

EIR

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Bush, Carter try to steal Panama elections
Behind the conspiracy against Jim Wright
Cold fusion results spark heated debate

The Carter legacy haunts Bush presidency



**The trail leads from Russia's KGB . . .
to Shabtai Kalmanowitch . . . to Armand Hammer
. . . to George Bush.**

Now, for the first time, *EIR* tears the mask off President George Bush's full and witting involvement in the Irangate scandal—and in Moscow's takeover of the U.S. intelligence establishment.

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SPECIAL

REPORT

**The
Kalmanowitch
Report:**

**Moscow's Moles in the
Reagan-Bush Administration**

with a preface by Lyndon H. LaRouche, Jr.

On December 23, 1987, some were shocked at the news that Israeli playboy and arms trafficker Shabtai Kalmanowitch had been caught working as a top agent for the Soviet KGB. But it was no shock to George Bush's "secret government," which had just finished brainwashing President Reagan into accepting Moscow's phony "peace" treaties.

For more than 20 years Moscow has been using the Israeli intelligence services as a conveyor-belt to place its agents high within the U.S. government. And although "little fish" Jonathan Jay Pollard was caught passing U.S. secrets to Israel—and from there to the KGB—the man who recruited Pollard still walks free at Tufts University in Massachusetts.

The threads of the Kalmanowitch story lead into the most sophisticated sorts of Soviet warfare against the West: from the brothels and casinos of Bophuthatswana in South Africa, to the burgeoning Russian mafia in the United States, to the "State Department socialist" Roy Godson, to Soviet agent Armand Hammer, and directly into the Reagan-Bush White House.

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From the Editor

There is no better example at this time of the need for an independent press guided by the tradition of the American System as it was conceived by Franklin, Washington, and Lincoln, than the need to reverse the travesty of U.S. foreign policy in Panama. We at *EIR* have been exposing for over four years the way in which the U.S. liberal Establishment was preparing to keep Panamanians from taking control of the Panama Canal, by staging a violent bloodbath to provide cover for U.S. military action against the popularly supported Panamanian Defense Forces. Now that scenario is being played out; but as we write, Panama is still resisting.

This resistance is being portrayed in the U.S. major media as the actions of a “drug-running dictator,” General Noriega, in opposition to the “will of the people.”

But before you believe that heavy propaganda line, consider that it is being brought to you by the same media that delivered America over to the Jimmy Carter presidency in 1976. Remember that although Carter won his narrow margin of victory through well-documented vote fraud—I suppose that qualifies him as an expert observer of electoral manipulation in Panama!—the universal disgust of Americans with Henry Kissinger meant that few were willing to mobilize to defend Gerald Ford’s actual electoral victory. Then in 1980, American voters voted *against* Carter with the same vehemence they had earlier voted against Kissinger.

Now under Bush, we have the return of the two most detested figures of postwar U.S. politics, Kissinger and Carter. Our cover story this week pinpoints some of the institutions and individuals through which this most un-democratic comeback is being staged, by the same mealy-mouthed forces proclaiming their commitment to “democracy” in Panama. For the truth about events in Panama, see page 34.

On a totally different plane—the plane of defining the kind of thinking and policies that will rescue our planet from the New Dark Age—I was privileged to represent *EIR*’s readers at the wonderful conference held in Rome on May 5-6 to celebrate the 550th anniversary of a great turning point for our civilization, the Council of Florence. In this issue I have provided a first report of the proceedings. Expect more soon!

Nora Hamerman

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Correction: Carol White's byline was inadvertently left off an article in the May 12 issue of *EIR*, called "Wicca and the Atlanta child murders," which was written by her on the basis of combined reports. Also, the drawing published on page 40 in that article was misidentified. It was done by an abused New Jersey child.

Austerity policy lies behind attack on Speaker Wright

by Harley Schlanger

Those looking for signs as to whether U.S. Speaker of the House Jim Wright would fight the drive to oust him over alleged "corruption," have been given an answer. In a combative speech delivered on May 5 in Fort Worth, Texas, before his friends and constituents to commemorate Law Day, the Texas Democrat defined both the legal issues and the broader policy issues involved in his case.

In this speech, Wright identified the unique guarantees that the U.S. Constitution provides each citizen, as we live under a "government of laws and not of men" (see box). These include a right to a fair hearing, which Wright has not yet received, either from the Congress or from the press. However, rather than dwell on this point, as he had previously, Wright articulated a policy direction for the country, one which goes counter to the prevailing "wisdom" of the technocrats who call for savage budget cuts and austerity.

"We need to rebuild America," he said, "and rehabilitate its basic public infrastructure. We need to invest in the modernization of American industry and the education of the skilled American work force. We need to push forward and stay ahead of the curve in the application of new research and new technology to our nation's commercial advantage."

Next, on May 10, in Washington, his legal team launched an aggressive counterattack, tearing into the methods employed against Wright by special counsel Richard Phelan and the House Committee on Standards. His lawyers filed a series of motions, beginning with a challenge of the relationship between Phelan, acting as a prosecutor, and the Committee, which is serving as both judge and jury. They argued that it violates basic rights for the prosecutor to have access to the jury, without the presence of the defense counsel. They also challenged the method of the investigation, the alleged facts compiled to make the case against Wright, and the interpretation of those facts.

Yet, given that Wright is surrounded by colleagues with

a technocratic-austerity bent, can he survive by emphasizing the appeals of the traditional, constituency-oriented politician? Will high-priced, heavy-hitting lawyers be enough to counter the erosion in support which is occurring in the face of daily leaks from the special counsel to the press, which gleefully is trying the case of Wright on the evening news and on the front pages?

With the pundits now predicting less than a 50-50 chance of survival for Wright, it is time for him to expose the "hidden agenda" of his opponents.

Atlanta and the hidden agenda

The Trilateral Commission's project to put Jimmy Carter, a technocrat from the "New South" centered in Atlanta, in the White House, coincided with the final decline of the power of the traditional southern Democrats in Congress—those who came to Washington with the New Deal, who were committed to infrastructure development (now denigrated as "pork barrels") and a strong defense for the nation. They used federal funds to develop the South, centered around military bases, ports, and defense production based on developing new technologies; they also backed improvements in the transportation grid (such as the highway system under the Eisenhower administration, and air transport centers in Atlanta, Memphis, Dallas, and Houston), utilities to provide cheap energy, and water projects.

In the House, Speaker Sam Rayburn of Texas was the leader of this faction. Among his key allies and protégés were Carl Vinson of Georgia, Hale Boggs, F. Edward Hebert, and Otto Passman of Louisiana, Mendel Rivers of South Carolina, and from Texas, Wright Patman, Olin Teague, Henry Gonzalez, Jim Wright, and Jack Brooks. In addition to their commitment to technological progress, these congressmen shared a suspicion of the Eastern Establishment and were fearful that Wall Street and the bankers of Lower Manhattan

had too much control over the nation's financial institutions, such as the Treasury Department and the Federal Reserve. They often attacked this concentration of financial power, with Wright Patman leading the charge.

To rein in the power of the New York crowd, they favored giving the federal government regulatory powers to vigorously guard against the abuse of power. Patman outlined this outlook in a speech in 1936: "It is one of the first duties of government to protect the weak against the strong. . . . I am convinced that there is a conspiracy among a few rich, powerful individuals who control corporations of great wealth to obtain a monopoly in retail distribution. It is a group that is naturally greedy and selfish. Big bankers in New York are substantially aiding them in carrying out their purposes."

With the exception of Wright, Brooks, and Gonzalez, this faction of southern Democrats has been replaced. The new, emerging leaders include environmental kooks, such as Sen. Wyche Folwer from Georgia; phony pro-defense technocrats such as Senators Sam Nunn of Georgia and Charles Robb of Virginia; and a sprinkling of austerity-mongering Republicans such as Newt Gingrich of Georgia, who has taken the point against Wright.

With Carter in the White House, these "New Age" congressmen proceeded to dismantle the regulatory protections which had been imposed in the wake of the Great Depression. Hand-in-hand with Carter's Federal Reserve chairman Paul Volcker, a former employee of David Rockefeller at Chase Manhattan Bank, these congressmen pushed through policies which have led to the transformation of the United States from an industrial and agricultural powerhouse, to a post-industrial economy.

The regional and local banks which previously had promoted the growth of the nation's medium-sized industries, farms and communities have been targeted for takeover. With New York's Citicorp leading the way, the nation's savings and loan institutions are being dismantled and, with them, the nation's housing industry. Megabanks are being created, and whole communities and businesses are being cut off from access to credit.

Wright and the S&Ls

Speaker Wright was clearly concerned by these developments, especially since Texas banks and S&Ls were among those hardest hit by the phony Reagan Recovery and deregulation. He intervened, attempting to gain "forbearance" for delinquent borrowers; he asked that the Federal Home Loan Bank Board (FHLBB) not "encourage lending institutions to adopt arbitrary policies that force homeowners to vacate their homes. People who want to earn their own way should not be forced into bankruptcy."

In a speech given in January 1988, Wright echoed Patman, when he explained his concern with present FHLBB foreclosure policies: "It's a natural instinct to want to salvage something rather than see it torn down and destroyed, to

Wright on law and ethics

"In one particular way America has been different from other countries. Unlike the British from whom we sprang, we did not create an aristocracy and endow it with responsibilities to look after the rest of us. Our revolution, our Constitution, and our history developed in a more egalitarian way.

"And unlike the French and Russian revolutions, we didn't set out to supplant the aristocracy with a dictatorship of the proletariat, reducing everyone to the lowest common denominator.

"Ours has been a decidedly different goal—to expand the aristocracy through universal opportunity and absolute equality before the law. . . . In all of this, we've wanted the humblest person to enjoy the dignity of basic human rights and to participate freely in the political process.

"The individual is protected against tyranny or caprice. Everyone is presumed innocent unless proven guilty. Government cannot make an *ex post facto* law and apply it against you retroactively.

"These have been the basic goals of American law. Our attainment of these goals, although imperfect, is arguably closer to the mark than any other nation has achieved."

protect citizens from unreasonable exercise of power by appointed agents of government." He warned, "I believe I can see a conscious government policy to concentrate wealth in fewer and fewer hands."

In the eyes of his opponents, Wright is guilty of interfering with the restructuring of the nation's economy. In special counsel Phelan's initial report to the Standards Committee on Wright, he included numerous charges against Wright for interference with banking regulatory agencies. He went so far as to say that Wright's expression of concern over the effects of banking deregulation on his constituents involved appearance of "conflict of interest," and questions he raised to FHLBB officials constituted "blackmail."

Wright is a victim of the pattern of prosecutorial abuse directed at those who represent the tradition of constituent-based representation. This pattern includes attacks on labor under the racketeering or RICO laws, and the threat of its use against S&L directors, the watergating of black urban machines, and the "Get LaRouche" task force. These abuses are the club being used to impose the "hidden agenda" of the Anglo-American financial establishment. If Wright is to survive as an effective Speaker, capable of fulfilling his self-defined tasks, he must publicly take on this hidden agenda.

IMF under Brady: a plea for reassessment

by Davison Budhoo

The author whose commentary we excerpt here is an economist who resigned May 18, 1988 from the staff of the International Monetary Fund, charging that the Fund had "systematically" falsified statistical indices of debtor nations, in order to impose conditionalities.

The Brady Plan for Third World debt lays down that only those heavily indebted countries prepared to implement "market-oriented programs of reform" will benefit. And that all such programs must be prescribed, supervised and juridically certified by the International Monetary Fund. This ensures that the same dogma, operational criteria, and methods of approach of the Baker Plan will be extrapolated into the Brady era. The Fund will continue, with greater clout than ever before, to "reform" the Third World in the name of its member governments. . . .

Traditionally it has been accused of foisting on Third World governments, outrageously inappropriate conditionality for its aid packages, of demonstrating a troubling insensitivity to Third World needs and realities, and of increasing poverty levels. Within the last year, it has also been indicted, by member governments and others, for racism in its international operations, abuse of political power by its staff, loss of professionalism and objectivity in its economic analyses, incompetence in relation to new tasks that it must perform under the ongoing debt strategy, high living and excessive staff salaries and privileges, the exertion of unwarranted influence on the World Bank, and unconventional pressures on government officials in Third World capitals to induce them to toe its line against their better judgment. These serious charges, circulated throughout the Third World and raised in the Parliaments of several developed and developing countries, have remained unanswered by the Fund. . . .

Growing opposition

But probably even more ominous is a growing Third World mood of revulsion and rebelliousness. One example is the recent spate of anti-Fund riots and demonstrations in countries as different as Venezuela and Guyana, Trinidad and Tobago and Jordan, Peru and Tanzania, Yugoslavia and Zambia, Egypt and the Dominican Republic. Over the past 90 days, and coinciding in part with announcement of the Brady Plan, anti-Fund riots in the Third World have reached a pitch, claiming hundreds of Third World lives, and bringing injury and imprisonment to thousands more.

Third World governments, taking a cue from their peoples, are desperately seeking alternatives. Even as [U.S. Treasury Secretary Nicholas] Brady was announcing his plan in Washington, Ministers of Finance from Africa were meeting in Malawi to develop economic strategies for structural adjustment of their economies that would not involve the Fund or Fund-type programs. Scores of other governments, although fearful of reprisals from the Fund, have taken steps to establish teams of experts to undertake similar tasks. Latin American governments have met to try to develop debt strategies demonstrably anathema to the Fund. A think tank of eminent Third World personalities, operating from Geneva and supported by Third World governments, is coordinating longer-term research on how to by-pass the present-day Fund system.

But protest is not confined to the developing world. Peoples from developed countries have given added momentum to the tide, and even sister agencies of the United Nations, stunned by Fund realities, have come out in open criticism. So have hundreds of non-governmental organizations, and major religions and religious leaders. Last year a judicial tribunal, convened in response to pleas from the American Association of Jurists and a host of world humanitarian organizations, indicted the Fund for crimes against humanity.

And during the course of the Fund/World Bank Annual Meetings in West Berlin some eight months ago, that city became as an armed camp, with over 10,000 federal troops reportedly rushed in to control anti-Fund demonstrations that were judged to be the largest and most voracious there since the Berlin Wall was built.

All this cannot continue to be ignored by Mr. Brady. For better or worse, he will have to rethink both his means and his objectives, starting with the institutional and policy imperatives that he has unilaterally established. At the very least, he would have to put forward meaningful proposals for Fund reform outside of the continuous white-washing job that Mr. Camdessus, the Fund's managing director, is obliged to do. Mr. Brady should start with alleged internal Fund abuses, for perhaps it is in this field that the U.S. Treasury has the hardest evidence, and can make the most incisive initial impact on current Fund practice.

Fund reform will be painful . . . but it is absolutely necessary. For governments cannot continue the futile experiment of trying to impose compliance to Fund conditionality at gunpoint. Nor can national authorities force people to participate, via curfews and tear gas and martial law, in the process of national development—a process that demands their participation for its success. The scenario of nation-states becoming armed camps to wage war against their own citizens may be the ultimate logic of the present-day Fund system, but it will not lead to the sort of structural change, or the kind of democracy that Mr. Brady and his countless well-wishers in the West and elsewhere will understand or wish to condone.

Southern Thailand goes for the Kra Canal

by Sophie Tanapura

Plans for the construction of a Kra Canal through the southern isthmus of Thailand are very much in the spotlight in southern Thailand and in the nation's parliament. The canal project would link the Andaman Sea on the west with the Gulf of Thailand on the east, speeding the transit time for ships voyaging from the Indian Ocean to the South China Sea and into the Pacific. And as has been put forward by the Fusion Energy Foundation (FEF) of Thailand and its allies, the Kra Canal would also become the site for a super-port at the southeastern port city of Songkla, and a nexus for an entire array of manufacturing of semi-finished and finished products.

The new impetus to the project, since its revival by *EIR* and the Fusion Energy Foundation in 1983, has been the publication this year of an entire book on the project, the first authoritative source on the Kra Canal in the Thai language. The book was produced by the "Kra Canal Club" of the Thai Science Society, which has operated out of the Chulalongkorn University and includes Dr. Boonrod of Chulalongkorn, former ambassador Konthi Suphamongkhon, and the FEF's Pakdee Tanapura. The book features an appendix of excerpts from the speech delivered by American statesman Lyndon LaRouche for the canal in 1984.

At the same time, although Thailand's Prime Minister Gen. Chatichai Choonhavan has twice announced that he sees no necessity for the canal project at this juncture, the canal is now the focus of investigation by a special parliamentary committee headed by General Anek Boonyathi, former commander of the Lopburi Special Forces.

Last March 26, the Thai Parliamentary Committee on the Kra Canal headed by its chairman, Gen. Anek Boonyathi, former commander of the Lopburi Special Warfare forces (parachute commando unit) together with five other members of the Kra Canal Club of the Science Society of Thailand, among them Pakdee Tanapura, left Puket island on a ship provided by the Royal Thai Navy to inspect the Straits of Malacca. Mr. Pakdee is the official advisor to the parliamentary committee.

On March 28, the ship reached Singapore, where the delegation was welcomed by officials from the Royal Thai Embassy, and where discussions were held with Singaporean leaders on the Kra Canal project. Singapore has traditionally opposed the canal project, out of fear that the canal would draw traffic away from the Strait of Malacca, controlled by Singapore. However, many Singaporeans also point out that

the canal's construction would boost the entire economy of the ASEAN countries, and therefore Singapore's as well.

On March 30-31, the delegation traveled to southern Thailand, where the Engineering Faculty of the University of Songkhla hosted a conference on "The Kra Canal and the Development of Thailand." Ambassador Konthi Suphamongkon and Pakdee Tanapura were invited to address the conference on "The Impact of the Kra Canal on Security and International Relations" and "The Technical and Engineering Feasibility of the Kra Canal," respectively. There were 120 participants from all over Thailand, with everyone taking home a copy of the Kra Canal book. The overriding consensus of the conference is that southern Thailand, long underdeveloped and underutilized, requires the Kra Canal as the pivot of its industrialization.

The Parliamentary Committee on the Canal, which is composed mainly of southerners from the Songkhla area, is now drafting a final report on the economic feasibility of the canal project, which will go to the entire parliament and then to the government. Although the prime minister is currently opposed to the project, many in his own Chat Thai party were among the earliest supporters of the Kra Canal as a boon to Thailand's economy.

Outside interference?

Given that the Kra Canal would boost the economies and therefore the political independence of the ASEAN countries, it has not been a favorite with the larger powers active in the area. The postwar treaty with Great Britain, for instance, specifically prohibited Thailand from building the canal. (The treaty has since been abrogated.) But the British are spreading the line in Thailand that the project site of the canal zone should be checked for faults, and warning that the geological region cannot sustain canal construction.

Despite initial interest of the Japanese Mitsubishi Research Institute in the Canal project, the Japanese International Cooperation Agency (JICA) has offered to build—free of charge—a translift by rail linking the Andaman Sea coast of Thailand to the coast of the Gulf of Thailand. The translift system would apparently be able to lift 8-ton ships (fishing vessels) by crane onto the rails. This "landbridge" is to be built at Suratthani.

The People's Republic of China has also quietly offered a joint venture to build an oil pipeline called the Transpeninsula Project, to cut across the isthmus of Thailand. The P.R.C.'s selling point appears to be that through the project, Thailand can benefit from China's technology and cheap labor.

As for the United States, Henry Kissinger came to Thailand in 1985 and personally declared his animosity to the Kra Canal project. All such opposition from foreigners, however, disguised or not, serves as a backhand message to Thailand of the degree to which the canal would benefit Thailand and the other ASEAN countries.

The need for modern agriculture: 'You can't move backwards'

Thomas T. Irvin has been the Commissioner of Agriculture of Georgia, an elected office, for 21 years. Irvin has recently spoken out on the limits of "organic" farming. Irvin was interviewed by Marcia Merry on May 10.

EIR: Both farmers and the general public are getting baraged by propaganda for what's called "low-input, sustainable agriculture," and also by scare stories, including from movie stars, about foods made unsafe by chemicals and pesticides.

Irvin: First, let me reiterate the fact that I am thoroughly convinced that the food that we place on the table today is the safest food that probably we've ever had since the beginning of mankind. Fully realizing that we do live in a chemical society, and we are using chemicals now, I feel that our ability to monitor and to regulate the proper use of chemicals has enabled us to regain any ground that we were able to obtain through organic farming.

I just feel that modern science has given us the techniques in order to properly use modern chemicals. In Georgia, we have the theory that the modern tools of agriculture can be used in a safe and a wholesome manner in order to provide a quality product, and do it in a fashion that we can monitor the residues and we can make sure that our levels are fully in line with the levels that are normally set by both the EPA and the U.S. Food and Drug Administration.

EIR: What is your own personal experience with so-called organic farming?

Irvin: I was born on a sharecropper farm, in extremely poor conditions. The only agriculture we had back at that time could be described under the concept of organic farming. I still remember those days on our farm, in which we would take all the manure out of the stables and the barn, and load it on the wagon, which was mule-drawn, and haul it out into the fields, and throw it, by hand, along in the furrows. We planted the corn in 4-foot rows with 36-inch spacing. And I remember, in addition to that, our attempts to carry on a garden operation under somewhat the same methods.

But even back then, we were not totally organic, because we had pests, and when we had pests, we had to deal with them. We took the chopping hoe, and we'd dig all the briars

and the crab grass, and the other foreign material out of our corn fields, and we'd dig it out of our cotton fields. And in the case of gardens, we found that if we didn't use a little arsenic, and other chemicals that were available to us even back in those days, then, your potato vines—the bugs would eat them up, and would eat up your beans, and many other garden products that we tried to produce in order to have enough food to eat. So, even though you relate back to those days of "organic farming," we were not totally organic, back 50 years ago.

EIR: As you've pointed out before, the terminology that is in use by the media, and also by many of the agencies that promote so-called organic gardening or farming, is very ill-defined and fuzzy.

Irvin: Well, we think, and we believe in truthfulness. If you're going to promote something, and if you're going to advertise to sell something, we have a very, very strong ethics in this department, that it ought to be absolutely truthful. You ought not to allege or to imply anything to that person who is going to buy your product that it's not. We are in regulatory agriculture, and regulate all the food that's sold in this state, and we just do not allow even the major companies to put on TV or on radio, or in printed matter, ads that are not absolutely truthful. I'll be the first to admit that some of the very articulate and very sophisticated New York ad agencies know how to come right up to the line on you. You have difficulty seeing where this is legal and this is illegal. Occasionally, we've asked and somewhat demanded that it be pulled.

But to go out here and to imply, as we are aware that some are trying to do now, that you have a product that is being mass produced today in an organic fashion, is untruthful. And we know it cannot be substantiated. They're using chemicals to some degree. You just can't do it without it.

We have no qualms, and we advocate, and we will continue to support, efforts to find more modern ways in which we can reduce the amount of chemicals we use; pest management, we've been leaders in that area, and if we can do something from a biological standpoint to rid ourselves of pests without using use chemicals, we're all for that. But for those who would say that I can produce you a product in any great quantity today without some of the modern techniques, we don't think it is possible.

EIR: What can you tell us about your boll weevil eradication program?

Irvin: We're extremely pleased. I'll give you a little history about that. I've been commissioner now for 21 years, and here in Georgia this is an elected position. I've served as a regional president and a national president of our professional organization, so I feel like we have proper credentials to call ourselves a national leader. And I served on the committee that first got assistance from the U.S. Department of Agriculture to initiate the first boll weevil eradication program. I was convinced that modern science had developed to the point that we could eradicate a pest that once had been one of our major obstacles to a major crop in the South. And I was aware of how the thing was going to be implemented, starting up in Virginia and North Carolina, moving down into South Carolina, and in through Georgia, and the panhandle of Florida, and down to Alabama. And we have it that far, and it's going to go on west. I think it's going to be a great breakthrough.

We anticipate that once we've completed this job of eradicating the boll weevil, we can reduce the total tonnage of pesticides that is being used in our environment by up to one-third. I think we feel pretty safe with those projections. That's a lot, when you consider how vast agriculture is here in the South; that's a tremendous amount of chemicals that will not

be needed any longer in the production of food and fiber.

EIR: In a letter earlier this year to the *Atlanta Constitution*, you wrote, "We cannot go back to the past in agriculture any more than we can go back to the past in medicine, or in space or in transportation or in any other branch of science and culture."

Irvin: We can't move back. We live in a modern society. Our standard of living is built around that modern society. When I was a kid, we had approximately 50% of our people involved in some type of agriculture. I'll be the first to admit, all of them were not fully involved in total commitment to agriculture, but there was some type of food production tied to 50% of our people. We're down now to where the vast majority of our food is probably being produced by 1%; 3% would nearly cover the total involvement. And that tells you that we're geared up in America today to live a different lifestyle than we were 50, 60, and 70 years ago. And I don't believe that there is anybody out there that is advocating that we return to the ancient ages.

EIR: On the issue of guaranteeing the food supply. . . .

Irvin: Not only do we feed ourselves, but we have input to the food needs of nearly one-fourth of the world's population. We may not provide their total diet, but we sell food all over

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Overpopulation Isn't Killing the World's Forests— the Malthusians Are

**There Are
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Limits to
Growth**

by
Lyndon H. LaRouche, Jr.

**There Are
No
Limits to
Growth**



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the world. We supplement the food needs to nations that do not have the capacity to produce for themselves.

When we first started talking about selling grain to the Russians, it was quite a hot issue here. And I know there was a certain amount of pressure against me to speak out on that issue. But I spoke out, and I said, well, I'm for making our surplus products available to him who has the resources to buy. And furthermore, if our enemies—that being the Russians—were to grow dependent on us for food, I just didn't see any possibility of a nation that would depend on us to help feed their people ever declaring war on us. I thought it was a peace-making issue. Kind of going in the back door.

EIR: On the issue of low-input "sustainable" agriculture: You have mentioned before the nutrients per acre that you can calculate plants need, a certain amount of tonnage per acre of nutrients. If you cut back on that, you are going to cut back on food output.

Irvin: You see, I'm not an agronomist, I'm not a scientist, I'm just a layman. But we can continue to do massive research—which I'm a strong supporter of—for ways in which we can do the job even better. You know, when I was a kid, 8, 10, 12 bushels of corn per acre was a bumper crop. I used to be a school board member, and I'm a past president of the Georgia School Board Association, and had close ties to the Future Farmers of America and 4-H, a lot of our youth groups. I can still remember when we first started trying to get a 100 bushels of corn per acre, then 150, then 200 bushels per acre, and then 250. And scientists tell me today that it's within our reach to produce 500 bushels of corn per acre. But I'm not naive. Today, it may not be the most efficient way to produce that major crop by trying to extract out of the soil the maximum. There may be a plateau, that you can put so much nutrients into the soil, and get so much production, to have sufficient product to fulfill the marketplace and ultimately make it more profitable to the farmers. I'd like to see us to continue to promote that theory. That's what we call a balanced input versus a cost benefit.

EIR: The farm effort during World War II shows that we can set production records if we have to.

Irvin: We can do it again, if need be. But by the same token, let's don't shoot ourselves in the foot by going backward. Let's use some of that modern technology to find a more efficient way to do it when we've got the time. We've got the time frame. There's no pressure on us now. Let's go out and use that modern technology to produce with less input, with hopefully less input.

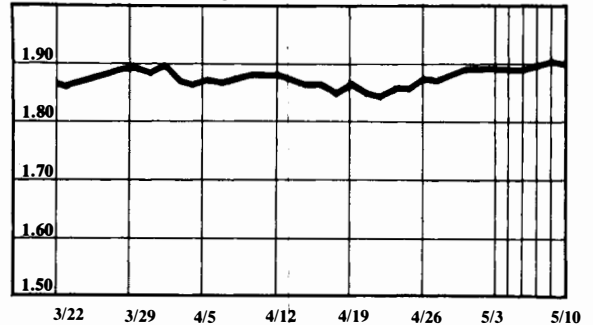
EIR: With modern technology. If we put the Shuttle back up into space, I'm sure we can find a way to deal with these things on Earth.

Irvin: We can. We just have to keep our eye on the big picture.

Currency Rates

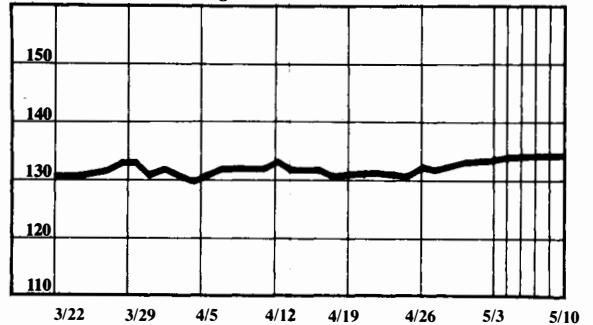
The dollar in deutschemarks

New York late afternoon fixing



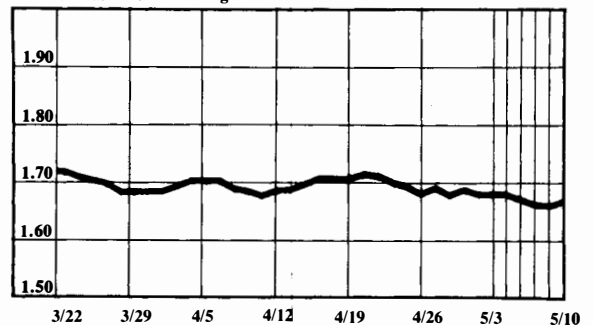
The dollar in yen

New York late afternoon fixing



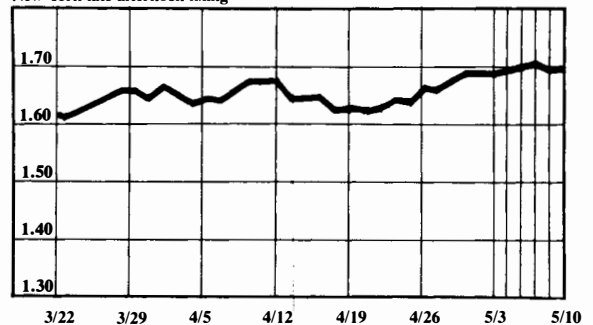
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



The 'continued recovery'

Secretary Yeutter makes optimistic pronouncements, while drought and farm finance disasters threaten the food supply.

On May 10, Agriculture Secretary Clayton Yeutter made his official bow to Congress in the opening scenes of the debate on the new 1990 five-year farm bill. To a packed hearing of the House Agriculture Committee, he presented a slick talk praising the "recovery" in agriculture, and offering "my views on future farm policy that will sustain agriculture's recovery."

Yeutter said, "Much of the turnaround seen in U.S. agriculture in recent years has been due to sustained economic growth at home and abroad. Overall, prospects for the U.S. and world economies favor continued recovery for agriculture." He forecast a growth of 3% in the U.S. economy, calling it the "seventh straight year of expansion."

The facts of the condition of U.S. agriculture could not be more at odds with Yeutter's views. Emergency actions are needed to avert an unprecedented food crisis in-the-making.

On May 11, the USDA itself released its first official estimate of the 1989 wheat harvest—which will begin in southern winter wheat regions in June—and forecast that the crop will be the lowest in 11 years. This means that national wheat stocks, already low, will not be replenished, and much less will be available for export.

One of the hardest hit wheat states is Kansas, where over half the crop may be lost due to drought and winterkill. Kansas alone accounts for 18% of the national wheat harvest, and about 34% of the preferred variety of bread wheat. Oklahoma, Colorado, and other states are affected.

In Montana, over 90% of the winter wheat is lost. Farmers have scrambled to put in spring-planted small grains, but the chances of a decent crop are poor, because of the continued dryness.

Although not the focus of the May 11 wheat harvest report, the prospects for other major grains this summer are also grim. According to the latest 90-day government weather forecast, the cornbelt might be hit by a lack of rain for its summer growing season.

Already, the National Guard has been aiding farmers in southern Iowa to get water for their livestock and farmsteads. The subsoil moisture is down to four feet in many areas.

After the drought last summer, the USDA eased up its annual cropland set-aside requirements to 10% of acreage base required to be idle this year, down from the 27.5% required to be idle for wheat and some other crops in 1988—which guaranteed disaster when the drought hit on top of the set-aside.

Since January, Yeutter has insisted that a drought two years in a row would be "unlikely," so therefore, no emergency measures were needed. Now reality is proving him wrong, at the cost of endangering farms, losing crops, and losing lives.

Private crop forecaster John Schnitker estimates that food prices will be up at least 8 to 10% this year due to the effects of drought. Internationally, millions of people in poor nations will be priced out of the food market, or deliberately prevented from buying by the USDA.

Farmers themselves are facing

disaster because of the combined effects of the drought, and years of low prices and high debt service rates. North Dakota Sen. Kent Conrad (D) has held two hearings this month at which testimony was given on the forced dispossessions against farmers by the USDA/Farmers Home Administration, the Farm Credit System, and others under the Agriculture Credit Act of 1987.

But in Yeutter's view, expressed May 10, "The recovery is also reflected in better financial conditions for farm lenders. Prospects for the Farm Credit System have improved. . . . Most commercial farm lenders reported stronger loan portfolios in 1988 with declines in the number of delinquent accounts, write-offs, and foreclosures."

While misrepresenting the present farm situation, Yeutter presented his views of "Future Farm Policy," by cloaking himself in the mantle of the General Agreement on Tariffs and Trade (GATT) and stressing the issue of keeping farm prices low to compete in the world market.

Yeutter called for "enhancing our leverage at the negotiating table," in terms of undercutting our allies in world trade.

"If the Uruguay Round is successful [it ends at the end of 1990], we will need to modify the 1990 Farm Bill accordingly—probably sometime during 1991. Will we then be writing the 1991 Farm Bill in Geneva? To some degree perhaps, but only if we believe it is in the best interest of American agriculture to do so. . . . If the Geneva negotiations are successful, we'll also be writing a segment of the European Community's 1991 Farm Bill in Geneva, rather than Brussels . . . and the farm bills of Canada, Brazil, Argentina, Australia, and several other countries in Geneva."

Restructuring agricultural credit

The restructured look of agricultural credit is turning both farmland and the farm operators into speculative commodities.

Congress passed one restructuring act per year, three years in a row, before it finally passed the Agricultural Credit Act of 1987, which has become the blueprint for concentration of control over agricultural finance at the level of federal government agencies, in turn controlled by large private commercial banks and insurance companies. Farm credit is no longer to be centered in the farm community and private hands.

Paralyzed and near death only two years ago, today's government agricultural credit institutions are flexing a newly reconstructed body after the blood-letting of at least 300,000 farm liquidations since 1980. Both the Farm Credit System (FCS) and the Farmers Home Administration (FmHA), the nation's two largest agricultural lenders, have been streamlined and centralized.

At the same time, a rapidly expanding interstate banking group is centralizing commercial bank control through buy-outs.

Because of the Agricultural Credit Act of 1987, the 12 Farm Credit Districts of the Farm Credit System were reduced to 6 Farm Credit Districts. The three branches of each district, the Federal Land Bank Associations (FLB), the Production Credit Associations (PCA), and the Bank of Cooperatives also were consolidated.

The 232 FLBs and the 135 PCAs were merged together into one unit regulated by the Farm Credit Administration, and the 12 Banks of Cooperatives were allowed to merge into one new organization called the Central Bank for Cooperatives.

The regulatory agency of the Farm Credit System was reduced from a 12-man board of farmer-member borrowers, elected by other farmer-member borrowers, to a three-man committee, appointed by the President of the United States.

A congressional hearing on the implementation of the Agricultural Credit Act of 1987, chaired on May 9 by North Dakota Sen. Kent Conrad, brought severe criticism of the way FmHA has implemented the new regulations. Singled out was the new computerized credit analysis program called DALR\$. Jim Massey, a lawyer from the Farmers Legal Action Group based in North Dakota, testified, "The many deficiencies of the DALR\$ program is setting FmHA up for massive litigation."

Farmers have repeatedly complained that the DALR\$ program, used often enough to deny credit to a borrower, was incomprehensible to them.

Two new secondary markets for agricultural real estate loans are in the process of being established by the new credit act. The Federal Agricultural Mortgage Corporation ("Farmer Mac") provides a mechanism through which farm real estate and rural housing mortgages can be sold by banks, Farm Credit offices, insurance companies, and others to the "Farmer Mac" secondary market. These mortgages are used as collateral for securities that will be sold to investors. Similarly, an "Aggie May" will provide a formal secondary market for FmHA loans.

This secondary market network facilitates a nationwide centralization of agricultural land and rural home

mortgages. The ownership and servicing rights of the real estate mortgages will go outside the local community, and fall under the control of the Farmer Mac and Aggie May stockholders, most of which are large banks and insurance companies, such as Metropolitan Life, Prudential, and John Hancock.

A recent agricultural credit report by the National Commission on Agricultural Finance, which was authorized by the Agricultural Credit Act of 1987, and whose membership includes, Cooper Evans, President Bush's agriculture adviser, recommended that agricultural finance should have a more deregulated, "free trade" environment. The report states, "The marketplace alone should determine the ultimate flow of capital; restrictions on credit flows should be removed," and, "Barriers to prevent corporate ownership of farms . . . restricts the flow of credit into agriculture."

This report infers that agriculture would be more competitive if policy didn't attempt to "maintain a way of life" for hard-pressed marginal farmers. The commission says, "A well-managed, family-size farm with debt service in line with cash flow could provide a good investment opportunity to a local retired, or about to retire, professional. A group of such farms may provide an investment opportunity for local teachers' pension programs."

The restructured look of agricultural credit in the United States, is turning both farmland and the farm operator into a speculative commodity, into which investors can buy at the lowest price. Agricultural credit policymakers indicate through their own report, "The maintenance of viable farm units does not imply full resource ownership, and future policies should recognize this fact."

IMF rule or democratic elections

If the social fabric is ripped up by austerity and terrorism, the presidential elections will be just a dream.

Brazil has entered the most critical phase of the "democratic transition" begun in 1985, when the first civilian government in 20 years was inaugurated. The draconian austerity increased during the past two years by the International Monetary Fund (IMF) and the creditor banks has provoked an uncontrollable strike wave involving millions of workers. New movements erupt daily in protest of the wage-gouging implemented in order to comply with the debt renegotiation agreements.

During the first week in May, a new element made the political situation, already inflamed by the strike wave, more volatile. There was a chain of well-planned terrorist actions, directed mainly against economic infrastructure.

On May 2, a high-powered bomb with a timing device went off near the National Steel Company (CSN) complex in the city of Volta Redonda, not far south of Rio de Janeiro. It destroyed a monument to three workers who had died in a violent confrontation between strikers and the Army last November. The monument had been inaugurated on May Day by Ignacio Lula da Silva, presidential candidate of the Workers Party (PT). The local steel union is run by leftists from the PT's labor movement, the Unified Workers' Confederation (CUT).

On May 3, one of the four gas generators of the CSN's newest and most productive blast furnaces exploded. That put the furnace out of commission; it produces 7,300 tons of

steel per day, more than 2 million tons per year—60% of the complex's total output.

State intelligence then leaked to the press that in April, an attempt to sabotage one of the nine turbines in the Tucuruí Dam, the prime electricity source for Brazil's northeast, had been discovered. The story was confirmed to the Federal Police last week by the president of Eletronorte, the utility which operates the dam. Had the sabotage been successful, it would have paralyzed the hydroelectric station and left two of Brazil's poorest states and a large part of two others completely without electricity.

The terrorist actions are not the "natural" sociological result of the crisis, but an intentionally induced element. The authors of the Volta Redonda monument bombing deliberately left behind an Army issue backpack. The Volta Redonda plant was built by the United States in 1946 as recompense for Brazil's help in winning World War II. It remains the flagship of the Brazilian steel industry. As the cornerstone of Brazil's rise as an industrial power, it is the pride and joy of Brazil's nationalists and the military.

It seems that one of the objectives of the bombings was to play off the Armed Forces against the great mass of workers, to disrupt any potential for an alliance between these two sectors, both of which suffer from wage-gouging and postponement of technological modernization caused by the IMF's austerity policies.

Such a potential alliance has been known in Brazil for a little more than a year as "the Camarinha effect." In February 1988, Armed Forces Chief of Staff Paulo Roberto Camarinha fought against the austerity program. When he was fired, he warned that if austerity continued, there would be social explosions. When that happened, Camarinha said, "the troops will not repress the strikers," but would be willing to unite with them for identical demands.

Discontent within the Armed Forces over wages is evident. Rumors are circulating that the general staff, which Camarinha once commanded, has now calculated that military wages would have to be increased by 80% to restore the losses from inflation. Another example: On May 4, about 300 policemen and officers in the state of Mato Grosso do Sul engaged in insubordination. They seized the state legislature and held it hostage to prevent it from passing a law granting them wage increases averaging 30%. The policemen demanded 130%.

At this point, given the total failure of the government's "Summer Plan" economic program, it is already certain that a new round of hyperinflation is on its way. It is projected that inflation, which has been at 6-10% per month under the "wage-price freeze," will soar to 30% per month in August or September. If that happens, the presidential elections, whose first round is scheduled for Oct. 15, will assuredly not take place.

The strike wave, terrorist actions, and generalized discontent make it clear that if the government insists on faithfully applying IMF conditionalities, it will make it impossible for the citizens to elect a President—an event which has not happened since 1961, when Janio Quadros was elected President and João Goulart Vice President.

Business Briefs

Trade

Farmers revolt against Japan's ruling party

Young farmers in about half of Japan's 49 prefectures have rebelled against the ruling Liberal Democratic Party over former Prime Minister Noboru Takeshita's trade concessions to the United States. They have not been calmed by Takeshita's recent resignation.

Farmers are vowing to punish the ruling party by rejecting its candidates in coming elections. Some are even trying to create a farmer's party. The farmers have already defeated several LDP candidates in local elections.

The highly organized farm bloc, while less than 5% of the population, represents 25% of Japan's voting power, with a 93.5% turnout rate. The loss of even a portion of those votes couldn't come at a worse time for the LDP, wracked by scandal over campaign contributions that cost Takeshita the premiership. An *Asahi Shimbun* poll released May 9 said of overall voters, that only one in four expected to vote for the LDP.

Farmers say the United States provoked the farmers' rebellion by pushing Takeshita to relax import restrictions on a host of agricultural products. Many LDP members had promised the farmers that this would never happen. Farmers point to Japan's ban on rice imports, expressing fears that it would be the next concession to the United States.

Starting from the southern island of Kyushu, where much of Japan's beef and oranges are produced, a farmers' rebellion swept north.

"Our demands have been ignored for a long time and the anger came out," says Tomoyasu Takeda, a university-educated stock breeder and rice farmer, who is leading the rebellion in politically important Niigata prefecture. "If they don't listen to us, the only thing we can do is depart from the LDP."

Commentators are even using the old fashioned word *Ikki*, or uprising, which conjures images of peasants with axes attacking feudal lords.

"We aren't saying the LDP is all bad," says Takeda. "If we make the LDP listen

and reexamine itself, then they will realize they are at a crossroads. Maybe we can keep them from liberalizing rice imports."

Health Care

HMOs raising rates in California

California health maintenance organizations (HMOs) are raising rates in the face of alleged "abuses" of their programs and dramatic losses. Among them:

- Maxicare lost \$5 million last year on its contract to cover 11,000 poor people in Alameda, San Francisco, and Contra Costa counties (all in the San Francisco Bay Area). On Feb. 1, Maxicare dropped its Medi-Cal contract with the state, dumping patients onto the already-overloaded county health system. Maxicare, which has 900,000 customers nationwide, filed for bankruptcy in March.

- Takecare, the second largest HMO in the Bay Area, lost almost \$1 million in 1987. Since then, it has required members to use only specific pharmacies and use generic drugs.

- Kaiser Permanente, with record growth and good profits, nonetheless raised its rates 13% in 1989.

- Blue Cross and Blue Shield lost \$1.9 billion in 1987 and almost \$1 billion in 1988. Other insurers are reported to be getting out of the business.

Banking

MCorp files new suit against Fed

MCorp, the troubled Texas bank holding company, has filed yet another suit against the federal government in its continuing legal battle over the future of the company.

The latest suit, filed in federal bankruptcy court in Houston during the first week of May, seeks to force the Federal Reserve

Board—which seized a number of MCorp banks earlier this year—to honor MCorp's previously filed Chapter 11 bankruptcy and to stand in line with other creditors in pressing its claim for MCorp assets.

The Federal Reserve has responded by arguing that such a ruling would affect "the stability of the nation's financial system." The Fed says the basic legal issue to be resolved is: Which body of law is more powerful, the federal bankruptcy law or federal banking laws?

Fed lawyers say that a ruling in MCorp's favor would allow bankrupt bank holding companies to operate beyond the reach of regulators. Such a development would jeopardize the "health of the nation's banking system" by encouraging other troubled holding companies to hide under bankruptcy law, thus pushing the nation's financial system to the brink.

"The Federal Reserve is trying to set this up as some titanic collision between the bankruptcy law and the bank holding company act," said MCorp attorney D.J. Baker. "That's preposterous."

Asia

Economic disasters loom in China

Communist China's unemployment rate will nearly double this year, according to the May 8 *China Daily*. Unemployment is officially 2%; this year it will rise to at least 3.5% as school graduates, demobilized soldiers, farmers seeking factory jobs, and laid-off construction workers all look for work at the same time.

The same paper acknowledged April 17 that a coal disaster is looming and investment is desperately needed in Guizhou Province, the south's biggest coal producer. Total demand will reach 63 million tons by 1995, with production only reaching 42 million tons, even "assuming the scheduled investment is forthcoming."

In spite of the acknowledged crisis, however, investment in the industry is being cut from 90 million yuan last year to 60 million yuan this year. Production is thus

Briefly

expected to decrease.

Meanwhile, drought is threatening the winter crops in North China and badly affecting a power crisis in the south. Ten provinces in the north are faced with severe crop damage, with Liaoning and Jilin the worst hit. According to the Jilin Provincial news service, the "extent and the area of farmland affected by the drought have been somewhat unprecedented since the founding of the P.R.C." The reservoirs in the area are down 40% since 1988.

Meanwhile, in the south, the two successive years of drought have left the water level in the main hydroelectric stations so low that the stations are expected to be completely unusable by the end of May. Yunnan's power grid will have a 400 million kilowatt shortfall in the second quarter. Because of the coal shortage, it is impossible to boost the thermal power plant output. Similar problems exist in all the southern provinces.

Science

New cold fusion results reported

In a presentation to the Electrochemical Society meeting in Los Angeles on May 8, Stanley Pons and Martin Fleischmann, discoverers of the so-called cold fusion effect, reported that they have repeated their experiment, and achieved a higher excess energy than before: 10 to 50 times the amount of energy they put in to the experiment.

For years, scientists have believed that to obtain fusion energy required temperature levels approximating those of the Sun. But Pons and Fleischmann announced an experimental effect on March 23, indicating that they had obtained fusion at room temperature. Since then, the experiment has been replicated in many parts of the world, with a few reports of negative results, too.

The two scientists said that those who had reported negative results had not published their results in full. "I accept our technique may be at fault, but I don't accept it's at fault for the reasons that have been put forward," Fleischmann said. "If we turn out

to be wrong, I will be the first to admit it."

Fleischmann said he and Pons would publish a scientific paper in the summer giving full details of their experiments, and a series of conferences on cold fusion are planned throughout the year, according to a Reuters report.

On May 5, scientists at Moscow University announced that they had replicated the fusion experiment, and said they could "assert with confidence that the nuclear fusion reaction actually takes place," according to the *New Scientist* April 22. Runar Kuzmin of the solid matter physics laboratory had published a paper in 1981 showing that cold fusion was possible, *New Scientist* said. The rector of Moscow University, Anatoly Iogunov, said that he has no doubt of the correctness of the experiments conducted there, and that the university is about to embark on an extensive program of fundamental research in the area.

Labor

Mexican government fires bus drivers

The government of Mexico has responded to a strike of 23,000 bus drivers in Mexico City that began May 3, by announcing that the city contract with the bus company, Ruta-100 has been canceled, and all workers fired.

Enrique Jackson, city transport coordinator, announced that Ruta-100 was very inefficient, and would be replaced by a new organization.

The city brought in 1,000 buses from outlying areas, charging four times the subsidized fare, but was still unable to move all commuters.

Meanwhile, thousands of striking bus drivers marched together with striking teachers through downtown Mexico City, and blocked several major thoroughfares. The bus drivers struck for a 25% pay raise, the same increase offered the teachers (which they rejected), and reportedly the government's nightmare is that other public workers will now demand 25% increases. The harsh action against the bus drivers was thus taken as a threat by other public employees.

● **THIRTY SHERIFFS'** deputies descended on the Stedman family farm near Jameston, North Dakota without prior warning May 7, shortly after a judge lifted a bankruptcy stay. Everything on the farm was seized. The Stedmans were given no time to challenge the judge's finding.

● **THE TAIWAN** dollar rose to its all-time high against the U.S. dollar, after the U.S. Treasury Department told Congress that both Taiwan and South Korea were manipulating currency exchange rates. Since the Taiwan dollar rose above 30 to the U.S. dollar in 1987, some 30% of Taiwan's handbag manufacturers have shut down, and another 30% are expected to go under this year.

● **'CHINA** is a Bretton Woods success story," wrote Robert Manning in the *Wall Street Journal's* European edition May 7. Manning authored the report, "Asian Policy: The New Soviet Challenge in the Pacific," for the Twentieth Century Fund last year. He apparently wasn't kidding when he wrote: "The World Bank played no small role in China's agricultural reforms. Chinese officials, in uncharted waters as they have moved toward market policies, have benefitted from IMF/World Bank advice."

● **WORLD SUGAR** production will fall 369,000 tons short of consumption during 1989, according to the latest sugar report from E.D.&F. Man, the London Trade house. It cites "a myriad of imbalances which can only be corrected over time." The deficit in the Far East has taken market prices to the highest levels since 1981.

● **24,000 BRITISH** farmers have registered 7 million acres in a scheme under which farmers are offered up to £80 per acre if they agree to set aside at least 20% of their eligible arable land for five years, laying it fallow, putting it into woodland, or a range of other non-agricultural uses.

Cold fusion experiments spark heated debate

Marsha Freeman reports on the range of reactions that the scientific community is experiencing over the continuing developments in 'cold' fusion.

In recent weeks, the world has been fascinated by the actual experimental results and possibilities of cold fusion, and by the acrimonious response of some veteran scientists who cannot explain the results of the experiments and are even counseling their colleagues not to try to do so!

Dr. Martin Fleischmann, one of the two original principal investigators along with Dr. Stanley Pons, has reportedly stated that 60 laboratories and experimenters around the world have replicated the famous University of Utah experiment, which produced 100 times more heat in an electrochemical cell than could be predicted by known chemical reactions.

The detailed descriptions of some or all of these experiments, in addition to results from crash-effort research taking place at government national laboratories, should start to become available in a matter of weeks. Already many countries have reported ongoing scientific work and even preliminary positive results from work on cold fusion.

According to Dr. Stephen Dean at Fusion Power Associates in Maryland, Energy Secretary Adm. James Watkins has given the Department of Energy laboratories 90 days to clarify the Utah claims, and has asked Los Alamos National Laboratory to convene an international workshop on cold fusion in Santa Fe, New Mexico from May 22-25.

In addition, the Department of Energy announced that its Energy Research Advisory Board will establish a panel to conduct an independent review of "the entire research situation." This is the fastest the government's scientific bureaucracy has swung into action in this reporter's memory.

Despite all of the heat that is being generated at meetings and in the media, as opposed to the heat from the experiments themselves, one thing remains clear: though there is no theory from the standard chemistry or physics text books that adequately explain what Drs. Fleischmann and Pons have dis-

covered, it only takes one other experiment producing the same results as theirs to verify the fact that they have discovered a new phenomenon. As Dr. Fleischmann has counseled, the researchers who have tried to replicate their experiment but have failed, must also publish the details of their work, so scientific inquiry can be broadened.

It does not matter how many researchers *cannot* confirm the results, as there are likely an infinite number of ways the experiment can be done, different from the way Fleischmann and Pons did theirs. As long as other confirming experiments are successfully done, the scientific community will not be able to escape the challenge to develop new scientific theory to explain this low-temperature fusion phenomenon.

Perhaps one of the most sensible and candid reactions from the stodgy physics community to the puzzling cold fusion experiment was that by Joseph Weneser of Brookhaven National Laboratory, quoted in the *Boston Globe*. "I truly don't understand how the results could have been produced by fusion. But then, there are lots of things I don't understand."

Low-temperature fusion

One of the clearest presentations to date on the difference between "conventional" high-temperature fusion and the new cold fusion results was a discussion by Drs. Fleischmann and Pons before the full House Committee on Science, Space, and Technology on April 26.

Describing the background to their research, Pons explained that in 1984, he and Dr. Fleischmann were discussing the problem of high-energy or high-pressure electrochemical phenomena. "We knew that the concentration and behavior of hydrogen which had been placed in two certain metal lattices by electrochemical means indicated that if one were



Marjorie Hecht

In hearings before the House Committee on Science, Space, and Technology on April 25, Dr. Martin Fleischmann (with pen) shows experimental "cold fusion" apparatus to Rep. Marilyn Lloyd of Tennessee.

to try to duplicate these processes by hydrostatic means, or pressure . . . enormous, almost astronomical pressures would have to be applied.

"This indicated to us the possibility of many new areas of research such as hydrogen storage or new chemical synthetic methods. The most intriguing implication," Pons continued, "was the possibility that under such high-energy conditions it indeed might be possible to fuse light atomic nuclei—a very unlikely situation, but certainly the science seemed to be there" to imply that.

The scientists then designed and began a simple experiment which has been described in this and many other publications. Inside the palladium electrode of the apparatus, atoms of heavy hydrogen, or deuterium, concentrate as they are separated out from the heavy water. Pons posits that what is formed is a low-temperature plasma, or mixture of positive deuterium ions and negative electrons.

He explained that according to the measurements they took at the University of Utah, the difference in the chemical potential inside and outside the palladium metal lattice was about 0.8 volts. "While this is not a very large voltage, if you think in terms of a battery, for instance," Pons stated, "it has very strong implications if we think what we would have to do to recreate the same situation in a chemical sense.

"If indeed you were to try to obtain that same voltage by the compression of hydrogen gas to get that same chemical potential of 0.8 volts, you would have to exert a hydrostatic pressure of a billion billion billion atmospheres—tremendously high pressure."

But the Fleischmann-Pons experiments have not produced the products of known fusion reactions. How do they explain this?

The scientists think they may have a variety of deuterium-deuterium fusion inside the palladium electrode. Deuterium (D) is a hydrogen atom (one proton) with one neutron. Dr.

Pons explained that according to accepted theory, this D-D fusion would produce either tritium plus a proton plus energy, or helium-3 and a neutron. In their experiment, very, very few neutrons were found. They did find evidence of increasing amounts of tritium in the heavy water solution adjacent to the electrode. The most important and significant product found in the Fleischmann-Pons experiment is the excess heat, or the calorimetric data.

The scientists reported that the excess heat produced in their experiment arises from a process inside the electrode, not on its surface. Therefore, the quantity of heat depends upon the volume of the electrode, and not the surface area. This is important in designing a scaled-up apparatus to do further testing of the phenomenon.

The heat is generated indefinitely until the cell is turned off, Pons reported, and "it is a constant excess heat under the conditions measured here. . . . If we try to explain the magnitude of the heat by the conventional deuterium-deuterium reaction, we find that we have 10^9 times more energy from these thermal measurements than that represented from this neutron and the tritium we observe.

"So, apparently there is another nuclear reaction or another branch to the D-D fusion reaction that heretofore has not been considered," Pons summarized, "and it is that [that] we propose is indeed the mechanism of the excess heat generation."

Compared to high-temperature fusion

As Dr. Fleischmann explained to the House committee, in conventional fusion research, there has always been a series of parameters that had to be reached in order for energy breakeven to take place, in terms of theoretical prediction. This is the point at which there is net energy produced from the fusion reaction, subtracting the energy input required to get the reaction going.

This parameter is a product of the density of the plasma fuel, times the amount of time it is confined in a small area, so the fusion reactions can occur.

In high-temperature fusion, the objective, Fleischmann stated, is to raise the energy of the particles in the plasma to the order of 10 to 100 kilo electron-volts, or at least 100 million degrees Centigrade. "Our experiment is really radically different from that," Fleischmann explained.

"First of all, the energy scale is not measured in kilo electron-volts," he stated, but in single electron-volts. The regime of one electron-volt is "the province of the chemist," he said. The characteristic temperature is about 10,000°, which is considered high-energy chemistry.

What makes up for this low temperature, the scientists believe, is the astronomical confinement parameter, or the amount of time the hydrogen ions are held close to each other in the palladium lattice, according to the way they explain it. In their cold fusion experiment, this "confinement time" is a billion billion times greater than that of a high-temperature plasma, because the deuterium ions continue to accumulate and are apparently trapped inside the electrode, and are not charging off in different directions, as they do in high-temperature fusion.

Dr. Fleischmann warned the committee members that it is a difficult matter to quantify all of these parameters and products at this early stage. "These experiments take quite a

long time. They require months and not days to carry out," he said.

Dr. Pons announced at the hearing that 19 new experiments on their cold fusion approach are being set up. "One of those is a demonstration of a previously run experiment, for Los Alamos National Laboratory." The Los Alamos scientists, "will come up [to Utah], make the measurements they want to make on our own system, bring their electrochemists, and . . . go through our method of measuring the thermal output. And when they are satisfied with what they see, then they will take that experiment away" to Los Alamos.

Dr. Pons described the new science that may come to explain their experimental results as a "gray area between chemistry and physics." But he also warned that caution should be taken, and that "theories must be used to explain experimental data, not to criticize experimental data," and that scientists should not be saying "your data must be wrong because the theory doesn't predict that."

The Fleischmann-Pons experiment certainly does throw down the gauntlet to the scientific community. Serious scientists are trying to do experiments, and think about how such an unexplained result can be explained. Unfortunately, the science mafia in the media and prestigious institutions, such as the American Institute of Physics, are not rising to the occasion.

Not science, subterfuge

No literate person would be surprised to find out that the *New York Times* and other major national press are presenting one-sided, negative reporting on the experimental results in cold fusion. Over the decades of this century, the *Times*, in particular, has editorialized against the development of electricity and airplanes, and against going to the Moon or building the Space Shuttle.

On Saturday, April 29, *Times* reporter Malcolm Browne reported that scientists at New York's Brookhaven National Laboratory and at Yale University "failed to confirm the findings" of the Fleischmann-Pons experiment. The "evidence" cited: The scientists surrounded four electrolytic cells they had built with six neutron detectors, but could "see no neutrons." The *Times* gladly omits the fact that Fleischmann and Pons did not find the production of neutrons that would be theoretically predicted from fusion either, which is one of the results that has made their experiment so intriguing.

A similar fallacy of composition has been perpetrated by Dr. Steven E. Koonin and others at the California Institute of Technology, such as Nathan Lewis, who have been ringleaders of the line that "cold fusion can't work." This group has insisted that only "experimental errors" could account for the cold fusion results.

The *Times* has led their coverage with editorials such as, "The Utah Fusion Circus," and actually said, "As for the University of Utah, it may now claim credit for the artificial-heart horror show and the cold-fusion circus, two milestones at least in the history of entertainment, if not of science."

In response to the lynch-mob atmosphere that was created at the spring meeting of the American Physical Society in Baltimore at the beginning of May, Dr. James Brophy, director of research at the University of Utah, responded, "It is difficult to believe that after five years of experiments, Dr. Pons and Dr. Fleischmann could have made some of the errors I've heard have been alleged at the APS meeting."

It is clearly easier to blame new and currently inexplicable results on "errors" than to do the serious work, over a period of months if necessary, to discover what this new phenomenon might indeed be.

Idaho National Engineering Lab: forty years of nuclear research

by Marjorie Mazel Hecht

Forty years ago, on May 18, 1949, the U.S. Atomic Energy Commission began operations in Idaho Falls to set up the national laboratory that became known as Idaho National Engineering Laboratory or INEL. Later that month, construction began on the lab's first major facility, the Experimental Breeder Reactor I or EBR-I. It was this reactor that on Dec. 20, 1951, became the first in the world to produce electricity. Two years later, in June 1953, the EBR-I demonstrated the principle of breeding—that a nuclear reactor can produce more fuel than it consumes. In the Atoms for Peace days, this was one of the main goals of the still-young nuclear community: to provide a clean, efficient source of energy whose fuel would be self-perpetuating, providing energy and producing more fuel at the same time.

Since then both the EBR-I as well as the other facilities at the Idaho National Engineering Lab have accomplished many other "firsts." The 40th anniversary of the laboratory is a perfect occasion to recount the story of some of these firsts and remind Americans that this nation pioneered the frontiers of nuclear technology *and could do it again—provided the political will is there.*

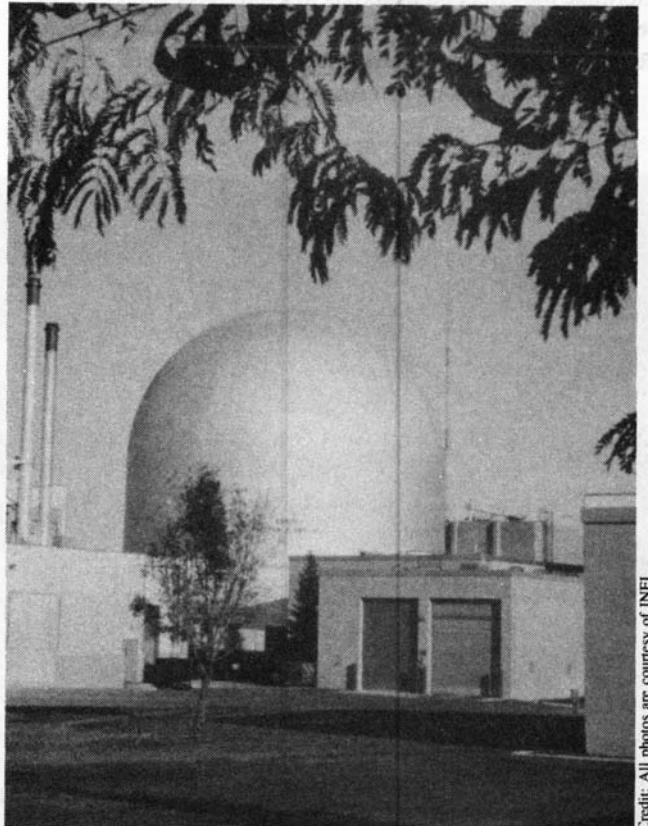
INEL, like the other national laboratories, is administered by the Department of Energy, the successor to the Atomic Energy Commission. It has three major operating contractors: EG&G Idaho, Westinghouse Idaho Nuclear Company, and Rockwell-INEL. In addition, Westinghouse Electric Corporation operates the Naval Reactors Facility at the lab, and Argonne National Laboratory West operates the Experimental Breeder Reactor. About 10,000 workers are employed at the lab.

Birthplace of the Nuclear Navy

Some of the best known facilities at INEL are the naval reactor prototypes, and it was here that the Nuclear Navy was born. The Submarine Thermal Reactor achieved its first successful power run on May 31, 1953 in the *USS Nautilus* prototype. Next came a simulated nonstop voyage of the *Nautilus* prototype, submerged and at full power, from Newfoundland to Ireland. It was this "trip" that proved that nuclear propulsion of submarines was feasible and that such submarines would be able to subnavigate the polar cap, from the Pacific to the Atlantic.

INEL's Naval Reactors Facility also developed a prototype propulsion system for surface ships, the A1W, pioneering the use of two reactors to power one turbine. This is a dual pressurized water reactor plant built within a steel hull. Both the aircraft carrier *USS Enterprise* and the missile cruiser *USS Long Beach* used A1W-type systems, and a later model A1W is used on the newer aircraft carriers, the *USS Nimitz*, the *USS Eisenhower*, and the *USS Vinson*. Many naval officers and enlisted men get their training at the INEL site.

Today, the *Nautilus* prototype plant still operates as a test



The Experimental Breeder Reactor-II, which replaced the EBR-I, started up in 1961. Today it is the key U.S. facility for advanced reactor concepts with a fast breeder reactor. It has also produced almost 2 million megawatt-hours of electricity for INEL's use.

Credit: All photos are courtesy of INEL.

bed for advanced design equipment for new nuclear projects, but it will begin decommission operations this year. The latest model of the A1W uses two different kinds of reactor designs that operate independently to power one ship propeller shaft.

Other naval facilities include the S5G pressurized water reactor, which can operate using natural circulation cooling flow, instead of pumps, and the Expanded Core Facility, which prepares the used reactor cores for reprocessing of the spent fuel.

INEL was also the site in the 1950s for work on the first prototype nuclear power plant for aircraft propulsion. This was called the Aircraft Nuclear Propulsion Project and was geared to produce a nuclear-powered engine that would keep an airplane going for very long periods. A presidential order canceled this program in 1961, however, before any reactor was flight tested on an actual plane.

Test reactors

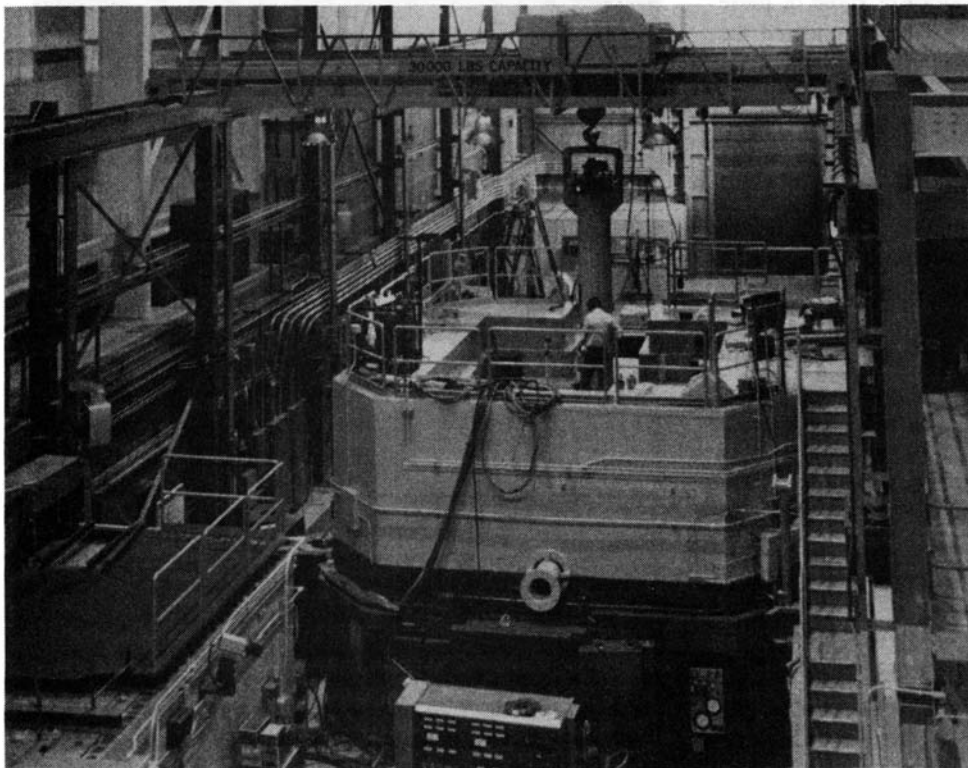
INEL boasts the world's largest test reactor, the Advanced Test Reactor, which began operating in 1969. Its mission is to study the effects of radiation on materials, simulating a reactor test environment. Because it produces such a high neutron flux, the Advanced Test Reactor can determine the effect on materials in a relatively short time—weeks and months—compared to the years it would take to accumulate such results on regular working reactors.

Argonne West (the main Argonne National Laboratory is

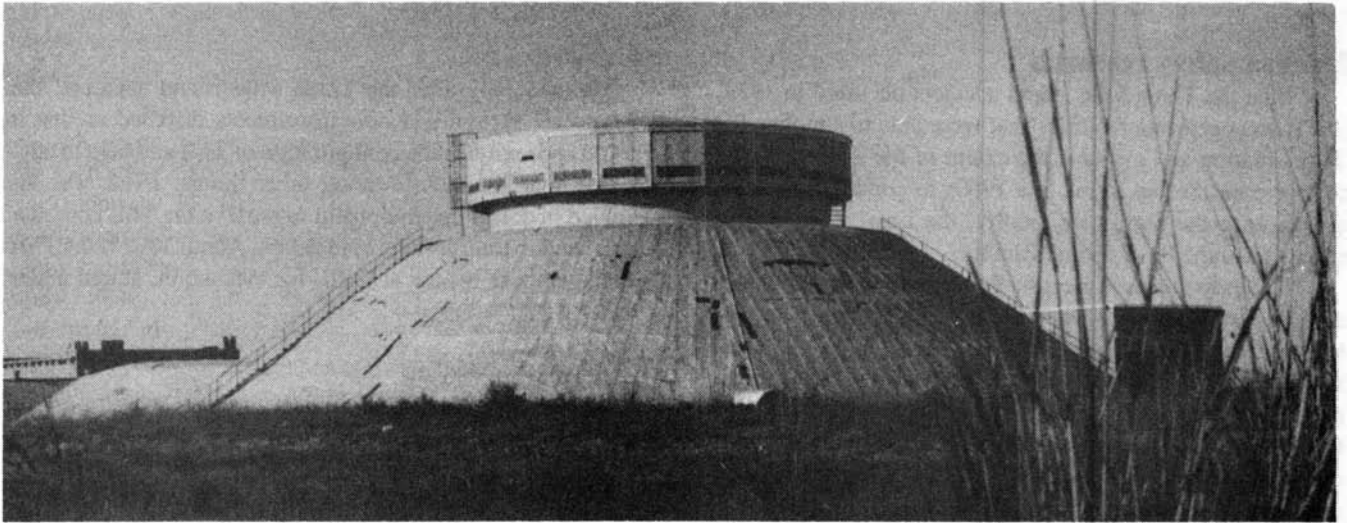
located in Illinois) operates several test reactors and research programs at INEL, including the Experimental Breeder Reactor-II, the Transient Reactor Test Facility, the Zero Power Physics Reactor, and the Hot Fuel Examination Facility.

The Experimental Breeder Reactor-I became a Registered National Historic Landmark in 1966 and is open every day for public tours. Its successor, the EBR-II, is a pool-type sodium-cooled breeder reactor that produces 19 megawatts of power. After the first demonstrations of operation with reprocessing on site, the EBR-II switched after 1969 to irradiation testing of fuels and materials for larger breeder reactors. Its core can accommodate up to 65 experimental fuel subassemblies and it is frequently used to test fuel assemblies for fusion and space reactor programs.

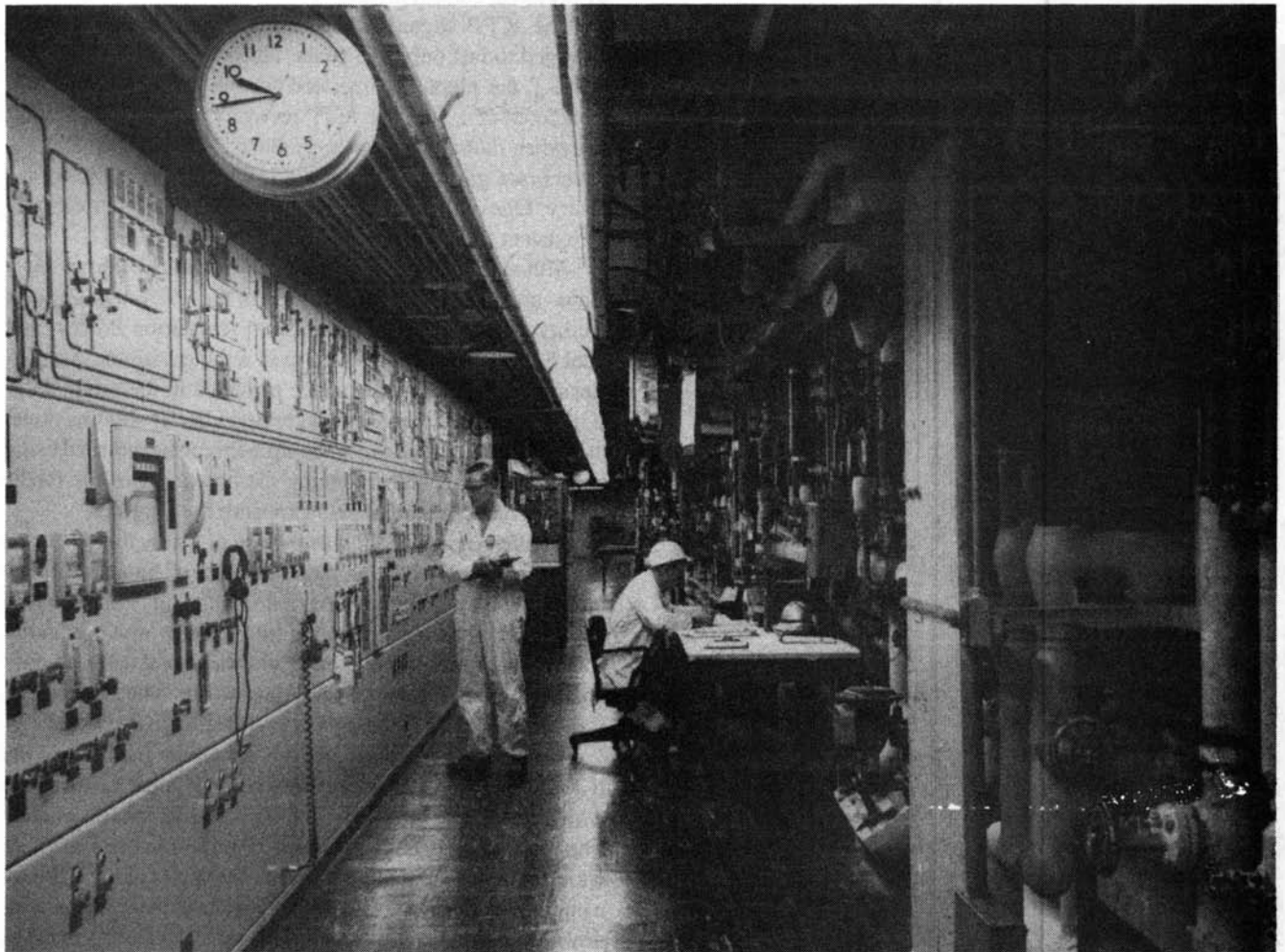
One of Argonne's new projects is the Integral Fast Reactor, which uses metallic fuel instead of the usual ceramic fuel. The advantage of metallic fuel is that it can be reprocessed in what's called a melt-refining system that is much simpler than the current chemical reprocessing. Because it can be done right on the reactor site, no transportation of radioactive spent fuel is necessary. And because the fuel remains highly radioactive at all times, Argonne argues that it is a system safe from thieves who want to steal nuclear materials for weapons production. The EBR-II is now conducting tests on the special fuel, a metallic uranium-plutonium-zirconium alloy. The next step, if these tests go well, is to build a prototype Integral Fast Reactor—a sodium-cooled, liquid metal breeder.



The Transient Reactor Test Facility, operated by Argonne West, is a uranium-oxide-fueled, graphite-moderated, air-cooled reactor with the purpose of simulating accident conditions that lead to fuel damage.



Argonne West's Zero Power Physics Reactor is a national facility designed to test the physics properties of advanced fast-spectrum reactors, including large breeder reactors and space reactors. The test reactors are assembled in a matrix that is at the center of a 50-foot-diameter concrete cylinder buried under a mound of earth, a construction similar to that used to test weapons. Although the power level may be only one-millionth of the particular reactor design being tested, the physics properties—such as the critical mass of the fuel or the effectiveness of the control rods—are almost the same as those in the reactor design being tested.



A fuel-recovery corridor in the Idaho Chemical Processing Plant in 1964.

Nuclear safety research

When the Three Mile Island accident occurred in 1979, INEL had operating facilities that were able to simulate the TMI situation and evaluate the extent of the damage to the reactor core. Set up in the late 1960s to conduct safety research were the Semiscale facility, the Loss of Fluid Test reactor, and the Power Burst Facility.

The Semiscale used electrically heated rods to simulate a reactor core's behavior when there was a break in the system's piping. The Loss of Fluid Test reactor, as the name implied, could simulate several different accidents that might occur in civilian nuclear plants, including the worst possible type of loss of coolant accident—a big break in the reactor's main coolant pipe. The 38th and final test on this reactor was a core meltdown conducted in July 1985.

The Power Burst Facility was designed to examine what happens when fuel rods burst, and its initial mission was to conduct 40 experiments that would provide data on nuclear

fuel safety.

Immediately after the Three Mile Island accident, the Semiscale system had new instruments installed so that it could approximate the configuration of TMI and help in analyzing that situation. Among other things, INEL was involved in designing equipment to retrieve the TMI core material and to transport the core debris. About 70% of the TMI damaged core is now at INEL for evaluation, stored under water.

Fuel reprocessing

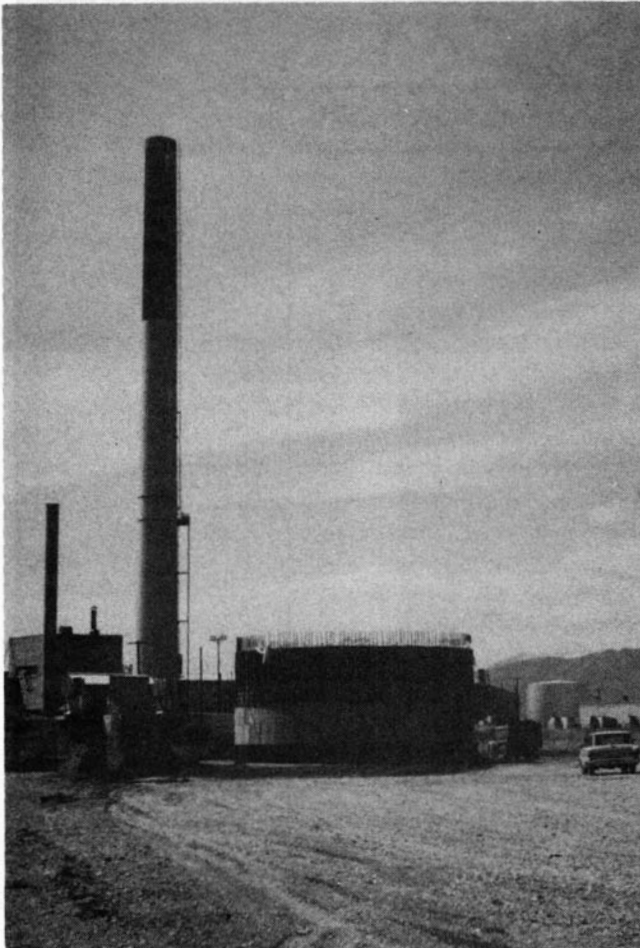
One of INEL's initial missions was to recover the usable uranium from the spent fuel rods of government nuclear plants, both experimental plants and power reactors, and it was the first facility to do this. Once separated out from the spent fuel rods, this uranium can be reprocessed and used to make new fuel elements. As INEL proudly notes, over the past 36 years, the Idaho Chemical Processing Plant (ICPP) has recovered about 24,000 kilograms of fissionable uranium (uranium-235) from this nuclear "waste," worth more than \$1 billion at current prices.

The ICPP began in 1953 as a demonstration project, designed to last only five years. However, with several "façelifts," the plant has operated for 36 years. Now, with a workforce of 1,500, the ICPP recovers uranium, separating out other radioactive waste products. The facility also recovers rare gases like krypton-85, which is valuable for industry. One of the non-nuclear uses of krypton, for example, is to detect small defects in electronics equipment.

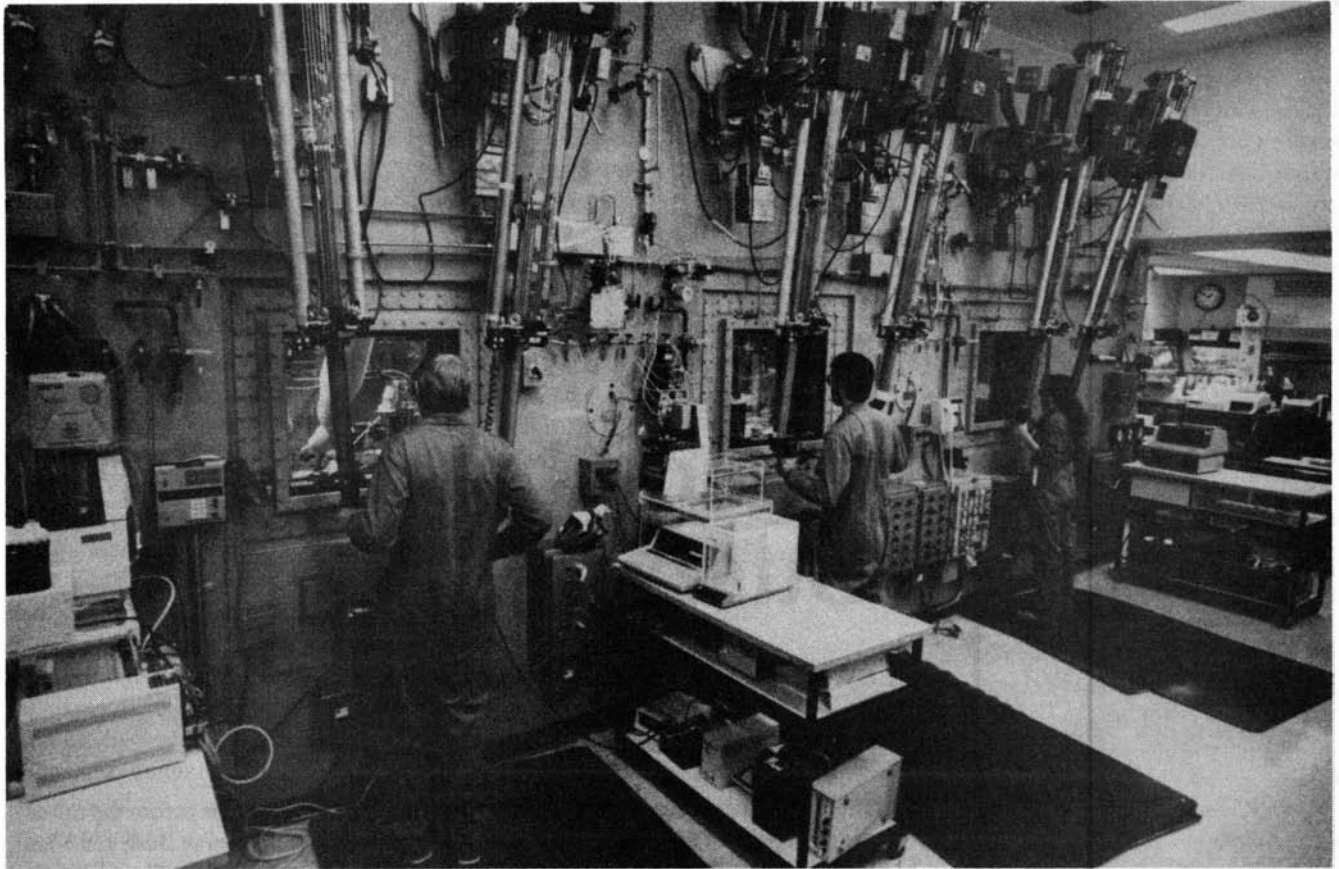
Although the basic process has remained the same, a major advance in fuel recovery was the 1984 opening of a facility called FAST (for Fluorinal Dissolution Process and Fuel Storage Facility), which uses remote maintenance, instead of the direct maintenance provided in the original design of the ICPP. Now, instead of periodically shutting down the facility for maintenance, equipment can be replaced using remote handling, thus reducing the downtime of the facility—and reducing the worker exposure to radiation.

Another first at ICPP was the use of a new fluidized-bed technology to convert the huge amounts of liquid waste remaining after the recovery of fissionable fuel. This involves the use of calcining to turn the liquid waste into a granular solid that is more stable than liquid waste and takes up only one-eighth the volume of the liquid waste. The New Waste Calcining Facility is the only one operating in the world.

Radioactive chemical analysis for all the facilities of the ICPP are carried out at the Remote Analytical Laboratory, which is designed to work with highly radioactive samples. The laboratory is built around a 50 × 20 foot "hot cell," to which samples are delivered from other parts of the ICPP by a pneumatic transfer system like those in drive-up bank windows. The samples travel at speeds up to 50 feet a second to the hot cell, so that analytical results can be achieved rapidly.



Solid waste storage bins under construction at the ICPP in 1970.



Technicians at the Remote Analytical Laboratory use "master-slave" manipulators to remotely handle radioactive samples in the hot cell. The leaded glass windows are oil-filled and 30 inches thick. The cell itself has three-foot concrete walls.

Special isotope separation

Looking to the future, the big new project on the INEL agenda is the construction of the Special Isotope Separation project in the 1990s, which will involve many new technologies for the lab. The SIS will use a new advanced laser process to produce plutonium for the U.S. defense use. Called AVLIS, for atomic vapor isotope separation, this process uses high-energy lasers to refine otherwise unusable stocks of fuel-grade plutonium into weapons-grade plutonium.

First, the plutonium is vaporized. Then lasers are used to ionize the undesirable plutonium isotopes and send them to charged collector plates. The remaining plutonium-239 is then recovered and processed for weapons use.

The AVLIS technology has been under development at the Lawrence Livermore National Laboratory for the past 12 years, but it has proceeded at a slow pace because of lack of funding and the Reagan administration philosophy of "privatizing" technology development. Lawrence Livermore has a full-scale development facility under construction that will test all aspects of the SIS and train its staff.

As defense production facilities were shut down by en-

vironmentalist pressures and the need for repairs, the development of the AVLIS system became more urgent. As Adm. James Watkins, head of the Department of Energy, said in his March 17 report to Congress on the SIS, "It could possibly be the nation's only such source of material prior to full implementation of the New Production Reactor" (the government's new conventional defense production reactor).

Start-up for the SIS is scheduled for 1995, and the final Environmental Impact Statement was issued in December 1988 and approved Jan. 19, 1989. However, the environmentalist groups who are concerned with forcing the United States to institute unilateral disarmament have just filed a suit to stop construction of the plant. Led by the Natural Resources Defense Council and two other regional groups, the suit alleges that the Department of Energy did not give enough consideration to "alternatives," chief among which is *not building* the plant.

In addition to the SIS, INEL is also being considered for the development of the Modular High Temperature Gas Cooled Reactor, which is one of two new designs for a defense production reactor.

FEMA: The Carter legacy haunts the Bush presidency

by an EIR Investigative Team

The picture was worth a thousand words. Running four columns across the top of the front page of the *Washington Post* of May 10: President George Bush and Vice President Dan Quayle staring respectfully at their honored White House guest, just returned from a special overseas assignment—ex-President Jimmy Carter.

For the millions of Americans who still recall the horrors of the four years of Carter-Mondale and who came to vividly associate those disaster years with the Trilateral Commission, the symbolism of the picture could not have been more chilling. George Bush, the one-time Trilateralist, born-again conservative, holding court with the man who did even more than Henry A. Kissinger to destroy the United States as a world power.

In fact, the early warning signs of a Bush-Carter *modus vivendi* had been presented last month in a series by syndicated columnists Evans and Novak and by *Washington Post* writer Jim Hoagland, in which they proposed that President Bush preferred former Carter National Security Adviser Zbigniew Brzezinski's version of a superpower "New Yalta" to the version of the more visible Henry Kissinger.

While it is still too early to draw any definitive conclusions about the rehabilitation of Jimmy Carter, it is already clear that one of the key legacies of the Carter-Trilateral regime is alive and well under the "kinder and gentler" Bush White House. That legacy is the "crisis of democracy," a Trilateral buzzword that was used during both the Carter and Reagan presidencies to put into place a crisis-management, government-by-degree structure—to be unveiled at the moment a crisis explodes.

In the mid-1970s, Zbigniew Brzezinski spelled out his dream of a technocratic corporatist state drawing upon all of the resources of the "computer revolution," cybernetics, etc. to impose a dictatorship. He called it the "technetronic revolution." Borrowing a leaf from the New Age liturgy, Brzezinski proclaimed that the world was "between two ages" and that the emerging order would be dominated



U.S. Army

A U.S. Army civil defense command post. Many who supported the creation of FEMA saw it as reviving legitimate civil defense and other emergency planning needs, but its Trilateral Commission creators always had in mind an end to democratic forms of American government.

by “information” rather than industrial production.

Fellow Trilateraloid Samuel P. Huntington of Harvard University, under Brzezinski’s tutelage, first at the Trilateral Commission and later on the staff of the National Security Council, put his blueprint for crisis-management government into place in 1979, with the creation of the Federal Emergency Management Agency (FEMA). Ostensibly a reaction to the abysmal state of U.S. civil defense, FEMA was in reality the seed-crystal for an ambitious and unconstitutional parallel government—within the government—that would take charge in moments of “national emergency.” The very drabness of the FEMA structure was seen as the perfect cover.

Interviews by *EIR* investigators revealed that during the Reagan era, FEMA was initially viewed by some of the President’s California loyalists, such as Ed Meese and Judge William Clark, as a possible safe home for White House special projects and intelligence activities that the Reagan-aunts did not wish to run through the permanent bureaucracy. This naive effort was quickly crushed, and FEMA was set back on its originally conceived path toward a police state.

By the closing months of the Reagan presidency, a new series of Executive Orders and National Security Decision Directives were signed, that further amplified and streamlined the emergency management structure. In his first days in office, President Bush signed a National Security Decision Directive that even further tightened the grip of this government within a government.

Already by 1984, a “continuity of government” apparatus, made up largely of career civil service managers drawn from all of the Executive Branch departments, had been

assembled to draft and then test out the effectiveness of the new structure. A few media accounts at the time provided an inkling of what was going on. A full-scale war game testing the crisis response apparatus was conducted in 1984 under the code name REX 84 Bravo. However, it was not until 1987 that any news outlet even took note of the event. Even then, the coverage was heavily weighted to the fact that Lt. Col. Oliver North, already an Iran-Contra celebrity, had been one of the architects of the FEMA upgrading. The Trilateral roots of the emergency-rule scheme were lost on most.

FEMA is now the action arm of the National Security Council, reporting directly to the President and the Vice President. A private FEMA Advisory Board (FAB), dominated by members of the New York Council on Foreign Relations, is the consulting arm of the National Security Adviser and FEMA boss.

Over 1,000 draft Executive Orders and National Security Decision Directives are sitting in the President’s office, merely awaiting signature—at the moment a crisis erupts to trigger the “continuity of government” dictatorship. No such crisis has yet occurred. With the exception of localized “disasters” like the Alaska oil spill or last year’s floods in the American South, FEMA remains in the wings. However, with an array of domestic and global crises clearly on the horizon, it is safe to assume that it is only a matter of time before the emergency powers are invoked.

With the specter of Carter and Brzezinski, added to that of Henry Kissinger, emerging over the White House at this moment, the time is ripe for a thorough, public airing of the facts about this secret parallel government.

The secret government behind the Federal Emergency Management Agency

by an EIR Investigative Team

Because Eastern Establishment banking interests refuse to change their policies in the face of the crises those policies shall shortly reap as their reward, a secret government apparatus is now consolidating its power over the United States, with the intention of ruling the country as a police state in time of real or manufactured “national emergency.” The Iran-Contra affair, and the jailing of opposition political figure Lyndon H. LaRouche, Jr., are but two instances of special operations in which this secret government apparatus has been exposed to the public.

Sen. David Boren (D-Okla.), chairman of the Senate Select Committee on Intelligence, referred to a “secret, parallel government,” in several interviews in January 1987, after his committee had completed its preliminary Iran-Contra probe. Even the *New York Times*, in its lead editorial on Feb. 17, 1987, identified the “Project Democracy” referred to in Lt. Col. Oliver North’s notebooks as a “private, secret government.”

Internationally, this secret government is using the power of the United States to enforce International Monetary Fund looting programs, in an effort to keep the system of usury known as “the international monetary system” from collapsing. The secret government is also preparing a regime of ferocious austerity in the United States, a totalitarian, fascist policy which is to be enforced by the National Security Council through the Federal Emergency Management Agency (FEMA).

This apparatus now runs the Bush administration, which has operated from Day One through Executive Orders and classified National Security Decision Directives. For example, one of the first acts of former CIA director George Bush as President of the United States was to issue National Security Decision Directive 3, reorganizing the NSC and giving enormous power to two standing committees headed by National Security Adviser Brent Scowcroft, Henry Kissinger’s close associate, and former deputy CIA director Robert Gates. More than 90 senior-level interagency groups set up by the Reagan administration were dispensed with, and their functions placed under the NSC. In this framework, the secret government is now expanding a paramilitary crisis-management capability to control the entire nation in time of emergency, actual or manufactured. FEMA is at the center of this apparatus.

The Federal Emergency Management Agency was created under the Jimmy Carter administration by the Eastern Establishment’s two leading think tanks, the Trilateral Commission and the Council on Foreign Relations, in March of 1979. Those think tanks also provided virtually every Carter cabinet member and adviser.

One of the intellectual authors of FEMA was Carter National Security Adviser Zbigniew Brzezinski. Another was Samuel P. Huntington, who had called for a police-state apparatus, in the name of handling “national emergencies,” in his 1975 Trilateral Commission report, *The Crisis of Democracy* (see *Documentation*, below). Huntington was then a National Security Council consultant to Carter.

Huntington, prior to joining the NSC staff, had been a project director of the Council on Foreign Relations’ “1980s Project” from 1974 to 1976. The 1980s Project mapped out every policy that was subsequently carried out by the 1977-81 Carter administration. The centerpiece of those policy perspectives was summed up by project participant C. Fred Hirsch, seconded by Carter Federal Reserve chief Paul Volcker: “The controlled disintegration of the world economy is a legitimate objective for the 1980s.” “Controlled disintegration” of democratic institutions was a political corollary, as Huntington’s *Crisis of Democracy* specified.

While at the NSC in 1977-78, Huntington drafted Presidential Review Memorandum 32, mandating that “the continuity of government” be maintained during a national emergency. It bypassed the Constitution, awarding emergency powers to the National Security Council to run all operations of the government in time of emergency.

FEMA’s first action was to manage the psychological warfare that surrounded the “nuclear disaster” at the Three Mile Island plant near Harrisburg, Pennsylvania—a dry-run exercise in how the agency could be used to create crises in the popular mind where none actually existed (see box).

The secret government expands

On Dec. 4, 1981, President Reagan signed Executive Orders 12333 and 12334, which allowed the creation of a complex of secret activities beyond the reach of public law. Under the provisions for the intelligence community’s use of private agencies contained in Executive Order 12333, such agencies, not under the control of lawful authority, seized

control over intelligence gathering and other executive functions. This led straight to the abuses attributed to "Project Democracy" in the Iran-Contra scandal.

In early 1982, Ronald Reagan created the Special Situations Group (SSG) through his National Security Decision Directive 3, entitled "Crisis Management." A former Trilateral Commission member, Vice President George Bush, was designated its chairman.

On May 14, President Reagan's trusted adviser, Judge William Clark, issued a memorandum which announced that the SSG "is charged, *inter alia*, with formulating plans in anticipation of crisis. In order to facilitate this crisis pre-planning responsibility, a standing Crisis Pre-Planning Group (CPPG) is hereby established."

Marine Lt. Col. Oliver North was assigned to the CPPG. Through outgrowths of this structure, North, Col. Robert McFarlane, Adm. John Poindexter, Gen. Richard Secord, and others came to wield extraordinary power, running various foreign and domestic initiatives for the secret government apparatus, including but not limited to the Iran-Contra operations, the overthrow of President Ferdinand Marcos of

the Philippines through what became known as the "Project Democracy" apparatus, and a "Get LaRouche" task force.

On July 22, 1982, President Reagan issued his National Security Decision Directive 47 to complement the operations of the SSG and CPPG. Entitled "Emergency Mobilization Preparedness," NSDD 47 defined the responsibilities of federal departments and branches of the U.S. government to respond to a national security crisis or domestic emergency. The President invested the Emergency Mobilization Preparedness Board with the responsibility to implement the programs detailed in the directive. The directive included an overzealous restriction of civil rights, bordering on explicit police-state measures.

On July 5, 1987, *Miami Herald* writer Alfonso Chardy published an article headlined "Reagan Aides and the 'Secret' Government." This article was one of several to appear detailing the expansion of the secret government apparatus during the 1980s. According to sources, and confirmed by a FEMA spokesman, it reported that Lt. Col. Oliver North was assigned to meet with top officials of FEMA from some time in 1982 through April 1984, in order to carry out the imple-

FEMA 'handles' Three Mile Island

The Federal Emergency Management Agency's first operational exercise was in response to the safety problem that developed at the Three Mile Island nuclear plant in Middletown, just outside of Harrisburg, Pennsylvania.

Although FEMA was not scheduled to become operational until April 1, 1979, the National Security Council "jumped the gun" and set FEMA into operation Tuesday, March 27—one day before the incident. Under the direction of the NSC and a White House Emergency Task Force, FEMA personnel coordinated the emergency evacuation panic scenario, while the National Security Council's Jack Watson and Nuclear Regulatory Commission personnel managed the content and flow of news.

This news from the top was key to the creation of a climate of panic—making people feel helpless and feel as though there were no rigorous scientific principles to adequately evaluate the crisis situation.

Executive Intelligence Review correspondent Stuart Pettingell described the on-the-scene situation in Harrisburg this way at a special briefing by the Fusion Energy

Foundation April 6: "We expected to come down into the Harrisburg area and find a ghost town, deserted streets. What we found in Middletown was business as usual, with reporters wandering around trying to find some news.

"There was no competent briefing to the press after Metropolitan Edison [part owner of the plant] was officially gagged by the White House, on the request of Gov. Richard Thornburgh. There were no written technical statements out and no technical advisers were allowed to get near the reporters to explain what was going on. So, the reports coming out of Middletown—H-blasts, gigantic bubbles, and so forth—were based on small shreds of evidence given to the reporters in small doses that these reporters then had to elaborate into 500-word and 1,000-word articles.

"Until April 1, there was not one technical adviser on the scene who was capable of explaining how a nuclear power plant works to reporters, who were generally not clear on this. In terms of where the initial incident occurred, for example, everybody assumed it was in the core of the reactor. No one understood how the entire system worked. When the technical advisers finally came in, they had to spend virtually the whole night answering reporters' questions to try to clear up the complete unreality about what people thought had gone on.

"To a certain extent, the press is to blame for the sensational coverage for something that was not sensational, but the honest reporters did not have a chance to find out the true story."

mentation of NSDD 47.

We quote at length from Chardy's report.

"Some of President Reagan's top advisers have operated a virtual parallel government outside the traditional cabinet departments and agencies almost from the day Reagan took office, congressional investigators and administration officials have concluded. Investigators believe that the advisers' activities extended well beyond the secret arms sales to Iran and aid to the Contras now under investigation. Lt. Col. Oliver North, for example, helped draw up a controversial plan to suspend the Constitution in the event of a national crisis, such as nuclear war, violent and widespread internal dissent, or national opposition to a U.S. military invasion abroad."

A bit later on in Chardy's account, we read that North began developing the plans for a dictatorship in 1982, some time after he arrived at the Reagan National Security Council. At first, North's assignment at NSC was to carry the "football," the briefcase containing codes authorizing the use of nuclear weapons and contingency plans in the event of war, which is carried near the President wherever he goes. As Chardy writes:

"North later widened his assignment to cover national crisis contingency planning. In that capacity, he became involved with the controversial national crisis emergency plan drafted by the Federal Emergency Management Agency."

Chardy's article continues:

"From 1982 to 1984, North assisted FEMA, the U.S. government's chief national crisis-management unit, in revising contingency plans for dealing with nuclear war, insurrection, or massive military mobilization."

The article quotes a FEMA spokesman saying, "Officials of FEMA met with Colonel North during 1982 to 1984. These meetings were appropriate to Colonel North's duties with the National Security Council and FEMA's responsibilities in certain areas of national security."

Later, according to the article, Reagan's first-term Attorney General, William French Smith, criticized FEMA planning, saying that it called for the suspension of the Constitution, turning control of the United States over to FEMA, appointment of military commanders to run state and local governments, and declaration of martial law during a national crisis.

FEMA officials claim that the measures proposed by North have never been officially promulgated, but this is an equivocation: At the center of the FEMA contingency planning arsenal is a folder containing 22 draft Executive Orders which the President would be asked to sign in the event of war or other catastrophe; it is quite possible that North's handiwork still resides in this file, ready to be implemented at a moment's notice. The National Security Council, which would direct FEMA actions in an emergency, also has some 1,222 pages of top secret "emergency response scenarios" to cover various eventualities.

Strengthening the NSC

Inside the Washington headquarters of FEMA is a unit called the Emergency Information and Coordination Center, whose mission is supposedly to "support the National Emergency Management Authority—the President, the Vice President, and the FEMA Director." This emergency chain of command could be used to suspend the Constitution and throw all opposition to the regime into concentration camps. Or, in an alternative scenario, the emergency apparatus could be used by a figure such as Brent Scowcroft for a de facto NSC putsch against a weakened and unpopular President Bush, once again giving Henry Kissinger direct domination over the Executive Branch as during the Watergate period.

National Security Adviser Scowcroft's powers in this regard have been enhanced by an Executive Order issued by outgoing President Reagan. Executive Order 12656 of Nov. 18, 1988 contained the following instructions on emergency preparedness:

"A national security emergency is any occurrence, including natural disaster, military attack, technological emergency, or other emergency, that seriously degrades or seriously threatens the national security of the United States. Policy for national security emergency preparedness shall be established by the President. Pursuant to the President's direction, the National Security Council shall be responsible for developing and administering such policy." And again: "The National Security Council is the principal forum for consideration of national security emergency preparedness policy."

This Executive Order went in a direction opposite to what the government was then purporting to desire. After the Iran-Contra escapades of Oliver North and friends, the Tower Commission had stressed that the role of the National Security Council was to prepare policy options for the President, and not the carrying out of operative interventions. Now this verbiage is out the window again, and we are back to the National Security Council as it existed under Henry Kissinger, with the NSC functioning as the command center for the operations of all the Executive departments. The National Security Adviser director has been made a de facto prime minister whose operative authority routinely eclipses that of the President.

Through reforms made early in the Scowcroft tenure, two NSC organisms will carry out the coordination of the various federal agencies: one, at the cabinet level, will be chaired by Scowcroft, who will have precedence over Secretary of State James Baker. The second, at the sub-cabinet level, will be chaired by Scowcroft's deputy, Robert Gates, former number-two of the CIA who failed to win congressional confirmation to take over the CIA because of his Irangate involvement. This Gates committee will subsume the various inter-agency groups of the Reagan years, like the Restricted Inter-agency Group (RIG), Special Interagency Group (SIG), Operations Subgroup (OSG), 208 Committee, and others.

‘Continuity of government’

But in a state of war or emergency, the interagency process can be conducted directly through FEMA. This function would be carried out by a secret “continuity of government” committee made up of about 100 top government officials. These officials are located in the upper echelons of the Executive departments headed by cabinet-rank secretaries, other federal agencies, the governors of the 50 individual states, and law enforcement organizations.

An example of a member of the “continuity of government” aspect of the FEMA apparatus is one Buster Horton, nominally a high-level bureaucrat of the U.S. Department of Agriculture charged with “emergency preparedness and readiness.” Upon closer examination, Horton turns out to be the primary liaison between the U.S. Department of Agriculture and FEMA, one of two officials to be so designated. And, it was Buster Horton who was insinuated as the foreman of the Alexandria, Virginia federal jury that convicted and imprisoned Lyndon LaRouche on “conspiracy” charges in January 1989.

Horton is reported to possess a very high level security clearance (possibly at the Q or “cosmic” levels) which allows him to have access to top-level NATO secret documents. It is clear that the presence of an intelligence community representative of this level in a jury represents a police-state intervention that by itself must overturn the verdict rendered. Counting Horton, six members of the Alexandria jury owed their daily bread to the U.S. government, either as employees of federal agencies, or as the dependents of federal employees. One of FEMA’s official functions is to administer “coordination mechanisms among elements of the federal law-enforcement community.” There are many indications that the manipulated guilty verdict in the LaRouche case, leading to the jailing of the opposition figure foremost in resisting the encroachments of the invisible government, was an integral part of the NSC-FEMA “creeping coup” against constitutional legality in the United States.

The financial emergency scenario

FEMA regularly holds mobilization exercises that could be used to simulate or cover for a coup d’état. These include exercises coordinated with the NATO Wintex-Cimex series; Pressure Point 84, conducted jointly with the Department of Defense; Hilex II, a NATO communications exercise; plus a series of exercises given the code name of REX, (“readiness exercise”) in the sense of emergency preparedness. REX 82 Bravo was held in 1982, and it was followed by REX 84 Alpha. REX exercises are officially described as designed to test “continuity of government procedures, military support of civil defense plans, and resource management.” REX 84 Alpha was carried out together with an exercise of the Joint Chiefs of Staff called Night Train 84, described as “a command post exercise designed to evaluate the worldwide military command and control system.”

Although most of the readiness plan that describes REX 84 Alpha is still classified, it is noteworthy that the scripting of the international financial section is not only accurate, but implies that FEMA is monitoring the crisis for possible action.

The formulation of the crisis is similar to that which Lyndon LaRouche has elaborated, and is something that has never appeared in the Eastern Establishment press or journals. It reads, in part:

“World Financial Trends: February 1980-1984. The sudden withdrawal of cheap incremental loans to heavily indebted countries generated a number of consequences to both borrowers and lenders alike. The first was to throw the entire world into the worst recession since the great depression of the 1930s. Economic sectors hit first were many large capital projects throughout the developing world. This had an immediate impact on capital goods-exporting industries in the industrial countries. World trade began to shrink in both real and nominal terms.

“The response of commercial banks, in the face of these trends, was predictable. In most major debtor countries, a cycle of loan ‘reschedulings’ began in 1980. In addition, both the multinational banks and the International Monetary Fund (IMF) stressed classical economics to their client states. They emphasized three actions: (a) lower imports; (b) raise exports; and (c) reduce the government sector deficit by cutting subsidies and, in effect, cutting real wages.

“The outcome of this advice, on a worldwide basis, was primarily social unrest. It occurred in the Warsaw Pact nations as well as free world countries. The major impact of a high and rising dollar with the interest rates of most loans tied to the London Interbank Offer Rate (LIBOR) was to shift almost all import earnings from being used to pay for imports to being used to service debts. As local inventories of imported parts began to run down, industrial production in many developing countries began to drop. Bankruptcies and defaults on a massive scale developed, and doomsayers began to publish apocalyptic scenarios in the financial press.

“Major social unrest began in Poland with the initiation and suppression of the Solidarity movement in 1980 and 1982. In mid-1982, Mexico ran into a liquidity problem when oil prices and export volume began to fall short of the government’s projections. . . . In Venezuela, the problem was met largely by reducing capital expenditures.”

The Bush administration

As was the case with Huntington’s book *The Crisis of Democracy*, the REX 84 Alpha simulation of global financial crisis is as much a statement of the elites’ intentions as an academic study of the problem. Stubborn adherence to an irrational global monetary policy by Ronald Reagan and George Bush led directly to the October 1987 Wall Street crash, as Lyndon LaRouche had predicted it would. In a nationwide television address during the 1988 presidential

campaign, LaRouche warned Bush that unless he followed LaRouche's advice on economics, if elected, he would merely be acting like the poor captain of the *Titanic* who followed company policy, to the detriment of the safety of his ship.

As the REX 84 Alpha scenario had forecast, Bush's ship hit its first iceberg in Venezuela. On Sunday, Feb. 26, 1989, Carlos Andrés Pérez, the newly elected President of Venezuela, announced a gasoline price hike in accordance with International Monetary Fund austerity demands. The following day, mass rioting broke out in the capital city of Caracas when thousands of workers could not afford the gasoline to drive to work. During the ensuing four days of rioting, 1,000 Venezuelans were killed, hundreds were wounded, 35,000 businesses were looted, and damage was estimated to be in the billions of bolivars. Pérez was forced to suspend the Constitution and implement martial law to quell the crisis!

FEMA's threat today

The man currently nominated to the director of FEMA, Lt. Gen. Calvin Franklin, will be personally advised by the FEMA Advisory Board (FAB), which is composed of 21 representatives of government, the military, science, business, and academia. The FAB meets twice a year—presumably more often in time of “emergency”—and has four standing committees: Civil Defense, Continuity of Government, Terrorism, and Industrial Preparedness.

EIR questioned the current director of the FAB's Continuity of Government Committee, Gen. Andrew Goodpaster, a former NATO supreme commander, on the role FEMA would play in the future, given that President Bush's NSDD 3 had made the National Security Council responsible for making and overseeing national preparedness policy. General Goodpaster responded: “It will be very helpful that someone who understands what FEMA is all about is heading the National Security Council,” i.e., Scowcroft.

Not surprisingly, the FEMA Advisory Board is weighed down with persons from the Council on Foreign Relations.

CFR members on the board include Samuel Huntington, the creator of FEMA; Dr. Wesley W. Posvar, chairman of FAB and president of the University of Pittsburgh; Dr. Robert Kupperman, chairman of FAB Committee on Terrorism; General Goodpaster (USA-ret.), and Lt. Gen. Brent Scowcroft, who resigned his military post upon his appointment as National Security Adviser.

On March 2, 1989, President Bush announced that he had chosen General Franklin to become the new director of FEMA. Longtime proponents of emergency planning and civil defense were amazed at the choice because General Franklin, who has spent the last eight years as the commanding general of the District of Columbia National Guard, has limited experience in emergency planning. Sources believe that he was chosen as a figurehead, not likely to question the actions ordered by Scowcroft and the Council on Foreign Relations.

We're reaping fruits of the Carter era

by Jeffrey Steinberg

Ronald Reagan, and perhaps even George Bush, may have been swept into the White House on the crest of an anti-Carter, anti-Trilateral Commission wave, but the legacy of the “Magnolia Mafia's” four years in the Oval Office still haunts the presidency, eight years after Jimmy and Rosalyn packed their bags and returned to Georgia.

When Jimmy Carter waltzed into the White House in January 1977, ostensibly an “outsider” to the New York-Washington power corridor, he brought into power the most homogeneous collection of Eastern Liberal Establishment braintrusts in decades. In fact, Carter himself had been selected by the David Rockefeller, Henry Kissinger, Zbigniew Brzezinski Trilateral Commission to fulfill a very specific mission, a mission spelled out in great detail in the Council on Foreign Relations' most ambitious effort at social engineering ever.

Beginning in the early 1970s, even before the Trilateral Commission was “born,” the Council on Foreign Relations undertook its mammoth “1980s Project,” a series of studies aimed at developing a coherent gameplan for turning the next decade into an era of “controlled disintegration,” a “collapse of democracy,” and the onset of “universal fascism”—what some CFR pundits preferred to call “fascism with a democratic face.”

This malthusian world federalist vision was not in reaction to any world crisis or pending global disaster. Rather, it was the studied, conscious policy intent of the Anglo-American Establishment, to accelerate their plans for a global power-sharing arrangement with whatever leadership combination emerged in Moscow during the 1980s. Some historians have described this as the revival of the Anglo-Soviet Trust.

Revisited from the standpoint of the CFR's ambitious agenda for the 1980s, the Carter presidency was a critical moment of implementation. Laws were passed, covert operations were launched, and sweeping financial maneuvers were executed—all with the intention of setting the course of the next decade. Whether they ever realized it or not,

Ronald Reagan and George Bush have so far never managed to stray outside of the bounds set for them by the 1980s Project.

Just a few of the initiatives of the Carter-Mondale Trilateral administration for which the world is still paying a steep price include the following.

- Paul Volcker's 20% interest rates: In the fall of 1979, Federal Reserve Board chairman Volcker initiated a sudden and dramatic increase in the lending rate of the Fed, setting in motion a process that would drive the prime rate over 20% by the time Ronald Reagan was sworn into office. Following on the heels of a half-decade of petro-dollar lending, the Volcker shock lay the basis for what emerged in 1982 as a full-blown global debt crisis. By the time George Bush stepped into office early this year, that debt crisis had spilled over into the domestic banking system to the point that the savings and loan industry has nearly gone under.

- The fall of the Shah of Iran: The Khomeini fundamentalist revolution was designed in London and manufactured in Washington. Back in 1978, Carter National Security Adviser and Trilateralist Zbigniew Brzezinski had set into motion a project alternately called the "arc of crisis" or "the Bernard Lewis plan." Whatever the monicker the Carter team installed the Khomeini fundamentalists in power, and when an ungrateful Khomeini seized all the personnel at the U.S. embassy in Teheran, the Carter White House responded with a covert arms-for-hostages plan that laid the foundations for the subsequent Reagan-Bush folly. And, after decades of relative peace in the Persian Gulf, in September 1980, war broke out between Iraq and Iran. The Gulf war would go on for almost a decade, would see an estimated \$240 billion in military hardware pumped into the region, hundreds of thousands killed, and oil prices steadily soar back over \$20 a barrel.

- The Sandinista revolution: It was Jimmy Carter's human rights policy that led to the overthrow of Anastasio Somoza regime in Nicaragua and the "democratic" Sandinista revolution. The overthrow of the Shah and Somoza were the antecedents of the Reagan-Bush era Project Democracy. It doesn't take a genius to figure out that, but for the Carter coups against the Shah and Somoza, the term "Iran-Contra affair" would never have found its way into the American political lexicon.

- FEMA: At the 1975 Trilateral Commission shindig in Kyoto, Japan, Samuel P. Huntington, on his way from Harvard Square to the Old Executive Office Building as a Carter NSC staffer, called for the creation of "Project Democracy," a corporatist alliance among leaders of banking, labor, and government to manufacture popular consensus for the CFR austerity agenda, and to place government covert operations into private hands. Not coincidentally, in that same speech and policy paper, Huntington proclaimed the "crisis in democracy" and called for the creation of a government-by-decree structure to run the United States top down in anti-

pated times of crisis. In 1978, Carter passed legislation through Congress establishing the Federal Emergency Management Agency.

- Office of Special Investigations: Underlying the 1980s Project was the commitment to revive the World War II Yalta alliance of Roosevelt, Stalin, and Churchill. Under the "New Yalta," Americans would learn to love the Russians and revive wartime frenzy against Germany and Japan—this time blaming German and Japanese technological "arrogance" and "greed." A seed crystal of that process was launched during Henry Kissinger's heyday in the form of State Department "informal" cooperation with the Soviet government in swapping information on war criminals. In 1978, Rep. Elizabeth Holtzman (D-N.Y.), with the blessings of the Carter White House, introduced legislation creating the Office of Special Investigations (OSI), a Justice Department unit whose *raison d'être* was to hunt down old Nazis in collaboration with the KGB and Israeli Intelligence. From this Nazi-hunting collaboration was born a marriage of convenience between Soviet bloc and Western security services. Soviet justice was given a formal place in the American judicial system, Soviet manufactured "evidence" was accepted in U.S. courts of law, and an elaborate back channel was established for KGB influence inside the Department of Justice.

- Abscam and Brilab: One astute Washington insider recently said of Abscam: "The real victims are the 99 senators who chose to capitulate to the FBI's blackmail and sell out their constituencies—not the lone senator, Harrison Williams, who chose to fight alone." With Abscam, directed by Kissinger crony William Webster, a Reagan-Bush era director of both FBI and CIA, the U.S. Congress was rendered impotent overnight. Likewise, through a parallel series of "sting" operations run by an increasingly out-of-control FBI, the labor movement, and eventually the Pentagon, were ground up, paving the way for the Project Democracy brand of "democratic" corporatism.

- The CIA purge: Under Adm. Stansfield Turner, the CIA purges begun under James Schlesinger and fueled by the Church Committee hearings of the mid-1970s, were accelerated. A "pink slip" list prepared by Iran-Contra operative Theodore G. Schackley, then the chief of CIA covert operations, and implemented by Turner, gutted almost the entire upper echelon of the agency. Henceforth, all covert operations and intelligence estimates would have to come from either private agencies or foreign governments. After the purges were completed, Shackley himself took leave, only to surface subsequently as one of the key behind-the-scenes figures in the Iran-Contra operations associated with Oliver North's antics.

Anyone hunting for clues as to the whereabouts of what Sen. David Boren (D-Okla.) dubbed "the secret, parallel government" need look no further than the Trilateral Commission/Council on Foreign Relations structure that pulled the strings during the Carter era, and continues to do so today.

The Trilateral's 'Crisis of Democracy'

Published in 1975 by New York University Press, Samuel P. Huntington's The Crisis of Democracy constituted the final report of the Trilateral Commission's Task Force on the Governability of Democracies, which was set up in the spring of 1974 following the severing of the dollar from gold, the Watergating of President Richard Nixon, the first major oil hoax, and other crises prearranged by the Eastern Establishment. According to the book, the Western world was entering into a period of economic scarcity in which the current "excess of democracy" would make it extremely difficult for governments to impose discipline and sacrifice on their peoples.

The following are excerpts from Huntington's chapter on the United States. Subheads have been added.

The vigor of democracy in the United States in the 1960s thus contributed to a democratic distemper, involving the expansion of governmental activity, on the one hand, and the reduction of governmental authority, on the other. This democratic distemper, in turn, had further important consequences for the functioning of the political system. The extent of these consequences was, as of 1974, still unclear, depending, obviously, on the duration and the scope of the democratic surge.

The expansion of governmental activity produced budgetary deficits and a major expansion of total governmental debt. . . . The major expansion of unionism in the public sector . . . made the the salary and wage determinations for governmental employees a central focus of political controversy. Unionization produced higher wages and more vigorous collective bargaining to secure higher wages. Strikes



Samuel Huntington

by public employees became more and more prevalent. . . . Governmental officials were thus caught between the need to avoid imposing higher taxes to pay for the higher wages which the governmental employees demand. The easiest and obviously most prevalent way of escaping from this dilemma is to increase wages without increasing taxes and thereby to add still further to governmental deficits and for demands for still higher wages. To the extent that this process is accompanied by low or negative rates of economic growth, tax revenues will be still further limited and the whole vicious cycle still further exacerbated.

At the same time that the expansion of governmental activity creates problems of financial solvency for government, the decline in governmental authority reduces still further the ability of government to deal effectively with these problems. The imposition of "hard" decisions imposing constraints on any major economic group is difficult in any democracy and particularly difficult in the United States, where the separation of powers provides a variety of points of access to governmental decision-making for economic interest groups [This is the same argument made by former Carter White House Counsel Lloyd Cutler in calling for dumping constitutional government in favor of British parliamentarianism—ed.]. During the Korean War, for instance, governmental efforts at wage and price control failed miserably, as business and farm groups were able to riddle legislation with loopholes in Congress and labor was able to use its leverage with the Executive branch to eviscerate wage controls. All this occurred despite the fact that there was a war on and the government was not lacking in authority. The decline in governmental authority in general and of the central leadership in particular during the early 1970s opens new opportunities to special interests to bend governmental behavior to their special purposes. . . .

Finally, a government which lacks authority and which is committed to substantial domestic programs will have little ability, short of a cataclysmic crisis, to impose on its people the sacrifices which may be necessary. . . .

An 'excess' of democracy

Al Smith once remarked that "the only cure for the evils of democracy is more democracy." Our analysis suggests that applying that cure at the present time could well be adding fuel to the flames. Instead, some of the problems of governance in the United States today stem from an "excess of democracy" in much the sense in which David Donald used the term to refer to the consequences of the Jacksonian revolution which helped to precipitate the Civil War. Needed, instead, is a greater degree of moderation in democracy.

In practice, this moderation has two major areas of application. First, democracy is only one way of constituting authority. During the surge of the 1960s, however, the democratic principle was extended to many institutions where it can, in the long run, only frustrate the purposes of those

institutions. . . .

Second, the effective operation of a democratic political system usually requires some measure of apathy and non-involvement on the part of some individuals and groups. In the past, every democratic society has had a marginal population . . . which has not actively participated in politics. In itself, this marginality on the part of some groups is inherently undemocratic, but it has also been one of the factors which has enabled democracy to function effectively. Marginal social groups, as in the case of blacks, are now becoming full participants in the political system. Yet the danger of overloading the political system with demands which extend its functions and undermine its authority still remains. Less marginality on the part of some groups thus needs to be replaced by more self-restraint on the parts of all groups. . . .

Over the years, the American political system has emerged as a distinctive case of extraordinarily democratic institutions joined to an exclusively democratic value system. Democracy is more of a threat to itself in the United States than it is in either Europe or Japan where there still exist residual inheritances of traditional and aristocratic values. The absence of such values in the United States produces a lack of balance in society which, in turn, leads to the swing back and forth between creedal passion and creedal passivity. Political authority is never strong in the United States, and it is peculiarly weak during a creedal passion period of intense commitment to democratic and egalitarian ideals. In the United States, the strength of democracy poses a problem for the governability of democracy in a way which is not the case elsewhere.

Limits to growth

The vulnerability of democratic government in the United States thus comes not primarily from external threats, though such threats are real, nor from internal subversion from the left or the right, although both possibilities could exist, but rather from the internal dynamics of democracy itself in a highly educated, mobilized, and participant society. "Democracy never lasts long," John Adams observed. "It soon wastes, exhausts, and murders itself. There never was a democracy yet that did not commit suicide." That suicide is more likely to be the product of overindulgence than of any other cause. A value which is normally good in itself is not necessarily optimized when it is maximized. We have come to recognize that there are potentially desirable limits to economic growth. There are also potentially desirable limits to the indefinite extension of political democracy. Democracy will have a longer life if it has a more balanced existence.

The governability of a society at the national level depends upon the extent to which it is effectively governed at the sub-national, regional, local, functional, and industrial levels. In the modern state, for instance, powerful trade union "bosses" are often viewed as a threat to the power of the state. In actuality, however, responsible union leaders with effective

authority over their members are less of a challenge to the authority of the national political leaders than they are a prerequisite to the exercise of authority by those leaders. If the unions are disorganized, if the membership is rebellious, if extreme demands and wild-cat strikes are the order of the day, the formulation and implementation of a national wage policy become impossible. The weakening of authority throughout society thus contributes to the weakening of the authority of government.

Recent years in the Trilateral countries have seen the expansion of the demands on government from individuals and groups. The expansion takes the form of (1) the involvement of an increasing proportion of the population in political activity; (2) the development of new groups and of new consciousness on the part of old groups, including youth, regional groups, and ethnic minorities; (3) the diversification of the political means and tactics which groups use to secure their ends; (4) an increasing expectation on the part of groups that government has the responsibility to meet their needs; and (5) an escalation in what they conceive those needs to be.

The result is an "overload" on government and the expansion of the role of government in economy and society. During the 1960s, governmental expenditures, as a proportion of GNP, increased significantly in all the principal Trilateral countries, except for Japan. This expansion of governmental activity was attributed not so much to the strength of government as to its weakness and the inability and unwillingness of central political leaders to reject the demands made upon them by numerically and functionally important groups in their society. The impetus to respond to the demands which groups made on government is deeply rooted in both the attitudinal and structural features of a democratic society. The democratic idea that government should be responsive to the people creates the expectation that government should meet the needs and correct the evils affecting particular groups in society. Confronted with the structural imperative of competitive elections every few years, political leaders can hardly do anything else.

Inflation is obviously not a problem which is peculiar to democratic societies, and it may well be the result of causes quite extrinsic to the democratic process. It may, however, be exacerbated by democratic politics and it is, without doubt, extremely difficult for democratic systems to deal with effectively. The natural tendency of the political demands permitted and encouraged by the dynamics of a democratic system helps governments to deal with the problems of economic recession, particularly unemployment, and it hampers them in dealing effectively with inflation. In the face of the claims of business groups, labor unions, and the beneficiaries of governmental largesse, it becomes difficult, if not impossible, for democratic governments to curtail spending, increase taxes, and control prices and wages. In this sense, inflation is the economic disease of democracies.

Panama leads battle against limited sovereignty

by Carlos Wesley

The government of Panama was forced to annul the results of its May 7 national elections because of a massive fraud and vote buying operation run by the United States. In a decree issued May 10, Panama's Electoral Tribunal charged that uninvited foreigners came into Panama "whose evident purpose was to back the thesis of electoral fraud proclaimed to the world by the U.S. government long before the elections." The decree charged that there was widespread "stealing of ballots from the electoral precincts, vote-buying by political parties and especially the lack of tally sheets and other documents which make it absolutely impossible to determine which candidate won."

U.S. President George Bush responded to the Panamanian decision May 11 by ordering 2,000 troops into Panama, supposedly "to protect American lives" and to "defend the right of the people to have their will respected"—the same arguments used by Hitler to annex the Sudetenland from Czechoslovakia in 1938. Just as Hitler claimed that the "lives and the rights of the German people" in the Sudetenland had to be protected from Czech leader Benes, and that if only Benes would leave everything would be resolved, Bush claimed that if only the commander of Panama's Defense Forces (PDF), Gen. Manuel Noriega, were ousted, there would be no more problems between the U.S. and Panama. And just as British Prime Minister Neville Chamberlain and his French counterpart, Daladier, went along with Hitler for the sake of "peace in our time," Carlos Andrés Pérez of Venezuela and Alan García of Peru, both members of the Socialist International, have ganged up with Bush against Panama.

The decision to send in the troops to Panama came after consultations between Bush and his former fellow Trilateral Commission member, Jimmy Carter, to impose on the coun-

tries of Latin America a Trilateral concept long in the works: "limited sovereignty." The U.S.-created Panama crisis provides a convenient excuse to sell this policy, which is against the real interest of the West.

This was made clear by top U.S. officials, who told Reuters May 11 that the crisis in Panama will force Latin America to admit that it "must loosen its interpretation of the non-intervention principle, if multilateral policy is to have any success in addressing threats to security and democracy." Secretary of State James Baker affirmed "limited sovereignty" as the administration's policy during a speech earlier this month. "If the peoples and governments of Latin America and the Caribbean ask the United States to forego unilateral initiatives"—such as a military intervention into Panama—"then I think it is only fair for the peoples and governments to join with us in good faith to turn the promise of that diplomacy into reality," he said.

Agreement on the Trilateral Commission's concept of "limited sovereignty" was reached with the Soviet Union during Baker's recent visit to Moscow. This was confirmed May 9 by Soviet spokesman Gennadi Gerasimov, who said that talks on Central America had been the "warmest and most productive" of those held by Baker and his Russian hosts.

The Socialist International, which marches in lock-step with the Soviets on most questions, has signed on to the new policy. "By all means, no question at all, the Bush administration has a deal with the Socialist International on this," said a high-level source in Europe May 11.

In order to use Panama as the test-case to impose "limited sovereignty" on all of Ibero-America, the American and world publics have been systematically brainwashed by a Trilateral

media barrage that Noriega is “a drug dictator,” when in fact, according to the U.S. Drug Enforcement Administration (DEA) and other authorities, Noriega is one of our best Latin American allies in the war on drugs. This past March 29, for example, Attorney General Dick Thornburgh and DEA chief John Lawn praised Noriega’s PDF during a televised news conference for its role in Operation Polar Cap, which shut down the largest drug-money laundering operation ever in the United States. Half a ton of cocaine and \$45 million in drug funds were confiscated, and 127 drug traffickers were arrested, thanks to Noriega’s cooperation.

This is in sharp contrast with the people the Bush administration financed to “bring democracy to Panama.” One is Carlos Eleta Almarán, owner of the opposition’s largest television station, arrested in Georgia last month on charges of conspiracy to smuggle 600 kilos of cocaine into the United States, and the Central Intelligence Agency-financed Democratic Opposition Civic Alliance (ADO-C) second vice-presidential candidate in the May 7 election, Guillermo “Billy” Ford. Ford, who was elevated to martyrdom by the U.S. media after he was bloodied in a melee with pro-government supporters May 10, owns two banks caught laundering drug funds by authorities. In fact, one of his banks, Dadeland National of Miami, was the center of operations for a drug trafficking ring headed by Steven Samos, caught by U.S. authorities in 1984, and who was also one of the key players in the Iran-Contra scandal. Ford’s major campaign plank was that he would prevent any changes in Panama’s bank secrecy laws, a major advantage to drug-money laundering.

U.S. tries to heist elections

Long before the first vote was cast in Panama, Bush said that the United States would not recognize the election results unless they brought to power the opponents of Noriega. “Let me be clear: The U.S. will not recognize the results of a fraudulent election engineered to keep Noriega in power,” said Bush in a May 2 speech to David Rockefeller’s Council of the Americas.

In fact, as *EIR* warned in its April 28 issue, it was the U.S. which was preparing to heist the elections by employing practices so fraudulent that they would have made an old-time Chicago ward-heeler envious.

Estimates of the amount spent by the CIA and other agencies to disrupt the Panamanian elections range from the \$10 million which the administration leaked to *U.S. News and World Report* in its May 1 issue, to as much as \$120 million. The money was used to set up a clandestine radio and TV network, run by CIA operative Kurt Frederick Muse; to purchase prime television time for ADO-C on RPC television, owned by accused drug trafficker Eleta Almarán; and to buy votes and electoral officials outright.

“They were buying votes at \$50, \$60, \$100 a piece,” said one observer on the ground about the CIA financed ADO-C. “Since the pro-government forces had no money even to

provide lunch to the poll watchers, the ADO-C provided lunches to everybody: their poll-watchers, and those of the pro-government parties. Right under the plate, there was a \$50 bill. Of course, when the ADO-C people would come up with voters with fake cards, nobody was willing to question them.”

Electoral officials who were supposed to deliver the tally sheets to the election board, got there hours, and even days, after they were supposed to, in many cases with altered tally sheets. Some never got there. Two days after the polls closed, the national election board was still issuing calls for the tally sheets to be delivered for counting. ADO-C first vice-presidential candidate, Ricardo Arias Calderón, bragged to the *Washington Post* May 9 “that the opposition still retained ‘a great number’ of tally sheets that would prove their victory.”

Blatant U.S. meddling in Panama prompted the Mexican official daily *El Nacional* to editorialize May 10 that for Panama, “it was not even worth holding the elections because it is the President of another country (Bush) who appointed himself as Panama’s Electoral College.”

The decision to annul the elections, was praised by *El Nacional* as “an act of political realism.” In an editorial May 11, the Mexican government-owned daily warned “that for the well being of our continent and the future of the nations that share the region, no one should forget that just one crack is enough to bring to an end sovereignty and self determination. It is the Panamanians, and no one else, free from outside pressures, who should determine their future.”

Just as *EIR* warned in its April 28 issue, unless power was handed over to the candidates of the Democratic Opposition Civic Alliance (ADO-C), financed by the CIA, the Bush administration would set in motion immediately after the elections “strikes and street disturbances” within Panama, “organized by Panamanian agents of the United States with the intent of provoking a violent confrontation with the PDF” to provide an excuse for military intervention.

EIR also warned, that the Bush regime would pressure the nations of Ibero-America to:

- Join in proclaiming Panama’s elections fraudulent;
- suspend diplomatic ties with Panama;
- have the Organization of American States (OAS), the Ibero-American Group of Eight nations, and other Ibero-American forums vote to censure Panama.

EIR warned that the shock waves from these developments would extend throughout Ibero-America, most immediately into Argentina, where Peronist presidential candidate Carlos Menem held a commanding lead over Eduardo Angeloz of the Radical Party of socialist President Raúl Alfonsín in the May 14 elections.

So far, developments have been exactly what *EIR* said they would be. As U.S. troops were being deployed into Panama, the Bush administration began “to pressure the Latin American countries” through Venezuelan President Carlos Andrés Pérez, a member of Jimmy Carter’s Council of Free-

ly-Elected heads of Governments (COFEHG), reported the *Jornal do Brasil* May 12.

Multilateral action

Pérez, who was described by an official of Brazil's Foreign Ministry as "a spokesman for the United States," got the Organization of American States to agree to an extraordinary foreign ministers' meeting on Panama for May 17, by arguing that it was preferable to "unilateral U.S. action." The *Jornal do Brasil* noted that "with Latin American support in its pocket, the White House decided to reduce the fire-power of the troops to be sent" to Panama.

"What we are interested in is that the U.S. acts within the OAS," said Pérez May 11. In fact, that was also what the United States wanted. One of the first calls for enacting limited sovereignty was a proposal to set up an international tribunal to oversee national elections under the auspices of the OAS. This was first floated at a meeting March 30 at the Carter Center in Atlanta, attended by Pérez, U.S. Secretary of State James Baker, and David Rockefeller, among others. The proposal was adopted despite the objections from the Mexican representative, who argued that it was an attack on national sovereignty.

Panama agreed to the OAS meeting on the condition that it take up "the constant interference in its internal affairs by the United States, to bend the nation's sovereign will and in this way obtain benefits for its own interests," in violation of the OAS charter. However, said Soraya Cano, Panama's alternate ambassador to the OAS May 10, "The Panamanian elections are a matter of internal jurisdiction, based on the principle of self-determination," and not subject to OAS action.

The Panamanian government also warned the OAS delegates that the "complex variable of so-called U.S. national security interests could well lead, at any moment, to the precedent that they are attempting to set in Panama being used against any political person in Latin America or the Caribbean . . . to impose changes according to their convenience or whim."

The U.S. reply was that unless the Latin Americans were willing to go along with "multilateralism," and agree to pressure Noriega to leave and impose a government of U.S. choosing in Panama, then it will unilaterally use military force against Panama and tear up the canal treaties. "If three months down the line Noriega is still in power, the United States would feel justified in taking direct action," said a "former U.S. policy maker," according to Reuters May 11.

American troops were not expected to engage in any immediate military confrontation against Panama's Defense Forces (PDF) commanded by General Noriega—although the possibility cannot be ruled out. Instead, the administration was betting that the show of force and the Latin American diplomatic offensive would persuade Noriega to leave voluntarily or to encourage a coup against him within the PDF.

Based on past performance, the General was not about to leave voluntarily, since he understands that the U.S. wants him out in order to renegotiate the canal treaties, and extend the right to U.S. military bases in Panama, past the year 2000.

As to a coup, on May 11, Panama's Defense Forces charged that Carlos Andrés Pérez had attempted to bribe four high-ranking officers to kidnap Noriega. In a document released to the press, the four said Pérez had promised them "abundant financial aid for the country, reincorporation of Panama into the Group of 8, and promises of international recognition" if they were to arrest Noriega, turn him over to the U.S., annul the May 7 elections, and install a provisional government.

If "multilateral" efforts to oust Noriega fail, Bush—who has put the prestige of his administration on the line—will have to face the prospect of ordering military action *alone*. Despite the overwhelming superiority of U.S. forces, Panama, unlike Grenada, will not be a cakewalk, and the U.S. is likely to find itself mired in a strategic disaster which the Soviets will exploit, regardless of any promises Baker thinks he got from Gorbachov. And the apparent Ibero-American support will disappear.

Latin support is smoke and mirrors

- Argentina's Raúl Alfonsín will be a powerless lame duck after May 14.

- Peru's Alan García is facing unrest from his military, because his anti-militarism has allowed the narco-terrorist Shining Path and MRTA guerrillas to achieve virtual dual power during his term. His anti-militarism, however, does not extend to Communist Nicaragua, which regime he enthusiastically supports.

- Venezuela's Pérez is facing tremendous unrest at home because of the debt crisis. Last March, some 1,000 Venezuelans were killed for protesting against Pérez's imposition of International Monetary Fund (IMF) austerity. On May 18, he faces another test when Venezuela's labor movement stages a general strike against his economic policies.

- The continent's biggest powers, Brazil and Mexico are not likely to go along with U.S. multilateralism for long. Brazil is waging its own fight against limited sovereignty against United States pressure to put the Amazon under supranational control, and Mexico, long wary of U.S. interventionism, also feels threatened by the U.S.-Mexican Binational Commission, co-chaired by Henry Kissinger's partner, Deputy Secretary of State Lawrence Eagleburger's call in 1988, for "binational government" over sweatshop, free-trade zones, on the U.S. Mexican border.

The Mexican establishment daily *Excelsior* charged May 13 that, "by encouraging Noriega's overthrow," Venezuela's Pérez was acting "as the proconsul of the Empire." "Pérez is an agent of the CIA," said *Excelsior*, calling on the Mexican government to act to prevent the U.S. from repeating in Panama "100 years of threats and invasions."

Schiller Institute celebrates Council of Florence anniversary

by Nora Hamerman

In what was praised by Italian Senator Carlo Tani as a “bold and courageous initiative,” the Schiller Institute held an international seminar in Rome, Italy on May 5-6 to commemorate a turning point in the history of our civilization, the ecumenical Council of Christian churches which reached its highpoint in 1439 when the Eastern Orthodox and Roman Catholic Churches were dramatically reunified under the magnificent cupola of the Florence Cathedral.

The 550th anniversary of the Council of Florence—as the council which began in Ferrara in 1438 and finally ended in Rome in 1445 came to be known—provides an opportunity to reflect upon and recapture the deepest values of Western Christian civilization, pivoted around the concept of the Necessity of Progress.

“In these apocalyptic times, we must remember the old Renaissance, which lifted Europe out of the depths of the fourteenth century’s New Dark Age. We must refresh our commitment to the effective resolutions taken at the Council of Florence in 1439. We must render intelligible the principle which made those resolutions successful, despite all the opposition and setbacks of the forces assembled at that conference,” wrote the American statesman Lyndon LaRouche, in a message read to the Rome audience on May 5 by Fiorella Operto, president of the Schiller Institute in Italy, in Italian translation. Mr. LaRouche pointed to the growth of overt Satanism, the threat of mass starvation in China, the threat that the Soviets may be impelled toward war by their internal crisis, the impending holocaust in the Third World, as reasons why the principle of reason must be returned to the United States, through the joyful embrace of the historical accomplishments of the Council of Florence.

The Filioque issue

As the central such accomplishment, Schiller Institute founder Helga Zepp-LaRouche described the contribution of the German Cardinal Nicolaus of Cusa (Cusanus), the greatest scientific mind of the age, to bringing about acceptance of the *Filioque* principle by the Greek representatives of the

Eastern Roman Empire, known as Byzantium, at the Council.

The Filioque was a clarification added in the West to the Nicene Creed, which specified that the third member of the Holy Trinity, the Holy Spirit, proceeds from both the Father *and* from the Son equally—a clause which helps to emphasize mankind’s special responsibility, in imitation of Christ, to continue the work of Creation. It had been rejected by the Byzantine church for nearly 400 years, causing a Schism between East and West and making unity against a common enemy—namely the aggressive and cruel Ottoman Turkish empire—impossible.

Today, few outside the circles of religious and cultural historians may be aware of the significance of this long-ago “theological” battle. Yet U.S. Schiller Institute president Webster Tarpley in the final speech of the conference, characterized the *Filioque* principle as one of the pillars of Western thought and pointed out that even today, there is a clear dividing line between those nations where the Filioque was accepted and where it was rejected: a division expressed in the Western European notion of individual freedom in contrast to the Russian denial of the dignity of the individual.

Contributors

Among those who contributed to the two-day Schiller Institute seminar, held at the beautiful “Sala Borromini” auditorium in the center of Rome, were two Cardinals of the Roman Catholic Church and four Senators of the Italian Republic: Their Eminences Mario Luigi Cardinal Ciappi, and Pietro Cardinal Palazzini, both experts on the Council of Florence, and current Senators Carlo Tani and Emilio Paolo Taviani, as well as former Senators Luigi Noè and Vincenzo Carollo. Senator Taviani, a former Christian Democratic minister in several governments, is vice president of the Italian Senate and heads the Italian commission which is preparing for the 500th anniversary in 1992 of the opening of the New World. Christopher Columbus’s voyage to America in 1492 was reportedly guided by the Florentine cartographer

Paolo Toscanelli, a participant in the Council of Florence.

Senator Tani, who opened the second day of the sessions in person, requested a detailed report on the proceedings of the Schiller Institute conference to circulate to government officials. He pointed out that what most contradicts the spirit of the Council today is the “ecology” movement. In Italy, the “Greens” have moved from shutting down nuclear energy to targeting the plastics industry, hunting and fishing, and agriculture, with the aim of taking the entire nation back to a Dark Age.

The conference shared with the original Council of Florence of 1439 some of the breadth of themes of far-reaching significance—for the Council of Florence had important artistic, strategic, and scientific dimensions. Particularly rich were the contributions describing the official work of the ecumenical Council, which had the task of reunifying Christendom after the Schism of nearly four centuries’ duration and bringing back into the fold some of the churches that were physically as well as doctrinally more distant.

This aspect began with the opening remarks on May 5 by Cardinal Ciappi, who is from the Dominican monastery of Santa Maria Novella in Florence where most of the working sessions of the Council were actually held.

Helga Zepp-LaRouche unfolded the “prehistory” of this Council by discussing the work of Nicolaus of Cusa at the Council of Basel, which opened in 1431 and for which Cusanus wrote his first major work, *De Concordantia Catholica*. Eventually the reigning Pope, Eugene IV, dissolved the Council to reconvene it in an Italian city in order to host also the Greek representatives. Because of his knowledge of Greek, Cusanus was selected as a key member of the delegation that traveled to Constantinople and invited the Byzantine leaders for what became the Council of Florence.

She laid special stress on the need to understand and apply in today’s world Cusanus’s concept of the *imago viva Dei* or man as the living image of God.

Father Luigi Iammarone of the Seraphicum Pontifical University in Rome, paid tribute to one of the other heroes of the Council of Florence, John Bessarion, the Metropolitan of Nicea who later became a Catholic Cardinal, for devising the compromise formula that brought the Greeks and Latins together theologically on the question of the procession of the Holy Spirit. Father Luca Kelati, the rector of the Pontifical Ethiopian College, read the text of a beautiful letter written in 1440 by the Ethiopian Church declaring allegiance to Pope Eugene IV. (In ensuing decades, the question of Ethiopian Christians being true Christians became a very critical one for bolstering the position of the anti-slavery current inside Western Europe.) Father Giorgio Zabarian, the Procurator of the Patriarchate of Cilicia of the Armenians, delivered a brief history of the impact of the Council of Florence in the Armenian Church, which also declared its adherence to the Council of Florence.

Father Michel Aoun, a Lebanese priest, added the history

of the Maronite Christians in Lebanon and their participation in the Council of Florence. A particularly fascinating intervention came from Father Isydor Patrylo, the General Superior of the Basilian Order of San Josaphat, who traced the life and work of the Metropolitan of Moscow known as Isidore of Kiev, a fervid supporter of unity with the Western Church, who was imprisoned and persecuted when he returned to Moscow. Moscow’s rejection of the Council of Florence laid the basis for the launching of the imperial doctrine of Moscow as the “Third and Final Rome”; and today, Father Patrylo stressed, although the Ukrainian Catholics are free to worship in the West, inside the Soviet Union they are persecuted.

Science and art

Just as occurred in the context of the 1439 Council, the two-day commemoration broadened its focus to treat the major human concerns of the past and present. To summarize the most striking of the many interventions:

- Father Dario Composta of the Urbaniana Pontifical University described the work of Bishop Antonino (later Saint Antonino) Pierozzi of Florence, a Dominican who did not take part in the Council, but was active in the city before and after 1439. Antonino developed the theological justification for what we would today call “productive investment,” distinguishing this from usury, and thus laying the basis for the development of modern capitalism.

- Prof. Francesco Premuda of the Engineering Department of the University of Bologna gave an inspired presentation of the “cold” fusion experiment recently carried out by Martin Fleischmann and Stanley Pons. He said that man is concretely the product of Divine Providence through the fusion process that generated the stars in the first place, and hoped that so-called cold fusion may point the way to liberate mankind, especially in Third World countries, from the political combinations that now conspire against freedom. Professor Antonio Vitale, director of the National Institute of Nuclear Physics, University of Bologna, and his colleague Prof. Antonio Bertin, physics professor, University of Bologna, who are working on experiments to test the “cold fusion” results, urged scientific rigor on such a subject and attacked the irresponsible mania of the media.

- Mrs. Rita Matteuzzi, speaking for the Italian Hunting, Fishing, and Environment Association, delivered the last of several speeches criticizing the pseudo-ecologist movement, pointing to the commandment of Genesis to man to “be fruitful and multiply, replenish the Earth and subdue it,” as exemplified in the activity of hunting. The Italian anti-hunting lobby is not concerned about the environment, she charged, but rather about putting land into the control of the oligarchical few, who can then charge exorbitant prices for its use. She also pointed out the moral degradation of those who defend the lives of all animals and are the same people who campaign for abortion of human babies. Dr. Corrado Perrone

gave an incisive polemic against the insane war by Italy's "Greenies" against plastics, while former Senator Noè, the vice president of the energy agency ENEA, spoke against the anti-nuclear campaign which is forcing Italy to become the only nation in Europe without nuclear power.

● Prof. Lando Bartoli of Florence and Dr. Paulgerd Jesberg, an architect from Hesse, West Germany, delighted the audience, which included a contingent of about 100 schoolchildren, with their highly pedagogical presentations on Renaissance architecture. Dr. Bartoli is one of the world's experts on the Brunelleschi Cupola of Florence, under which the Bull of unity between the Greek and Latin Churches was proclaimed in 1439. He presented, with the aid of slides and a small model constructed by the Schiller Institute's Claudio Rossi, a discussion of the method of construction of the dome without a supporting structure of heavy wooden scaffolding or a clay mold, by means of "herringbone" brickwork and applying the principle of what were called "crests and sail" construction, embedding the geometry of a spherical dome within a nonspherical "pavilion" vault raised over an octagonal base.

Dr. Jesberg, editor of the review *Baukultur*, showed the work of the 15th century artist Filarete, who commemorated the Council of Florence in his bronze doors for St. Peter's basilica in Rome. Filarete became one of the great urban designers of his day, author of a treatise that shows how cities should be built for a higher level of civilization.

Present implications

Time did not permit the Schiller Institute seminar to fully address the strategic side of the Council of Florence, which was convened under the pressure of the urgent need to defend Constantinople from conquest by the Turks. But the president of the Italian Schiller Institute, Fiorella Operto, pointed to the genocide now occurring in Lebanon at the hands of Syria and with the complicity of particularly the U.S. as well as other Western governments, as the parallel issue that must be addressed today, as "the failure to defend Constantinople was the great error of that time."

The conference heard two appeals on Lebanon: Dr. Victor Trad, of the Foundation of Social Solidarity, who detailed the current horrors in Lebanon, particularly against the Christian population; and Dr. Alfredo Jalife, of the Lebanese Maronite community of Mexico, who linked the policy in Lebanon to a series of what he called "hoaxes": the hoax of so-called ecology, the hoax of *perestroika*, the hoax of Kissinger's Trilateral Commission, and the hoax of Bush administration foreign policy based on imposing crippling debt upon its Ibero-American allies. The double standard in Washington goes far beyond the Lebanon policy *per se*, Jalife emphasized. He blasted the alliance between the "satanic Trilateral" of the Middle East, made up of Assad, Qaddafi, and Khomieni, and the Western Trilateral Commission.

At the prompting of Helga Zepp-LaRouche, the confer-

ence passed a resolution condemning Syrian actions in Lebanon and calling upon Western governments to take action to kick out the Syrian force and restore peace to Lebanon.

The LaRouche question

Webster Tarpley brought to a focus the burning question that had been raised by many speakers at the conference: the barbaric imprisonment of Lyndon LaRouche, condemned to life in prison in the United States for political "crimes." Tarpley delivered greetings from Mr. LaRouche as well as from six fellow prisoners, William Wertz, Edward Spannaus, Dennis Small, Michael Billington, Joyce Rubinstein, and Paul Greenberg. He also brought the greetings of Rochelle Ascher, sentenced to 86 years in jail for having solicited loans for political causes.

Because LaRouche has contributed so much to rediscovering the treasures of our civilization, as well as to the frontiers of scientific and economic thinking today, his current situation came up repeatedly during the proceedings. Senator Vincenzo Carollo during his speech on the New World Economic Order had raised a plea for reversing the injustice done to LaRouche, and this was the main theme of the contribution by the French-Iranian historian Dr. Ali Mazaheri, professor emeritus at the French Higher School of Social Science and author of numerous books on medieval history. Dr. Bartoli cited his gratitude to Mr. and Mrs. LaRouche for their enthusiastic interest in his battle to save the Florentine dome of Brunelleschi, and expressed outrage at the jailing of LaRouche.

Dr. Bruno Barosi, director of the acoustical physics laboratory of the Cremona International Institute of Violin Making, praised LaRouche's initiating role in the campaign for returning to the standard tuning pitch mandated by natural law, in which middle C is set at 256 Hertz.

Attorney Mirella Cece, president of the European Christian-Liberal Movement, delivered an impassioned plea to participants to work for the freedom of LaRouche and his associates, a fight in which she is personally playing a leading role in Europe.

Tarpley stressed that under the present conditions of the failure of *perestroika* and the eruption of revolutionary ferment throughout the Soviet bloc, the Russian empire is more dangerous than ever. LaRouche's leadership, and the reversal of the trend to fascism in the United States, are therefore more urgent than ever.

Helga Zepp-LaRouche called upon participants to reflect on the contents of the conference in order to draw internal strength for the tasks ahead. "Putting Lyn in jail with drug pushers is not a reflection on Lyn, but it says something about the United States," she said, referring to her husband. By imitating Christ, as we have learned from this conference, we can find the strength that will make it possible to free him and to defeat the openly Satanic forces which are organizing for evil, the Schiller Institute founder said.

Mainland China explodes; Can the nation be saved?

by Mike Billington

The People's Republic of China (P.R.C.) in April and May has been swept by the largest social upheaval since the chaos of the Cultural Revolution before Mao's death. The world's TV screens and front pages carried scenes of over 100,000 students marching through Beijing and into Tiananmen Square before the Great Hall of the People. Along the route of the march, over half a million Beijing citizens cheered on this unprecedented breach of Communist rule, while posters and banners openly attacked the government and the Communist Party. Although published commands from government leaders threatened harsh repression, the police and army forces deployed to stop the marchers offered *no* resistance beyond "locked arm" lines which were easily and repeatedly pushed aside.

While the situation is extremely fluid, with forces within and without China deploying their assets in various directions, one reality determines the environment in which the crisis is unfolding: China is undergoing a massive internal economic breakdown which threatens the lives of hundreds of millions of people.

An internal leadership struggle has been developing over the past six months, since Premier Li Peng emerged as the public director of a "forced austerity" regimen, largely overturning the 10-year "reform" program of Deng Xiaoping and Party Secretary Zhou Ziyang. Deng, who remains head of the military and senior statesman, has been a target of the students' attacks along with Premier Li Peng, because of his hard line against the dissident "free speech" movements of the past four years. Deng is also blamed for allowing the downfall of the leading liberal reformers.

Hu Yaobang, whose death and funeral sparked off the student demonstrations, was dumped as head of the Communist Party in 1986 by Deng under pressure from the party leaders, who held Hu responsible for the protest movement that erupted at that time. His replacement, Zhou Ziyang, continued the economic liberalization until the breakdown last year led to Li Peng's "retrenchment." The students demanded the rehabilitation of Hu's policies, and by implication, supported Zhou against Li's retrenchment.

But while the demands and banners are focused on democratic rights of free speech, anti-corruption, and the education crisis, the fundamental issue is the threat to the power of the government to implement the bone-crushing austerity being demanded by *all* the leadership factions—and the in-

ternational bankers who are moving in (see *EIR* April 14, 1989, "Mainland China Takes the IMF Road"). The decisions being made in the West, in Moscow, and in Taiwan will determine whether anyone will respond to the question: "Who will save China?"

The vultures move in

As *EIR* has documented repeatedly, the "New Yalta" policy being implemented by the Anglo-Soviet elite and the Kissinger group in the Bush administration is leaving Asia to the Soviet "sphere of influence." Increasingly, the U.S.-Soviet condominium pursuing this New Yalt seem to have agreed that China should be left politically destroyed and economically picked apart in a manner similar to its 19th-century dismemberment and destruction by the combined Western Powers.

The April 21 *Financial Times* of London reported the crisis not as a disaster, but as a time of great "optimism" for achieving two goals: 1) breaking down the central government into competing regions, and 2) imposing Western banking control.

The *Financial Times* admits that this is "China's most ominous period," and that "clouds are gathering around Peking in a manner unseen since the last days of the Chiang Kai-shek regime in 1949." The reform didn't work, they report, because of the lack of an "efficient banking system," and the retrenchment will fail for similar reasons. This social crisis, combined with the economic breakdown, is the chance for "the lawyers, accountants, moneymen, and tax specialists . . . to run a modernizing economy."

Further grounds for "optimism" for these would-be Taipans who look back with longing to the 19th-century opium trade concessions, is the "fragmentation of the Middle Kingdom, starting to overshadow the leadership's thinking." The provinces of the south and east, says the *Financial Times*, where the "free trade zones" were established under the reform, are beginning to "simply ignore the center's instructions." A breakdown into autonomous regions "might prove an easier and more effective means of running this vast country."

The Soviet 'concession'

Another factor affecting the crisis atmosphere is the May 15-18 visit to Beijing of Soviet General Secretary Mikhail

Gorbachov, to formally reestablish Sino-Soviet relations after 30 years. The massive Sino-Soviet border has been transformed from an armed front into a series of barter trade centers, and the Soviets are moving into the Hong Kong-style "Special Economic Zones" in league with Western nations. The chief of the Amsterdam police has already identified the Beijing-Moscow flights as the newest expanding route for the bumper heroin crop from the China-Burma Golden Triangle, and an overland "container bridge" using trains, trucks, and ships across Siberia is rapidly replacing the ocean routes to Europe.

The British press has tried to portray the student demonstrations as part of the international "Gorbymania." The *Far East Economic Review*, published by Dow Jones, ran a cover story on the demonstrations called "China: Demand for Glasnost." The much ballyhooed "election" of Moscow's Boris Yeltsin was praised in the Chinese Central Committee's *Xinhua* daily as follows: "Yeltsin, who has enjoyed a reputation for speaking out and has been at odds with the Kremlin's number-two figure, Yegor Ligachov, campaigned for more democracy and an end to privileges for the government and party elite. During the campaign, thousands of Muscovites gathered at rallies to voice their support for him."

As this precisely describes the demands and actions of the student dissidents, those in the government who printed this appear to *want* to channel the student ferment in a pro-Soviet direction as Gorbachov's arrival approaches.

The role of Taiwan

The student demonstrations intersect an estimated 100 million construction and small industry workers now wandering the nation in search of employment, and a peasantry which is turning to physical resistance to party cadre responsible for collecting the grain tax, as grain production continues its five year decline amidst rampant inflation. Anti-Communist Party posters and banners were common in the demonstrations. The primary concern of the government and party leaders was to prevent the linking up of the workforce with the students. To that end, the Beijing Municipal Government issued orders to all factories in the city forbidding workers to take leaves of absence between April 25 and May 5. (May 4 was correctly expected to be a day of mass demonstrations, as it was the 70th anniversary of the 1919 demonstration by Beijing students against the Versailles Treaty's transfer of German concessions in China to the Japanese. This rally launched the May 4th Movement, which sparked the nationalist revolution.)

The movement did in fact establish connections across the country and among workers. While tens of thousands of workers cheered the marching students in Beijing, in Shanghai the authorities expelled hundreds of thousands of the "floating population"—the new army of unemployed—from the city to prevent them from joining, according to the *New York Times*. The 6,000 students who rallied there included

economic issues in their slogans—an end to inflation, unemployment, and also an attack on the government's granting of "concessions" on Hainan Island, which they denounced as a return to 19th-century capitulation to foreign powers. The government fired the editor of the Shanghai *World Economic Herald* and seized one issue for breaking the gag order. This spurred the demand for free press, and 150 workers from the official paper *Xinhua* joined the marches.

Gen. Teng Chieh, a senior statesman of the Kuomintang on Taiwan, whose book *A Total War Strategy Against Peking* was recently published in English translation (see review, page 57), argues that the key to liberating the Communist mainland and returning to republican government lies in the historical fact that the myth of Communism's capacity to save China now stands exposed. While 100 years of civil and imperial wars left the Chinese people in the 1940s vulnerable to the hope that Communist dictatorship would save them, the vast majority of the mainland is now anti-Communist. The potential to mobilize that mass sentiment is now a visible reality on both sides of the Taiwan Straits. It is this cultural warfare that will determine the direction of the crisis.

The current government in Taiwan, however, under the intense pressure of U.S. trade war policies, is deserting the economic policies that built the island republic into a world economic power, while also accommodating to the reform policy in the mainland (see *EIR*, May 5, 1989, "The R.O.C. Must Not Go Down the Tokyo Road"). Such a policy could neutralize the potential for Taiwan to intervene to save the mainland from the pending disaster.

Fang Lizhi

Although the students are avoiding naming any of the well-known dissidents for fear of government retaliation against them, it is widely recognized that they took moral direction from the intellectuals led by astrophysicist Fang Lizhi, who mobilized over the past six months for free speech and for amnesty for political prisoners. The government's State Council has named Fang and the U.S.-based Alliance for Democracy as among those responsible for the unrest, and implied that there would be arrests, but not "too soon."

That Fang is aware of the cultural issues involved was demonstrated in an interview he granted to the Hong Kong *Cheng Ming* April 1. He describes the CPC leaders as "old veteran soldiers who fought the battles and seized state power for the party. They performed deeds of valor, but their minds are full of feudal ideas and do not understand democracy and democratic politics at all. Leaders in their 60s were trained in the Soviet Union and Eastern Europe when they were young. None has personal experience in Western democratic politics. Scholars and students who have received education in Europe and America learn much about the essence of democratic politics, but most of them are not willing to return to China, or were not appointed to leading positions because the CPC feared their democratic ideas."

Iran's Rafsanjani is going to Moscow

by Thierry Lalevée

Barring last-minute changes, Iranian Parliamentary Speaker Ali Akhbar Hashemi Rafsanjani should be making his pilgrimage to Moscow in the coming weeks. Planned for many years, this visit will be the first by a high Iranian official to the Soviet Union since 1979, and will represent a turning point in relations between the two countries.

The first dramatic step occurred in late February, when Soviet Foreign Minister Eduard Shevardnadze arrived in Teheran and became the first foreign dignitary to be afforded an audience by Ruhollah Khomeini in nearly eight years. Since then, delegations have been flying between both capitals, with wide-ranging economic and industrial agreements signed. In the last week of April, the Iranian-Soviet Economic Commission met and set into motion a series of deals which, according to the official announcement, "will be ratified during Hashemi Rafsanjani's visit."

The emergence of this close relationship between Iran and the Soviet Union heralds the total failure of the U.S. "arms for Iran" policy initiated by Jimmy Carter and followed by the Reagan administration as an attempt to woo supposedly "moderate" mullahs. It also indicates that for Moscow, the strategic importance of Iran overrides the potential danger that a Moscow-Teheran axis could upset the thaw between Moscow and Washington. If Moscow can strike a decisive victory in Iran, even at the price of destabilizing the region and its agreements with Washington, it will do so.

The strategic importance of Iran for Moscow is also underlined by the kind of economic agreements being ratified. In the medium and long term, they will pave the way for an integrated economic and, especially, energy integration between Iran and Moscow's southern Muslim republics, with Iran meeting the energy demands of the entire Transcaucasus and Central Asian regions.

The post-Khomeini power struggle

The Soviets are emerging with what no other power has so far: an ability to influence the post-Khomeini battle for power in Iran. Rafsanjani's visit to Moscow will enhance his position as *primus inter pares*, both in his drive to become

Iran's President by the fall of this year, as well as to become the chairman of the Council of Experts which is now set to rule the country after Khomeini's death.

What are the Soviets getting from Rafsanjani in return? Certainly they are in a position to obtain major concessions not only from him, but also from other Iranian leaders. Ultimately, those who best meet their conditions, will receive their support. For Moscow to play a "Rafsanjani card," does not mean that the Kremlin is curtailing ties with other factions, especially with Interior Minister Ali Akbar Mohtashemi. As a result of this game, the Soviets are successfully sponsoring a radicalization of the Iranian regime, including a forced reconciliation between Mohtashemi and Rafsanjani. The erstwhile "moderate," Rafsanjani, sounded more like Mohtashemi when, on May 5, he advocated that for each Palestinian killed in the Israeli Occupied Territories, the Palestinians should kill five citizens of France, America, and Britain. Normally, that would have been a bit much for Rafsanjani. It took a May 2 meeting between himself and Khomeini, as well as with the leadership of the Lebanese Hezbollah terrorists, to convince him that there was no alternative to uttering such threats, in order to consolidate his internal position.

The dynamic can be seen from the spy mania unleashed since the April 21 speech of Rafsanjani, where he announced that an American spy ring had been dismantled. Rafsanjani's statement obviously represented a good will gesture to Moscow, indicating to the Kremlin that he was ready to sever his Western connection. Yet, it is also likely that Rafsanjani's sudden anti-Western posture represents a preemptive move against further revelations about his negotiations with Washington during the Iran-Contra arms negotiations—especially as declassified documents are now flooding Washington in the wake of the Oliver North trial.

Purges in Iran

Intelligence sources report that the Iranian-Soviet consolidation has been the result of several months of consultations among Moscow, Teheran, and East Berlin. The East Germans are, in particular, reported to have played a crucial role in channeling documentation alleging that a group of "American spies" within the government and the Army were operating through the West German embassy in Teheran and U.S. intelligence centers in West Germany, especially Frankfurt and Wiesbaden. Whatever the truth of Iran's revelations about the "spies," the scandal has had two carefully planned political consequences.

Inside Iran, it has led to a purge of any elements within the government who could be considered "pro-Western." Especially hit have been those functionaries who have been in constant negotiations with the West over political and economic issues. A purge is also under way within the armed forces. Up to 1,700 officers and other personnel have been arrested or interrogated—which serves to strengthen the hard

Aoun exposes plot to partition Lebanon

This statement was released by Lebanese Prime Minister Gen. Michel Aoun's office, following a press conference at his headquarters on May 2.

1) Prime Minister Aoun favors diplomatic means to continue the liberation efforts. He will cooperate with the Arab [League] initiative, but if it fails he will use other alternatives. The military means is never a goal in itself; it had the effect of attracting the world's attention.

2) The Syrians blockaded the legal ports of Beirut and Jounieh to put the free Lebanese areas under siege. We never closed the legal ports of Sidon and Tripoli and Tyre. All we did was to apply international and Lebanese laws.

Moreover, the Syrians blockaded the land passages between liberated areas and Syrian-occupied areas.

3) As a citizen whose country is occupied, I have the duty and the right to liberate my country. But still I was not the first to open fire. The Syrians opened fire first and we refrained from riposting until it was a matter of self-defense. Then we retaliated against Syrian military targets.

We are a people and an army that will go on resisting Syrian and Israeli occupations.

4) The fruits of any resistance cannot be instantly gathered. It is a long process that we are determined to continue. We have opened a breach in the Syrian wall in Lebanon. We have reintroduced the Arabs into Lebanon after their ouster by the Syrians.

There is no longer a Syrian monopoly in Lebanon.

5) The plot against Lebanon exploded in daylight: It

is the partition of Lebanon between the Syrian and Israeli influences, with the approval of international powers. But an unveiled plot is no longer effective. The Arabs and the world have their attention on the Lebanese dossier. From now on we will be patient and resistant.

6) The port issue is no longer an important one, now that the Syrian presence and the eventuality of a Syrian withdrawal are clearly considered. We also have similar demands to discuss with the Arab envoys, such as Halate airport.

7) The Syrians have always tried to push us into the Israelis' arms, to use this as a pretext with the Arabs for the occupation of Lebanon and the Syrian brutal military reactions to any Lebanese resistance stand. Both Syrians and Israelis agree upon occupying Lebanon. The Arabs will have to go to the U.N. to get the Israelis out, but they have first to get the Syrians out.

8) I always attacked the U.S. administrations, but never the American people. The U.S. is a superpower and has a responsibility, because it leads the free world, and because we are part of the free world, we expect the support of the U.S.

We have the right to see our political and human rights supported by the U.S. and we have the right to influence U.S. public opinion to change the administration's silence.

9) The plot against Lebanon also requires that we tie the issue of liberation to the reforms. They are important, but how can you relate one issue to another? Liberation is not only the Christians' duty. Muslims are starting to participate. Relations between Christians and Muslims must be based upon entente and not hegemony.

I wish all Lebanese could meet at a round table. I will not be there, because I do not foresee a political role for myself in the future. But I urge them:

a) Not to represent a foreign dimension in Lebanon, but a Lebanese dimension abroad.

b) Not to try to impose themselves on the other part.

core of the regime, the Pasdarans (Revolutionary Guards). This has reopened the proposal originally sponsored by the Pasdarans for dismantling or neutralizing the regular armed forces, within the context of the upcoming constitutional reforms, set for late summer.

Internationally, Iran is becoming further isolated. Especially hit is the connection to West Germany, which has traditionally been the major Western outlet for Iranians of all factions. That relationship has survived many crises, allowing the Iranians to keep an open window to Europe and the United States. The closing down of that connection is one

way to corner Iran into a lonely relationship with the East bloc countries. Hence, the West German Embassy in Teheran has been denounced as a "nest of spies" by the Iranian media—a characterization last used in reference to the U.S. Embassy in Teheran in 1979, when the U.S. hostages were seized there. On April 25, Mahmud Vaezi, the director of the European and American department of the Iranian foreign ministry, traveled to Bonn to announce that as a result of Bonn's behavior during the Salman Rushdie affair, as well as Bonn's relations with the "spies," Teheran was going to drastically curtail its trade relations with Germany.

Dutch government coalition falls

by Our Correspondent

Following a vote of no-confidence on May 2, the Netherlands right-of-center government of Prime Minister Ruud Lubbers fell. The crisis was precipitated by a split in the ruling coalition of the Liberal and Christian Democratic parties. Queen Beatrix has called for new elections on Sept. 6, opening up the possibility of a "Grand Coalition" between the Labor Party and the Christian Democrats.

On the surface, the current crisis was initiated by the Liberal Party, the junior coalition partner, over a proposed tax increase to finance an ambitious environmental program proposed by the Lubbers government. But, as one European observer said, "You don't bring down a government over the issue of auto pollution." The more fundamental issues involve the realities of Europe since the signing of the Intermediate-range Nuclear Forces (INF) treaty, the move toward American disengagement from Europe, Gorbachov's "Common House of Europe" propaganda drive, and the "Europe 1992" integration scheme.

Prior to the dissolution of the government, conservative and pro-NATO circles in The Hague were attempting to grapple with a post-INF political climate that saw the United States pushing West Germany onto the path of neutralism, as the issue of short-range missile modernization erupted. In fact Lubbers, who still heads a caretaker government, arrived in Washington, D.C. on May 8, and held talks with President Bush, hoping to play the role of mediator in the Lance missile controversy. The view of such circles is that the specter of a German coalition between the Social Democratic Party and the Greens would present Europe with a disaster, the prospect of a Grand Coalition only less so. The prospect of a neutralist West Germany without U.S. troops is something to be avoided at all costs.

As one of the more stable, conservative-leaning coalition governments in Europe, the Lubbers government was oriented to status quo policies. But now, with the prospect of a Grand Coalition emerging in September, all that has changed.

Weak coalitions

This would conform to the trend throughout Europe toward weak coalition governments that serve to undermine any institutional resistance to a "New Yalta" policy, the current operational policy of the Kissinger crowd in Washington, on the one hand, and the "Europe 1992" hardliners who

seek the destruction of all strong national institutions throughout Western Europe, on the other. In this respect, the Dutch government follows that of Belgium, where the Christian Democrats are in a coalition with the Socialists.

This trend was expressed by a European member of the secretive Bilderberg Society, who ridiculed the NATO missile modernization debate as "very stupid, a fixation on tactical ends." "Let's think on the grand strategic plane," he said. "The issue is, we have won the Cold War . . . who can win the peace?" Quoting from the memoirs of the late European federalist Jean Monnet on the importance of transcending the nation-state and moving toward "the organized world of tomorrow," the source added, "What Gorbachov has done to Europe, and what some people in Washington don't understand, is that the long-term plan has become possible. Status quo politics have become totally insufficient." He cited George Kennan, Paul Nitze, and Lloyd Cutler as three U.S. co-thinkers.

The above assessment is currently embraced by not a few Liberal Party members. One Liberal Party member, Jan Derk Blaauw of the Foreign Affairs Commission, while quick to deny that foreign policy questions had anything to do with the government crisis was quick to agree with the above assessment. "I agree," he said. "The Cold War is over. In fact, I helped draft the Liberal Democratic Reform Caucus Policy for the European Parliamentary Elections, calling for the inclusion of the French and English independent nuclear deterrents in arms negotiations." Inclusion of the French and British nuclear forces in East-West talks would strip the last figleaf from the idea that a credible European nuclear deterrent exists.

The Dutch Liberal Party is part of the Liberal International of which the German Free Democratic Party (FDP), a principal promoter of Gorbachov's "Common House of Europe," is a member. Although the Dutch Liberals are considered to be to the right of their German colleagues, the gap appears to be closing and it is known that the FDP's Hans-Dietrich Genscher, West German foreign minister and a proponent of Gorbachov's "Common House of Europe," has good relations with many of his Dutch colleagues.

The other issue under the surface is Europe 1992. The Liberal Party's decision to bring down the government is said to have been the result of a rift between the parliamentary caucus and the Liberal ministers in the cabinet who were accused of doing everything the Christian Democrats asked of them. One of those was Minister of Transport Neelie Smit-Kroes, who has voiced reservations on the effect of the proposed Europe 1992 deregulation on the Dutch transport sector.

New party programs will not be forthcoming until after the June 15 elections for the European Parliament. A left-of-center government between the Christian Democrats and the Labor Party is a real possibility, while also a Labor Party-Liberal coalition cannot be ruled out.

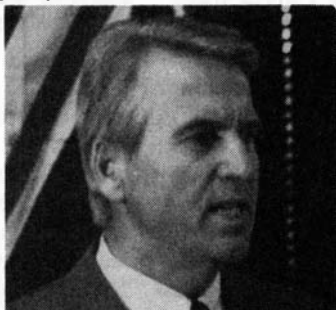
Anglo elite woos neutralist admiral

by Mark Burdman

West Germany's Adm. Elmar Schmähling, an outspoken advocate of pulling American troops out of West Germany and of a neutralist option for the Federal Republic, is being cultivated at the highest levels of the Anglo-American Establishment. This is the same Establishment which is so obsessed these days with bashing the Germans, ostensibly for not doing enough for the Western alliance.

Schmähling, an active-duty admiral who is the director of the Office for Studies and Exercises of the Bundeswehr, spoke on April 29 at a policy forum in Washington, D.C., where he was the guest of William Colby, former head of the U.S. Central Intelligence Agency.

On May 18, Schmähling is scheduled to be one of the speakers at a seminar at London's Royal Society of Arts. The event is a "Naval Arms Control Conference" on the theme, "INF at Sea?" Among those scheduled to join Admiral Schmähling on the podium are Adm. Sir James Eberle, director of the prestigious



Adm. Elmar Schmähling

Royal Institute of International Affairs (also known as Chatham House); John Lehman, former U.S. Navy Secretary; Vladimir Kulagin, deputy head, Research Coordination Center, Soviet Ministry of Foreign Affairs; Jan Prawitz, Special Assistant for Disarmament to the Swedish Minister of Defense; U.K. Rear Admiral J.R. Hill, editor of *Naval Review*; and William Arkin of the Washington, D.C. Institute for Policy Studies.

In bed with Greenpeace

The May 18 event marks a new departure in British liberal Establishment activity, beyond the fact that the neutralist Admiral Schmähling is being so prominently featured. Officially, the conference is being sponsored by the U.K.'s

Council for Arms Control, a group of influentials from the academic, church, diplomatic, and political communities, founded in 1981. However, the conference is officially being held *on behalf of Greenpeace*, the ecologist-terrorist group which has openly evolved into an asset of the Soviet Union!

The idea for the conference came from Greenpeace-U.K.'s "Nuclear-Free Seas" program. Greenpeace leaders approached the Council for Arms Control, asking that it organize a conference on the above-stated theme, and claiming that establishing the infrastructure for such an event was beyond Greenpeace's capabilities and resources. The Council happily obliged. One Council source called this a "contractual arrangement with Greenpeace."

This places some of the senior figures of the British political and military Establishment in bed with Greenpeace. Council chairman General Sir Hugh Beach was formerly director, Army Staff Duties, in the British Ministry of Defense. He is reportedly intimate with the pro-Soviet hierarchy of the Church of England, centered around Archbishop of Canterbury Robert Runcie. Other members of the Council board include former Foreign Secretary Denis Healey (of the Labour Party); Lord Mayhew; Bishop Hugh Montefiore, prominent in the Church of England hierarchy; John Roper of the Royal Institute; Sir Sigmund Sternberg; and former English-Speaking Union Alan Lee Williams (now at Toynbee Hall in London).

The May 18 event in London would not be the first time Schmähling has been caught working with the Greenpeace fanatics. During the month of April, he attended a conference in Denmark, at which a campaign was launched to stop the U.S. battleship *Iowa*, equipped with nuclear-tipped cruise missiles, from entering the Baltic Sea in June of this year, to join NATO maneuvers there. At this conference, Schmähling personally denounced the planned presence of the ship in the Baltic. Following the conference, a senior commentator for the left-radical newspaper *Information*, Jürgen Dragsdahl, wrote an editorial April 12, warning the *Iowa* against coming into the Baltic and endorsing Greenpeace's Nuclear-Free Seas program. Dragsdahl explicitly called on Greenpeace and affiliated groups to do whatever would be necessary to stop the *Iowa*'s deployment.

Coincidence or not, this campaign began only a few days before the *Iowa*'s No. 2 gun-turret blew up off the coast of Puerto Rico on April 19, killing 47 U.S. sailors. Schmähling was asked at a press conference in Washington, D.C. on April 29, "If it were discovered that the explosion was the result of sabotage, would you regret the fact that your remarks might have contributed to that incident?" The admiral replied, "Since it is a hypothetical question, I will not answer it." But he did admit that he had spoken out against the *Iowa*'s participation in the Baltic maneuvers. "I didn't think it was a good idea to have a nuclear-armed ship showing up in this area, when the West Germans are trying to talk about nuclear disarmament," he said.

Germans fear U.S. strategic reversal

The word here is that behind U.S. threats against Germany, lie plans to lift the nuclear umbrella from Europe.

‘Sit here right next to me. But I warn you, it is very dangerous, because I have toppled numerous governments, you know.’ These were the words U.S. Ambassador to West Germany Vernon Walters used to greet a journalist of *Bild am Sonntag*, Germany’s largest Sunday tabloid, who had come to interview him for the May 7 issue.

Walters warned the West Germans that “the isolationists on our side are getting active again.” He said that without the modernization of the short-range Lance nuclear missile, U.S. troops in Germany would be unprotected against a Soviet conventional attack and would likely be pulled back to the States.

The ambassador was not the only one to threaten troop withdrawal. Also on May 7, Rep. Les Aspin (D-Wisc.), chairman of the House Armed Services Committee, said on ABC-TV, “The issue of no-nukes, no-troops starts to get into the forefront. It is a danger. It’s not this year, but I could see it down the line.” On the same program, U.S. Secretary of Defense Richard Cheney warned: “We do not foresee a set of circumstances in which you would have U.S. troops deployed in Western Europe, where you would not also have as a significant component of deterrent, short-range nuclear forces. That’s a fact of life.”

The message from Washington is simple: If you West Germans don’t agree with nuclear modernization, we will pull our troops out, and you’ll be blamed for it.

The conflict goes beyond a dispute over weapons systems. A *Washington*

Post feature appearing three days after the Vernon Walters interview attacked the Germans as the eternal troublemakers of international politics, having no national identity other than a special crime record in politics. The *Washington Post* declared the Germans the prime “enemy image” of U.S. policy.

“This is not the way an essential ally of the Americans like the Germans is to be treated,” Alfred Dregger, the chairman of the parliamentary group of the Christian Democrats in Bonn, angrily responded recently. Dregger reminded the United States that President Reagan and Chancellor Kohl had originally agreed to have U.S. talks with the Soviets on the Intermediate-range Nuclear Forces (INF) in Europe, with the aim to achieve a common ceiling on these systems on both sides of the Iron Curtain. But then, Dregger remarked in an interview with the *Süddeutsche Zeitung* May 5, the Reagan administration broke its agreement with Kohl, and signed a “zero option” for the INF category, “instead of the mutually agreed-upon common upper ceilings.”

This, Dregger said, “is the cause of the current problems the alliance is faced with, and we’ve predicted that.”

The opposition Social Democrats are mocking pro-U.S. Christian Democrats like Dregger for being “so naive about the U.S., which has long opted for a different course.”

In a discussion with a representative of this magazine, an aide of Dregger’s in Bonn said that the current resistance of the Kohl government is sparked by three motives: 1) the 1986

Reykjavik summit betrayal of the previous U.S.-German agreement on such talks; 2) the suspicion that the United States doesn’t want a longer-range follow-on system to the Lance, nor a modernized Lance either, but is only seeking a noisy pretext to justify their own troop withdrawal; 3) the certainty that Washington secretly decided, without consulting the West Germans (but in agreement with the Soviets), on a dramatic change of their strategic doctrine for Europe.

“The review of the strategic doctrine which was recommended by the Iklé-Wohlstetter Report has already become U.S. operational policy,” the source said, referring to the 1988 report of the President’s Commission on Integrated Long-Term Strategy, which said that the idea of a U.S. nuclear umbrella over Western Europe was obsolete. “That is the way they think, now. They don’t want to keep the States in the partnership of nuclear risk with us Germans anymore.”

If the U.S. were really interested in keeping this deterrence, they would offer a longer-range follow-on system to the Lance, preferably an air-launched stand-off missile with which NATO could reach rear echelon Warsaw Pact bases and Soviet territory. The complete removal of the land-based INF missile category, which had this capacity, was a clear warning signal that the U.S. wanted to “pull out from the risk,” the aide said. All the German-bashing, he added, is intended to make the change of strategic doctrine complete.

Fears are increasing in Bonn now, in connection with reports that President George Bush will soon proclaim a new doctrine for Europe. Rumors have it that he wants to turn the NATO 40th anniversary summit in Brussels on May 29 into a forum for the “restructuring of European affairs.”

Toward 'local self-government'

Rajiv Gandhi's decision to grant 'panchayati raj,' or local self-government, has far-reaching implications for India.

At a conference of state chief ministers in the capital May 5, Prime Minister Rajiv Gandhi spelled out the government's resolve to move decisively to resurrect the mostly moribund institutions of local government throughout the country, the village *panchayati raj* institutions, or governing councils made up of five elected officials. A kind of village communal system that has existed for centuries in the subcontinent, *panchayati raj* was embraced by Mahatma Gandhi during the freedom struggle as the appropriate vehicle for self-government in independent India. But, placed under the states' jurisdiction, they were gradually eclipsed. Now, a constitutional amendment to strengthen the *panchayati* system will be introduced in the current session of Parliament for debate and discussion prior to passage in the late summer monsoon session, Mr. Gandhi announced.

Though it shouldn't have been a surprise—at the PM's insistence "decentralization" has been a major concern in the Eighth Plan formulation, and he himself has been discussing it in "grassroots" forums; opposition chief ministers, and the opposition generally, were apparently taken aback by the government's resolve to move swiftly.

Without doubt, the move—which will end the states' control over the *panchayati* institutions and establish a direct link, financial and otherwise, between the local governing bodies and New Delhi—will have a potentially enormous electoral impact. Indeed,

taken together with the May 1 launching of a massive \$1.4 billion rural employment scheme in honor of Jawaharlal Nehru to provide a job to at least one person in each of the 44 million families estimated to be living below the poverty line, the *panchayati* initiative can be fairly said to have pretty much sewn up the coming general election for the ruling party.

Ironically, it has only been in the opposition-ruled states of West Bengal and Karnataka that the *panchayati* institutions have retained their clout. Opposition politicians fear that the ruling party seeks to use the *panchayati* system against those state governments and as a voteback machine for itself, but the more interesting effects may well be in shaking up the baronies in states ruled by the Congress-I party, where the *panchayati* have been squashed.

Though the proposed constitutional amendment has not yet been made public, it reportedly contains four provisions. First, the *panchayati raj* institutions would be moved from the state list to the "concurrent list," implying both state and central jurisdiction over their functioning. Second, funding would be transferred from the states to the national Finance Commission (which determines central allocations to the states) for issue of statutory awards. Third, regular *panchayati* elections will be mandated under the direction of the National Election Commission instead of the states. And fourth, a uniform policy of reservation of seats on the *panchayati*

ati for women and members of scheduled castes at all levels and all over the country.

And as Rajiv Gandhi has himself emphasized repeatedly, the fact that no more than one out of every ten rupees for poverty alleviation reaches the hands of the poor is a thorough indictment of the present state of affairs.

Though *panchayatis* had been introduced in some states prior to 1940, it wasn't until the Community Development Program in 1952, that the concept was seriously taken up as a vehicle for development work as well as self-government. But, despite the launching of a "new era" for the *panchayati raj* institutions by Prime Minister Nehru in 1959, and again in 1977-79, when it became the subject of a central government study and new recommendations for its revival were issued, little or nothing ensued.

A committee under economist G.V.K. Rao, appointed in 1985, has recommended that a three-tiered *panchayati raj* system (at village, block, and district levels) be revived nationally, with regular elections, and that the district (with a population of 100,000) be the basic unit for policy planning and implementation. In 1986, another committee made further recommendations. Two more working groups have studied the matter, in addition to the administration's grassroots workshops with both administrators and with current *panchayati* office-holders over the past several years.

Presently the *panchayati raj* institutions vary greatly from state to state, though they do exist in some form almost everywhere. In most instances, the village *panchayatis* have some nominal power to tax. But in many areas they were long since taken over by local landlords or other powerful interests and ceased to represent the whole population's interests.

Sonora narco-políticos falling?

The "citizens above suspicion" are suddenly scrambling to cover up their ties to the dope mob.

In the aftermath of the capture of dope mobster Miguel Angel Félix Gallardo in Guadalajara, Jalisco April 8, panic has begun to set in among some of the mob's political protectors in high places. Exemplary is the northwestern state of Sonora.

In late April, Carlos Robles Loustenau, mayor of Hermosillo, Sonora, requested a "temporary" absence from his post for the ostensible purpose of disproving the accusations of electoral fraud made against him by the Attorney General of the Republic. Shortly thereafter, Robles, known as "El Calolo," tried to escape the country. An arrest warrant was issued for him on April 26.

The fall of Robles Loustenau does more than clean up election fraud, however. It also marks the beginning of a cleaning out of the extensive influence of the drug trade in Sonoran politics. Robles L. leads straight into the entire corrupt political network around Sonora Gov. Rodolfo Félix Valdés, including Sonoran secretary general and president of the State Electoral Commission Francisco Aldana Montano, PRI senator from Bulmaro Pacheco (Sonora), and the governor's "confidential" secretary José Antonio Arce Caballero.

Robles is well known for his links to the infamous Sonoran drug trafficker turned Mexico City chief of police Arturo "el Negro" Durazo Moreno. "El Negro" launched Robles's political career by making him a federal deputy from Xochimilco in the early days of the José López Portillo government (1976-82).

"El Negro" Durazo, currently sitting in a Mexico City jail, during his heyday was closely linked to the so-called Puebla Group of financiers through his vast investments in the hotel and tourist industry. The Puebla Group is centered around the Televisa media chain, many of whose luminaries have recently been accused of involvement with the narco-Satanic ring revealed in the Matamoros atrocities.

Similarly well known are Robles's extremely close ties to the group around former Hermosillo Mayor Alicia Arellano de Pavlovich Sugich, a friend of Durazo Moreno and the protégé of financier Arcadio Valenzuela. It is said that Valenzuela influences the office of the Sonora governor through secretary Arce Caballero, his former employee.

Valenzuela, as *EIR* has amply documented in previous articles, is tied to the Félix Gallardo drug trafficking band in a number of ways. In June 1985, the chief of Mexico's narcotics police, Florentino Ventura, arrested Guadalajara businessmen Eduardo and Javier Cordero Stauffer for the laundering of drug money for the Caro Quintero/Félix Gallardo gang. At the time, it was revealed that the Stauffer brothers had a close business partnership with Valenzuela. Among other things, the Stauffer brothers sat on the board of directors of Valenzuela's Banco del Pacífico, founded in 1976. They were also co-investors with Valenzuela in the Fiesta Americana hotel chain, owned by Holiday Inn. The president of Fiesta Americana is Gastón Azcárraga Tamayo, whose first

cousin is Emilio Azcárraga, the president of Televisa.

On April 21, the federal Attorney General's office revealed that trafficker Félix Gallardo owned 52% of the stock in Plaza México, the enormous shopping center in Guadalajara constructed and "owned" by Valenzuela.

Former Hermosillo mayor Robles is also tied to Sonoran Attorney General Sóstenes Valenzuela Miller. Valenzuela Miller helped Robles commit his electoral fraud when, as mayor of Ciudad Obregón, he illegally sent more than 100 people into Hermosillo to guarantee Robles's election. Valenzuela Miller is in turn linked to Félix Gallardo's brother, drug trafficker José Luis Félix Gallardo, who made vast real estate investments in Ciudad Obregón when Valenzuela Miller was mayor.

Robles has also been mentioned for having links to noted drug trafficker Jaime Figueroa Soto, currently facing 40 criminal counts against him by the Arizona state prosecutor. Robles, as Sonora Attorney General, reportedly interceded in Figueroa's favor when the latter was arrested on a minor infraction.

Sonora Gov. Félix Valdés attempted to mask his administration's cozy relationship with the drug traffickers by calling on April 19 for a "social alliance" to combat drug trafficking. He politely asked the traffickers to please "abandon" his state and "cease their activities."

And yet, few who know anything about the Sonora drug trade will buy the governor's theatrics. A series of massacres, like the seven killed in Navojoa March 22 or the 10 killed in Agua Prieta March 29, or the October 1988 drug violence in Nogales which forced the army out to patrol the streets, bear witness to the drug trade's bloody grip on the state.

Peru reels from narco-terrorism

The country may yet stem the terrorist tide, now that pro-Soviet Prime Minister Armando Villanueva is out.

On May 8, the Socialist International's top man in Peru, Armando Villanueva, finally resigned from his posts as prime minister and interior minister. Villanueva had managed to cling to power despite tremendous opposition, until terrorists assassinated two congressmen April 27 and May 6. Terrorists have murdered dozens of local officials throughout Peru, but this was the first time they had struck against congressmen.

Pressure for Villanueva's ouster began building March 27, when a 300-man Shining Path battalion lay siege for five hours to the police post in the town of Uchiza, which lies in the heart of the cocaine-producing area, the Upper Huallaga Valley. The police were finally forced to surrender to the narco-terrorists, after Villanueva refused to send reinforcements.

"What happened here was a lack of political decision in response to repeated requests by the zone commander for reinforcements," Gen. Edgardo Mercado Jarrín (ret.) wrote in a Peruvian strategic policy journal in May. "So long as narcotics traffic is not destroyed, so long as [we] do not get tough with narcotics traffic, the possibilities for subversion to expand are much greater."

Terrorist confidence that they could act with impunity under Villanueva was again evidenced April 28. Terrorists had previously moved in small groups disguised as peasants. But now, a uniformed column of the Tupac Amaru Revolutionary Movement (MRTA) rolled in two trucks and a jeep out of the jungle toward Huancayo, a key central Andean city.

This time, however, the Army intercepted them, killing 62 MRTA soldiers. President Alan García flew to the site, and praised the Army for its action. "This dramatic spectacle is very sad and tragic, but it is necessary for democracy to defend itself, and it is absolutely essential that the Army and elected government of the republic get to work to finish off this threat. While this blow may be one of the strongest, it cannot be the only one," he said.

It may seem obvious that a democracy should defend itself from assassins. But such was not the case under Villanueva, nor is it the case in neighboring Colombia today, where the "human rights" of murderers come first. *EIR's* repeated alerts that terrorism targets the whole Andean Spine were confirmed by the 62 dead MRTA soldiers, six of whom were citizens of Colombia, Bolivia, or Ecuador.

The following day, García flew to the Huallaga Valley for two days of meetings with the military high command. García warned that the terrorists were attempting to seize the cocaine center as their first "liberated territory" in Peru.

"Little by little, subversives who act in other areas of the national territory are converging around Tocache, and if we don't act immediately, we run the risk of seeing the Upper Huallaga converted into an almost independent zone. . . . Narcotics traffic and terrorism intend to make a 'pocket' of this zone from which to feed subversion elsewhere in Peru."

By then, terrorists had begun picking off congressmen. The first victim was Eriberto Arroyo, a Communist

who had recently switched sides to support anti-terrorist peasant militias. The second, May 6, was Pablo Li Ormeño, a member of García's APRA party.

On May 8, Villanueva and the entire cabinet resigned. García named 88-year-old Vice President Luis Alberto Sánchez as prime minister, who pledged, "I want the armed forces and police to understand that Peru is at war against subversion."

Sánchez is the oldest living "State Department socialist" in Ibero-America. Who is named to fill the cabinet posts of Interior and Economics will give a better idea of whether the Sánchez government is prepared to eradicate narco-terrorism. Any attempt to enforce more IMF austerity—policies which Sánchez has been associated with over the years—will tip the balance in favor of the terrorists.

Rumors that former Deputy Interior Minister Agustín Mantilla is under consideration as the next interior minister, sent the terrorists' supporters in the "human rights" lobby screaming. One of Villanueva's first actions was to fire Mantilla, an advocate of tough action against the narco-terrorists.

No matter who is named, the job will not be easy. On May 10, Shining Path launched a three-day general strike in the Huancayo region with 50 bombings of factories, banks, public buildings, and buses. The city of 450,000 people was paralyzed.

As Gen. Mercado Jarrín explained in his analysis, the Huancayo area is Lima's food supply and the source of its water and electricity. "Whoever dominates the central mountain range, dominates the territorial heartland, and whoever dominates the territorial heartland, dominates Peru." Shining Path is everywhere there, in schools, in unions, and in peasant organizations.

International Intelligence

British Labour wins big in by-election

The British Labour Party has had its best by-election result in 50 years, with a victory May 4 in the Welsh district of Vale of Glamorgan. The campaign was waged and won entirely on one issue: the Thatcher government's health policy.

Compared to the last election in the district, Labour's total vote went up by 14%, the Tories went down by 11%, and the smaller "centrist" parties, the Social Democrats and Social Liberal Democrats, suffered big losses. Reuters news agency is labeling this a "stunning victory" for Labour.

It is also an important warning signal to Mrs. Thatcher's government. Labour campaigned *only* on the issue of opposition to the government's plans to reform the National Health Service. So vehement is the opposition to Thatcher's policies, that doctors in and around the district called on the voters to boycott the Tories, and the call was overwhelmingly successful. One doctor in Vale of Glamorgan ran as an independent on his own ticket; he got almost no votes, but the fact that he was running had great symbolic importance.

Japan, Soviets in Kuriles stalemate

"There is nothing new on the territorial issue from either side," a spokesman for visiting Japanese Foreign Minister Sosuke Uno told reporters in Moscow after a meeting with Foreign Minister Eduard Shevardnadze.

A dispatch from the Soviet news agency TASS said Shevardnadze had pointed to Moscow's initiatives to improve its relations in the Pacific, including scaling down its troop concentrations in the eastern Soviet Union and Mongolia.

But TASS also indicated that there was no agreement in the dispute over the Kurile Islands, the chain stretching north from Japan's Hokkaido Island to the Soviet Union's Sakhalin Peninsula. The Russians have occupied the islands since the closing days of

World War II.

TASS quoted Shevardnadze with the usual line that the state of relations between Moscow and Tokyo "was still not commensurate with the potential possibilities available to the Soviet Union and Japan and the standing of our countries in the world."

Canadian bishops condemn Syria

A press release from the Catholic Conference of Canadian Bishops dated April 17 made public a letter sent the week before by its president, Bishop James Hayes of Halifax, to Canadian Prime Minister Brian Mulroney, denouncing Syria's bloody actions in Lebanon.

Stressing that "Christians of Lebanese extraction residing in Canada have expressed their anguish at the fate of their families in Lebanon and of their fatherland," Bishop Hayes asked Mulroney to "deploy all diplomatic efforts susceptible of immediately putting an end to the shelling of Beirut and of bringing about renewed conciliation efforts," according to Montreal's *La Presse*.

"The Lebanese people is entitled to peace and security," added Bishop Hayes. "As a founding member of the U.N., it must be granted international diplomatic efforts. We heartily wish . . . Lebanon not be left alone and forgotten in this tragic hour of its history."

The Executive Committee of the Quebec Assembly of Bishops made a similar request of the Canadian government.

Russians propose U.N. 'environment' agency

The government of the Soviet Union, in a letter released May 5, proposed a U.N. body to organize an international response to "environmental emergencies."

The letter, signed by Foreign Minister Eduard Shevardnadze, followed up an idea put to the General Assembly in December by Soviet leader Mikhail Gorbachov. "Overcoming the global threat to the envi-

ronment and ensuring universal environmental security through prompt and effective action is an imperative of our times," he said.

Shevardnadze said there should be a U.N. Center for Emergency Environmental Assistance headed by an undersecretary general. "The main function of the center would be the prompt dispatch of international groups of experts to areas where the state of the environment has badly deteriorated."

The team would examine the situation and draw up recommendations for improvement, he said. "When necessary, such groups would include lawyers to consider legal problems that may arise as a result of environmental disasters with trans-boundary effects."

Chirac: three principles for NATO

Paris Mayor Jacques Chirac, the former French prime minister, visited Washington, D. C. on May 8 to present a French proposal on the dispute between the Bush administration and West German Chancellor Helmut Kohl over modernization of West Germany's short-range nuclear missiles.

Chirac told an audience at the Carnegie Endowment for Peace, "The time has not come, it seems to me, to bestow on the U.S.S.R. the certificate of democracy which some are urging us to award it."

Chirac told President Bush in a private meeting, "We have to keep a nuclear deterrent because without a nuclear deterrent we have not a chance to maintain the security and peace in Europe." Chirac predicted that French President François Mitterrand would intervene to try and persuade Kohl to give up his demands that the alliance begin short-range missile talks with the Soviets.

Chirac presented what he called "three principles" for NATO:

1) Reject any denuclearization and any negotiations on short-range weapons.

2) Reduce the number of missiles to a minimum and increase their range "lest deterrence should appear to Europeans as synonymous with limited nuclear war on their own soil."

3) Contribute independent British and French nuclear weapons "by means of agreements and of appropriate political and military mechanisms, among Europeans themselves, as well as with the United States."

For those left scratching their heads on point three, Chirac responded, "It is quite complicated. This is too open a discussion. It's very difficult and I cannot go into detail."

The greening of Count Ripa di Meana

Count Carlo Ripa di Meana of Venice is playing a surprisingly vigorous role in the "greening" of Europe, the May 7 *Financial Times* of London reported. Ripa was recently appointed to the European Community's Commission on the Environment.

According to the report, the Venetian count has helped persuade EC member states to take "unexpectedly drastic action" to "protect the ozone layer," and is "pushing ahead with a new, largely French-inspired idea to create a European Environmental Agency, to some extent modeled on the U.S.'s powerful Environmental Protection Agency."

Ripa wants to make environmental policy an integral part of the Europe 1992 scheme. He is also focusing on the global threat caused by damage to the Brazilian rain forests, and is privately advancing the idea of an EC energy tax to pay for correcting ecological problems in the Third World.

The *Financial Times* notes that the Venetian nobleman is an Italian Socialist, who joined the party in 1958 after an earlier attachment to the Communist Party.

Nicaragua puts troops on alert

Nicaragua put its armed forces and reserves on alert just prior to the elections in Panama May 7, in anticipation of a U.S. military intervention in Panama, according to a Reuters wire.

Defense Minister Humberto Ortega said, "We have ordered a high level of combat alert to respond to any implications for Nicaragua an invasion of American troops in Panama might have," he told a news conference. U.S. officials have not ruled out an armed intervention in Panama if elections failed to return the candidate of U.S. choice—which they did not.

Ortega, who is also head of the Popular Sandinista Army and the militia, said U.S. threats to invade Panama are very serious and could complicate the Central American conflict. "This is why we are on alert and ready to defend ourselves," he said. "What is happening in Panama is a lesson to the Nicaraguan people that we should be ready."

Nicaragua has planned national elections in February of 1990, as part of a peace plan being drawn up by Central American leaders, which also envisages the demobilization of 12,000 Nicaraguan rebels in Honduras.

The underworld of Jacques Soustelle

French anthropologist Jacques Soustelle, one of the leading inspirers of international narco-terrorism, has denied charges from the new Paraguayan government that he was involved in a fraud scheme with overthrown Paraguayan dictator Alfred Stroessner.

Paraguay's Trade and Industry Ministry charged that Soustelle and Stroessner embezzled over \$40 million. They are alleged to have done so through a Swiss-registered shell company that involved senior executives of Paraguay's state-owned National Cement Industry, which used overbilling in the fraud.

Stroessner is in exile in Brazil. Thirty of his aides are being investigated by the new government.

Soustelle, a former French Governor General of Algeria, was Information Minister in 1958-59 in the government of Gen. Charles de Gaulle. Soustelle quit and became a leading figure in the Secret Army Organization (OAS), which mounted several assassination attempts against de Gaulle.

Briefly

● **SOVIET T-80 TANK** production soared in the first quarter of 1989 from about 3,500 a year to more than 4,200, while outdated models were retired, according to Pentagon officials with access to DIA information quoted in the May 8 *Washington Times*. Said one official, "On the face of it, it is a complete contradiction of Gorbachov's stated intention of taking 10,000 tanks out of service."

● **SOVIET Deputy Foreign Minister Igor Rogachev** arrived in Beijing unannounced on April 22, according to Yugoslavia's Tanjug news service. The Chinese Xinhua news service acknowledged his arrival and announced his departure April 28.

● **ADNAN KHASHOGGI'S** former second wife, Lamia, an Italian, flew to New Delhi in April to receive a special peace prize as the Woman of the Year. Admittedly, the Indian press noted, a peace prize for the spouse of a leading arms dealer is a bit odd.

● **CHINA** has indicated that it is unhappy with concessions made by Prince Norodom Sihanouk to Cambodian Premier Hun Sen during their talks in Jakarta April 30.

● **MAXWELL RABB**, Ronald Reagan's ambassador to Italy, told the Italian magazine *Epoca* that in October 1981, he was awakened in his hotel in Milan and told to fly home to the United States. "I was to have been assassinated the next day. Five Libyans had been captured by police in a Rome hotel, and one of them was to have been my killer."

● **PRESIDENT MITTERRAND** of France has sent his son and chief adviser on African affairs to Senegal and Mauritania to attempt to resolve tensions between two of the world's poorest nations, which led to the eruption of riots in late April.

From the Hitler-Stalin Pact to 'Operation Barbarossa'

by Michael Liebig

Der Eisbrecher: Hitler in Stalins Kalkül

by Victor Suvorov

Verlag Klett-Cotta, Stuttgart, 1989

461 pages, DM 36.

The books previously authored by Victor Suvorov on the subject of the Soviet military intelligence service, the GRU, and on special *spetsnaz* commando units, have already made a valuable contribution to informing the broader Western public about the Soviet leadership's actual capabilities and intentions. This latest book, on Soviet Russia's political and military strategy during 1939-41, not only provides crucial new insights into that period, but also confronts us anew with the Soviet leadership's remarkable ability to successfully misinform the world about its true aims over a 50-year time-span—a circumstance which becomes all the more shocking, given that many of the essential facts which Suvorov presents in his book, must certainly have long been known by military historians in the West.

Thus it has come to pass, that the absurd myth of the "peace-loving" Soviet Union, which was "suddenly and treacherously" attacked by Hitler's Germany on June 22, 1941, has remained essentially intact over the intervening years. Today, the Soviet leadership, and its overt and covert friends in the West, are painfully aware that any breach in the prevailing historical fictions regarding Soviet policy from 1939 to 1941, would have a far-reaching significance. Gorbachov himself has drawn attention to this by his numerous public apologies for the Hitler-Stalin Pact and its aftermath.

The former Soviet Foreign Minister Andrei Gromyko, in a rare interview granted to the West German newsweekly *Der Spiegel*, took pains to deny the existence of any secret

protocol of the Hitler-Stalin Pact concerning the partition of Poland and the occupation of the Baltic nations. Such claims, he insisted, are based on anti-Soviet lies and falsifications. In West Germany, Suvorov's book has already provoked a series of Soviet articles, essays, and conference presentations on the 1939-41 period which betray extreme Soviet sensitivity on this point. *Der Spiegel* has printed an extensive, multi-paged review of Suvorov's book, in an unsuccessful attempt to undermine the author's arguments. It is also remarkable that, unlike Suvorov's previous books, this one has appeared only in German- and French-language editions, not in English.

The Hitler-Stalin Pact: gateway to the 'second imperialist war'

Suvorov proceeds from the assumption that the Soviet leadership under Stalin obviously did not believe in their own propaganda formula on the "peaceful construction" of "socialism in one country." They believed that Soviet Russia could only survive and secure a strengthened geopolitical position, as an outcome of a "second imperialist world war." Lenin himself repeatedly spoke about the "inevitability" of a new world war.

The precondition for such a new world war, in the Soviet view, was the so-called "inter-imperialist rivalries." In the wake of World War I, the "imperialist" powers became divided into a "saturated" grouping, consisting of Great Britain, France, the United States, and the small Eastern European states allied to them; and a "revisionist" grouping, consisting of Nazi Germany, Italy, and Japan. The aim of Soviet diplomacy was therefore systematically to encourage a sharpening of these "inter-imperialist contradictions" into actual war; in Stalin's words, the imperialists had to be induced to "bite each other like dogs."

In this respect, the crucial Soviet diplomatic breakthrough was attained with the signing of the Hitler-Stalin Pact on Aug. 23, 1939. With it, the Soviet leadership had cleared the way not only for the military liquidation of the Polish state in collusion with Nazi Germany, but also for the outbreak of the entire "second imperialist war." Therefore, World War II actually began on Aug. 23, 1939, even though it was not until Sept. 1 that German troops invaded Poland, with the Soviet troops following suit on Sept. 17. Hitler's remaining scruples over provoking war with France and Great Britain, both of whom had guaranteed Poland's integrity, had been swept aside through Stalin's political and military complicity.

At the same time, however, Nazi Germany had been maneuvered into the classic two-front situation of World War I: To the west lay France and Great Britain; and in the east, in the middle of partitioned Poland, Soviet Russia and Nazi Germany directly faced each other. Thus, Hitler's diplomatic "liberation strike" for the dismemberment of Poland ended with Nazi Germany totally surrounded geopolitically, and entirely dependent on the continued good graces of the Russians.

Nevertheless, the Soviet leadership was surprised in May 1940, and had to modify the time-frame of its agenda. They had not believed that Nazi Germany would be able to militarily crush France and Great Britain in continental Europe as quickly as they in fact did in May and June. Moscow had been counting on a replay of World War I, which would have allowed the Soviet Union to carefully await the time when an exhausted Nazi Germany, pinned down in the West, could be given the same treatment already meted out to Poland.

But even the German *Blitzkrieg* did not bring about a decisive turn in the overall strategic situation; it therefore did not alter the basic parameters of Soviet strategy. Nazi Germany was unable to conquer Great Britain militarily; it simply lacked enough sea and air power to undertake this. Furthermore, Germany's military resources were scattered across an area reaching from northern Norway, through France, and into Libya.

On the other hand, the Soviet leadership knew that the United States and Great Britain would not be able to intervene militarily on the continent until their armament efforts had reached a much higher level. During this span of time, therefore, a Soviet military victory over Nazi Germany would mean that there would be no world power which could successfully challenge Russia's total control over Western Europe to the Atlantic coast. Thus there was no time to lose in cranking up Soviet Russia's armaments efforts and preparing an offensive attack against Nazi Germany.

During the invasion of France in May-June 1940, the Soviet leadership began to systematically increase its pressure on Germany. The diplomatic climate between Berlin and Moscow noticeably worsened, and the rift became obvious during Molotov's visit to Berlin in November 1940. In

the summer of 1940, Lithuania, Romanian Bessarabia, and Bukovina were completely occupied by Russia; and it should be noted that neither the military occupation of Lithuania nor of Bukovina had been provided for in the Hitler-Stalin Pact. The major target of this Soviet pressure was clear: 1) Romania, with its oil at Ploesti, the sole important source of oil for Germany, and 2) the Balkans as a whole, especially Yugoslavia, Bulgaria, and the Turkish sea straits. Moscow's second line of attack was against Finland, which was invaded by Soviet Russia in November 1939 and by March 1940 was forced to beg for a ceasefire.

This Soviet line of attack was, of course, aimed at the most vulnerable points of Germany's military-industrial complex. Romania was supplying two-thirds of the oil for the German war machine; coal gasification never covered more than 30% of its fuel requirements. After the occupation of Bessarabia, the Red Army was only 200 kilometers removed from the Ploesti oil fields—"Germany's weak point," in Marshal Zhukov's words. Yugoslavia was providing the bulk of the bauxite which was critical for German aircraft production. From Finland came nickel, which was critical to weapons production; Nazi Germany had no other accessible nickel reserves. After March 1940, as part of the spoils of the Finnish War, the region of Finland containing the nickel deposits was annexed by Russia. At the same time, Soviet control over Finland provided opportunities to attack German supplies of northern Swedish iron ore, which had to be transported via the Baltic or northern Norway.

Soviet Russian pressure on Nazi Germany was increased in parallel with intensive military and diplomatic efforts to eliminate Japan as an opponent of Russia. This effort succeeded in August 1939 with the surprise offensive of the Red Army under Zhukov in Outer Mongolia, in which Japan's Sixth Army was crushed. The Soviet victory at Khalkhin Gol demonstrated that Stalin's purges of the Red Army had by no means led to its paralysis, and that the army's initial failures in the invasion of Finland were by no means symptomatic of the overall condition of the Soviet armed forces.

Starting with the victory at Khalkhin Gol, Soviet diplomatic efforts were bent upon a non-aggression pact with Japan, which was in fact achieved in April 1941. Instrumental to this effort was the secret intelligence work of the Soviet spy group around Richard Sorge in Japan. Soviet Russia now had its rear flank secured, and could fully concentrate on the "Western Front" with Nazi Germany.

Beginning in the summer of 1940, the Soviet war mobilization was systematically escalated to gigantic proportions. In the second half of 1940, there were 11 new armies added to the already existing 17 armies. Eight armies were created by mobilizing the eight "interior" military districts; i.e., the military districts, along with their entire leadership, were transformed into armies. Ten of the newly formed armies were reallocated against Nazi Germany. In all, 13 armies were mustered in the immediate vicinity of the demarcation

line in Poland—i.e., directly confronting the Wehrmacht.

Among Soviet Russia's 28 armies, its 16 "shock armies" obviously had a special significance because of their high component of up to 1,000 tanks apiece. Of these 16 shock armies, three were exceptional: the Sixth, Ninth, and Tenth Shock Armies, each with up to 2,000 tanks, approximately one-third of which were of the types T-34 and KV. In June 1941 these three shock armies had twice as many tanks as the Wehrmacht's four "tank groups," which had a total of 3,200 tanks, many of which were by no means late models. The Tenth Shock Army was stationed in the immediate vicinity of the border with the German-occupied part of Poland in the Russian "front balcony" of Bialystok. The Sixth Attack Army was stationed in the Western Ukraine front balcony of Lvov (Lemberg). The Ninth (and largest) Shock Army was stationed in the Ukraine and Moldavia, right next to Romania; in addition to its large masses of tanks, it had large paratroop and mountain warfare divisions. Up to 1940, the Red Army had no mountain warfare divisions; they weren't that useful on the level plains of the Ukraine, but were perfectly suited for a rapid conquest of the Romanian Carpathian Mountains—the most direct path to the Ploesti oil fields.

The Red Army in offensive deployment

The manner in which this mass of Soviet armed forces was deployed on the "Western Front"—i.e., immediately on the frontier, demonstrates clearly and unequivocally that the concept behind this array was *not defensive*. There can be no doubt, that the Red Army, the manner of their deployment, was exclusively aimed at an *attack* against Nazi Germany, Romania, and Hungary. From the end of 1939 onward, the Soviet leadership systematically *dismantled* their extensive defensive installations in Byelorussia and the Ukraine (the "Stalin Line"). Comprehensive and well-prepared measures for the destruction of transit routes, mine blockades, and infrastructure for the conduct of partisan warfare in the event of an invasion of Soviet Russia—all these were removed or revoked. At the same time, attack divisions were sent in ever greater numbers, to crowd ever more closely on the border with Nazi Germany.

This strictly offensive movement of Soviet armed forces is eminently significant, when one considers that up to the present day, Soviet disinformation has vehemently insisted that the Hitler-Stalin Pact was merely a desperate emergency measure in order to expand its "glacis," its *defensive patrols*, for the protection of the Motherland as far westward as possible. In reality, between 1939 and 1941, not only was *no* defense system (in the sense of the "Stalin Line") created in the Russian-occupied zones of Poland, the Baltic states, and Romania, but even the existing defensive installations on the "old," pre-1939 frontier were systematically torn down.

The idea that Stalin must have had a sentimental trust in Hitler's promises, is of course completely absurd. The military and political measures which Stalin effected on the

"Western Front" speak a language which can not be disputed or misunderstood: Stalin was in full-throttle preparations for an *attack* on Hitler Germany.

Russian vs. German tank capabilities

This should in no way downplay the significance of the Wehrmacht's fighting abilities; in their level of training, their operative leadership principles, and battle experience, they were certainly the best in the world in 1941. But when we consider the industrial base for arming them, we find that in 1941 it was significantly below the 1917 level. At the turn of the year in 1941, Germany was producing under 100 tanks per month—less than 10% of Russian production! True, the operative leadership and logistical organization of the German tank divisions was first class; but it would be irresponsible to speak of any general technical superiority of Germany's tank forces over those of the Red Army. This holds true not only for the T-34, some 1,200 of which had already been produced by June 1941, but also for the KV-I tank, which was available in much greater numbers and was more than a match for the German Mark III and Mark IV Panzer.

Although in the summer of 1941, the Red Army possessed more T-34s and KVs than all German tank forces combined, a great proportion of these were the BT-7 "fast tanks." The BT-7, a further development of the American Christie M tank of 1931, turned out to be completely unsuited for the Red Army's rearguard battles in Russia's interior. That is not so surprising, since the BT-7 was not designed for deployment in Russia's interior in the first place. Its peculiarity lay in its need for a well-developed road network within its sphere of action, in order for it to take advantage of its strength—i.e., high speed with light armor and artillery. It could do so by dismounting its treads and—assuming the existence of acceptable road conditions, or even highways—using its runner-wheels to achieve speeds of over 80 km per hour!

Soviet airborne assault forces

Aside from the sheer mass and quality of the Soviet tank contingents, the expansion of Soviet airborne troops between 1939 and 1941 is quite remarkable. Since the early 1930s, the Soviet Union had been the first and only country in the world to develop extensive airborne troop capabilities. By the mid-1930s, maneuvers were already being carried out with mass jumps of thousands of paratroopers, at a time when no paratroop divisions even existed outside Russia. Parachuting even turned into a "socialist mass sport," with hundreds of thousands of paramilitarily trained jumpers. Suvorov points out that by 1940-41, the Red Army had assembled an airborne troop corps, and that the production of manned gliders and the franchised production of the American DC-3/C-47 transport (*before* June 22, 1941!) was massively expanded. The restationing of these airborne troop divisions gave the Soviets the option of immediately deploy-

ing them, without further movements, into the hinterlands of the "Western Front."

Large paratroop divisions are assault forces *par excellence*; their deployment only makes sense in the context of surprise attack operations behind enemy lines. In defensive and rearguard operations, their usefulness dwindles to that of poorly armed infantry troops.

It should not be forgotten that, in 1941, the Soviet Union possessed by far the world's largest fleet of aircraft. Here we see a picture similar to that of the tanks, namely, the Soviets

The idea that Stalin must have had a sentimental trust in Hitler's promises, is of course completely absurd. The military and political measures which Stalin effected on the 'Western Front' speak a language which can not be disputed or misunderstood: Stalin was in full-throttle preparations for an attack on Hitler Germany.

quite certainly possessed technologically modern fighter aircraft in 1941. The Soviet air forces' deployment doctrine was clearly not oriented toward air defense, but rather toward large-scale airborne assault operations. Sudden, large-scale assault operations, spearheaded by air assault divisions, paratroop divisions, and masses of tanks, constituted the core of all Soviet warfare doctrine, which assigned crucial significance to the "initial phase of warfare."

The central assertion of Suvorov's book, however, lies not in its characterization of Soviet military doctrine and Soviet Russia's military potential in materiel and personnel in 1939-41. Suvorov's primary concern is the Soviet Russian leadership's concrete intention, in 1941-42, to conquer Nazi Germany and to gain control of all continental Europe.

Spring 1941: two campaigns in the east

On the same day as the Hitler-Stalin Pact was signed, Aug. 23, 1939, the Soviet Union began its strategic preparations to wage war on Nazi Germany. On that same day, compulsory military service was instituted throughout the Soviet Union. Already on Aug. 19, *Pravda* had written: "Precisely in the interest of our own defense, the U.S.S.R. will be called on to launch broad assault operations against the enemy's territory."

The preparations initially began against Poland, the Baltic states, Finland, and Romania. Soviet armament efforts were set at full throttle, and its production of modern weapons far surpassed that of Nazi Germany. And yet, precautions for the defense of Soviet territory—of the Motherland itself—against German attack, were radically dismantled. Ever more Red Army assault divisions were positioned immediately on the Soviet Union's western frontier. During 1940-41, Russia's effective mobilization led to the constant creation of new armies from out of nothing. Beginning in the spring of 1941, the eight "interior" military districts were completely stripped of personnel and brought to the west in an extraordinary feat of militarized rail transport. Up to June 1941, the Red Army redeployed a huge number of troops from Lithuania on the Baltic, all the way to the Danube delta on the Black Sea. This Soviet redeployment far surpassed Nazi Germany's "Barbarossa" deployment, which was taking place in close geographic proximity at the very same time.

Suvorov proceeds from the assumption that in the spring of 1941, Moscow's general strategic preparations for an offensive war against Nazi Germany went over into concrete, operative preparations for the assault. Suvorov assumes that by April 1941—i.e., following the non-aggression treaty with Japan—the Soviet leadership had determined that the attack should take place in July 1941.

Stalin's secret speech

On May 5, 1941, Stalin gave a secret speech before the Soviet Union's military leaders. Soviet historians do not dispute the fact that he gave such a speech, that it was important, and that Stalin spoke of the inevitability of a war against Germany. But the text of the speech remains a state secret to the present day. Stalin delivered the speech following a secret emergency meeting of the Soviet political and military leadership, from which was issued a secret directive to the senior military commanders—a directive whose existence is not disputed, but whose contents have likewise never been made public.

On the following day, May 6, 1941, Stalin formally and officially—and for the first time in Soviet history—assumed in his own person the sole leadership of both the party and the state. Shortly thereafter, the top functionaries of the CPSU all received military rank. In May 1941, Soviet propaganda was overhauled to the effect that the order of the day was to "be prepared for surprises and sharp turns in the situation." And as all this was happening, the Red Army's westward deployment grew ever more massive.

Suvorov clearly asserts that amid all these dramatic developments, Stalin by no means wanted to prepare for a surprise German attack. When that attack came, on June 22, 1941, he was taken totally unawares. On June 22 and in the following days, total chaos reigned among the Soviet military commanders, since they had received no instructions whatsoever for the eventuality of an attack from Nazi Germany.

In the prepared orders which the Soviet General staff had distributed to the commanders at the front, there was no provision at all for a defensive war against a German attack! The contents of their instructions were solely devoted to a Soviet Russian attack on Nazi Germany! But the intended date of the Soviet attack came "too late"—by only a few weeks, Suvorov asserts.

Suvorov presents convincing arguments as to why Stalin believed what his agent, Richard Sorge, had reported about Japan, but had ignored Sorge's warnings about a German attack. Suvorov believes that Stalin, along with Soviet Russia's entire political and military leadership, simply could not imagine that Hitler and the Wehrmacht Supreme Command (OKW) would start a war against Russia without typically thorough German preparation.

Suvorov relates striking examples of the way Soviet intelligence services were evaluating their agents' warnings about "Barbarossa." The Soviet intelligence services were carefully observing the continental European sheep market, which remained flat in 1941. The Soviets could not imagine that the Wehrmacht would attack Russia without adequate winter clothing—whose essential component was sheepskin coats. The same situation existed on the market for special fuels and lubricants, which could stand up to Russian winter conditions: None of these had been procured for the Wehrmacht in 1941—with consequences that were to become quite evident by November of that year. Thus, Stalin harbored no sentimental illusions about Hitler and the German General Staff; rather, his miscalculation was based on entirely down-to-earth considerations.

Perhaps an even greater contributing factor to Stalin's miscalculation, was the fact that he and the entire Soviet Russian leadership were totally confident about the success of their imminent surprise attack on Nazi Germany. Everything was in place to gain possession of Romania's Ploesti oil fields within only a few days. At the same time, the frontal arcs in Lvov (Lemberg) and Bialystok were chock full of soldiers, tanks, and aircraft, waiting to march directly on Berlin. But all that had to wait another four years, since on June 22, 1941, the "peace-loving" Soviet Union was "deceitfully and treacherously" attacked by Nazi Germany.

Indeed, the Wehrmacht's immense initial successes in Russia can only be explained by the fact that the masses of Soviet men and materiel crowded together directly on the frontier, could be relatively easily surrounded and crushed. Within only a few weeks, millions were taken prisoner, and huge amounts of war materiel destroyed.

It is a good thing that this book by Victor Suvorov has been published, since after 50 years it makes a crucial contribution to illuminating the historical facts about the period between the Hitler-Stalin Pact and "Operation Barbarossa." Now that it is out, the Soviet Russian leaders will find it somewhat more difficult to purvey their historical disinformation.

A romantic view of the superpower deal

by Rachel Douglas

Two Lives, One Russia

by Nicholas Daniloff

Houghton Mifflin Company, Boston, 1988

317 pages, hardcover, \$19.95

The exchange of *U.S. News and World Report* correspondent Nicholas Daniloff, framed up and arrested in Moscow in August 1986, for a genuine Soviet spy who was caught in the act in New York City, Gennadi Zakharov, was a turning point in Reagan administration policy toward the Soviet Union. Fast on the heels of the swap that President Reagan insisted was "not a swap," he went on to the October 1986 "summit that was not a summit" with Mikhail Gorbachov, at Reykjavik. Reagan had embarked on the path to the disastrous Intermediate-range Nuclear Forces (INF) Treaty of 1987.

The closest Daniloff comes to the heart of the matter, in this account of his ordeal, is to report that "Armand Hammer once again became a player," with a flurry of private diplomacy that led to the swap. Daniloff thanks the nonagenarian Soviet intimate Hammer, "for always being there in times of Soviet-American crisis."

Otherwise, Daniloff's book is a hopelessly romantic amalgam of his story with the biography of his great-great-grandfather, Nikolai Frolov, who was exiled to Siberia for his part in the Decembrist uprising of 1825.

Frolov's granddaughter, Daniloff's paternal grandmother, echoed the Russian supremacist Fyodor Dostoevsky, when she told the young Daniloff, "Russians are the world's most talented people and have something important to tell the world." Grandma "was turning me into a Slavophile," Daniloff later realized.

Daniloff mentions the bit part his grandfather, Gen. Yuri Danilov, played in the Russian revolutions of 1917. Having "advised the czar to abdicate in March 1917," General Danilov "loved Russia so much that he finally agreed to join the Soviets at Brest-Litovsk"; he subsequently shifted to the White Army, and emigrated after defeat. The Czarina, Daniloff notes, had suspected that General Danilov might have been "plotting with the supreme commander, Grand Duke Nikolai Nikolayevich, to overthrow her husband." As a matter of fact, the senior Danilov's 1930 biography of this grand duke, the czar's cousin, suggests that the Czarina's suspicions were well-founded.

Total war: a strategy for snatching victory from the jaws of defeat

by Allen Douglas

Turning Defeat into Victory: A Total War Strategy Against Peking

by Gen. Teng Chieh

Chinese Flag Monthly, Taipei, 1988

130 pages, paperbound, \$5.99

In the first week of September 1988, the American statesman Lyndon H. LaRouche, Jr. and his wife Helga Zepp-LaRouche, the West German chairman of the European Labor Party, paid their first visit to the Republic of China (Taiwan). The high point of the several days of meetings with legislators, military figures, academics, and others, was the extended dialogue the LaRouches conducted with 84-year-old Gen. Teng Chieh, one of the leading theoreticians of the ruling Kuomintang (KMT) Party, and a decades-long adviser to Generalissimo Chiang Kai-shek.

Throughout the discussions, General Teng emphasized that Moscow and Beijing were waging a different kind of warfare against sovereign states in both the West and in Asia than is usually understood. This kind of warfare, which General Teng calls "total war" (and which the Communists call "People's War"), is vastly broader than military conflict per se and subsumes offensives in politics, economics, culture, and religion. The general's point was immediately appreciated by the LaRouches, since Mr. LaRouche had long stressed that Moscow, under cover of *détente* and *glasnost*, was waging precisely this sort of irregular warfare against the West.

Not long after the discussions on Taiwan, this irregular warfare entered a new domain, when the Soviets and their Western assets forced the resignation on Nov. 11, 1988 of the President of the West German Bundestag (lower house of Parliament), Philip Jenninger (see *EIR*, Nov. 25, 1988). LaRouche responded to this new assault with a call for the creation of a "new worldwide anti-Bolshevik resistance movement" against the Communists and their accomplices. Harkening back to the Taiwan discussions, LaRouche em-

phasized that the form of the resistance struggle must be all-encompassing People's War. This present volume by General Teng, to which LaRouche contributed a preface, is an indispensable handbook for any statesman or ordinary citizen who participates in that anti-Bolshevik resistance movement.

General Teng's career

Gen. Teng Chieh was born in 1904 in the mainland province of Kiangsu. During the 1920s he was sent by Gen. Chiang Kai-shek to study, first at Shanghai University, and then at the renowned Whampoa Military Academy, where his classmates included some of those who later became leading Communists, like Liu Shao-chi and Lin Piao. By the early 1930s, General Teng had become one of the most trusted advisers to Chiang Kai-shek.

Following the Mukden incident on Sept. 18, 1931, in which the Japanese made their first incursion into China, General Teng presented Chiang with a plan to reorganize the Kuomintang political and military forces to defeat the anticipated all-out invasion. The centerpiece of General Teng's reorganization was the Society for the Realization of the Three Principles of the People, a society so secret that not much is known about it even today. The "three principles of the people" were an elaboration of Abraham Lincoln's concepts: "of the people" (national sovereignty), "by the people" (a democratic republic), and "for the people" (economic development) in the work of Dr. Sun Yat-sen, who founded of the Republic of China in 1911. The society is credited with giving the KMT forces the strength necessary to forestall a Japanese *blitzkrieg* conquest of China, and then to prepare the ultimate defeat of the Chinese.

General Teng has held a series of top posts in the government and the KMT. He is now a member of the KMT Central Evaluation and Discipline Committee and a member of the R.O.C. National Assembly. His new book is the latest in a long series of training manuals (most of which are unpublished) written to educate KMT party, government, and military officials, and many of his students now hold positions in the KMT, the R.O.C. government, and the military. As



Gen. Teng Chieh

the publisher of the present work notes, "Once again he is proposing a bold plan, this time for resisting communism and snatching victory from the jaws of defeat."

General Teng's concept of total war

The cornerstone of General Teng's strategy, and therefore of this book, is the concept of "total war." Before anything can be done, the populations targeted for conquest by the Communists must understand the nature of the conflict in which they find themselves. "We should be capable of differentiating clearly between total war and traditional forms of warfare," General Teng says, "without confusing the two. We must realize that total war is very different in nature and scope from other forms of warfare, and that it is employed in quite a different way. . . . Regarding its nature, total war is thoroughgoing, maximum warfare. It overturns historical traditions, existing systems, customs and habits, even religious beliefs . . . this kind of total war is of worldwide scope. . . . Regarding its application, total war is applied in a multi-centered, multi-formed way. That is to say, it is not solely centered on military warfare as such, but can be focused on other forms of warfare according to changes in the strategic situation. When the focus has been decided, the political, economic, military, cultural and social sectors can

each play their own part in coordination, resulting in a centralized war within a total war."

In the total war against the Communists, the general argues, "revolutionary spirit is the decisive factor." "This kind of war demands constant mobilization, and in particular constant spiritual mobilization, so that everybody will understand the war and carry out their proper part in it. . . . Constant spiritual mobilization actually means constant spiritual construction," which is carried out by means of education, with the aim of "transforming the national spirit." This is the sort of spirit developed at the Whampoa Academy in the 1920s, the same spirit later responsible for defeating the Japanese invasion.

Though constant education is the key to constant spiritual construction, there is a previous indispensable concept, which lays the basis for igniting the spiritual mobilization, and that is the unwavering determination to *win* the total war. "In the course of our anti-communist war, the principle of 'putting victory first' is essential. The war against Communism is an all-out war in which there is no room for compromise. If you do not win, you lose; there is no third way. If you win, you keep everything. If you lose, then everything is lost, even life itself. That is how it is; if you do not put victory first then you are blindly courting destruction." The general specifically contrasts this to U. S. behavior in recent "limited wars." "In any war, the aim is to seek victory. After all, if you do not seek to win, why bother to fight at all? In the Korean War and the Vietnam War, the United States adopted a policy of not seeking all-out victory, and that was really something very remarkable."

Once one is committed to seeking victory, the revolutionary spirit unfolds. "If you remain passive and allow yourself to be attacked, you have no hope of emerging victorious. There is no way you can generate an active enterprising spirit. All this runs clean counter to the demands of the revolution. The revolutionary cause is an active cause. Once you lose the initiative, it is tantamount to laying aside or abandoning the revolution. If that is the case, how can we have a revolutionary spirit? If we are going to reestablish a revolutionary spirit, a superior revolutionary spirit, we must regain the initiative. In order to regain the initiative we must take the offensive."

On the surface, the form of People's War as applied by the Communists looks much like that applied by those opposing them. The difference is in what the two sides are fighting for. The "Three Principles of the People" mean, for General Teng, universal democracy, which is both the goal for which the war is fought, but also the method by which the war is conducted. "The purpose of this plan is not merely to dissolve and exterminate the enemy but also to lay the foundation during the course of the war for the realization of the ideal of universal democracy under the Three Principles of the People. That is to say, we want to use the propaganda and education connected with the war to cultivate the foundation

of the people's belief in universal democracy, to use the people's participation in the war to cultivate a basic habit of organizational life, to use the people's execution of tasks in the war to cultivate a sense of responsibility in carrying out public tasks. Hence this is a plan which covers war and development at the same time. It is a plan that stipulates ensuring that this will be a war to end all wars, that afterwards we will proceed towards realization of the ideal of universal harmony, and that we will complete the revolution passively and actively in one battle."

The Three Principles of the People are entirely founded upon the notion that every person in the nation bears individual responsibility for the outcome of the struggle. "A war of universal democracy is essentially a war in which everyone must participate and for which everyone must be responsible. Hence everyone should naturally bear full responsibility for fighting the war. In particular those who have been influenced by traditional military affairs think that war is the business of the military, and since they are themselves not soldiers, they definitely do not feel that they have any responsibility for this. Thus people generally tend to feel that the war is not their business." But in reality, it *is* their business, since "the war against Communism is a total war, one which must be fought by everyone, everywhere, and at all times."

Taiwan's strategic position

This exposition of total war by General Teng is undertaken, as the book's title indicates, with an urgent task in mind. Chinese Communist leader Deng Xiaoping announced already in 1980 his plans to conquer Taiwan by 1991. What General Teng—about whom Deng is reportedly obsessed—proposes, is to use the enormous instabilities inherent in the Communist system to conquer mainland China instead. Many would consider it impossible that tiny Taiwan could conquer the mainland. Yet, General Teng says, the P.R.C. only looks strong because it has been faced with no opposition. Once it is, the contradictions inherent in the system of Communism, which have produced the economic collapse, starvation, and popular upheaval now taking place on the mainland, become readily apparent, and the path to victory clear.

Much of the book is a manual for this reconquest. Yet, its concepts of "total war," "revolutionary spirit," and the "Three Principles of the People" are also those necessary to defeat the plans of the Soviet Empire to defeat the Western alliance by approximately the same time that Deng intends to conquer Taiwan. The worldwide anti-Bolshevik resistance movement can take great lessons from General Teng's book. Almost equally importantly, resistance fighters everywhere can be greatly heartened that a man like General Teng, and his faction in the Kuomintang, exists. Near the conclusion of his work, the general writes, "In his testament, Dr. Sun Yat-sen said we should unite all those in the world who regard us as equals to fight alongside us."

Books Received

Forged by Fire: Robert L. Eichelberger and the Pacific War, by John Francis Shortal, University of South Carolina Press, Columbia, S.C., 1987, \$24.95 hardbound, 154pp.

Operation Babylon: The Story of the Rescue of the Jews of Iraq, by Shlomo Hillel, Doubleday and Co., 1987, \$19.95 hardbound, 301pp.

Renewal: A Novel, by Russell Shaw, Garnet Books, San Francisco, 1986, \$4.95 paper, \$11.95 hardbound, 328pp.

Pat Robertson: A Biography, by Neil Eskelin, Huntington House, Inc., Lafayette, La., 1987, \$9.95 paper, 188pp.

The Ancient Tradition of Geometric Problems, by Wilbur Knor Birkhauser, Boston, Mass., 1986, \$69.00 hardbound, 411pp.

Stolypin: Russia's Last Great Reformer, by Alexander V. Zenkovsky, The Kingston Press Inc., Princeton, N.J., 1986, 146pp.

The Perfect Failure: Kennedy, Eisenhower and the CIA at the Bay of Pigs, by Trumbull Higgins, W.W. Norton and Co., New York, 1987, \$17.95 hardbound, 224pp.

Bernard Berenson: The Making of a Connoisseur, by Ernest Samuels, The Belknap Press of Harvard University Press, Cambridge, Mass., 1979, 477pp.

The Gorbachev Strategy: Opening The Closed Society, by Thomas H. Naylor, Lexington Books/D.C. Heath and Co., Lexington, Mass., 1988, \$19.95 hardbound, 253pp.

Stalin: The Man and His Era, by Adam B. Ulam, Beacon Press, Boston, Mass., 1973, 1987, \$15.95 paper, 760pp.

From Brezhnev to Gorbachev: Infighting in the Kremlin, by Baruch A. Hazan, Westview Press, Boulder, Colo. 1987, \$34.95 hardbound, 260pp.

Religious Revolt in the XVIIth Century: The Schism of the Russian Church, by Nickolas Lupinin, The Kingston Press Inc., Princeton, N.J., 1984, \$24.00 hardbound, 227pp.

Irina Ratushinskaya: Beyond the Limit, translated by Frances Padorr, Brent and Carol J. Avins, Northwestern University Press, Evanston, 1987, 121pp.

Invoking 'peace in our time,' Bush adopts Kissinger plan

by William Jones

In a speech delivered at Texas A&M University on May 12, President George Bush announced a reversal of 40 years of U.S. strategic doctrine and officially committed the United States to the policy delineated several months ago by former Secretary of State Henry Kissinger. After a prelude of paeans to the success of the last 40 years of "containment strategy," Bush announced, "We are approaching the conclusion of an historic postwar struggle between two visions—one of tyranny and conflict, and one of democracy and freedom." Attesting that his goal was "more ambitious than any of my predecessors might have thought possible," Bush then declared that he was going "beyond containment" toward the ultimate objective—"to welcome the Soviet Union back into the world order."

"Make no mistake," exclaimed the President, "a new breeze is blowing across the steppes and cities of the Soviet Union. . . . Once again, it is a time for peace."

Clothed in rhetoric which was undoubtedly meant to outshine the more euphoric phases of President Reagan's post-Reykjavik utterances, but delivered in the characteristically clumsy, somewhat nervous, style of the Bush presidency, the speech fell flat as a media eye-catcher. But its content made it clear that the Bush administration has decided to travel the slippery slope of appeasement policies and has wholeheartedly embraced the "end of the cold war" illusions of British Prime Minister Margaret Thatcher, with the policy-content authored by Kissinger.

Kissinger laid out his strategy several months ago in a leak to the *Washington Post*. There he indicated that the United States should agree to recognize Eastern Europe as primarily Soviet turf, in exchange for a Soviet pledge to refrain from military intervention in the East European satellite states. After Secretary of State James Baker indicated

in a March 27 interview with the *New York Times* that the Bush administration was seriously considering the Kissinger proposals, the plan was heavily attacked as a "New Yalta" sellout in the United States and Western Europe. Kissinger then deftly sought to transform it—nominally—into its opposite, in a syndicated column titled "Reversing Yalta." The Kissinger stigma has been removed from the policy—or so Bush hopes—but the policy itself is solidly in place.

Texas A&M was symbolically chosen as the place for the Bush speech, since it is the alma mater of Alfred Kotzebue, the first American soldier to shake hands with a Soviet soldier when the two armies met on the banks of the Elbe River in 1945—a fact which was duly emphasized by Bush in his speech. "Once again we are ready to extend our hand. Once again, we are ready for a hand in return. Once again, it is a time for peace," Bush said, echoing the sentiments of an umbrella-carrying prime minister some 50 years ago.

Open skies, open trade

Bush also resurrected a policy from the Eisenhower period called the "Open Skies," which would allow unarmed aircraft from the United and the Soviet Union (surveillance flights, complementing satellites, etc.) to fly over the territory of the other country, thus opening up military activities to regular scrutiny. Perhaps the most dramatic policy reversal in the Bush speech was the promise to work with Congress to issue a temporary waiver of the Jackson-Vanik Amendment, "opening the way to extending Most Favored Nation trade status to the Soviet Union"—on condition that Moscow "codify its emigration laws in accord with international standards." Bush also called on the Soviets to 1) reduce their overall troop levels; 2) abandon the Brezhnev Doctrine, which justifies Soviet armed intervention in the satellite countries

under the banner of "proletarian internationalism"; 3) collaborate on resolving regional disputes; 4) achieve a lasting pluralism and respect for human rights; and 5) work together on the issues of terrorism, drugs, and the environment.

Baker's trip to Moscow

The Bush speech was strategically placed at the end of the talks held between Secretary of State James Baker III and Soviet Foreign Minister Eduard Shevardnadze, at which the nuts and bolts of the new policy were being worked out. Before leaving for his Moscow rendezvous, to consummate the New Yalta relationship with the Muscovites, Baker assured credulous conservative supporters at the Center for Strategic and International Studies in Washington that the Bush administration was not prepared to enter into a "condominium" with the Soviets. Baker's talks with Shevardnadze and a three-and-a-half-hour discussion with Gorbachov laid the practical basis for the new symbiosis.

In what was portrayed as a "vintage Gorbachov" surprise attack, Baker was allegedly caught off guard by the Soviet leader's proposal to unilaterally withdraw 500 short-range nuclear missiles (out of a total of some 10,000) and a mutual troop reduction of 1 million soldiers. Gorbachov called on Baker to let NATO begin immediate negotiations with the Warsaw Pact for mutual reductions in short-range nuclear weapons. Baker rejected the call for talks, which seemed intended to upstage him on his first visit to the Soviet Union. The secretary of state, reportedly somewhat taken aback by Gorbachov's heavy emphasis on arms control issues, commented that the move was "a good step, but a small step . . . toward a more equal balance in Europe." Baker said that the United States has already been urging the Soviets to unilaterally reduce its short-range nuclear force advantage in Europe before the issue can become a subject for negotiations.

In addition, the Soviets have said that they will reduce their tanks in Eastern Europe and the European part of the Soviet Union by 40,000, their combat vehicles in Europe by 42,000, and their artillery by 46,000. The offers were aimed to strengthen the hand of Shevardnadze, as he travels to Bonn to meet with Chancellor Helmut Kohl and Foreign Minister Hans-Dietrich Genscher, while Baker trots off to Brussels to explain the agreements to his NATO allies.

Soviet demands will intensify

Whatever surprises—real or fictitious—may be in store for the administration, the Bush policy is clearly aimed at achieving a withdrawal of a significant portion of U.S. military forces from Western Europe, for budgetary and other reasons. If the Gorbachov initiative lightens the load politically for the Bush administration, so much the better, reasons the State Department. But as there is no end to the demands for appeasement for those who have shown themselves willing to appease, so Soviet pressure on the Bush administration for more and more concessions will be unrelenting. Com-

menting that the resumption of strategic arms talks in June was an important step on the part of the Bush administration, after a six-month hiatus during the "policy review," Shevardnadze warned that the administration must "ascend new heights" in superpower relations beyond the accomplishments of the Reagan administration. "It would be extremely dangerous to rest on the laurels of what has already been achieved," Shevardnadze said.

For the time being at any rate, the condominium is in place. Shevardnadze said that he and Baker had developed "good personal relations" and that both men hope to make summit meetings a "key element" in the U.S.-Soviet relationship, a "normal political phenomenon without the veneer of sensationalism." He said that he agrees with Baker that the two of them should meet three or four times a year, "or more often if need be." Baker said he would also discuss the possibility of a summit meeting between Gorbachov and President Bush, when he meets with Shevardnadze in New York in September.

One of the prerequisites for Moscow's remaining in the "condominium" will be a U.S. retreat from the Strategic Defense Initiative. Simultaneous with the talks on strategic arms limitation, there will be companion Defense and Space Talks. Bush is not quite prepared to eliminate the SDI outright—the most popular defense program of his popular predecessor. That would undoubtedly set off a storm of opposition. But budget cuts and program limitations could well serve to whittle down any remaining opposition to the New Yalta sellout.

On May 11, the same day that Bush gave his Texas A&M speech, Lt. Gen. George L. Monahan, who replaced Lt. Gen. James Abrahamson as the head of the Strategic Defense Initiative Organization, announced that the administration was delaying development of key parts of the Reagan defense plan for two years, while it studies a proposal for deploying thousands of small rockets in orbit. The continuation of the Reagan program would violate the 1972 ABM Treaty, which Moscow holds as a *sine qua non* of U.S.-Soviet relations.

So far, life is cozy in the condominium. Moscow can continue to play its waiting game. As the U.S. continues its slide down the slippery slope of appeasement policies, Moscow maneuvers and schemes to achieve its ultimate goal—the elimination of the U.S. military presence on the European continent. Moscow can promise the Sun and the Moon to achieve that goal, because once the troops and missiles and tanks are gone, no possible combination of forces will be able to bring them back. Soviet tanks will not have to move across the Elbe to gain physical control of Western Europe. The sheer magnitude of raw Soviet military might will be enough to hold the Europeans—East and West—within the bounds of Gorbachov's "common European house," wherever those Soviet troops might happen to be stationed.

And yet in the immediate aftermath of the Bush speech, there are very few who dare call it treason.

Supreme Court denies LaRouche bond appeal

William H. Rehnquist, Chief Justice of the Supreme Court, has denied a request by attorneys for Lyndon H. LaRouche, Jr. and his six codefendants for release from jail pending appeal. There was no written explanation for the denial, notice of which was received by letter dated May 11. LaRouche attorneys had filed the request on May 5. Their 14-page brief stated that the seven should be freed during their appeal to the U.S. Court of Appeals for the Fourth Circuit, because 1) the case involves non-violent crimes, 2) the applicants do not pose a risk of flight or danger to the community, and 3) the appeal involves substantial issues likely to result in a reversal or a new trial.

The seven defendants were convicted in Alexandria, Virginia federal court on Dec. 16, on trumped-up fraud and conspiracy charges. LaRouche was sentenced by Judge Albert V. Bryan on Jan. 27 to 15 years in prison, and the other defendants were given sentences ranging from three to five years. All were forced to begin serving their sentences immediately, and the six male defendants are currently prisoners in the Alexandria Detention Center.

The appeal to the Supreme Court followed three separate denials of bond by sections of the Fourth Circuit Court of Appeals, none of which have enunciated the reason for the denial. The Supreme Court papers asked that the Fourth Circuit be ordered to articulate the standard for bond, if release is not granted by Chief Justice Rehnquist.

Fascist justice

The denial of the request by Chief Justice Rehnquist means that the highest court in the land has ratified a blatant denial of constitutional rights to a leading political figure in the United States. This constitutes a ratification of political use of the judiciary to the degree that can only be described as "fascist justice."

Filing for Lyndon LaRouche, Dennis Small, and Paul Greenberg were attorneys Ramsey Clark and Odin Anderson. Clark was U.S. Attorney General under the Lyndon Johnson administration. The other attorneys were R. Kenly Webster for Edward Spannaus; Brian P. Gettings for William Wertz;

Edwin Williams for Joyce Rubinstein; and James Clark for Michael Billington.

Arguments

The applicants argued that they have satisfied all statutory requirements for release pending appeal. First, they represent no risk of flight, or danger to the community. Second, the appeal issues raise substantial questions of law and fact. These issues are enumerated as follows:

1) The defense was denied a constitutionally adequate *voir dire* in violation of their Sixth Amendment right to a fair and impartial jury. This was in stark contrast to the actions of Boston federal judge Robert E. Keeton, and represented a refusal by trial judge Albert V. Bryan to take any of the precautions necessarily employed in high-profile cases, which the LaRouche case was.

2) The court deprived the defense of critical defenses, through denying exculpatory material and granting the government's motion *in limine*. This was particularly crucial since the way the government attempted to prove intent to defraud, was by determining that lenders had not been repaid. Yet the defense was prevented from demonstrating the precise history and nature of government interference, including a government-initiated involuntary bankruptcy, which made impossible that repayment.

3) The court erred in denying motions for continuance, and forcing counsel to trial without giving them adequate time to prepare.

The papers make two other arguments. First, there is no question that the appeal for bond is being taken in the interest of delay or will prolong the appellate process. Second, the appellants are being subjected to "continuing injury" by being hampered in the preparation of their appeal, in the same way they were hampered in properly preparing for their defense at trial.

Appeal denied in lower court

The Fourth Circuit Court of Appeals in Richmond, Virginia had earlier denied a motion for bond pending appeal that was submitted on April 5 by defense attorneys. As *EIR* reported (April 14, 1989), the 50-page appeal brief provided extensive documentation of the constitutional abuses and legal errors committed during the trial, which make it likely that the defendants' appeal of their conviction will be upheld.

The brief underlined three broad categories of errors:

- 1) The inadequate *voir dire* process;
- 2) The denial of the defendants' motion for exculpatory material and the fact that they were forbidden to introduce into evidence the pattern of government activity against the defendants, and the involuntary bankruptcies which the government had brought against the defendants' organizations;
- 3) The rush to trial (trial began just 34 days after arraignment), which deprived counsel of the time required to prepare an adequate defense, in a case of enormous complexity.

'Thank God for the LaRouche people,' attorneys tell New York jury

New York Supreme Court Justice Stephen Crane may have thrown a monkey-wrench into the strategy of prosecutors in a financial fraud case against four associates of Lyndon LaRouche in New York City, when he ruled May 9 that inflammatory statements by so-called unindicted co-conspirators—key to the testimony of at least one government witness, former NCLC member Christian Curtis—were not admissible in the case. Crane also seemed leery of the prosecution's implicit claim that membership in the LaRouche philosophical association, the National Caucus of Labor Committees, constitutes membership in a conspiracy.

LaRouche associates George Canning, Marielle Kronberg, Robert Primack, and Lynne Speed are charged with one count each of conspiracy and one count each of schemes to defraud, in the course of raising loans for political causes associated with LaRouche, which the government alleges they never intended to repay. In fact, government actions, including the forced bankruptcy of three organizations, made it impossible to repay.

When the prosecution called Christian Curtis to the stand on May 9, prosecutor Dawn Cardi attempted to elicit from him various statements he claimed another LaRouche associate, "unindicted co-conspirator" Paul Greenberg, had made to him in 1984. Defense counsel objected and a bench conference began, which rapidly evolved into a lengthy hearing, with the jurors and Curtis excused.

During the hearing, defense attorneys objected that they had not been provided a list of "unindicted co-conspirators" by which to prepare a defense. Judge Crane thereupon conducted a detailed hearing, in which Cardi had to disclose the name of every unindicted co-conspirator, and the co-conspirator statements she hoped to elicit from Curtis and subsequent "insider" witnesses. Crane ruled out a whole series of those statements as being inflammatory and prejudicial to the defense—including numerous "co-conspirator statements" that had been allowed in testimony that helped frame up LaRouche and his associates in earlier trials in Boston, and Alexandria and Loudoun County, Virginia.

Crane also expressed concern at the theory of a "nation-

wide conspiracy" which Cardi propounded in the hearing. Judge Crane inquired whether she meant to say that membership in the NCLC itself, or its executive bodies, is membership in a conspiracy—and, although the prosecutor backed away from saying so explicitly, it was clear from the context that that was what she intended. In effect, charged defense attorney Larry Hochheiser, Cardi "wants to try a RICO case here"—i.e., under the Racketeering Influenced and Corrupt Organizations act—not a conspiracy; but there are no RICO charges in the indictment.

Some observers found prosecutor Cardi's position particularly odd, since she had claimed in her opening statements that the defendants "just happen to be" members of a political organization; her posture at the May 9 hearing seemed to bear out dramatically the assertions of defense attorneys that the case is aimed precisely at membership in the NCLC.

Twenty years of government persecution

Prosecution and defense had clashed sharply May 4 in opening statements in the case. Prosecutor Cardi claimed that the four defendants were "no different from any other con artists." But defense counsel insisted that the trial itself is part of a 20-year government program of persecution of LaRouche and his political movement.

Cardi asserted that the case is only about financial fraud, and the fact that the defendants "*happen to be*" members of the LaRouche movement is utterly irrelevant. The defendants "bilked and preyed on the investing public," she announced.

The drama was reserved for the defense, which described a political movement which is the target of a vast assault by elements of the U.S. government.

Attorney Jeffrey Hoffman, representing Robert Primack, told the jury that, unlike most people, Primack and the other defendants not only thought about changing the world, but have spent the last 20 years trying to do so. These people are not like us, Hoffman told the jury; they don't just discuss an idea occasionally at a cocktail party, or vote once in a while—they have dedicated their lives to an idea.

Will the documents in this case show fraud? Quite the

opposite; they will show these people did everything they could to give lenders a proof and a claim against them, often *after* the loans were made—when any “bunko artist” would have taken the money and run.

The evidence will show, he said, that the people who lent money were not the “investing public,” dealing with IBM, but political supporters, who knew about the movement’s program, government harassment—and the riskiness of the loans.

The other category of government witnesses, Hoffman continued, is former members of the LaRouche movement. When things got rough, they didn’t stay, like the defendants, who said, “I’m going to stay here and ‘suffer the slings and arrows.’ ” They said, “I’m scared, I’m being yelled at, where’s a prosecutor I can go to?”

Hoffman described how things “got rough,” citing the 1982 correspondence between Henry Kissinger and then-FBI director William Webster on crushing the LaRouche movement; or the decision by the government and Democratic Party chieftains, after LaRouche candidates won statewide Illinois primaries in 1986, to destroy the movement.

Thank God, he concluded, that we live in a country where people like these defendants—good, decent, honorable—can try to make a change.

‘This case is frightening’

Larry Hochheiser, who represents Lynne Speed, began: The prosecutor says this case is not political—but how many people here can possibly believe it is not political? This case is about the Attorney General of New York prosecuting people who are not criminals, but people who are active politically. If you listen to the indictment, you might think Lynne Speed is a Bonnie and Clyde figure who got tired of robbing banks and decided to go into more sophisticated theft.

The prosecutor wants to simplify the case, narrow it down, he warned. But truly, simplification is falsification. The prosecutor says this is not a political trial, that these people “just happen to be” members of a political organization. The evidence will show it is *all* about politics.

I speak for Lynne Speed. Who is this crook, this gangster, this defrauder? She is a young woman pursuing humanistic political goals; she is not a thief. She has always been idealistic. She grew up in Harlem, admiring Frederick Douglass, Marie Curie, Helen Keller, Martin Luther King—and she had a real-life hero in Hulan Jack, the first major black politician, the first black to be elected Manhattan Borough President.

This will become significant because one of the things Lynne was involved in was raising money to publish Hulan Jack’s autobiography. The book was published. This is not a group of crooks banding together.

These people set out to develop a New World Economic Order, based on economic justice for all. These people are dreamers—and doers. They believe in the Inalienable Rights

of Man. They do what they believe in.

Hochheiser called the case “frightening—like a whirlpool,” pulling these innocent people down.

On behalf of George Canning, attorney Susan Wolfe asserted that, because the case revolves around (among many issues) defendants’ intent, it is vital the jury understand what these people did, what they believed, and believe, in.

Cardi called Canning an “accountant,” Wolfe said, “and if he were, I’m sure his parents would be proud.” He could have gotten a good job; he could have made money; but instead he sacrificed material things, for ideas.

In an October 1986 raid, Wolfe said, the government took their files, raided their offices. But that wasn’t enough. In April 1987, the government threw their companies into bankruptcy, shut down their publications, shut down the printing presses. But that wasn’t enough—because you can’t put an idea in chains . . . and that’s what the government wants to do.

Mayer Morganroth, representing Marielle Kronberg, spoke last. He reviewed a 20-year history of government harassment, starting back in 1969 with the FBI’s “Operation Mousecrap” attempt to get members of the nascent LaRouche movement killed by anarchists and communists in SDS. He explained that documents will show FBI surveillance and theft of financial data over years; FBI reports, formerly classified, that gloat: “There’s only \$5,000 in their bank account, but their phone bill’s \$6,200—maybe they’ll go under.”

He described the infiltration into the organization, *by the FBI*, of FBI agents who were members of the American Nazi Party and the Ku Klux Klan!

Morganroth detailed the role of Lt. Col. Oliver North, Gen. Richard Secord, and their agents in spying on and attacking the LaRouche movement. It’s like a spy novel, he said—but it’s true; you’ll see the government’s own documents, showing it all.

Curtis takes the stand

Government witness Chris Curtis spent May 10 on the stand, finishing his direct testimony and undergoing cross-examination by defense attorneys Mayer Morganroth and Jeffrey Hoffman.

In direct testimony, Curtis attempted, within the constraints imposed by Judge Crane’s ruling excluding many “co-conspirator statements,” to do as much damage as possible. Thus, he testified that he had fabricated much of what he told people on his fundraising calls, commenting that what he had said had been “in a broad context, true,” but “specifically, false.” He acted out an entire fundraising call on the stand, to show that he had simply acted much of the time during his phone calls. He also related conversations on fundraising approaches he claimed he had had with defendant Primack.

Late in the afternoon Morganroth began cross-examination, establishing that Curtis continued to draw a check from

the organization until roughly December 1986, for cartooning work—although he had quit the NCLC seven months before—and that his wife Guida had drawn a paycheck through February 1987. Yet, during this period, Curtis testified, he was meeting frequently with agents of the Federal Bureau of Investigation and local police agencies, profiling the organization and its members.

He conceded under cross-examination that he was familiar with the notion of FBI infiltrators and informants—including specific instances of FBI infiltration of the organization. He conceded that the organization had been extremely concerned at the possibility of FBI informants and infiltrators, and confirmed that, early in 1985, he had taken his files on his political contacts home with him, because there was a general fear in the organization that the FBI might raid the office and make off with the contact cards.

“And they did do exactly that, later, didn’t they?” Morganroth asked.

“Yes,” Curtis answered.

“Four hundred FBI and other agents raided the office in 1986 and carried off the contact cards, didn’t they?”

“Yes,” Curtis answered.

Curtis affirmed that he did not, however, feel in the least peculiar at the fact that he and his wife were making roughly \$500 a week from the organization at the same time they were briefing the FBI extensively on NCLC members “and their weaknesses.” Curtis didn’t like the word “weaknesses,” and protested that he didn’t know what the word “turn” meant, but the point was clear.

By the same token, Morganroth also went into the FBI’s “Fist and Sweep” operations against the organization, and FBI harassment of contributors, and questioned Curtis about his decision to turn over to the FBI the names of 35 of his own lender-contacts, complete with addresses, even though he could surmise that the FBI would visit those supporters.

Curtis admitted that he had applied to various federal government agencies (including the CIA) for employment during the same late-1986 period, and did not deny (as he has previously attempted to do) that he had asked FBI Agent Timothy Klund, in November 1986, whether his association with LaRouche might affect his ability to get such a government job.

Attorney Jeff Hoffman focused his cross-examination on several factors.

First, Curtis’s beginnings on the phone fundraising team. “The first week you were on the National Center phone team, did you lie on the phone to raise money?” “No.” “The second week you were on the phone team, did you lie?” “No.” “How about the third week, did you lie then?” “No.” “And no one told you to get on the phone and lie, when you were being trained?” “No.” “And by the end of three weeks, weren’t you pretty well in the swing of things, pretty well trained?”

“Didn’t you testify here this morning that you lied?” “Yes.” “Didn’t you testify that you ripped people off?” “Yes.”

And you said you felt a personal, a moral and ethical responsibility—a personal responsibility? “Yes.”

Do you still own your house? “Yes, but I don’t live there.” “And, without getting into figures, are you aware of how much it has increased in value between 1985 and 1989?” “Yes.” And did you dip into your own pocket to pay one cent to the people whom you said you ripped off? “No.”

Not one cent? “No.” And do you have any idea how hard the people at the defense table worked, how hard Bob Primack and the others worked, how many hours, to pay off those loans? Have you been charged with any crimes? “No.” Do you *want* to be charged with any crimes? “No.” But you testified here this morning that you have no agreement, formal or informal, with any prosecutorial agency? “That’s right.” So you don’t want to get any prosecutorial agency angry at you, right? They could charge you with a crime. You want to keep them happy, right? Isn’t that why you’re here?

The following day, Hoffman showed Curtis two books—*Dope, Inc.* (published in 1986), and its Spanish version *Narcotráfico, SA* (published in 1985)—and reminded him that he had testified the day before that he had raised money for the publication of those books. Inasmuch as Curtis had further claimed that he had lied to lenders about the cost and the production schedule of the books, Hoffman pushed him to admit that yes, indeed, *Narcotráfico* had been published in 1985—at precisely the time Curtis claimed he was inventing a *Dope, Inc.* production schedule to raise loans.

Hoffman later asked him if, in fact, he had not considered that all his colleagues on the phone team, and on regional phone teams, and in field organizing, were acting in good faith.

Curtis writhed and equivocated, and wound up, over and over, announcing that he couldn’t give a yes or no answer. Thereupon, Judge Crane permitted Hoffman, over Cardi’s objection, to read to the witness his own sworn testimony, at an earlier trial, “where you were under oath, just as you are here,” to the effect that yes, he believed that his colleagues had acted in good faith throughout their fundraising activities.

Curtis’s method of lying

Attorney Larry Hochheiser, representing Lynne Speed, invited Curtis to expand on his “method.” “You testified on direct examination that in general you told the truth, but on the specifics you fabricated, slipped things in. That’s what works for you, isn’t it? That’s what you testified, isn’t it?”

A tight spot to be in: The inference was more than clear—in trial testimony, too, he tells some general truths, and within those, he slips in the lies about small but crucial details. Over and over Hochheiser said, “That’s what works for you, right? I mean, that’s your approach. You told us that yesterday, didn’t you?” Finally, Curtis said yes, I testified to that.

Congress considers curb on civil RICO

by William Jones

Hearings have begun on Capitol Hill on a bill to try to reverse some of the uglier aspects of the notorious Racketeer Influenced Corrupt Organization (RICO) legislation. Rep. Rick Boucher (D-Va.), recently appointed to the House Judiciary Subcommittee on Crime, is the primary proponent of the bill. Boucher, who earlier was a member of the Judiciary Subcommittee on Criminal Justice, had been working on a RICO reform bill since 1968, but with little success in getting it introduced. Similar legislation has now been introduced in the Senate by Sen. Dennis DeConcini (D-N.M.).

Since its enactment in 1970, the RICO statute has come under increasing fire from lawyers and from the general public. Ostensibly crafted to go after the Mafia and organized crime, RICO has been increasingly utilized in a myriad of cases of civil commercial fraud not having the slightest relationship to organized crime. Particularly in its civil aspects, RICO has been used in ways that have astounded even the legislators who passed it into law. As Supreme Court Justice Byron White commented in his ruling on *Sedima, S.P.R.I. vs. Imrex Co., Inc.*, "In its private civil version, RICO is evolving into something quite different from the original conception of its enactors." Especially during the last eight years, there have been definitive interpretations of RICO's broad language by the U.S. Supreme Court.

Now lawmakers are making attempts to regain control over their Frankenstein monster. "We can't wait any longer," said Rep. Bill McCollum (R-Fla.), the ranking Republican on the subcommittee. "RICO is not being filed against mobs and mobsters, but against churches, government officials, and corporate leaders." Although one must laud the efforts being made to reform the seriously flawed and misused legislation, the question at this stage of the game is, will they be enough to get the genie back in the bottle.

Part of the reason why the "RICO Reform Act of 1989" was insufficient was pointed out by the first witness, Gerard Lynch, a professor of law at Columbia University, who was called by the committee to give a general picture of the RICO legislation and its problems. It was Lynch's contention that the problem with RICO is not simply due to its interpretation in the courts, but in the way in which it was originally formulated by the Congress. Lynch pointed out that the "vague-

ness of its terms" made "extremely serious penalties available virtually whenever prosecutors choose to invoke them, without the identification of genuine aggravating circumstances justifying the more serious penalties." Therefore, continued Lynch, "we rely on the prosecutor's discretion to decide for us, without the benefit of prior definition by Congress, who are the most serious offenders, and to prosecute them more rigorously."

Anyone could be targeted

The concept of an "enterprise" as defined by the RICO legislation could indeed be almost any type of association—a business, a labor union, a government bureau, a partnership, a corporation. "In order to cover the range of legitimate activities that organized crime could seek to invade," commented Lynch, "the definition of enterprise had to be extremely broad—so broad as to be virtually all-encompassing." The second element of vagueness in the RICO statute involves the notion of a "pattern of racketeering . . . which means little more," said Lynch "than committing two related crimes over a period of time." One or two people, members of a business or a church, who commit some form of "fraud" more than once could be the defendants in a RICO case. However, "most kinds of commercial dispute can be described by the aggrieved party as some species of fraud, and, given the ubiquity of the mails and interstate wire communications, as mail or wire fraud."

"The breadth of RICO is extraordinary," said Lynch. "Virtually any civil claim can be expanded into a RICO case." As Lynch points out, however, the more serious problem lies not with the civil application of RICO, but with criminal RICO. "RICO is a criminal statute with a civil appendage," noted Lynch. "The law makes certain forms of activity criminal, and then permits persons injured by such activity to sue the perpetrators civilly for damages. . . . Any overbreadth in civil RICO is therefore by definition an overbreadth in criminal RICO as well."

Although Lynch claims that prosecutors have used RICO legislation with restraint, he noted, "This is government—not by law—but government by the men and women in the Department of Justice who will decide who the offenders will be." "Is a law justifiable," he adds, "whose lack of abuse is dependent on the restraint of the Department of Justice?"

RICO's "vague terms make it potentially applicable in such a wide variety of completely different situations, and allow prosecutors to invoke it at will in cases that are no more serious or threatening than 'ordinary' criminal behavior." For this reason, he considered RICO "a dangerous instrument." Noting that the only change in criminal RICO made by the bill now pending "is to further expand the list of predicate crimes," he felt that the approach was "essentially an effort to apply an extremely elaborate band-aid to a deeply flawed statute." Lynch's proposal was to appeal RICO altogether, noting, however, that this would be a political "hot potato."

Red carpet for Red brass on Capitol Hill

by William Jones

Rep. Les Aspin (D-Wis.), chairman of the House Armed Services Committee, is putting on the dog for his Soviet friends whom he had invited to testify before the committee on Soviet military plans on May 9. The rationale behind the unprecedented invitation is that if the U.S. Congress had concrete knowledge of Soviet plans, it could plan its own defense budget accordingly.

This is not the first instance of such touchy-feely exchanges between the Soviets and the Aspin committee. In March Andrei Kokoshin, director of the U.S.A. and Canada Institute, testified before the panel. On May 5, the panel held an informal get-together with some retired Soviet generals and admirals, led by GRU Lt. Gen. Mikhail Milshtein. Later in June, Marshal Sergei Akhromeyev, the chief military adviser to Gorbachov, will be testifying before the committee.

The plans to have the Soviets testify elicited some caustic remarks from a number of congressmen. Sen. James Exon (D-Neb.), the first senator to back the INF Treaty, not exactly a fire-breathing conservative, commented that he found the idea "scary." "Evidently Gorbymania has struck with a vengeance in the Halls of Congress," said Exon. "If we are going that far afield, why not invite Mr. Qaddafi over to give us expert testimony on stopping terrorism?" Exon and a few others didn't want to make the "committee process a forum for Soviet propaganda."

And yet that is precisely what it became—although the Soviets have come a long way from delivering their propaganda à la Khrushchov, pounding his shoe on the table. The sleeker Gorbachov style has permeated Soviet diplomacy. In fact, it seems as if Gorbachov has changed the old Russian proverb, "When you run with the wolves, howl like a wolf," to "When you run with the sheep, baa like a sheep"—at least until you're ready to gobble them up. Indeed, one would be astounded by the sheep-like nature of Soviet policy as presented by these witnesses.

The Soviet representatives were of course no amateurs. Andrei Kokoshin is deputy director of the U.S.A. and Canada Institute, an organization whose sole purpose is to monitor the movements of thought and changes in political philosophy on the North American continent. Roald Sagdeyev is the former director of the Soviet Union's Space Research Insti-

tute and was recently elected to the Soviet Congress of People's Deputies. "We need very much that you open a second front against the cold war," pleaded Sagdeyev, alluding to the Soviet-U.S. alliance against the Nazis during World War II. Sagdeyev said that he ran his campaign for the Supreme Soviet on the program of getting control over "our own military-industrial complex."

'Help Gorbachov'

There was one clear message in their presentations. As Sagdeyev expressed it, there is still a lot of opposition to the Gorbachov policies because the psychological "trauma of World War II is a very serious one." Therefore it was imperative that the West respond to Gorbachov's initiatives before internal opposition put an end to their realization. "People ask," said Kokoshin, "How can we continue making these cuts without a response from the West?"

Sagdeyev claimed that Soviet military spending would be cut by 1.5% this year and would go down 7% next year, in order to reach Gorbachov's goal of 14.2% in 1991. When Aspin asked Sagdeyev when the Soviets would publish their defense budget, he responded, "We would also like to know," then argued that it is not such a simple thing to reduce one's forces so quickly without serious economic dislocations. He then noted that a commission had been appointed to examine the "socio-economic aspects" of the cuts.

Rep. William Dickinson (R-Ala.), who explained somewhat tongue-in-cheek that there was a significant cadre in the U.S. Congress which habitually takes the side of the Soviet Union against the United States, asked the witnesses if they didn't find it easier working with the Congress than with the administration. They avoided answering the question. Dickinson then asked if they thought it was feasible that the United States restrict its plans for an ASAT system, when the Soviets have their own system in place. With a look of mild astonishment, Sagdeyev answered, "I have my doubts that my colleagues have control over an ASAT system." "And yet I *know* you have," replied Dickinson, "but it's probably not much use arguing the point here."

Rep. Richard Ray (D-Ga.) wanted to know why there was a continued modernization of the Soviet military apparatus, including an increase in tank production, when the Soviets were aiming at reducing their military might. "We have a significant production of tanks," Kokoshin admitted, "but we will cut that production, although concrete figures will not be available until June. Marshal Akhromeyev will bring them with him when he testifies before the committee."

Kokoshin stressed the need for reducing tactical nuclear weapons and took exception to the suggestion made by Sen. Sam Nunn (D-Ga.) that reductions in short-range nuclear forces be delayed until there are cuts in conventional forces. Kokoshin also stressed the need for a third zero—complete elimination of short-range nuclear missiles—the issue which is creating a major rift in the NATO alliance.

House panel wants S&L bailout on-budget

In spite of the pleading of Treasury Secretary Nicholas F. Brady before the House Ways and Means Committee on May 9, the committee voted 25 to 11 to keep the bail-out of bankrupt savings and loans institutions on-budget. Supporters of the vote say that putting the plan on-budget will save taxpayers as much as \$4.5 billion over 30 years.

For the administration, the decision will force cuts elsewhere in the budget, in order to meet the requirements of the Gramm-Rudman law.

Secretary Brady called the vote a "mistake," warning that "if adopted, this action could force us to go back to square one on both the budget and the savings and loan plan. . . . It could mean months of stalemate." If the action passes the House and Senate, it would increase the budget deficit over the next three years by \$50 billion.

That's not the only problem facing the Bush bailout plan. One official of the Federal Home Loan Bank Board, which regulates the industry, said the agency would soon report that almost \$8.5 billion was withdrawn in April, primarily because of higher interest rates in the money market funds. According to the *New York Times*, since November the industry has lost almost \$4 billion in deposits, raising concerns that the industry contribution to the bail-out will be significantly less than the White House projected.

Congress wants more say over deal with Japan

Sen. Robert Byrd (D-W. Va.) has introduced an initiative which would give Congress a more active role in

the U.S.-Japan FSX fighter project. The proposal would significantly increase the role of the Congress in monitoring agreements negotiated by the Executive Branch.

Administration officials voiced no immediate objections to the Byrd proposal, although they stressed that they were looking at it for the first time. The Byrd stipulation would require that "no less than 40%" of the work on the project be given to American companies and that the United States get at least 40% of the work in supplying spare parts as well.

Other proposals, such as the resolution put forward by Sen. Alan Dixon (D-Ill.) and Sen. Alfonse D'Amato (R-N.Y.) would stop the deal altogether. Some lawmakers are planning to introduce an amendment which would ban Toshiba Corporation from participating in the project. A branch of Toshiba was earlier accused of selling banned goods to the Soviet Union.

Secretary of Defense Richard Cheney was on the Hill on May 10, testifying in favor of the bill, which he said was advantageous to the United States both militarily and economically. Later in the evening, at a speech at the Center for Strategic and International Studies, Cheney emphasized, "We asked the Japanese to enter into that agreement, they didn't ask us. . . . The option was that the Japanese would go it alone."

Nevertheless, some senators are rattling their rhetorical sabers. Sen. Jesse Helms (R-N.C.) denounced the Japanese insistence on building their own fighter plane as "pure protectionism." "They skinned us many a time," said Helms. "They skinned us real bad in December 1941, and they are skinning us with the FSX."

The Senate Foreign Relations Committee voted 9-8 on May 10 to

support the agreement with Japan. The deal is now being debated on the Senate floor. In order to kill the deal, both houses of Congress would have to vote against it and then override a virtually certain presidential veto by a two-thirds majority, an eventuality which is deemed highly unlikely.

Congress to consider resolution on Lebanon

On April 25 a resolution was introduced in the House which called on the President to act against the present Syrian genocide in Lebanon. The resolution, introduced by Rep. Edward Feighan (D-Ohio) urged the President

1) to call for an immediate ceasefire among the parties in Lebanon and the removal of all foreign military forces and disbanding of all paramilitary forces;

2) to urge all parties in Lebanon to respond to the international call for an immediate ceasefire and to undertake immediate discussions regarding internal reconciliation;

3) to support international efforts, including appointment of special emissaries by the U.N. Secretary General and the League of Arab States, to work with the parties in Lebanon to implement a ceasefire and start a process of internal reconciliation; and

4) to support actions to encourage the fulfillment of the constitutional mandate to elect a new President in Lebanon.

Senators pressed Bush on 'global warming' hoax

On May 9, senators from both parties pressed President Bush to reverse the administration's decision not to seek

an international convention to deal with alleged "global warming." In a letter to the President, Sen. John Chafee (R-R.I.) said that such a convention proposal, which is supported by both the EPA and the State Department, could be one of the "bold new initiatives" that could "bolster your reputation as an environmental President."

The idea of the Bush administration taking the initiative on the issue was initially rejected by White House Chief of Staff John Sununu as premature.

In a separate letter, circulated by Sen. Albert Gore (D-Tenn.) and signed by 12 Democrats and one Republican, Sen. John Heinz of Pennsylvania, the administration was urged to join other Western powers in supporting a global warming convention. Administration sources said that the proposal was strongly opposed by the Energy Department and other agencies that fear it will result in restrictions on fossil fuels, which release carbon dioxide.

The whole issue was highlighted when it was revealed on May 8 that the written testimony of James E. Hansen, director of NASA's Goddard Institute for Space Studies, had been changed by the Office of Management and Budget in order to make it conform to administration views. The Hansen testimony, which helped fuel the debate about the "greenhouse effect," had been augmented by a paragraph which weakened Hansen's conclusions by calling current computer models unreliable. "My only objection [to that alteration]," said Hansen, "is being forced to change the science."

This gave rise to caustic comments from congressmen on administration policy. Sen. Timothy Wirth (D-Colo.), one of the authors of a "green-

house" bill, commented, "George Bush said in the campaign he wanted to fight the greenhouse effect with the White House effect. We may be getting a little bit of the whitewash effect."

Apparently succumbing to the pressure, President Bush on May 11 offered to host a "global workshop" in Washington in the fall to prepare for later negotiations on an international treaty to limit the alleged problem (see *National News*).

Negotiators agree on \$1.17 trillion budget

Senate and House negotiators agreed on May 11 on a \$1.17 trillion budget for Fiscal Year 1990, a spending plan that puts serious constraints on Pentagon spending, among other things. The budget claims to leave a deficit of \$99.7 billion.

In one of the many compromises on the budget, the Senate agreed to drop a provision that would have guaranteed \$1.1 billion for public housing subsidies. The spending plan allows \$299.2 billion in defense spending, which is \$44.2 billion less than the amount needed to keep up with inflation. An additional \$17 billion would be spent on foreign aid.

Both houses are expected to give final approval to the document next week.

House approves minimum wage bill

On May 11, the House approved 247 to 172 legislation raising the hourly minimum wage from \$3.35 to \$4.55 by 1991. This threatens to bring the

first major domestic policy showdown with President Bush, who has threatened to veto the measure. The vote followed brief debate.

"What we consider today is a matter of elemental fairness," said House Speaker Jim Wright (D-Tex.). "It goes to the heart of what our country is all about." House Democrats who have been pushing the \$4.55 figure against the objections of the administration, which doesn't want it to surpass \$4.25, probably do not have the two-thirds vote necessary to override the inevitable veto.

Both sides are working to draft post-veto battle plans.

Burton warns millions could die of AIDS

Rep. Dan Burton (R-Ind.) commented in the House floor debate on May 4 that millions of Americans will die, if the present rate of increase of AIDS cases continues unabated.

"In 1989 so far we have had 10,452 new cases in the first three months alone," said the congressman, "which means that if that percentage continues through the end of the year, we will have seen more than a doubling of the people dead or dying of AIDS since 1987."

Burton called for a routine testing program to find out exactly how serious the problem is. "We have no idea how many people are infected with the disease today. There are many people that think it is transmitted in ways that have not yet been admitted to by the CDC. Those things need to be uncovered. We need to find that out, and we are not going to be able to find it out until we have a testing program," he said.

National News

Law enforcement to be war on drugs focus

William Bennett, the Bush administration's National Drug Director, in a May 7 appearance on CBS-TV's "Face the Nation," said that the first phase of the war on drugs will focus on law enforcement, rather than education and rehabilitation.

The elements of the expanded plan, which Bennett said would be implemented "within days or weeks," include the reassignment of military judges and prosecutors to the circuit of the Washington, D.C. Superior Court to help with the backlog of drug-related crime cases now stalled in the courts; the expansion of federal prison space to allow the incarceration of more convicted drug felons; and experimentation with heavy fines and boot camp-style sentencing for casual drug users and first offenders to create stronger incentives for them to give up drugs.

Prosecution urged in Linares child-killing

A coalition of pro-life groups urged the Chicago State Attorney on May 8 to continue to investigate the Linares child-killing, after enormous pressure was brought to stop Cook County State's Attorney Cecil Partee from his announced intention to investigate the case as first-degree murder.

The national media is making a hero out of Rudy Linares, the 23-year-old Chicago man who, on April 26, held nurses at Presbyterian-St. Luke's Hospital at gunpoint while he removed his son from life-support and held him until he died. The 15-month-old child, Samuel Linares, choked on a balloon last summer, cutting off oxygen to the brain. Since then, the child has been on a respirator, and was labeled "in a persistent vegetative state," a deliberately vague term that does not mean "terminal."

Already one judge has reportedly said privately that he intends "to stop this thing as quickly as possible," referring to the mur-

der investigation. But Partee explained, "The thing that makes the law work for us, that makes people respect us, is that our posture is consistent. We have a life taken here."

The Club of Life and several other pro-life groups offered "full support regarding the investigation into the murder of the infant, Samuel Linares. The events and news coverage surrounding this case are rapidly building into a national drumroll to excuse outright murder as a 'right.'

"We condemn those who seek to replace the moral foundation of our country with situation 'ethics' and who would reduce our constitutional law to one based on popular opinion.

"We call upon you to uphold our nation's original commitment to the principle of the inviolability of all human life—especially for those deemed 'unworthy of life' by today's standards," their statement read.

Bush defense plan \$100 billion short

The General Accounting Office has concluded that President Bush's already shrunken five-year defense plan is still at least \$100 billion short of the funds needed to carry it out, according to press accounts on May 10.

The GAO is expected to make this point when the Senate Armed Services Committee meets to explore whether the Bush defense blueprint calls for acquiring more weapons than the budget can afford.

About half the \$100 billion arises from what the GAO claims are unrealistic figures projected on inflation. The Pentagon priced its acquisition at a figure of 1.7% through 1994. Most of the rest of the \$100 billion shortfall stems from the combined services blueprints costing more than the downsized Bush defense budget provides.

Defense Secretary Richard Cheney has strongly defended the Pentagon budget against charges by Rep. Andy Ireland (R-Fla.) that it is underfunded for the five-year period. "Andy doesn't know what he's talking about," Cheney said earlier this year. Ireland then commissioned the GAO study.

Illinois lawmakers get three anti-Satanism bills

Three pieces of anti-Satanism legislation have now been introduced into the Illinois state legislature.

Rep. Robert Regan, the sponsor of the bills, said one of the bills would establish "inducement to commit suicide" as a crime. Regan pointed out that had cult leader Jim Jones carried out murders of the character of the Jonestown massacre and survived, he could not be prosecuted under current Illinois state law. Two teenagers have committed suicide as part of Satanic pacts in his district recently.

Two other bills sponsored by Representative Regan would increase the penalties for crimes that are performed in the context of ritualistic activity. Regan said that he drafted his legislation after sponsoring forums on the problem with hundreds of law enforcement officials. He expects the legislation to pass the House easily, based on the Criminal Law Committee support for the legislation, but thinks that Senate passage may be more difficult to secure.

Bush backs conference on 'Greenhouse' hoax

President Bush committed the United States to backing an international conference on the environment after meeting with Dutch Prime Minister Ruud Lubbers, White House spokesman Marlin Fitzwater said May 10.

Calling a conference and sponsoring a treaty on global warming, however, are considered two separate issues, the White House made clear.

A faction of Congress, William K. Reilly, administrator of the Environmental Protection Agency, White House Counsel C. Boyden Gray, and Assistant Secretary of State for Oceans and International Environment Fred Bernthal, have been lobbying aggressively for this treaty, according to the May 10 *Washington Post*. They have been

pressing Bush to use the meeting of the Intergovernmental Panel on Climate Change (IPCC), starting May 15 in Geneva, to demand a global treaty to severely limit the emission of so-called greenhouse gases.

The drive to impose a global ecological treaty was set back in early May when White House Chief of Staff John Sununu rejected the move as premature and in need of further cost analysis.

The U.S. delegation to the IPCC meeting in Geneva, which will be led by Bernthal, "has been instructed to discuss the possibility of a convention and support further study, but not to endorse it. 'We were told not to cross that line,' said one official," the *Post* reported.

The *Post* said, "The instructions 'frustrated' Reilly and other proponents of a convention, according to a knowledgeable source. They fear that Washington will lose the initiative to other nations, even though the EPA has done the cutting-edge work on the causes and effects of global warming and is more advanced in developing solutions for dealing with it."

Magellan starts new era of space science

For the first time since 1978, the United States has launched an unmanned spacecraft to another planet, *Magellan*, which began its 15-month journey to Venus after being deployed from the Space Shuttle *Atlantis* on May 4.

After it is checked out in Earth orbit, *Magellan* will fire an Air Force upper stage to send it off toward the Sun. At times of optimal launch, it would only take a spacecraft four months to go from the Earth to Venus. But in order to launch both *Magellan* and the *Galileo* probe to Jupiter during this year, it was determined to have *Galileo* first spend four months going to Venus, where it will get a boost from the planet's gravitational field, and then head toward the outer Solar System.

Venus is an intriguing planet, similar in size and distance from the Sun as Earth, but with a searing surface temperature of over 900°F. It takes 243 Earth-days for Venus to

rotate once on its axis (the length of its "day"), and it rotates in a retrograde direction. *Magellan's* sophisticated radar will map about 90% of the planet's surface and "see" any features that are at least 300 feet in size. It will gather a larger amount and more detailed data about Venus than all previous spacecraft combined.

Anti-abortion groups face Gestapo tactics

An account of the breakup of an anti-abortion demonstration published in *Rescue News Brief*, on events which occurred March 11, 1989 at an abortion clinic in Pittsburgh, Pennsylvania, gives an alarming picture of the Gestapo-type tactics being used against demonstrators.

After 124 people were arrested, "Brutality started on the bus. . . . People were billy-clubbed, kicked and punched. Police dragged women on the bus by pulling up shirts and bras over their heads, exposing them in doing so." Police "removed their ID badges" and refused to be identified.

Demonstrators were denied food for 30 hours. Men were taken to a mental hospital, and the women to county jail, where "there was foul language, obscenities, and threats of putting woman rescuers in rooms with male prisoners to be sodomized and raped. Women's noses were pulled and twisted to force them to walk. They were then forcibly stripped by both male and female guards, dragged, kicked, and punched. Female rescuers were fondled, verbally abused, and threatened continually." One demonstrator with asthma was harassed for 15 minutes before given oxygen. Another woman was tortured by the warden, who pulled her fingers back near to the breaking point.

The attorney for the rescuers was denied access to all demonstrators. They were released with the warning, "Next time, you'll be here a lot longer and it will be more than just a display of bodies."

"The city, county, and state governments involved have totally denied that any wrongdoing has taken place," according to the *Rescue News Brief*.

Briefly

● **DWAYNE ANDREAS**, of the Archer Daniels Midland grain cartel firm, writes in the Russians' *International Affairs* journal that the U.S. must "couple the Soviet economy with the world economy" to "have the U.S.S.R. share this burden," meaning Third World debt.

● **DAVID ABSHIRE**, close friend of Henry Kissinger, is the forgotten man in the Iran-Contra affair. Who else would have been responsible for the fact that documents that turned up during the Oliver North trial were never turned over to the Iran-Contra congressional committees? Abshire was hired by President Reagan to handle the scandal.

● **HENRY CATTO**, the new U.S. ambassador to Great Britain, told a British television interviewer the night of May 2, "Of course there is," when asked, "Is there really a special relationship?" between the United States and Great Britain. Asked if the American relationship to Britain were like American relations with Japan or West Germany, Catto answered, "Absolutely not."

● **WILLIAM WEBSTER**, director of the CIA, professes loyalty to the old southern Confederacy, a senior European intelligence officer reports. Privately, Webster is wont to express the wish that "we" had won the Civil War, instead of the North. He points favorably to such phenomena as statues of military men in Richmond, Virginia that point in a northward direction.

● **WILLIAM FERGUSON**, a 27-year-old sales representative from Boston, Massachusetts who has been on a hunger strike to protest the imprisonment of Lyndon LaRouche, received prominent coverage in the *Black American* newspaper in New York May 8. Ferguson discussed LaRouche's "Food for Peace" initiative, and his activity to halt genocidal policies toward minorities.

A tale of two juries

Whatever complaints Lt. Col. Oliver North may have about his trial—and he should have quite a few—the jury is not one of them. Not only did Judge Gerhard Gesell take great care in selecting the jury over a span of many days, but the North jury's deliberations were more or less a model of conscientious and thoughtful jury conduct. Edward Spannaus, *EIR*'s law editor and now a fellow political prisoner with Lyndon LaRouche, has contributed the following observations on this subject:

In interviews after the trial, the North jurors said they found the Marine officer guilty only on those offenses for which they believed he had responsibility alone, and where they felt North knew he was wrong—such as destroying documents and accepting a home security system. On 9 of the 12 counts, for which the jurors believed that President Ronald Reagan or others of North's superiors were responsible, the jurors acquitted North in their verdict handed down on May 4. On a tenth count, they split the verdict and found North guilty on only part of the offense charged.

In so doing, the jurors ignored Judge Gesell's instruction, in which he said that following orders was no defense. The jurors apparently believed that North was being used as a scapegoat, and voted accordingly.

(For the jurors not to follow the judge's instructions on the law is not without precedent. In the early years of our republic, juries of citizens regarded themselves as judges of both the facts and the law. Today, juries are instructed to accept the law as the judge gives it, and to only decide on the "facts"—a distinction sometimes impossible to make.)

The Oliver North jury spent most of its time studying documents, and didn't start its actual deliberations until the 10th day. According to press reports, the jurors were skeptical of the testimony, especially from witnesses who were given immunity from prosecution, and placed more trust in written documents.

The conduct of the jury in the trial of Lyndon LaRouche and six associates across the river from Wash-

ington in Alexandria, Virginia last winter, was shamefully different. The North jury spent 12 days in their deliberations; the LaRouche jury spent less than 12 hours. This averaged 15 minutes per count for the 48 separate "guilty" verdicts they returned on each of the counts against seven defendants. The North jury averaged one *day* per count.

At 15 minutes a count, the LaRouche jury couldn't have read any documents; they didn't have the time. There were voluminous trial exhibits submitted to that jury, and in fact Judge Albert V. Bryan, Jr. had prohibited witnesses from reading aloud at trial from documents, saying that the jury could read the documents for themselves.

Obviously they didn't. They couldn't have even taken the time to consider the evidence pertinent to each count.

Who railroaded the LaRouche jury? To all indications, it was the jury foreman—Buster Horton—a U.S. Department of Agriculture representative on an elite inter-agency task force that deals with "emergency preparedness" and sensitive matters of national security. Ironically, Oliver North was a member of that same task force, along with representatives of the FBI and other intelligence agencies.

The defense only learned of Horton's "secret government" affiliations *after* the trial. There was nothing to prevent a Buster Horton or any other ringer from slipping onto the LaRouche jury. Unlike Judge Gesell—who took widely protested precautions to ensure a fair and impartial jury—Judge Bryan in the LaRouche case ridiculed defense efforts to probe for bias during juror selection as a "smokescreen." He seated the jury in less than two hours.

While there are grave questions as to whether Oliver North's case should ever have been brought to trial, he at least was tried before a judge who upheld his constitutional duty to find a reasonably impartial jury. Lyndon LaRouche, still in jail without bond, was not so fortunate.



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