to begin

On May 3, it is expected that opening statements will begin in the New York State "LaRouche" case—three and one-half weeks after jury selection started in the trial of four associates of former presidential candidate Lyndon LaRouche.

In what may be a world's record, well over 1,000 potential jurors have been screened in the *voir dire* process, in order to seat 12 jurors and four alternates. For comparison, in the federal trial last fall of LaRouche and six associates, in Alexandria, Virginia, the entire *voir dire* process took one hour and 45 minutes—and empaneled federal government employees who, it was later discovered, had participated in the "Get LaRouche" strike force of federal and state governments, and private agencies of the Liberal Establishment! LaRouche and his colleagues were convicted by that jury last Dec. 16, and were imprisoned in January.

On trial in New York are George Canning, Marielle Kronberg, Robert Primack, and Lynne Speed—each charged with one count of conspiracy in the fifth degree (a misdemeanor), and one felony count of scheme to defraud.

In addition to the four on trial now, five other associates of LaRouche are charged with one count of conspiracy, and will stand trial separately at some later date. They are: Nancy Spannaus, Paul Gallagher, Judah Philip Rubinstein, Mark Calney, and Kathy Wolfe.

The 'Get LaRouche' gang

The New York "LaRouche" case, which is being prosecuted by the scandal-ridden office of New York State Attorney General Robert Abrams, is over two years old: The original indictments in the case were brought on March 5, 1987, as Abrams's contribution to the U.S. Justice Department's campaign to destroy the LaRouche movement. The New York indictments came in the middle of a series of wild attacks on LaRouche and his associates, including: Oct. 6-7, 1986: a 400-man raid led by the FBI on the Leesburg, Virginia headquarters of businesses and organizations run by LaRouche associates; the indictments in October and December 1986 of nine LaRouche activists in the federal "Boston" case; the Virginia state indictments in February 1987 of 17 more LaRouche fundraisers; the New York indictment in March of that year; in April 1987, the federal government-imposed involuntary bankruptcy of several LaRouche-associated publishing companies; and then, in July, the indictment of Lyndon LaRouche himself in the Boston case (which

mistrried on May 4, 1988).

The case brought by Abrams (some of whose office staff are rumored to be members of NAMBLA, the North American Man-Boy Love Association), initially indicted 16 people on a vast array of charges of "securities fraud," grand larceny, and so on. In the two years since the case was first brought, and two superseding indictments later, 90% of the charges have been dismissed (by presiding New York State Supreme Court Justice Stephen Crane), or dropped (by prosecutor Dawn Cardi, an Assistant Attorney General, after her predecessor, Katharine Law, had left both the case and Abrams's office abruptly in the summer of 1988). Seven of the defendants originally named have been dropped from the case altogether.

The New York case promises to be long, and is certainly controversial. On the eve of trial, professional LaRouche slanderer Dennis King published a book (released by Doubleday) entitled *Lyndon LaRouche and the New American Fascism*, with a view to influencing the outcome of the trial. King has appeared on radio talk shows across the country since then, vilifying the LaRouche movement and demanding that it be crushed; one such show, the Bob Grant Show in New York, was heard by millions of New York metropolitan area listeners.

On the other side, a LaRouche initiative to lower musical pitch, being organized internationally by the Schiller Institute, has been the subject of significant coverage in the New York press, including in the *New York Post* and *The New Yorker* magazine.

Presiding Judge Stephen Crane is no stranger to controversy, having conducted the trial of "subway vigilante" Bernhard Goetz, who made front-page headlines internationally when he shot several teenagers who, he said, were trying to mug him.

An Ollie North angle

The present case also promises to be dramatic. Defense attorney Jeffrey Hoffman, who is representing Robert Primack, was quoted in the *New York Daily News* April 26, under the headline "LaRouche Legacy," on his "plans to subpoena a Who's Who of Republican politics, including former FBI chief William Webster, Henry Kissinger, Richard Secord, and Ollie North." Hoffman was quoted as saying that the " 'government conspired' to force the LaRouche network into bankruptcy. The evidence," the *Daily News* continued, "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."

Other defense counsel are: Larry Hochheiser, representing Lynne Speed; Mayer Morganroth, representing Marielle Kronberg; and Susan Wolfe, representing George Canning. On the prosecution side, in addition to Cardi, is Assistant Attorney General Rebecca Mullane.

An administration adrift

The President's waffling on key issues facing NATO has drawn fire from strategic analysts.

Analysts from the Center for Defense Policy, speaking at a press briefing here on May 4, expressed grave concerns over the drift of the Bush administration on strategic policy issues, noting that the "lack of a moral compass" is leading the administration seriously astray.

Frank Gaffney, Jr., a former Pentagon analyst who now heads the Center for Defense Policy, was joined by Allen Keyes of the American Enterprise Institute and Roger Robinson, who served on the National Security Council staff during President Reagan's first term.

They blamed the drift of the Bush administration toward dangerous concessions to the Soviets on what Keyes called "a lack of a clearly articulated sense of our own goals."

He said the "downplaying of the importance of clear ideas underlying policy" has led to a "go along to get along approach" by President Bush so far, and this could lead to disastrous consequences, because it has contributed to a climate in which the initiative appears to be in the hands of Soviet leader Mikhail Gorbachov.

"The U.S. is reacting to Gorbachov, and any time you adopt a reactive posture, you are essentially being passive," Keyes pointed out. "It makes us hostage to the policies of the Soviets."

In reality, Keyes said, it is Gorbachov who is reacting to events, including the failure of his own system, but because the United States is not pursuing its own clearly defined goals, it finds itself "aiding and abetting, in

an uncautious way," Gorbachov's attempts to deal with his crises.

Gaffney charged Bush with a "split the difference" approach to issues, citing the example of the decision to subsidize the sale of 1.5 million metric tons of grain to the Soviets. "Some people wanted to sell the Soviets 3 million tons, and some wanted to sell them nothing, so what did Bush do? He cut the difference right down the middle, to sell 1.5 million."

Gaffney, Keyes, and Robinson all expressed fears that the Bush administration will capitulate in some kind of compromise with the position of West German Foreign Minister Hans-Dietrich Genscher, which has become the formal West German government position, demanding early negotiations with the Warsaw Pact for reductions in battlefield nuclear weapons.

Gaffney predicted that Bush would try to punt on the issue until after the Memorial Day NATO summit, in order to try to focus attention on the 40th anniversary celebration of NATO, which was originally intended to be the main business of the meeting until the short-range missile issue suddenly emerged.

Sure enough, later the same day, during an impromptu press conference at the White House, when asked about the missile issue, Bush stressed that the NATO meeting would have the celebration of the anniversary as its focus, and that he would not talk about issues that are being worked out privately among the NATO members.

By indicating that he is "willing to talk" on the issue, however, reporters

interpreted him to mean that he is willing to negotiate on the missile issue with allies who want a deal to cut out the systems prior to an agreement on conventional forces.

Therefore, Bush, by punting once again when called on to take a stand, set himself up to make a dangerous compromise.

In fact, the new West German demand for immediate negotiations to reduce the battlefield missiles arose only because the United States was willing to make an earlier concession on the issue to the West Germans.

During the NATO defense ministers' meeting in Brussels in April, the United States agreed to forego modernization of the Lance system until after the West German elections next year. On the basis of that concession, the allies were able to come out with a joint communiqué at the conclusion of the meeting.

Having won that concession, however, the very next day, Genscher's demand for negotiations on missiles suddenly surfaced as the new West German policy, creating one of the most contentious conflicts in the history of NATO.

For some who can't help saying "I told you so," the issue had its genesis in the signing of the ill-conceived Intermediate-range Nuclear Forces (INF) treaty by Reagan and Gorbachov in 1987, which opened the door to the thinking that reductions in the West's nuclear deterrent against vastly superior Soviet conventional forces in the European theater is a credible policy.

While President Bush and British Prime Minister Margaret Thatcher now berate the West Germans for wanting to negotiate away the short-range missiles, they only have themselves to blame, because it is they who have continued to endow Gorbachov with their blessings for his "sincerity."

Resolution introduced to block Japan FSX agreement

A bill to stop the U.S. agreement with Japan on building their FSX fighter has been introduced into the U.S. Senate by Sens. Alan Dixon (D-Ill.), Richard Shelby (D-Ala.), Alfonse D'Amato (R-N.Y.), and Wendell Ford (D-Ky.).

At a press conference on May 2, Senator Dixon commented, "The FSX deal should never have been negotiated by the previous administration. This FSX agreement should not have been fine-tuned by the present administration. This FSX agreement should be scrapped."

Senator D'Amato urged the Japanese to instead purchase American-made F-16s, which, he said, could meet Japan's defense needs "at one-third the price, in half the time, and without compromising U.S. defense technology that cost taxpayers \$7 billion to develop." He added that "both as good trade partners and as good defense partners, the Japanese flunk."

D'Amato dismissed a question from *EIR* on possible Japanese reprisals, ranting, "We can't be held hostage to the Japanese. We can't allow ourselves to be held in fear. And, besides, I don't think they would do it."

Dixon admitted that he doesn't have the votes to pass the resolution. A similar motion has been introduced in the House by Rep. Mel Levine (D-Calif.).

On May 3, Defense Secretary Richard Cheney, Commerce Secretary Robert Mosbacher, and Deputy Secretary of State Lawrence Eagleburger testified before a packed House Foreign Affairs Committee against motions to overturn the deal. Mosbacher said he was persuaded that Japan would not buy U.S. planes and wanted to produce its own as a matter of "national pride." Cheney added,

"From both a military and economic point of view it makes sense to manufacture fighter aircraft in your own country in order to be able to provide sustainability of the force as well as to keep aerospace workers employed."

President Bush's chief economist, Michael Boskin, warned that "bashing" trade partners like Japan could lead to a trade war and a recession.

Bills introduced to stop civil RICO suits

Hearings began on May 4 in the House on H.R. 1046, the "RICO Reform Act of 1989," sponsored by Rep. Frederick Boucher (D-Va.) to reform the civil RICO or racketeering statute. Hearings on a similar bill S.438 in the Senate co-sponsored by Sens. Orrin Hatch (R-Ut.), Howell Heflin (D-Ala.), and Steven Symms (R-Id.) are scheduled for June 7.

Boucher commented that RICO "had often enough led to innocent business people being branded as racketeers," destroying their reputations. Rep. Bill McCollum (R-Fla.) added that civil RICO is not primarily being filed against mobsters, but against churches, government officials, and legitimate businesses.

The first witness was Prof. Lynch from Columbia Law School, who questioned whether a "law were justifiable, whose lack of abuse is dependent on the restraint of the Department of Justice." He said that the terms of the RICO statutes were so vague—as was the term fraud itself—that "it leaves to the DoJ to decide which cases are serious and which are not," and that RICO changes its nature depending on against whom it is applied.

Lynch pointed out that this was no longer "government by law," but gov-

ernment "by the men and women in the Department of Justice who decide what the law will mean."

Soviets to testify on U.S. defense budget cuts

In an unprecedented move, the House Armed Services Committee under its chairman Rep. Les Aspin (D-Wisc.) has initiated a series of hearings and other indirect contacts with Soviet military officials in order to help the committee decide where to make cut-backs in the U.S. Armed Forces. The committee reportedly feels that the Soviet witnesses would provide reliable first-hand information on their own military plans!

On May 4 committee members met in the House with a group of retired Soviet generals and admirals who were in Washington attending a conference arranged by the left-wing Center for Defense Information.

Later in June, Marshal Sergei Akhromeyev, the personal military adviser to Gorbachov, is due to testify before the committee. In the meantime, the committee expects to visit the Soviet Union, with a possible visit to a Soviet SS-24 rail-mobile intercontinental missile.

Not everybody on the Hill is overjoyed with this arrangement. Sen. James Exon (D-Neb.), said that "seeking official testimony from their military leadership on how we should fund national defense is at best scary. If the Congress cannot make decisions on national security without official public testimony and advice from Soviet military planners, then we are in more peril than I had envisioned. Evidently Gorbomania has struck with vengeance in the Halls of Congress. If we are going that far afield, why not invite Mr. Qaddafi over to give us ex-

pert testimony on stopping terrorism?"

Congress begins debate on 1990 budget

On May 3, the House and Senate opened debate on a compromise \$1.17 trillion budget for fiscal year 1990.

Drafters of the compromise are complaining that the deficit reductions "do not go far enough," while other senators are moving to head off tax increases that could result in more substantial deficit reductions.

NDPCC calls for Moon-Mars colonization

National Democratic Policy Committee representative William Jones called for a national commitment to a 40-year National Aeronautics and Space Administration program to colonize the Moon and Mars, in testimony to the House Appropriations Subcommittee on HUD and Independent Agencies on May 2.

Indicating the tremendous technological benefits for the entire economy which such a program would provide, Jones referred to previous witnesses who were seeking funds for a variety of laudable housing, veterans, and other social programs. "It should be more obvious to this subcommittee than to anyone else on the Hill that this country is in a real economic mess," Jones said. "The program I outlined could get us back on the track so that we would have the economic means to resolve all the other problems discussed here today."

Subcommittee chairwoman Lindy Boggs (D-La.) commented in response to Jones's testimony, "In every

epoch of human history, there have been new ideas brought forth which would transform the condition of man. These ideas have often been met by opposition. It is good to know that there are people who want to push those ideas forward in spite of the opposition."

Obey: No foreign aid until Iran-Contra clear

Rep. David Obey (D-Wisc.), chairman of the House Appropriations Subcommittee on Foreign Operations, is threatening to hold up more than \$700 million in foreign aid funds for Central America until the State Department answers questions about the *quid pro quo* arrangement promising expedited aid to Honduras in exchange for that nation's support for the Contras.

The secret Reagan White House 1985 deal with Honduras was revealed in documents made public during the trial of Oliver North.

The Senate Foreign Relations Committee is also expected to delay voting on the nomination of John D. Negroponte as U.S. ambassador to Mexico until questions raised by the North trial documents are cleared up.

An official joint House and Senate Intelligence Committee inquiry to determine why several key White House documents never reached the House and Senate Iran-Contra committees, while others reached the committees only in preliminary or incomplete form, has also begun.

Rep. Lee Hamilton (D-Ind.), chairman of the House Intelligence Committee, told the *Washington Post*, "I believe these documents suggest the involvement of President Reagan and then-Vice President Bush to a greater extent than I, at least, hitherto thought.

I continue to feel we have not heard the full story" from them.

Nunn, Aspin: Negotiate short-range nuclear weapons

The chairmen of the Senate and House Armed Services Committees, Sen. Sam Nunn (D-Ga.) and Rep. Les Aspin (D-Wisc.), endorsed negotiations with Moscow to reduce short-range or battlefield nuclear weapons. The calls came as former Reagan arms negotiator Paul Nitze attacked President Bush for refusing to negotiate.

On May 3, Senator Nunn suggested that the United States agree to negotiations with Moscow on condition that West Germany accept the deployment of modernized short-range nuclear missiles and that the negotiations not result in their elimination.

Adm. William Crowe, chairman of the Joint Chiefs of Staff, said he would "have no problem whatsoever with what you have just described."

Norwegian Prime Minister Gro Harlem Brundtland, in Washington at the time, encouraged President Bush to accede to West German Chancellor Kohl's proposals for such negotiations. Bush said in his meeting with Brundtland that "entering into arms control negotiations on short-range nuclear forces with the Soviet Union would be a mistake."

Representative Aspin joined with Sen. Nunn in criticizing the administration's handling of the dispute with Chancellor Kohl, saying that the West should open talks with the Soviet bloc on a "mandate" for future negotiations on short-range nuclear missiles, but on condition that the West ensure that the weapons were not completely eliminated, and not reduced until conventional arms were cut.

National News

New 'Atoms for Peace' program proposed

Dr. Glenn T. Seaborg, former Manhattan Project scientist and Atomic Energy Commission director, and Adm. Elmo Zumwalt, former Chief of Naval Operations, called for a new "Atoms for Peace" policy to develop the world, utilizing nuclear fission technology and emerging fusion energy systems. They spoke at the Second International Symposium on Aneutronic Power, held in Washington, D.C. April 28-29.

The "Atoms for Peace" program was initiated by the Eisenhower administration to develop the Third World through peaceful uses of nuclear energy.

The conference was being held to announce the positive results of a three-year Air Force-funded research effort to demonstrate an advanced approach to harnessing nuclear fusion based on colliding beams. According to presentations from leading scientists and engineers, this new approach to fusion appears capable of rapid development and would provide a cheap, clean, and high-quality energy source for the world. The latest developments in "cold" fusion were also presented at the conference.

FEMA to command local law enforcement

The Federal Emergency Management Agency (FEMA) has drafted plans for a vertical integration of its command over state and local law enforcement agencies, according to its "Semi-Annual Agenda" published in the April 24 *Federal Register*.

FEMA has drafted a rule change entitled the "Comprehensive Cooperative Agreement (CCA) Policies, Procedures, and Associated Programs," which would formalize the vertical relationship that has operated until now only under the general provisions of the Federal Civil Defense Act of 1950,

and by "presidential emphasis on grants consolidation."

The new rule is still open to public comment from state and local government, which FEMA says is welcomed and should be submitted to the Rules Docket Clerk.

Meanwhile, a plan for paramilitary forces to act in lieu of the National Guard is quietly being prepared in 23 states, according to the May 2 *San Jose Mercury*.

"California and 23 other states are quietly preparing to have paramilitary volunteers quell civil disorder and battle subversives, should National Guard forces be unavailable," says the *Mercury*. Called State Defense Forces, they are prepared to "assist civil authorities in the preservation of order . . . suppress subversive activities . . . protect critical industrial installations, [and] assume control of state armories."

A public scandal erupted in Utah in 1987 following revelations that some paramilitary officers belonged to the neo-Nazi group Aryan Nation. The governor then purged the ranks of convicted felons and avowed Nazis. The Virginia Defense Forces also purged hundreds of officers and enlistees after "abuses were reported to the state legislature," the *Federal Register* reports.

SDI needed for defense against space debris

Dr. Edward Teller, known as the father of the H-bomb, told an international conference on supercomputers in Santa Clara, California May 2, that supercomputer technologies developed for the Strategic Defense Initiative should be used to track incoming meteorites and asteroids.

Nuclear weapons technology developed under the SDI program could destroy them before they enter Earth's gravitational field. "This is no science fiction," he said. "This is something that can be done and must be done."

Teller said the U.S. should initiate the program and encourage other nations, including the Soviet Union, to join. An asteroid capable of wiping out whole cities passed

within 500,000 miles of the Earth in March, closer than any asteroid since 1937. It was only discovered after it had passed the Earth.

Other presentations to the conference noted that the United States is losing out in the advanced development of computers. When Control Data Corporation withdrew from the field in April, it left a single U.S. company in the supercomputer field, Cray Research, Inc.

The Japanese have recently unveiled a new series of computers considered the fastest in the world.

Anti-Satanism bill advances in Texas

The Texas state legislature took a step toward becoming the first state in the nation to explicitly outlaw Satanic, ritualistic crimes when the Senate Criminal Justice committee approved S.B. 803 by a 5-0 vote on May 2.

The bill defines the crime of ritual child abuse, and establishes severe penalties for the crime. The sponsor of the legislation, State Sen. Judith Zaffirini (D-Laredo), promised that the legislation is only the first step in a broader war against Satanism. At one point in the committee hearings, she held up Satanic computer bulletin board messages which were attacking 803. "They are afraid of this bill because they think this is just the beginning. Well, they are right. They are afraid of it for the same reason I am for it. It's just the beginning," she said.

At the hearing, a coalition of law enforcement officers, parent groups, and legislators, many organized into action by the National Democratic Policy Committee, presented the committee with descriptions of how Satanic cults operate, and evidence of the connection among Satanism, narcotics, and the entertainment media.

The *Houston Chronicle* gave prominent coverage on May 3 to the committee hearing on S.B. 803, in an article entitled, "Children 'Bred' For Sacrifices, Senators Hear."

Zaffirini said she introduced the bill at the request of Lee Read, an Abilene police detective, who said ritualistic abuse was

"very systematic and organized" and "much worse" than other child molestation cases.

"I'm teaching classes on this all over the state and hearing this wherever I go," Reed said. He said some offenders are members of Satanic cults, while others are pedophiles who use ritual as an excuse.

Walker Veal, director of the Killeen (Texas) Police Academy, testified that he had seen a "Satanic calendar" on which some days were marked for human sacrifice, with the sex and age of the desired victim specified. "Based on their calendars, we have reason to believe they are actually performing human sacrifices. . . . Some of these women are breeders. They breed that child specially to be used in a ritual or ritualistic sacrifice," Veal said.

On May 1, Rep. James Cain, members of an independent caucus, and other state legislators introduced H.R. 928 into the Louisiana state legislature, prohibiting the ritualistic practices of Satanism.

Noting that the Constitution is "not a neutral document," Cain, in a press release upon introducing the bill, called upon parent groups, school principals, teachers, ministers and rabbis, and the local police to work together "to make sure everyone is alerted to this danger. And be determined to defeat it." Cain urged citizens "to band together" to ensure that Satanic literature is not sold on magazine stands, and to ensure that no Wicca or other cult members "are on the staff of your local school."

Financial probe targets Los Angeles mayor

Los Angeles Mayor Tom Bradley has become the latest victim of scandals targeting big city black political machines.

Bradley, the first black mayor of the city and long a symbol of potential upward mobility to the city's large black population, is the target of a probe into his personal financial dealings.

The Los Angeles City Attorney's office and the police department's "bunco" unit,

are looking at his connections to Far Eastern National Bank, which paid Bradley \$18,000 in fees during a period when the bank conducted roughly \$2 million in business with the city. Documents released under the state public records act are said by the press to indicate that Bradley used his position with the city to steer business to the bank.

Press reports of April 29 also claim that one of Bradley's daughters, convicted of using the drug PCP, was hired by a Bradley-established "Task Force on African-American Relations" to a \$19,000-per-year job as secretary only seven days after the group was set up by the mayor, with over \$400,000 in city money.

Bradley has announced that he is setting up a "blind trust," effective immediately, to take over all his personal investments.

Rules worked out for presidential succession

George and Barbara Bush met with Dan and Marilyn Quayle on April 18 to hammer out specific circumstances under which the Vice President would take over as President in the event of Bush becoming disabled, according to the *Washington Post* April 28.

The unprecedented oval office meeting, announced by a White House spokesman on April 27, was apparently held to preempt the open confusion that followed President Reagan's wounding by an assassin's bullet in March 1981. With Vice President Bush out of town, Secretary of State Al Haig delivered his infamous "I'm in charge here" statement.

The specific itemized circumstances under which the 25th Amendment, which governs presidential succession, would be invoked were not released by the White House.

Rep. Henry Gonzalez (D-Tex.) has repeatedly introduced legislation to repeal the 25th Amendment, for fear that a cabal of White House aides could effect a "cold coup" against the President. Gonzalez has repeatedly cited the actions of Henry Kissinger under President Richard Nixon as an example of the danger.

Briefly

● **'HARROWSMITH'**, an environmentalist magazine, advocates terrorism in its March-April issue. Author Noel Perrin asks, why not "drive spikes in the great helpless trees, so that when the loggers come, their chain saws will fly apart. . . . Hidden spikes may endanger loggers' lives," but "spiked trees get the public's attention in a way that petitions never have and never will.

● **THE SAN FRANCISCO** *Chronicle* reported May 2, "The *New Federalist*, a newspaper published by supporters of Lyndon LaRouche, carries word of a campaign to free music from the evil forces that are raising its pitch," and that the Schiller Institute "is hosting a series of concerts 'to support the international campaign to lower tuning pitch to A=432,' as preferred by Giuseppe Verdi."

● **THE SPACE SHUTTLE** *Atlantis* was launched successfully on May 4. Its primary objective is to launch the Magellan spacecraft, the first planetary launch in nearly 11 years, which is scheduled to arrive at Venus in August 1990. Magellan will carry a synthetic aperture radar capable of detailing objects as small as a football field through the thick Venus atmosphere.

● **DEFENSE** Secretary Richard Cheney predicted that Soviet leader Mikhail Gorbachov will fail and be replaced by someone "far more hostile" to the West, on an Evans and Novak television broadcast April 29. The White House and President Bush immediately emphasized U.S. support for Gorbachov's reforms.

● **ROGER PORTER**, a White House aide, admitted to reporters that consideration is being given to hiking the gasoline tax which is low compared to other countries, according to the May 2 *Wall Street Journal*. "If you're going to do something on energy, I'm not sure you'd want to limit it just to gasoline," he said.

Editorial

A new 'Atoms for Peace' program

On May 1-2, the American Physical Society (APS) had its annual meeting in Baltimore, Maryland. In past years they have vented their spleen on President Reagan's Strategic Defense Initiative, but this year they apparently considered the SDI sufficiently dormant to broaden the field of attack. Cold fusion was the target.

Many scientists who were there were infuriated by the vehemence with which the APS discounted the work of Martin Fleischmann and Stanley Pons, and the many international laboratories that claim to have substantiated their results.

The main report to the conference on cold fusion was prepared by a team from the California Institute of Technology, which claimed that they replicated the Fleischmann-Pons experiment, without, they said, any evidence of fusion having taken place. The claim of the Caltech team is that the measurements taken by Fleischmann, Pons, et al. were in fact faulty.

It may be that the Caltech researchers are right, but if they are, they are certainly right for the wrong reasons. And despite the arrogance of the APS "mafia," the jury is not yet in. Scientists from Stanford University are refusing to back down from their conclusions. They had performed a controlled experiment, to the specifications of Fleischmann and Pons, in which they contrasted the results when heavy water—deuterium oxide—was used, to those when ordinary water was substituted. Only in the case where the hydrogen oxide, deuterium, was used, were there any "fusion" results.

Were there only a chemical reaction taking place, then one should have the same results whether ordinary or heavy water were used. Only in the case of a fusion reaction should the nature of the isotope of the element involved be crucial. An isotope of a chemical element has the same number of charged particles—protons and electrons—but varies in the number of neutrons in its nucleus. It is the electrons without the neutrons which interact in a chemical reaction; a fusion reaction takes place within the nucleus.

The APS has a dismal record. Their "scientific"

appraisals of the feasibility of the SDI have been proven not only to be incompetent, but deliberately false. In other words, they have had an axe to grind. We would hazard the guess that the same is true in this instance. We would point to the role of the Union of Concerned Scientists in shaping an anti-nuclear, anti-SDI, anti-science lobby in the United States.

This grouping was dismayed at the political implications of cold fusion, not only for the potentials located in the particular experiment itself, but in the excitement generated by the reported results. For the first time in years, the popular media were reporting on the potentials of fusion power for solving any foreseeable energy shortages, with a virtually unlimited, non-polluting source.

Jeremy Rifkin was one of a number of scientists who were quoted in a *Los Angeles Times* article on April 19, warning that the cold fusion experiment is threatening to discredit malthusianism. Said Rifkin: "Fusion energy is an expedient short-lived diversion to the real problem. 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."

In contrast to this insanity, at a conference held on April 28-29 in Washington, D.C., former Manhattan Project scientist and Atomic Energy Commission director Dr. Glenn T. Seaborg and Adm. Elmo Zumwalt called for launching a new "Atoms for Peace" policy for world development. At the Second International Symposium on Aneutronic Power, they called for a program to produce third-generation modular nuclear plants, particularly for use in the developing sector, and for rapid development of emerging fusion energy systems.

Such a proposal by no means depends upon whether the conclusions of Fleischmann and Pons are borne out. Indeed, the major contribution of these two scientists, whatever is ultimately determined about their own work, may well be the spirit of scientific optimism which it has generated among scientists and laymen alike.



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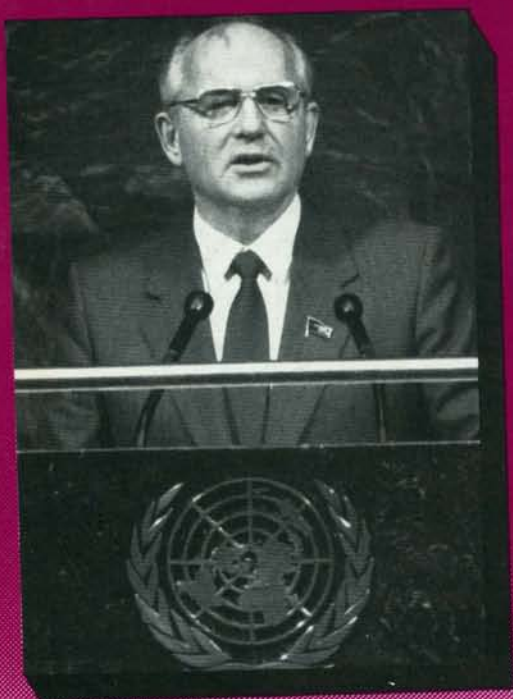
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