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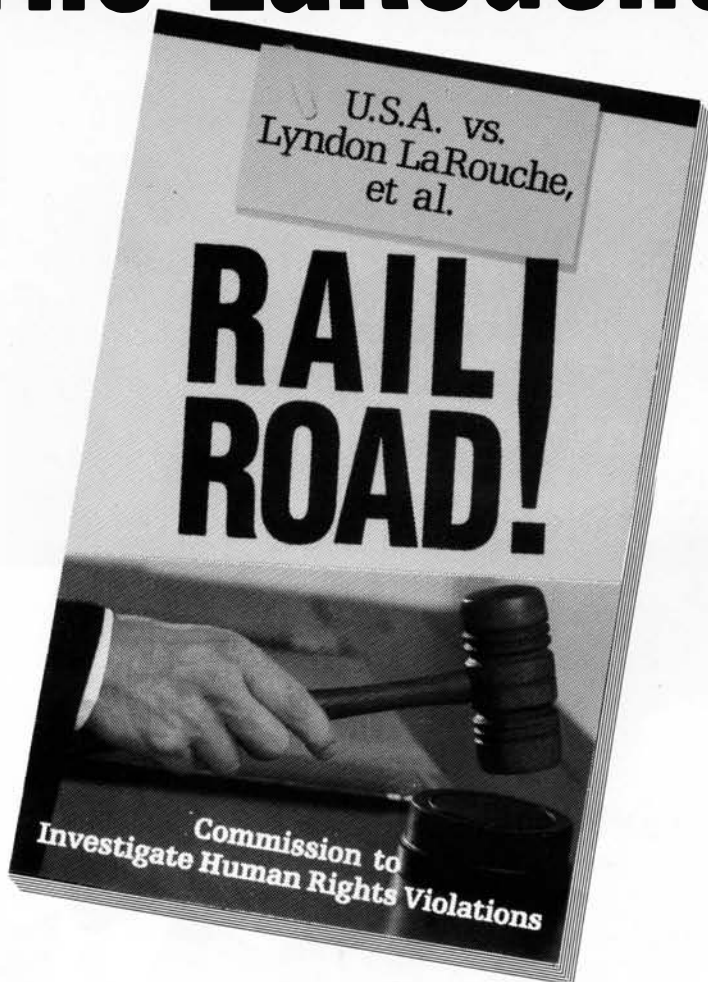
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## From the Editor

The three chaps on our cover, President Bush and Secretary of State Baker flanking Soviet Foreign Minister Shevardnadze, do look like a vaudeville act, but the comedy is nearly over. The lead stories in *International* this week show why the U.S.-Soviet condominium, to which the American economy, our allies, and our national security are being sacrificed, is doomed by the reality of total economic breakdown in the East bloc—exactly as *EIR* founder Lyndon LaRouche has projected since the early 1980s. On pages 6-9 we give some details of the destruction of the *physical economy* in one Soviet satellite, Poland.

For Gorbachov to seek economic advice from the likes of Bush, Thatcher, and Alan Greenspan is another bad joke. Our *Economics* section provides many examples of their mismanagement; a particularly graphic one is the table on page 13, where the indebtedness of some of the biggest U.S. corporations is compared to Third World nations. This table can be used to reply to “conservative” pundits who self-righteously proclaim that the U.S. should stop all aid to the “deadbeat” developing countries.

The *Feature* portrays the cancerous growth of an institution, the Department of Justice, not accidentally in tandem with the atrophy of sound, sovereign federal economic policies. Edward Spannaus, railroaded to prison with Lyndon LaRouche, tells who forged this instrument of judicial tyranny, when, and how—in a report that promises to be a powerful weapon for all patriots seeking justice.

On page 43, you can read about how this “Justice” apparatus has been backing the drug cartel’s man in Colombia. Following that, we have a dossier on the State Department’s favorite to become the next President of Colombia, Ernesto Samper Pizano. Enough evidence to indicate that one part of U.S. help for the Colombian war on drugs would come pretty cheaply—by the simple expedient of firing the drug lobby component of the administration.

Many distinguished foreign guests went to Richmond, Virginia on Oct. 6 to hear the appeal argued by former U.S. Attorney General Ramsey Clark on behalf of Lyndon LaRouche and his six co-defendants. One of them emphasized that, as in the Dreyfus Affair to which the LaRouche frameup has been compared, the ultimate freeing of LaRouche will depend on mobilizing public opinion. You can help: Increase the pressure on George Bush.

*Nora Hamerman*

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## Bundesbank sends an interest rate message

by Chris White

On Oct. 5, the Central Council of West Germany's central bank, the Bundesbank, increased its primary lending rates—the discount rate and the Lombard rate—by 1% each. Contrary to the insane insistence in U.S. political and financial circles that the interest rate increases were “a purely technical adjustment,” intended to curb resurgent inflation inside the Federal Republic, the opposite is the case. The increase, to the highest levels since 1982, was done neither for technical reasons, nor for any internal reason. Anyone who says that, simply proves that along with approximately 70% of the U.S. population, they are out of the real world, or that such idiocy, for career management or other bureaucratic reasons, is what they have to be overheard saying at the moment.

The Bundesbank's Central Council members did have a choice. The choice was between raising the Lombard and discount rates by one-half of a percentage point—in which case the action could perhaps have been ascribed to the “technical adjustment” the Americans insist it to have been—and the increase adopted of a full percentage point. The latter was chosen, and it was chosen for purely political reasons.

First and foremost, the political reasons involved include the intent to send a message to those who run things in the United States that enough is enough. Through the Bundesbank, effectively the central bank for continental Europe as a whole, leading European circles are letting it be known that, in their view, those who run things inside the United States are not competent to hold the monetary and economic system together. The interest rate increase is the first assertion that key U.S. allies are losing confidence in the moral and intellectual capacity of the U.S. leadership to govern.

That the message was sent on behalf of continental Europe as a whole is easily shown. Within minutes, the central banks of England and France had followed suit. By the next

day, the entire credit system of Western Europe had been realigned around the Bundesbank's new base rates. London, where the base lending rate is now at 15%, did not go along so willingly, but was compelled. Sour grapes from that quarter were not kept secret. London's *Financial Times* complained editorially that same morning that it has become redundant to continue discussing when Europe will have its own central bank. That bank already exists, to the dismay of the newspaper's editors, and it is West Germany's Bundesbank.

That the Bundesbank's choice of the full percent increase was intended to deliver a shock, was rapidly corroborated by high-level sources in different European financial centers. Delegations returning from the annual conference of the International Monetary Fund and World Bank, held in Washington over the weekend of Sept. 16, had returned with evaluations about what is going on in the United States, identical to those reported by similar such circles in June of this year. “My colleagues simply could not understand the mood of complacency and euphoria over there. All you hear in Washington is ‘America's on top, everything is fine, the free market is sweeping the world, there's nothing to worry about.’ My colleagues were stunned speechless by this. They could never discuss real problems in Washington,” was the report of one.

### A deflationary collapse

On Sept. 15, when the market in sub-investment-grade securities collapsed, in the wake of the default of Robert Campeau, the Canadian front-man who had borrowed to buy out the Allied and Federated department store chains, the United States entered into a spiral of deflationary collapse. The collapse dooms the U.S. economy to a new depression, at a pace determined by the rate of acceleration of the deflationary spiral, and by the diffusion of the shocks that will

accompany that acceleration. The junk bond market was the first casualty of the end-of-third-quarter settlement process. There may well be more to follow, if not this autumn, then certainly by next spring.

This was the view circulated by jailed U.S. political leader and physical economist Lyndon LaRouche on Sept. 18. The Bundesbank's action is a signal from Europe that under present U.S. policies, that is indeed the perspective ahead. It is a message to get your house in order, or face the consequences. Yet, since Sept. 15, America's powers-that-be have insisted to the world that nothing is fundamentally wrong, that the same methods of crisis management that have been employed since 1982, can be employed again to stave off disaster.

By increasing interest rates, Europe is asserting that it will not necessarily go along with the crisis-management methods the U.S. crowd is so accustomed to employ. Thus, the Bundesbank and its backers are acting, actually, to hasten the development of the deflationary spiral of which LaRouche has warned.

LaRouche has been the one political figure in the United States who has accurately projected the course of economic developments from the late 1950s onward. He has been able to do this because he developed the scientific method, on the basis of the earlier work of the German mathematical physicists Bernhard Riemann and Georg Cantor, and the philosophical method of Gottfried Leibniz, by which economics as such might be subsumed under the physical sciences. Since he projected, in 1979, the economic effects of Federal Reserve chairman Paul Volcker's increased interest rates, he has been proven to be consistently the most accurate, in political and economic forecasting, while those who have opposed him, have proven themselves to be absurd.

The collapsed junk bond market was one component in the financing of the wave of mergers and acquisitions that has swept the U.S. economy since 1982. Speculative increases in stock and real estate prices fed the insane expectation that debt could be taken on, wildly in expense of cash flow, to be repaid out of the proceeds of the eventual sale of parts of the company taken over. The process appeared to work in a rising market, since increasing prices were assumed to permit further increases in debt. In a falling market, the assets for sale do not cover the increasing charge of debt service, and the leverage is reversed against the lenders.

## Reality vs. perception

The American side insists that this is not happening. "Yes," it is sometimes conceded, "there is a shake-out of the speculators. But that has been insulated from the market as a whole. In any case, the fundamentals remain strong. There is no reason to fear the type of deflationary collapse of which LaRouche now warns." Such is the view of those who have opposed LaRouche in the past, and who have been proven wrong before.

Their problem now, is that they are not talking about the kind of deflationary collapse of which LaRouche has warned. They look at the money side of the process, and insist that what is primary is *perception*: If people perceive the economy to be going up, then it is going up. So perceptions can be managed, day by day, week by week, and as long as they are so managed, there will be no such development of the kind of which LaRouche has warned.

Clinically, this approach is called psychosis. To the psychotic, the real world, and comprehensible processes, effective in the real world, do not exist, only the contents of one's own head.

This is what people in Europe have begun to conclude, and it is why the Bundesbank was used to increase interest rates. The idea is that the shock which will follow, may perhaps help bring such Americans back to their right minds, by stimulating their minds to function.

Contrary to the "perception managers," the real world including the economy is governed by knowable physical principles. They have got it all wrong. They ought to have listened to what LaRouche had to say, while they still had the chance. He told them repeatedly to forget about money, prices of assets, book-values, and markets. Concentrate instead on the processes under way in the physical economy. Compare the evolution or devolution of the physical economy—measured, per capita and per hectare, in terms of the composition of a standard market basket of producers' and consumers' goods—with the growth of debt and debt service requirements.

As LaRouche has insisted, since the late 1970s the physical economy has been in a process of collapse, while the claims of debt and service have increased astronomically. Under the so-called "recovery," since 1982, the per capita and per hectare composition of such market baskets collapsed back to the levels of the late 1960s, while debt doubled and doubled again, from about \$3 trillion to \$12 trillion, and since 1985, speculative claims increased by the same \$1 trillion a year, that debt was increasing by. Debt service requirements have increased beyond the capacity to service such debt.

The deflationary spiral is determined in the realm of physical economy, not in the realm of perception managers' heads. LaRouche developed the method by which such processes might be analyzed, and proved that the economy, as a special type of living organism, is governed by the same physical principles that govern the development of the universe as a whole. Thus he now insists that the quality of development of the deflationary spiral will be determined as the acceleration of a nonlinear shock-front.

American perception managers insist they can delay such a process into next year, when the same methods can be employed again. Their principal means to do that is to have recourse to hyperinflation, which will itself help ensure that what they most seek to avoid, is exactly what happens.

# Solidarnosc warns IMF austerity can cause civil war in Poland

by Luba George

The failure of the West to launch an effective aid program to stabilize and develop the Polish economy is already threatening to plunge that country and its new Solidarnosc government into an economic, social, and political catastrophe.

On Sept. 28, Poland's deputy Finance Minister Marek Dabrowski, announced to Solidarnosc parliamentarians in Warsaw a series of drastic price increases to take effect Oct. 1, affecting the two most socially sensitive sectors of the economy, food and fuel. He announced the removal of all remaining state subsidies on food prices, thus ensuring by mid-October at least a five-fold increase in the price of milk, milk products, bread, and the few remaining categories of meat products whose price controls have been maintained until now. On the energy front, with the severe Polish winter fast approaching, prices were doubled for coal, heating fuel, natural gas, and electricity.

Dabrowski further announced that living standards would have to drop, and that there was no hope of any economic improvement for at least another year. "It is nonsense to say that the shock of deflation can take place without difficulties. That would be over-optimistic. It must also be accompanied by a drop in the standard of living," Dabrowski said.

In July, Poles could purchase one-half pound of butter for 350 zloty; On Aug. 1, the same amount cost 700 zloty; and on Oct. 4, following the the announced price increases, it went for for 3,000 zloty—a nine-fold price increase.

Responding to the latest price hikes, a young worker called into the Polish television station complaining that with his monthly income of 52,000 zloty he can now buy the following: 1 kilogram (2.2 pounds) of ham (17,200 zloty), 10 loaves of bread (350 zloty per pound); and 10 packs of butter—and nothing more! An elderly woman, living on 32,000 zloty a month, bitterly exclaimed: "What can I buy with that? To be concrete, only 1-2 pounds of butter." It's no secret that more than one-third of all Poles already live at below poverty level, including about 8 million people who live on pensions, and about 5 million who are social welfare cases.

These measures came on top of other news that Poland—again bowing to the dictates of the International Monetary Fund—will have to impose strict wage controls and begin to shut down what are termed the unprofitable industries, thus creating mass unemployment.

Immediately following these announcements, Solidarnosc leader Lech Walesa told a news conference in Gdansk: "If someone fools around with prices, they do so at the expense of this government. I warn that if there are more price rises, we will not be able to keep people working normally."

Walesa categorically demanded that the Solidarnosc government, despite enormous pressure by the IMF and Western creditors, not go along with the policy of austerity through price increases. He spelled out the gravity of the present situation in these terms: "The situation is getting hot and it may turn out that we will not be able to contain the people [in their anger]. . . . This concerns not only Poland but the socialist camp, and especially the Soviet Union. . . . The system has cornered us in a *cul de sac* and I don't know whether we can save ourselves from civil war. This is how dangerous it looks to me."

The tragedy of Poland is such that, in order to receive any Western assistance under present conditions, the new Solidarnosc government of Prime Minister Mazowiecki is compelled to institute drastic price increases as a condition, dictated by the IMF et al., for the limited assistance being given by the West to Poland. into which Moscow wants to lure the Solidarnosc movement, before it moves in to destroy it and all other nationalist movements within its empire.

## 1,000% inflation by year's end

Former French President Valéry Giscard d'Estaing, in an interview with the daily *Le Figaro* Oct. 3, upon his return from a visit to Poland, echoed Walesa's warning, stressing that Poland is on the verge of entering a ruinous Weimar-style hyperinflationary spiral: "The situation is very grave. The most disturbing element is inflation, which could reach the astronomical level of 1,000% by the end of the year."

"I really believe the West does not understand that it's an economic earthquake," he said. He proposed the creation of a "Euro-Polish Bank"—an emergency fund to modernize Poland's enterprises "responding to the needs of the country." But it remains to be seen what form that this "emergency" aid will take, and how fast it will be provided.

Whatever help Poland does receive, especially in the next critical weeks and months, will have to come largely from



Western Europe. The initial amount pledged by the U.S. Bush administration is a pathetic \$100 million. Bush's Oct. 4 announcement of an additional \$200 million—which, Bush added, will be conditional on Poland implementing “the reform program” required “by the IMF”—in quantitative terms is still woefully insufficient, and, given Congressional approval requirements, would not begin to reach Poland until sometime next year.

The Western European response so far has not been much better. On Sept 26, the European Community (EC) announced a 300 million deutschemark aid package for Poland in 1990. The package consists of direct food aid to Poland, aid for the production of agricultural machinery to modernize Polish farming, granting Poland easy access for its exports to EC markets, easing of Western investments in Poland, and training of Polish managers in the West.

Food shortages in Poland are expected to get significantly worse in the coming months. A source close to Rural Solidarnosc told *EIR* that Polish farmers are facing severe fodder and fertilizer shortages. As a result of the fodder shortages, livestock herds are shrinking rapidly. Meanwhile, food exports, especially dairy products, to the West have been increasing. This is a dual tragedy. One of the pre-Oct. 1 austerity measures was a 20% devaluation of the Polish zloty against Western currencies. Thus, a 20% increase in agricultural exports to the West is now required simply to maintain the current level of export earnings. The Polish government announced Sept. 27 that two further zloty devaluations would occur before the end of the year.

The chain of austerity horrors is endless. On Oct. 1 an eight-fold increase in import duties was imposed, making the import of badly needed food and capital goods, especially agricultural machinery, much more expensive.

The amount granted by the EC is a drop in the bucket compared to what Poland urgently needs. Appearing at the IMF annual meeting in Washington on Sept. 26, the new Polish Finance Minister Leszek Balcerowicz told the gathering that runaway inflation “gravely threatens” to cause social unrest in Poland. He called on Western governments for “immediate support,” requesting that they put up a \$2.7 billion stabilization loan to Poland, plus an extra \$500 million from Western governments to cover essential imports, including food and medicines in the fourth quarter of this year.

His appeals, so far, have fallen on deaf ears, and a Polish winter of discontent, perhaps the worst in 40 years—with its unpredictable consequences—now confronts not only Poland but the entire West, and Western Europe most directly.

The pathetic Western response to this grave crisis unfortunately confirms the warnings issued by Lyndon LaRouche, who last year had already proposed a massive “Marshall Plan” approach to solving Poland's problems, in exchange for a withdrawal of the Soviet occupying forces. On Aug. 31 of this year, LaRouche observed that “What seems to be the case is, the United States is sacrificing Poland in order to

give subsidies to the Soviet Union under this understanding which is supposed to be reached between Secretary of State Baker and Soviet Foreign Minister Shevardnadze in an upcoming Wyoming meeting.”

Indeed, following the U.S.-Soviet talks in Jackson Hole, Wyoming in September, Soviet Foreign Minister Eduard Shevardnadze, in his speech before the United Nations General Assembly, said that for the time being, the Soviets will “tolerate” the new non-Communist government in Poland. But, he said, “It is no secret that we were not enthusiastic about the election setback of the Polish Communists, nor should it be a secret that we hope that they [the Communists] can overcome the crisis.”

This “wait and see” line was repeated by the Soviet weekly *New Times* in its Sept. 19-25 issue. “Most Poles believe the new government will overcome difficulties as an authentic cabinet of national hope. True, some give this government no more than two, three, at best six months. That the Mazowiecki government is not in for an easy time is unquestionable. Members of the Federation of the Light Industry unions from working-class Lodz say that unless the situation changes before this month is out and there is no more ‘chaos, lawless price formation and mounting poverty . . . we shall act in line with the Law of the Trade Unions.’ That, as Poles know, will mean a new wave of strikes.”

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# Poland's private farmers: the backbone of the Polish economy

by Rosa Tennenbaum

When newly elected Polish Premier Tadeusz Mazowiecki had to interrupt his inauguration speech in the Sejm for 50 minutes because of an attack of fatigue, he said that he felt "like the Polish economy." But the comparison may be understated, since the Polish economy is not merely suffering from fatigue—it's standing on the brink of collapse. Since the outbreak of the World War II, not a single zloty has been put into infrastructure, and now, after 50 years, everything is generally exhausted and run down.

When we see pictures of Polish agriculture, it is as though we have gone back to the distant past: There are horses pulling old wooden wagons, oxen pulling plows, and farmers cutting rye with scythes. Only now and again do we see a combine being pulled over the field by a horse. Nevertheless, Poland's agriculture is surviving, and today still forms the backbone of the country's economy. Numerous times, the Communists have attempted to collectivize agriculture, without success. The resistance was so powerful that the plans over and over again had to be canceled. That highlights a feature of Poland's farmers, who have, over and over again in their history, been forced to submit to the pressure of the powers that be, but who have always defended their freedom, stubbornly and steadily.

The activities of the Communists are reminiscent in many respects of the arbitrary regime once exercised by the nobility in their manors. "In the village, there is a municipal office and a co-op office where the officials rule. They are the ones who have the say here, on whom all decisions depend, who can take care of everything. And they rule here as was once done in the manor. The farmer who deliver his grain can wait for his money." Thus are relations described in government offices, according to a recent account in the West German weekly *Der Spiegel*, No. 34, 1989.

Seventy-six percent of the country's farms are in private hands, and independent farmers cultivate 71.5% of the arable land. Although productivity in private agriculture far exceeds that of the state-run farms, the state one-sidedly supports the collective sector. This policy has become a heavy burden for the national economy. Capital expenditures per hectare for each agricultural acre on the state operations and co-ops are more than double that on private farms, and every production unit in the socialist

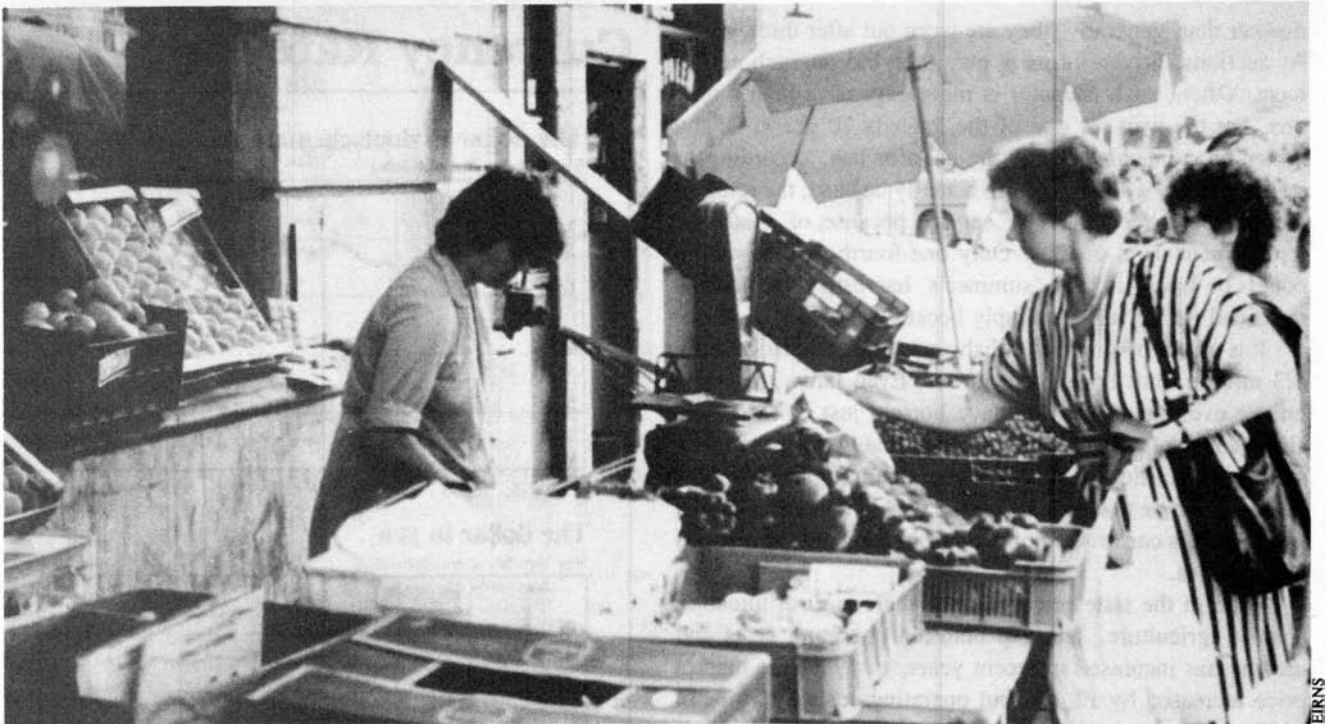
sector costs at least 50% more than in the private; nevertheless, the government holds obstinately to its policy of one-sided preference for the socialized sector.

Every zloty invested last year in private agriculture produced 3.45 zlotys in revenue; in the socialist-run farms, only 1.58 zlotys are returned, despite far better technical equipment and far larger operational size. Many state-owned farms and co-ops consumed more capital goods than they delivered products, and are thus a burden for the overall economy, according to a study on the problems and potentials of bilateral management cooperation with Poland in food and agriculture by Andre Antal, recently published in Giessen, West Germany.

Systematically, private operations were (and are) less well provided with capital goods, scandalously hurt by credit allocation, and so forth. Poland is an important producer of agricultural machinery. But virtually all tractors and machines produced are large and can be used only on a few state-run farms or are exported to other East bloc nations. The state shows no interest in providing the majority of farms with technology and thus in earning regular revenue.

Private farmers are forced to enter into contracts with state wholesale purchasing organizations at centrally determined prices, and the migration of young people from farms is encouraged. Since 1981, the increase in food production and the equality of rights and duties in all three agricultural sectors have been promised in party resolutions, but the discrimination against the private sector has little changed. "The rulers have never, despite all assurances, given up their ideologically motivated goal of abolishing private property in the capital goods. They have merely changed their tactics," as Poland specialist Andre Antal described the government's policy. And here is found the cause for the collapse in agriculture and in provision of food for the people.

The party and government's resolutions and statements of intention are generally torpedoed by local management and distribution organizations, which, as always, favor the state-run farms. "Private agriculture in Poland is surrounded by an administration that lives off setting up the conditions for the slightest change in operation for every



*Food shopping in Warsaw, in June 1989. At that time, shoppers had to wait in line for 15-30 minutes to buy their produce; but since then the situation has deteriorated rapidly. If aid is not forthcoming to Poland's private farmers, who produce most of the nation's food, shortages will be even more acute.*

economic transaction, and issues, or refuses to issue, authorizations, certificates, and purchasing permits," according to the *Frankfurter Allgemeine Zeitung*. "If the farmer, for example, merely wants to build a simple barn, he will need, among other things, cement, wood, and asbestos siding. He is required to travel throughout the region many times for all this, visit many shops, stand in lines everywhere, produce authorizations and purchasing permits, and, additionally, distribute bribes to the proper places. The same befalls him when he requires capital goods (machines, raw materials, mineral fertilizer) for his current production," Antal reports.

Last year, 95% of the requirement for mineral fertilizer in the socialist sector of agriculture could be covered with imports and domestic production, but only, on average, 50% of the requirement of private farms and, in individual cases, only 10%. For ordinary operating supplies such as mixed fodder, certain fodder concentrates, or pesticides, planning officials seem simply to ignore private requirements. According to Polish estimates, the farmer expends on average one-third of his available work time for "management" of his sales and purchases.

Many production items are simply not to be had with the national currency. Production companies and the state-run purchasing organizations, monopolies with which the private farmer must deal, do not pay farmers money for the grain, potatoes, slaughter animals, or milk they deliver, but

rather issue purchase orders for coal and other raw materials, even for equipment otherwise rarely available on the market. In such barter in 1987, the government paid off farmers with, for example, 1.5 million tons of coal.

A similar situation is found with the marketing of produce. During harvest time, depots are so overburdened that a considerable part of the harvest is spoiled. With the purchase of 7 million tons of grain per year, only 5 million last year could be more or less properly stored. The remainder rotted in the farmers' wagons on the way to drying facilities. The same is true for dairy and slaughter animals. Cows give more milk during the summer, and thus create insoluble problems for distribution agencies. Approximately one-third of the milk spoils during these months because of lack of cooling facilities or sours during the far too lengthy trips to dairies, where, in any case, the processing capacities are insufficient.

As a rule, animals for slaughter have to travel long distances. The animals are often en route for many days, and frequently die before reaching the slaughterhouse, while those that live must wait there without food or water for days because of insufficient slaughtering capacity.

The number of machines belonging to private farmers is very small. Only one in four farms has a tractor, and, when there is one, it is usually over-aged. Those farms that are part of the state plan receive tractors and machines in any quantity they need, and the machines are operated in such a

manner that, generally, they are worn out after three years. At auctions, private farmers may then bid on such equipment. Often, such a tractor is more expensive than a new one, but the wait for one of the latter is 10 years. Of the agricultural machinery that the country has, according to statistics, only a small part can actually be used; the remainder has been forced out of service because of a lack of replacement parts or tires. Only one-fourth of the tractors could be used in this summer's harvest; three-fourths remained out of service simply because of a lack of tires.

It is not surprising that Polish agricultural statistics show 1.3 million draft horses still in use. Even farms that have one or even many tractors have horses, just in case. The chronic lack of replacement parts is probably the reason why so many fantastic machines are seen operating in the fields; often a machine that appears to be exotic, but is more or less functional, is constructed of parts from many different kinds of machines.

Even in the state pricing policy there is discrimination against agriculture. The gap between operating costs and income has increased in recent years. In 1986, the market price increased by 12.4%, but operating costs by 17%. In 1987, agricultural prices increased on the average by 20%, but the delivery price for raw materials and operating funds by 40-50%. Simultaneously, the quality norms were raised so that what was formerly in class one has slipped down to class two. Every third private farmer slipped down to a minimum level for existence and thus joined the poorest level of the population.

The same was repeated after controls were removed from food prices, which took place on Aug. 1. The delivery price of milk increased by approximately 20% and that of meat, by approximately 30%, but, simultaneously, the state increased the price for operating funds by an average of 200%, and the consumer has to deal with price increases for food of up to 500%. In general, people are taking a cautious attitude toward the changes, which, given the experiences of the Polish people, is hardly surprising.

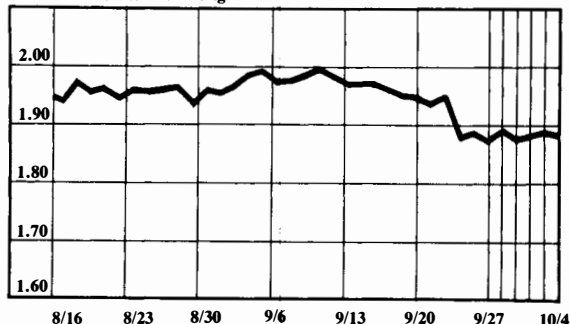
Nevertheless, agriculture is the most productive sector of the Polish economy. Agriculture was the only branch of the economy last year whose gross production was above the level of 1978, the previous record year. In this connection, the much-ridiculed small farmer played an outstanding role.

Reading the reports on the economic situation of this country, one is surprised that things are not significantly worse and that there are still any farmers at all in Poland. The economic reconstruction of Poland can and must build on private agriculture, the only even half-way functioning sector. If the most important abuses, the chronic lack of replacement parts, tires, operating funds, and so forth, as well as the proverbial chaos in planning and management, are abolished, Poland's agriculture will expand, and can serve as the driver for general development of the overall economy.

## Currency Rates

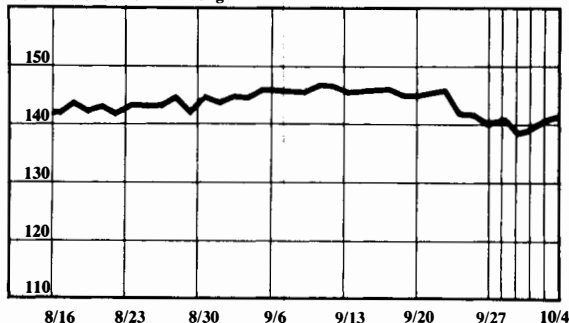
### The dollar in deutschemarks

New York late afternoon fixing



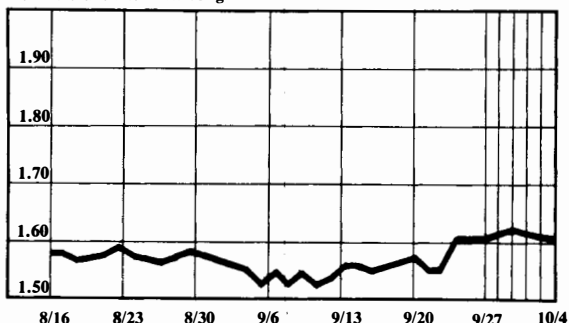
### The dollar in yen

New York late afternoon fixing



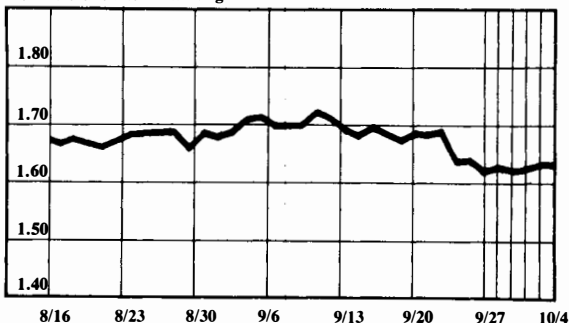
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# One billion people sick and underfed

by Marcia Merry

More than 1 billion people, or 20% of the world's inhabitants, are "diseased, in poor health or malnourished," according to the estimates of the United Nations World Health Organization. A Sept. 25 release summarizing WHO's findings concluded with a chart entitled "The Silent Killers," listing in millions the number affected by the seven major disease categories, ranging from tuberculosis, to malaria and river blindness, to AIDS. And if WHO's statistic of only 5 to 10 million infected with AIDS is any indication, their figures are vast underestimates of the reality.

The report provides a catalogue of the crimes of those in the International Monetary Fund, the World Bank, and other private and public agencies who, in recent decades, prevented the development of necessary social infrastructure—safe water, plentiful food, housing, power, sanitation, and health care.

In terms of the geography of debilitation, the WHO reports: "The greatest health problems are in sub-Saharan Africa where 160 million or 30% of the population are ill and undernourished. The most rampant diseases in Africa are diarrheal diseases, malaria, respiratory diseases, schistosomiasis, sexually transmitted diseases, including AIDS, and measles."

In South and East Asia, WHO estimates that 500 million people, or 40% of the population, are suffering from disease and malnutrition. The most prevalent diseases are diarrheal, respiratory, dengue, measles, and malaria.

In North Africa and the Middle East, 90 million people, or 25% of the population, are affected with one or more of the common diseases—diarrheal, respiratory, measles, and tuberculosis.

Dr. Hiroshi Nakajima, the Director General of WHO, describes the situation as "a preventable tragedy, because the developed world has the resources and technology to end common diseases worldwide. The missing ingredient is the will to help the developing countries. Simply, the rich countries must transfer technology, health manpower and money, because the poorest countries can't help themselves."

Another WHO analysis shows that health expenditures in the poorest countries average less than \$5 per capita. On the other hand, in the United States, Canada, Japan, and

Western Europe, the expenditure averages \$400 per capita.

Dr. Nakajima estimates, "If we could increase the health spending in the developing countries by only \$2 per head, we could immunize all their children, eradicate polio, and provide the drugs to cure all their cases of diarrheal disease, acute respiratory infection, tuberculosis, malaria, schistosomiasis and sexually transmitted diseases."

## Result of deliberate policies

From this simple picture, one must wonder why the good doctor is so simple-minded. Is he acting out a script, or does he not know any better? The vast incidence of most of the diseases is the direct result of conscious policies for the past 30 years on the part of leading forces controlling the governments of the so-called "developed" or "rich" nations. The needless resurgence of malaria is the most dramatic example.

Moreover, even if there were a mobilization to use the WHO-prescribed drugs and vaccinations to beat back the spread of disease, there must also be a concomitant, massive food mobilization to improve nutrition. For example, just two weeks after the release of the WHO report, U.N. officials announced that drought conditions in Ethiopia will result in a new famine and feared mass death.

In the case of malaria, there are likely not only an estimated 100 million clinical cases of the disease a year, but 264 million more may be carrying the malaria parasite. Twenty-five years ago, the prognosis was that malaria could eventually be eradicated. However, the ban on DDT—proven to be an effective killer of the mosquito vector which transmits the parasite—was imposed in the United States. This was based on a campaign by the "wilderness lobby" in Washington, D.C., including such agencies as the World Wildlife Fund/Conservation Foundation, one of whose directors was William Ruckelshaus, the government official who banned DDT. The elite families and financial groups that Ruckelshaus represented openly avow their desire to drastically depopulate the world—starting with those who they consider to be "inferior" peoples.

The case of schistosomiasis is similar. The disease, common in the tropics and caused by water-borne parasites, currently afflicts at least 200 million people. The parasite is passed from humans via human excrement to fresh water snails, and back again to humans. An estimated 600 million people are at risk from the disease because they live in areas with unsafe water.

If adequate water and sewage treatment projects had been constructed and repaired over the past 25 years, the disease would not be a problem today. As even the WHO report states, "In the 1970s, the outlook for controlling the disease had been transformed by praziquantel, a drug developed by the pharmaceutical industry in collaboration with WHO. For less than \$1, a patient can be cured of schistosomiasis. The problem lies in the high rate of reinfection because of the lack of sanitation."

# For disaster aid, don't ask FEMA

by Marcia Merry

On Oct. 3, less than two weeks after Hurricane Hugo struck mainland United States, a congressional call was made for an investigation of why the Federal Emergency Management Agency (FEMA) grossly bungled providing assistance to South Carolina, as well as Puerto Rico and other hard-hit islands in the Caribbean.

Sen. Ernest F. Hollings (D-S.C.) officially requested that the Government Accounting Office conduct an investigation of FEMA. He accused the agency of strangling aid attempts in red tape, and called FEMA's hierarchy a "bunch of bureaucratic jackasses" who would do best to "get the hell out of the way."

The senator from South Carolina was, if anything, too polite. The pathetic behavior of the FEMA apparatus in the case of Hurricane Hugo is just the latest episode in the dismal track record shown by this agency, which in recent years has oriented away from readiness for emergencies—its original mandate—and toward mechanisms for police-state social control.

On Sept. 22, the day after Hugo struck, South Carolina Gov. Carroll Campbell requested federal disaster aid. President Bush signed the disaster declaration the same day, but the first FEMA office didn't open until a week later. Applicants for relief are being given forms and instructions to come back Oct. 12, to fill out paperwork.

Joseph P. Riley, Jr., the mayor of Charleston, S.C., blasted the agency for slowness. "The system is not designed to cope immediately and urgently with a major disaster," he said. "They didn't bring in enough people and enough resources."

FEMA spokesman Bill McAda lamely defended the agency, saying their routine is to wait at least four days before they open aid offices to give victims time to contact their insurance agents. When they finally opened, the FEMA offices were great distances away from the areas most in need. Two weeks after Hugo hit, thousands of stricken still have no idea there is a location to which they can resort for help.

The mayor of the town of St. Stephen spoke for many when he said, "I really had more faith in our government. We're in serious trouble if FEMA is going to be the organization in the event of a nuclear war."

The main shortage in South Carolina is "a shortage of common sense in FEMA," said an angry Senator Hollings on a Sept. 28 ABC "Good Morning America" broadcast.

Hollings blamed the continuing crisis on FEMA officials: "They are as sorry a bunch of bureaucratic jackasses as I've worked with in my life. . . . I tell them people need generators, and they tell me, 'We don't have any generators—fill out a form.'"

Hollings charged that FEMA had made no provisions for renting house-trailers, even though the hurricane destroyed 40,000 homes. He also attacked FEMA for originally having only one emergency relief office for 13 counties. Now there are five offices, but "they only set up two offices in Charleston County, both in the suburbs. They expect the poor people in the city of Charleston to walk out to the suburbs."

Hollings contrasted FEMA's incompetence and indifference, to the instant responses from the Marines and Army, and from the volunteers for groups like the Red Cross and Salvation Army, all of whom rushed in aid.

## 'Crisis counseling' instead of relief

Part of FEMA's activity has been to bring in mental health staff to conduct "crisis intervention counseling." This reflects the objective of FEMA to conduct population profiling, under the pretext of providing victims "the ability to ventilate, and to cope with stress, distress, and loss," in the words of a state mental health official. "We hope to help calm people down and help to keep order."

The current advisory board of FEMA is dominated by elements associated with the Trilateral Commission, including Prof. Samuel Huntington of Harvard University, Brent Scowcroft of Kissinger Associates (until he went to the National Security Council), and Center for Strategic and International Studies counterterrorism specialist Robert Kupperman. Huntington, in his book *Crisis in Democracy*, makes clear that in his view, the proper function of emergency organizations such as FEMA is not to provide relief, but to accustom Americans to a drastic curtailment of their constitutional rights under a draconian economic austerity regime. "A government which lacks authority," he writes, "will have little ability, short of cataclysmic crisis to impose on its people the sacrifice which may be necessary."

Originally founded to deal with food and vital services in case of dire emergencies, FEMA was transformed into a self-styled shadow government. Among those with FEMA assignments in recent years have been Oliver North, the FBI's Oliver "Buck" Revell, and Buster Horton at the U.S. Department of Agriculture—the same Buster Horton who was foreman of the federal jury that railroad Lyndon LaRouche in December 1988.

Using a series of secret National Security Decision Directives by President Reagan, North and others used FEMA as part of their actions to create a "parallel" or "secret government," later exposed by the Iran-Contra scandal. FEMA came to have virtual cabinet-level status, and plans were laid for ways to suspend the Constitution in event of national security emergency.

# U.S. firms have 'Third World' debt

Over the past decade it has been fashionable in some circles to blame the world economy's woes on "lazy and corrupt" Third World nations, which supposedly took on "too much

debt" which now they can not pay back. But even if we ignore the fact that the overwhelming portion of that Third World debt is entirely illegitimate, and is the result of interest rate and other manipulations by such institutions as the U.S. Federal Reserve the International Monetary Fund, the following chart should burst any illusions that the United States is in any better shape than, say, Bangladesh.

Indeed, the following figures could well be inscribed on the tombstone of the post-war Bretton Woods monetary system, which is now in its death throes due to its refusal to confine instruments of indebtedness to those activities which increase potential population-density.

## Debt comparison of selected companies with selected countries, ordered by total debt

(millions \$)

For country:	GNP	Debt Stocks	Total debt service	Ratios (%)	
				Debt Stocks/GNP	Debt Service/GNP
For Company:	Revenues	Total Debt	Interest expense	Total Debt/Revenues	Interest/Revenues
Poland	63,825.0	42,135.0	1,922.0	66.0	3.0
R. of Korea	118,000.0	40,459.0	15,469.0	34.3	10.4
P.R. China	291,748.0	30,227.0	2,842.0	10.4	1.0
Philippines	34,620.0	29,962.0	2,373.0	86.5	6.2
<b>RJR/Nabisco</b>	<b>16,956.0</b>	<b>24,997.0</b>	<b>3,474.0</b>	<b>147.4</b>	<b>20.5</b>
Chile	17,111.0	21,239.0	1,714.0	124.1	18.2
Morocco	15,640.0	20,706.0	1,310.0	132.4	8.1
<b>Sears Roebuck</b>	<b>50,251.0</b>	<b>19,375.0</b>	<b>2,978.0</b>	<b>38.6</b>	<b>5.9</b>
Hungary	25,094.0	18,957.0	3,228.0	75.5	12.9
Colombia	33,871.0	17,006.0	2,581.0	50.2	7.0
Bangladesh	17,482.0	9,506.0	323.0	54.4	6.8
Zaire	5,257.0	8,630.0	247.0	164.2	4.7
Tunisia	9,209.0	6,909.0	998.0	75.0	9.9
Bolivia	4,150.0	5,548.0	137.0	133.7	3.3
<b>Texas Air</b>	<b>8,475.0</b>	<b>5,341.4</b>	<b>622.9</b>	<b>63.0</b>	<b>7.3</b>
<b>Kroger</b>	<b>17,659.7</b>	<b>4,973.7</b>	<b>595.4</b>	<b>28.2</b>	<b>3.4</b>
Costa Rica	4,087.0	4,727.0	216.0	115.7	.5
<b>Southland</b>	<b>8,076.5</b>	<b>4,606.2</b>	<b>232.6</b>	<b>57.0</b>	<b>2.8</b>
<b>Campeau</b>	<b>3,530.0</b>	<b>4,574.0</b>	<b>495.0</b>	<b>129.6</b>	<b>14.0</b>
Singapore	20,547.0	4,491.0	877.0	21.9	2.4
Cameroon	12,186.0	4,028.0	590.0	33.1	2.8
<b>Goodyear</b>	<b>10,810.4</b>	<b>3,937.3</b>	<b>364.2</b>	<b>36.4</b>	<b>3.4</b>
<b>Southmark</b>	<b>2,838.0</b>	<b>3,856.4</b>	<b>540.8</b>	<b>135.9</b>	<b>19.1</b>
<b>Owens-Illinois</b>	<b>3,571.9</b>	<b>3,849.0</b>	<b>459.5</b>	<b>107.8</b>	<b>12.9</b>
<b>Fort Howard</b>	<b>1,858.8</b>	<b>3,744.3</b>	<b>29.2</b>	<b>201.4</b>	<b>1.6</b>
<b>Safeway</b>	<b>18,300.0</b>	<b>3,709.6</b>	<b>579.7</b>	<b>20.3</b>	<b>3.2</b>
Senegal	4,492.0	3,695.0	285.0	85.9	8.7
<b>Beatrice</b>	<b>4,012.0</b>	<b>3,393.0</b>	<b>347.0</b>	<b>84.6</b>	<b>8.6</b>
Madagascar	1,849.0	3,377.0	147.0	182.6	8.0
Honduras	3,800.0	3,303.0	259.0	86.9	6.0
Ghana	4,936.0	3,124.0	183.0	63.3	3.5
<b>Union Carbide</b>	<b>8,324.0</b>	<b>3,112.0</b>	<b>419.0</b>	<b>37.4</b>	<b>5.0</b>
Guatemala	6,868.0	2,825.0	303.0	41.1	4.2
<b>USG Corp.</b>	<b>2,248.0</b>	<b>2,644.9</b>	<b>178.3</b>	<b>117.7</b>	<b>7.9</b>

Sources: Country data taken from *World Debt Tables*, Volume II, 1988, The World Bank, Washington, D.C. Company data taken from *Standard & Poors*, and *Value Line*.

## Real estate collapse hits banks hard

*Boston banks are in trouble, and a top investment bank in New Zealand is broke, but Wall Street continues euphoric.*

**D**espite the apparently irrepressible surge in the stock market and the dollar, the euphoria gripping Wall Street was delivered a shock on Oct. 3 and 4, when the two leading New England banks disclosed that loan losses were much greater than previously admitted.

The Bank of Boston and Bank of New England have been put on notice by the Comptroller of the Currency and the Federal Reserve, which have imposed special supervisory rules on the banks' lending operations. The Bank of Boston added \$370 million to its loan loss reserve, wrote off \$70 million in loans as uncollectible, and plans to put a further \$45 million into its bad debt reserve in the fourth quarter.

Triggering the Bank of Boston's disclosure was a combination of bad real estate loans in the rapidly deteriorating Northeast real estate market, and the looming insolvency of leveraged buy-out magnate Alan Bond. The Bank of Boston was the lead partner in a syndicate that loaned Bond \$1.3 billion to buy out G. Heilman Brewing Co. Bond is now trying to juggle \$4.6 billion in debt. With the value of the brewery down by more than 50%, the bank itself is now stuck with \$100 million in non-performing paper from this one deal alone.

The growing depression in the New England real estate market is tied to the imminent crash of one of the cornerstones of the vaunted recovery: real estate partnerships and syndications, the booming speculative tax shelters of the 1980s. This is the as-

essment of none other than the broken-down wheeler-dealers of the industry itself, as presented at the annual conference of the Real Estate Securities and Syndication Institute, and reported by the *Washington Post*.

The conference was a virtual wake. Only 100 attended, down from 175 a year ago. "Gone . . . were the Rolex watches, the hand-tailored monogrammed shirts, the soft Italian leather shoes, and the smooth operators who sold syndication so well," wrote the *Washington Post*. "Investment levels have plummeted, leaving the formerly high-flying sponsors of the programs struggling to survive."

The speculative real estate boom in the 1980s was fueled by tax breaks engineered to keep going the 1970s inflation in property values. In 1981, the Economic Recovery Tax Act enabled wealthy investors to buy into real estate and deduct \$4 for every dollar invested, while capital gains taxes were lowered—and partnerships took off. From 1980-85, "the amount of money put into real estate limited partnerships increased sixfold, climbing from about \$2 billion in 1980 to \$12.7 billion in 1985," reported the *Post*.

The deregulated S&Ls jumped onto the magic carpet, as did the usually more conservative insurance companies and pension funds. Commercial properties in particular were overbuilt; investors paid attention to the tax breaks and price run-ups, with little regard to future income generation of the properties.

For the last year or so, the chickens have been coming home to roost.

Vacancy rates are way up, rents are down, and the bottom is dropping out. Standard and Poor's Rating Group says that a whopping 40-60% of these partnerships are in trouble. And to top it off, partnerships that for years took a tax cut through deferring payments, now have to pay. Unwitting investors are beginning to sue the planners of these great ventures.

The only reason that the whole thing hasn't blown yet is that the general partners of such ventures—those who proposed and managed them—"have been hanging on and paying partnership expenses out of their own pockets, waiting and hoping for real estate to improve, according to speakers at the conference," wrote the *Post*. "Now, however, they are running out of money."

The emerging bank insolvency represented by the two Boston institutions is hardly limited to the United States. The day before the Bank of Boston's disclosure, banking authorities in New Zealand declared DFC New Zealand, a major investment bank, virtually bankrupt.

"The collapse of DFC is the most serious collapse that we have had since the deregulation of markets in 1984," said Paul Collins, chairman of New Zealand's largest pension fund, National Provident Fund, which owns 80% of DFC. Salomon Bros. of the United States owns the other 20%.

The DFC collapse is only the latest in an accelerating financial sector shakeout in New Zealand. In June, the state-controlled Bank of New Zealand received a \$352.5 million government bailout.

But the DFC insolvency marks the first time a bank has threatened to default on Euro-commercial paper, and adds to the jitters on the market that has seen recent defaults by the likes of Integrated Resources, Lomas and Nettleton, and Wang.



## Europe beefs up its railways

*A major European investment into high-speed rail transport is about to leave the U.S. trailing even more behind.*

A little-noticed development is taking place in Western Europe. For the first time since Europe's major railroad investment buildup at the end of the last century, a dramatic modernization of the continent's rail transport infrastructure is at the center of debate. These changes promise to transform the economic face of the continent in ways far more meaningful than the European Community's ill-advised "Europe 1992" plan to abolish national borders.

Since 1981, the forward-looking French have touted a model for the "train of the future," the *Train à grande vitesse* (TGV) or high-speed conventional train, which ran the line from Paris to Lyons. In September, the French government opened its newest TGV link to the Brittany coast, and next year routes will run south to the Spanish border, where Spain is expected to link Barcelona with the French high-speed rail network.

This beginning of modernization of Europe's rail network got a major boost a few months ago from the association of 14 European national railroads, known as the Community of European Railroads. The CER has drawn up a master plan for a new Europe-wide high-speed rail network to be completed by 2005. It would link London to Rome in less than eight hours—less than one-third of current time—and would solve serious congestion bottlenecks now choking Europe's highway and airway grids.

Meanwhile, Germany's state rail-

way, the Bundesbahn, in cooperation with a group of industries including Asea-Brown Boveri, Krauss-Maffei, and Krupp Machinery, has begun its complement to the French TGV, the Inter-City Express or ICE. By 1991, the ICE will have a rapid link between the northern industrial port of Hamburg and the southern city Munich on twin tracks whose trains will average 280 kilometers per hour (174 mph), double present speeds. Maximum test speed of the ICE to date is 407 kilometers per hour (253 mph). The Bundesbahn has already budgeted several billion dollars for the purchase of special locomotives and track modification. The value of the emerging market to produce new aerodynamic high-speed rail locomotives alone is conservatively put at \$30 billion over the next several years. The new rail lines will carry freight and passengers.

French experience with eight years of their TGV is that, if rail fares are deliberately kept equal to what is charged for conventional trains, increased usage of the high-speed line more than compensates for the cost of development. TGV is one of the few profitable rail lines in the world.

There is now a debate of sorts in the U.S. Congress, I'm told, which has been catalyzed by the rapid pace of these European infrastructure projects. Some economists and congressmen apparently realize, some 25 years late, that public transport infrastructure is a vital national economic asset. America's highways are dilapidated, its bridges collapsing, and its electric

power grid stagnant to worse. Costs of reviving and modernizing have been estimated in the trillions.

In a recent analysis of the relation between government investment in rails, highways, waterways, electricity, and other economically vital "core infrastructure," David Aschauer, an economist with the Federal Reserve Bank of Chicago, documents that the mid-1960s was the peak for increasing U.S. infrastructure investment into the economy. The U.S. ratio of public to private capital stock peaked in 1964. The rate of return for private capital investment peaked the following year.

This turning point coincided with the point when President Lyndon Johnson's "post-industrial" Great Society slashed productive investment, NASA was wound down, and billions of tax dollars were dumped into the senseless Vietnam War. The U.S. economic engine was left to rust for the next quarter-century.

What Aschauer and others are beginning to re-discover, is a very basic fact of economic reality: National commitment to infrastructure in the "public sector" is a *sine qua non* for a competitive private sector. "New highways, airports, and modern power plants—components of a general economic infrastructure—are likely to heighten the productivity of private capital and spur expenditure on new plant and equipment," Aschauer concludes. These very "special" public outlays repay themselves many-fold for every tax dollar spent as economic growth generates new revenues.

Aschauer's international comparison of the seven industrial economies for private sector productivity growth in relation to rates of public core infrastructure investment, shows the U.S. at the bottom, while Japan is at the top, closely followed by West Germany and France.

## Yet another epidemic?

*A new form of TB is spreading—this one infecting not just AIDS patients, but those not from any “high-risk group.”*

A previously rare form of highly drug-resistant tuberculosis is now spreading insidiously through the U.S. population. The disease-causing organism, *Mycobacterium avium* complex, is related to the more common *Mycobacterium tuberculosis*, which causes classical tuberculosis.

According to an article in the Sept. 28 issue of the *New England Journal of Medicine*, *Mycobacterium avium* complex, which once afflicted primarily individuals with underlying conditions such as chronic lung disease and AIDS, is now infecting otherwise normal hosts in increasing numbers. Over the decade from 1978 to 1987, an increasing number of patients with *M. avium* infection was seen at two hospitals in the Philadelphia area. While patients with AIDS and other conditions accounted for a majority of the cases, more and more are occurring among patients without recognized predisposing conditions.

Commenting on this phenomenon, Dr. Michael D. Iseman, of the National Jewish Center for Immunology and Respiratory Medicine, observes: “An infrequent if not rare event 20 years ago has reached substantial numbers in this decade. It is important to stress that this upsurge is not related to the pandemic of disseminated disease caused by *M. avium* complex in patients infected with the human immunodeficiency virus [the AIDS virus], which is a substantial problem in itself. Nor is it related solely to the well-recognized propensity of environmental mycobacteria, most typically *M. avium* complex, to attack previously damaged lungs. Rather, as

the Philadelphia study highlights, pulmonary disease now occurs in people without apparent predisposing causes. . . . This observation, although salient and vexing, is not really new. It has been the hidden side of the coin, which was steadfastly ignored in earlier reports. Perhaps because of their inability to explain it, investigators have simply emphasized the variety of co-existing predisposing causes and left implicit the fact that 24-46% of their cases occurred among ‘normal’ persons.”

Along with an increasing number of infected persons, there is evidence that the organism itself is becoming more virulent. Studies on strains of *M. avium* isolated from AIDS patients have shown that the virulence of the organism, that is its disease-causing potential, has been enhanced by the infection of the bacterium itself by a virus-like particle known as a plasmid.

The disease can be difficult to detect, since the main symptom is a chronic cough, sometimes of many years’ duration, but fever and weight loss are generally not present as in classic pulmonary tuberculosis. However, once established, the disease can undergo rapid progression, resulting in severe disability and death. The organism is notoriously resistant to antibiotic therapy, frequently requiring four different antibiotics together, in high doses, to establish control of the infection, and relapse after treatment is not uncommon.

Organisms of the *M. avium* complex are found in dust, soil, water, poultry, and other animals. Infection

is assumed to result from environmental exposure, presumably by inhalation of aerosolized bacteria. One possible source is inhalation of infected water droplets, when showering with infected water. This may be relevant to a number of cases in which *M. avium* has been found in hospital hot water supplies.

It is important to realize that the spread of this infection is occurring concurrently with continued dissemination of *Mycobacterium tuberculosis* infection. Infection among otherwise normal persons seems to occur predominantly among older white females, a group which up till now has been relatively spared by both AIDS and the AIDS-associated epidemic of pulmonary tuberculosis.

This development once again highlights the folly of those who contend that the consequences of the present epidemic of HIV infection can be “confined” to certain “risk groups.” Just as in Africa, and in Central and South America, the presence of a large population of immunosuppressed persons, from whatever cause, creates a reservoir in which organisms of low virulence and infectivity can acquire the capability to successfully attack previously resistant groups of the population.

It is also important to note that the number of cases of *M. avium* complex infection and disease among persons with underlying problems other than AIDS, is also increasing. This indicates an increase in non-HIV-related disease which is accompanying, and interacting with, the continued dissemination of HIV in the population. It is precisely the spread of the more classic diseases of poverty which most glaringly exposes the fraud of the present approach to attempting to control the AIDS epidemic without using classic public health measures.

## What ground water pollution?

*Once again, the environmentalists are exposed beating the drum about a "problem" which doesn't really exist.*

**M**edia scare stories about the pollution of ground water in the United States are alarming the public unnecessarily about the sources of ground water contamination problems. The reports are misinterpreting scientific studies in such a way as to bolster the arguments of those zero-growthers who are out to shut down the American family farm.

Richard Fawcett, an agriculture consultant and 13-year veteran coordinator for the Iowa State University Extension Pesticide-Water Quality Program, says that the popular notion that agricultural pesticide applied by farmers to crop land leaches through the soil and contributes to ground water contamination, may not be anywhere near the problem that some radical environmentalists would like the public to believe.

"The public perception is that farmers need less chemicals or none at all," Fawcett says. But this is just plain wrong, and the scientific research shows it clearly.

Scientific data just don't support the idea that agriculture is massively polluting underground water supplies through leaching.

Fawcett says the most commonly held belief is that pesticides get into ground water through leaching with normal use, sinkholes and agricultural drainage wells, leaching from mixing areas, and back-siphoning of spray equipment.

Ground water quality studies, like that being conducted for the last nine years in the Big Spring Basin of Northeast Iowa by the Iowa Geological Survey, have turned up good data

on the problem associated with areas with karst (very porous) topography.

In most ground water studies in Iowa, atrazine was the most commonly found agricultural chemical; it is the second most abundantly used herbicide in the nation, and Iowa is one of the top states in the use of farm chemicals. The eight-year average concentration of atrazine found in the Big Spring Basin was 0.36 parts per billion (ppb)—a full 88% below the Environmental Protection Agency's lifetime health advisory level of 3 ppb for atrazine. Hardly a life-threatening level!

In other studies conducted by the Iowa Department of Natural Resources (DNR), a sampling of 853 wells across the state found that only 8% showed any pesticide residues, and almost all of that was the herbicide atrazine. In an Iowa DNR survey of public water supplies, only 33 public wells contained traces of atrazine (as the only pesticide) with average concentrations amounting to 0.42 ppb; the highest concentration detected was 1.3 ppb, well below the 3 ppb EPA standard.

Where three wells exceeded the EPA standard, Fawcett went back and reexamined those sampling sites. In 80% of those cases, agricultural chemical mixing had taken place near the sampled well, affecting the final reading. "When you rinse out a sprayer so many times a day for 20 years, you build up the concentration," Fawcett says.

In a study by the Illinois Department of Natural Resources, researchers randomly sampled 343 wells and

didn't detect a single pesticide. In another sampling, 450 wells that were shallow and potentially vulnerable to agricultural chemical contamination, only three tested positive for such substances. And all three of these wells were sites where product mixing and loading had taken place.

An example of the environmentalist propaganda is a recent report released by the National Research Council, entitled "Alternative Agriculture." The report would lead the unsuspecting public to believe that agricultural chemicals and fertilizers are seriously polluting the ground water; but when closely scrutinized, the claim goes up in smoke.

For instance, the report states, "A survey by the U.S. Geological Survey (USGS) of 1,663 counties showed 474 counties in which 25% of the wells tested had nitrate-nitrogen levels in excess of 3 milligrams/liter. . . . In 87 of the 474 counties, at least 25% of the sampled wells exceeded the EPA's 10 milligrams/liter standard for nitrate in drinking water. Prolonged exposure to levels exceeding this standard can lead to methemoglobinemia (oxygen deficit in the blood), although reported instances of this condition have been rare."

This sounds pretty dangerous. But what it actually says, is that a minimal 0.07% of the wells tested showed an insignificant 3 to 10 milligrams of nitrates per liter in ground water, and 0.013% of the wells in the 1,663 counties tested had nitrate levels higher than 10 milligrams per liter.

If a person were exposed to such levels every day of his life, he would stand a chance of getting oxygen deficient blood. In other words, only a fraction of 1% of the wells tested in this survey even showed detectable levels of nitrates, and those that did are not likely to cause any harm.

# Business Briefs

## Small Business

### Health care costs overwhelming companies

The costs of providing health care to employees are overwhelming millions of small U.S. businesses, according to a recent survey by the National Federation of Independent Businesses, a group representing 570,000 businesses with an average of 13 employees.

In recent months insurance rates have increased by anywhere from 20% to over 100%, creating larger pools of uninsured people as more small businesses give up attempting to provide health insurance. Rates for small manufacturers have tripled over the last three years.

The National Association of Manufacturers found that between 1987 and 1988, the smaller the group, the larger the increase in medical premiums, because the smaller groups cannot get the discounts available to larger industries.

This year, insurers are also trying to recoup what they claim are underwriting losses of 4-5% from last year. The federation is seeking to increase to 100% the tax deduction of the cost of health insurance for self-employed business owners. That deduction now is only 25%, compared to 100% for incorporated businesses.

## Energy

### Japanese gear up 'cold fusion' effort

"There are definite indications that the Japanese have opened up the big guns" in "cold fusion" research, Texas A&M fusion researcher John M. Bockris told the 13th annual Utah Conference on Energy, Mining, and New Technology in Salt Lake City Sept. 8, according to the Sept. 9 *Deseret News*. Bockris said scientists in Japan have organized a fusion institute where more than 80 scientists are rapidly moving forward in the development of what could be a new source of abundant, relatively clean and cheap energy.

"The threat of the Japanese capitalizing on a potentially revolutionary energy source should ultimately force the federal government to allocate funds for fusion research," the *Deseret News* reports. "That was the consensus of fusion pioneers and converts, who cautioned that while the U.S. Department of Energy has all but abandoned fusion experiments at American universities, Japan is accelerating efforts to put the discovery to practical use."

A panel of five "cold fusion" experimenters, Robert Huggins of Stanford University, Bockris, Milton Wadsworth, the dean of the University of Utah's College of Mines and Earth Sciences, Stanley Pons, and Martin Fleischmann, told the meeting that their work was hampered by lack of private commercial collaboration and federal government support. None of the five is receiving Department of Energy funding. Pons told more than 400 attendees, "We are even more convinced of our results and are seeing more and more confirmations."

Stephen Studdert, a special assistant to President Bush, said a high priority of the administration is to outdo foreign competitors in the development of new energy sources, but listed the priorities as development of alternative forms of energy such as ethanol, methanol, and safe nuclear fission—not fusion—reactors. This prompted former NASA administrator James Fletcher to joke that the White House and outer space were "the same place."

## Health

### Washington infant mortality soars

The infant mortality rate in Washington, D.C., already one of the highest in the nation, shot up 50% in the first half of this year, primarily due to an increase in babies born to cocaine-addicted mothers.

The infant mortality rate for the first half of 1989 was 32.3 infant deaths before their first birthday, per 1,000 live births, versus a rate last year of 23.2 deaths. The national average was 9.9 deaths per 1,000 in 1988.

"It's like a bomb has gone off," said one

participant in a meeting Sept. 28 of health professionals with Mayor Marion Barry. "No one in this area knows what to do. I don't know what to do about social pathology and decay in half the city." Professionals expected a rise in the mortality rate because the cocaine and crack epidemic prompts premature birth and other fetal problems, but were "stunned" by the rate of increase. One expert, according to the *Washington Post*, said "a virtual breakdown of family structures" exists in some parts of the city.

## Development

### Brazilians prefer Japanese model

Brazilian Federal Deputy Oswaldo Lima Filho, the head of the Nationalist Parliamentary Front (FPN), defended the Japanese model of development against the liberal model, in an interview with the *Jornal do Comercio* on Sept. 17.

In discussing the program and policies of the FPN, Lima vehemently rejected the liberal ideas of those who propose the total opening of Brazil to the international markets. The FPN does not intend to close the country to foreign capital, he said, but rather wants to implement the Japanese model of restricting it.

Lima attacked the move to "privatize" the state sector, including the firms such as Petrobras, the national steel company, and the Carajas development company, saying "the great Western powers, the creators of the Brazilian foreign debt, are moving through all mass media to acquire state enterprises built with the blood and the sacrifice of the Brazilian people and which are the keystone of the national economy."

The *Jornal* reminded its readers that several members of the FPN support the demand to free U.S. economist Lyndon LaRouche from prison. Lima Filho was the individual who introduced Helga Zepp-LaRouche to a meeting of a number of FPN members during her recent visit to Brazil, and was the lead signer on the petition for LaRouche's release, signed by over 100 Ibero-American parliamentarians.

## Briefly

### Labor Force

#### Skilled worker scarcity major problem by 2000

The biggest employment problem 25 years from, according to projections by the Census Bureau, will be the lack of new entrants into the labor pool in the 1990s to become the skilled workforce.

During 1990 the number of 18-year-olds will drop by 8% and will not reach the levels of 1989 until 2003. The flood of baby boomers, who have entered the labor market since the mid-1960s, will slow to a trickle because of lower birthrates. The shortage will have profound implications for both managers and employees into the 21st century, economists and labor experts say.

Many of these new employees will be unskilled, and will require companies to train them.

Economists looking to the 1990s labor forces say these trends offer clear guidelines for job seekers. According to the Bureau of Labor Statistics, the five fastest-growing industries from now until the year 2000 will be computer and data-processing services, health services and outpatient facilities, personnel services such as temporary employment agencies, health practitioners, and miscellaneous business services such as credit reporting. All these openings are in service industries, underlining the historic shift away from manufacturing.

### Transport

#### Shipping needs \$25 billion per year

The shipping industry will need to find \$25 billion to invest each year to replace its aged crude carrier fleet, top shipping executives were told at a conference in New Orleans in late September.

Paul Slater, chairman of an investment bank that specializes in ship finance, told executives attending the Bulk Transpo '89 conference, sponsored by the *Journal of Commerce*,

that 285 of the world's 400 very large crude carriers (200,000 to 400,000 deadweight tons) are over 13 years old—the original design life for a VLCC built in the mid-1970s. Slater estimated that shipping companies will need to find an extra \$25 billion per year in financing to replace those and other ships that are now operating beyond their design life.

VLCC capacity has been so reduced because new ships are not built to replace the old, that present capacity is barely adequate, the conference was told.

However, shippers handling petroleum products told the conference that they are considering getting out of the industry altogether, because of the exorbitant costs of insurance for environmental disasters after the Exxon Alaska oil spill.

### Finance

#### Japanese warn against floating exchange rates

Japanese Finance Minister Ryutaro Hashimoto warned the International Monetary Fund Interim Committee meeting in Washington, D.C. Sept. 26, that instability in the foreign exchange markets, the result of the present floating exchange rate system, is creating a danger to world economic stability.

Hashimoto stated that he saw no immediate alternative to the present system, and called for the IMF to initiate designing a new system.

The policy group around former West German Chancellor Helmut Schmidt which emerged in June 1989 as being "fed up with Bush administration economic policy," is reportedly considering reconvening the "Schmidt Commission" in January 1990, with the support of the Japanese. Members of the commission include Robert McNamara, Switzerland's Fritz Leutwiler, Britain's Lord Roll, and former Federal Reserve Chairman Paul Volcker. McNamara, according to sources close to Schmidt, is upset that "no one has succeeded in convincing the U.S. Establishment that U.S. debt has gone beyond a controllable level."

● **THE RAIL LINK** to the English Channel tunnel from London, a 68-mile stretch, is in danger of never being built because the estimated cost has increased four-fold, to over £4.5 billion (\$7.2 billion), due to extra "environmental protection work."

● **PURCHASING MANAGERS** reported the fifth consecutive monthly decline in new orders in the U.S., according to the National Association of Purchasing Managers Oct. 3. The August figure released by the NAPM was the lowest since December 1982.

● **THE RAFSANJANI** regime of Iran faces a severe food crisis and has called on Iranians to stock food for the coming winter, although prices have put many basic items out of reach of consumers. The U.S. is pressuring West Germany and Japan to increase aid to Iran, according to Iranian sources, in order to stave off major social disturbances.

● **THE TRANSPORTATION** Group, an airline financing company set up in March 1989 by Paine Webber, is arranging a financial deal worth \$45 million for China Southern, a Communist Chinese airline based in Guangzhou.

● **FOREIGN CONTROL** of U.S. airlines will not be allowed by a Sept. 29 ruling by the U.S. Department of Transportation. Northwest Airlines must now reduce the investment in the carrier by KLM Royal Dutch Airlines, and could force a revamping of the proposed leveraged buyout of United Airlines by a group that includes British Airways PLC.

● **NEW JERSEY** has the highest proportion of AIDS among women of any state in the U.S., according to data presented at a state conference, accounting for more than one in five cases—1,446 women out of 7,177—the *Bergen Record* and the *Hudson Dispatch* reported Sept. 28.

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## Galileo spacecraft heads for Jupiter

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*The journey begins for an in-depth study of the greatest of the outer planets. 21st Century Science & Technology Associate Editor Marsha Freeman reports on this upcoming planetary mission.*

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Most of the total planetary mass in our Solar System is contained in one planet—Jupiter. This massive gas giant, which is about a half billion miles from Earth, has already been visited by four U.S. spacecraft. But those Pioneers and Voyagers spent only a few dozen hours at Jupiter as they flew by. The Galileo spacecraft, scheduled to be launched on Oct. 12 from the Space Shuttle orbiter Atlantis, will do a 22-month, in-depth study of the complex Jupiter system.

Scientists working on the Galileo mission have stressed that this spacecraft will not be studying simply one planet, but a planetary *system*. Around Jupiter is a complement of at least one and a half dozen moons, which forms a small planetary system around this star-like planet. The moons are pushed and pulled by the planet, and influenced by its magnetic field and complex magnetic structure.

For centuries, scientists have watched the Giant Red Spot storm system on Jupiter through telescopes. Spacecraft have found that, although this storm is obviously long-lived, it is also dramatically changing. Nearly 400 years ago the astronomer Galileo Galilei was able to discover the four largest moons of Jupiter with an early telescope, but he could not see too much detail. Voyager has shown us moons the size of small planets, with erupting volcanoes, possibly with liquid water interiors, and intense geologic activity.

Because Jupiter is so large and is relatively close to Earth, compared to the other gas giants, it has been studied extensively from the ground. But as Voyager demonstrated, there are many questions about its weather, atmosphere, moons, newly discovered ring, and magnetosphere, questions which will only be answered from close to the planet. The Pioneers and Voyagers posed many new questions about the Jupiter system. Galileo may help to answer some of them.

Galileo will be the second planetary mission launched from an orbiting Space Shuttle, following Magellan to Venus last May. It is the first to carry two radioisotope thermoelectric generators (RTGs), each of which is fueled by 24 pounds of naturally decaying plutonium-238.

Though RTGs have been used on over two dozen space missions in the past 20 years, and though there is absolutely no other way to power this spacecraft's scientific instruments and other systems on board, anti-nuclear activists have vowed to delay, stop, and/or disrupt the launch. On Sept. 28, the Christic Institute in Washington filed a request in U.S. District Court for an injunction to stop the launch of Galileo. The Florida Coalition for Peace and Justice, which has sponsored tours by Soviet "peace" activists, has stated they will try to obtain entry to the Kennedy Space Center launch site, and may have supporters get arrested when security forces prevent them from physically obstructing the countdown.

Nuclear-powered RTGs have been used in the past to send planetary spacecraft to Mars and to the outer planets. They were carried by the Apollo astronauts to power long-lived scientific experiments left on the Moon. Now, all of a sudden, the anti-nuclear activists claim practically the entire population of Florida could get cancer if the Shuttle blows up after launch. Plutonium, which these fear-mongers claim is "the most toxic substance" in the universe, is actually only dangerous if it is inhaled as small particles of a particular size, and if the particles stick to the lungs.

The RTGs have undergone a \$50 million testing program, as well as tests that simulated Shuttle accidents, and fired bullets at them. Both an interagency nuclear safety review panel and the Department of Energy, which provides the

space agency with the RTGs, have released detailed studies on the nuclear batteries and have declared them safe. President Bush, on the recommendation of his science adviser, has approved the Galileo launch, which is required before it can take place.

As one scientist remarked, there is greater danger that someone would get hurt from an RTG falling on him if the Shuttle blew up, than getting lung cancer from a breach of the RTG's protective container.

### The most complex planetary mission

The Galileo mission is the first whose spacecraft will study an outer planet by orbiting around it, rather than just passing by. Galileo is comprised of two separate spacecraft, each with specific functions. The 2.5-ton orbiter will study the atmosphere, particles and magnetic fields, and moons of the Jupiter system over a period of 22 months. It will provide multiple, close fly-bys of the four Galilean moons over the course of several orbits that change with each encounter. A smaller, 750-pound probe will be released from the orbiter 150 days before the planned December 1995 arrival at Jupiter. This probe will enter the atmosphere of the great planet. During the 75 minutes the probe should spend descending through Jupiter's atmosphere, it will provide the first *in situ* measurements of the atmosphere of Jupiter, similar to experiments that have been done at Venus and Mars.

The Galileo mission is the most complex ever devised. When the Viking orbiters arrived at Mars, for example, they were set in an orbit which remained basically the same throughout the mission. But one of the three primary missions of Galileo is to take extremely close images and measurements of the Galilean moons. The reason for the interest in these bodies is that they are approximately the size of our Moon or of the inner planet Mercury, and they have turned out to be some of the most interesting bodies in the Solar System. In their variety and relative distance from Jupiter, they also share characteristics with the Sun's inner planets.

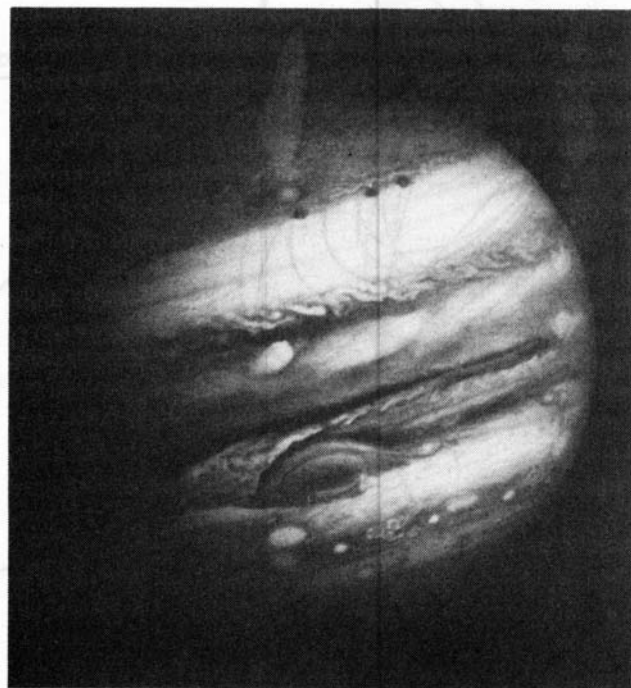
When Voyager 1 arrived near Jupiter in March 1979, it found eight volcanoes erupting on the moon Io. No active volcanoes had ever been observed anywhere in the Solar System, except on Earth. Voyager 2 also imaged active volcanoes on Io when it arrived four months later, but found that not all of the same ones were still erupting. This highly active and changing body, at only 261,400 miles from Jupiter, is pushed and tugged by the planet's massive gravity and is likely also affected by Jupiter's massive magnetic fields and trapped energetic particles. Io's surface changes so often from geologic activity that impact craters are not visible on the surface.

Surrounding Io is a cloud of neutral sodium particles which, evidence suggests, is feeding material into the huge magnetosphere of Jupiter's trapped particles. Learning more about the influence of Jupiter on Io, and vice versa, is one of the most intriguing objectives of the Galileo mission.

However, because Io is so close to the planet, the Galileo orbiter will make only one very close pass at this fascinating body. On its first orbit around Jupiter, the orbiter will pass within 600 miles of Io, or one-twentieth of the closest fly-by distance of Voyager in 1979. Galileo will resolve features on the surface down to 300 feet during its close fly-by; by comparison, the smallest features Voyager could resolve was 3 miles. Scientists will also see Io on subsequent orbits, but the risk of radiation damage to the spacecraft limits the close pass to one.

Europa, approximately twice the distance between Io and Jupiter, also shows an active geology, and evidence of tidal effects from the massive planet. Unlike Io, however, observations do not indicate volcanic sulfur on the planet, but rather water ice. Because Europa also has no significant cratering, scientists have proposed that the fracture lines that appear there mean that its surface is also re-forming, perhaps from eruptions of water from under the surface. The Galileo orbiter will come within 220 miles of Europa on its seventh orbit of Jupiter, and make additional passes farther away from the moon.

Still farther away from Jupiter, at about a twice its distance from Europa, is Ganymede, which is certainly made mostly of ice. It has a densely cratered region, and another region more sparsely cratered that has bright bands and mys-



Voyager 1 took this photo of Jupiter in February, 1979 at a distance of 20 million miles. Visible is the Great Red Spot at 20° south latitude, white oval clouds below it, the banded layers of clouds, and equatorial plumes above the dark streak of winds. Jupiter's atmosphere, weather, and storms are the most complex in the Solar System.

terious, grooved terrain. These features, again, indicate some form of geologic and perhaps tectonic activity beneath the surface.

Beautiful Callisto, which is the farthest of the Galilean satellites from Jupiter, is the most heavily cratered. It appears to be made of non-silicate, icy material, and to have undergone the least amount of geologic activity.

Information about this miniature planetary system may well provide scientists with insight into the organization and differentiation of the inner planets of the Solar System.

### Delicate, dizzying navigational feats

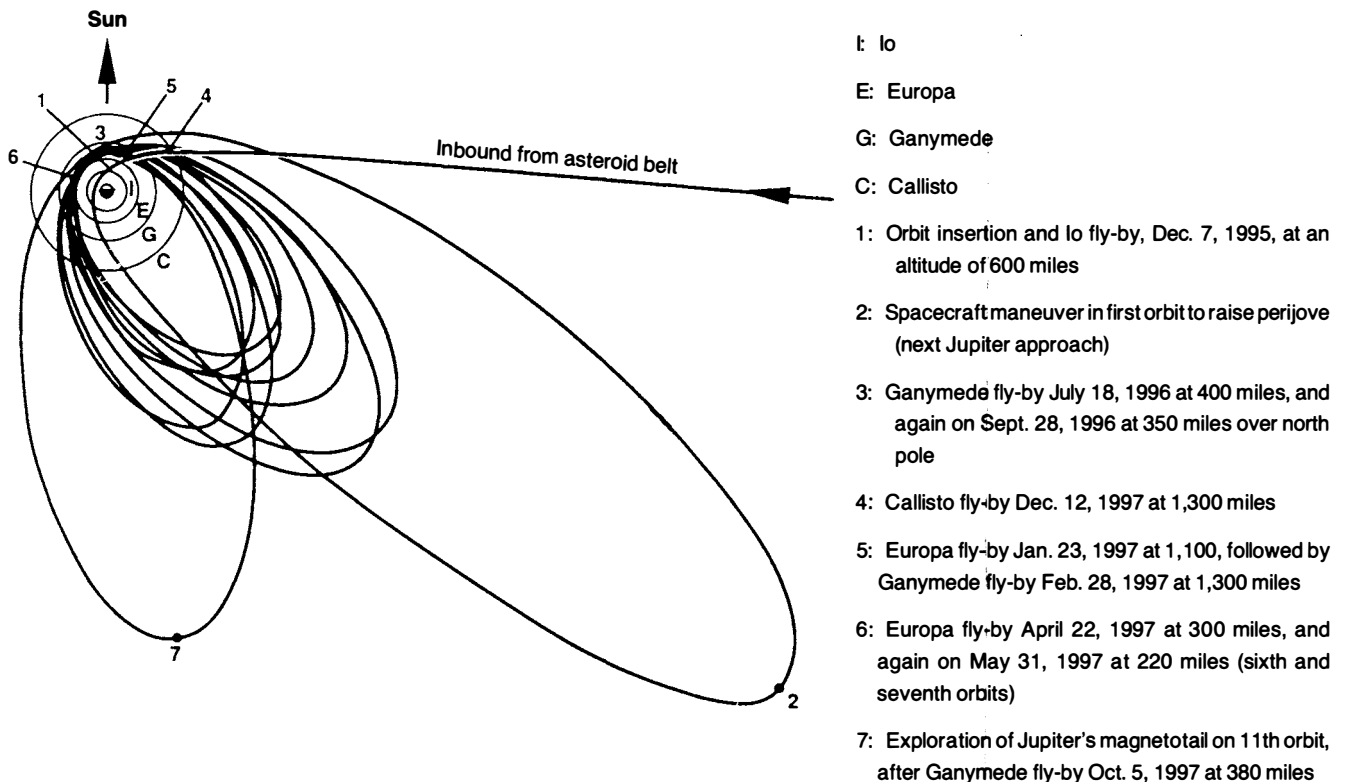
But in order to acquire these close-up pictures and measurements of the moons of Jupiter, the Galileo orbiter will perform a dizzying series of gravity assists, using the gravitational pull of each moon it encounters to change its orbital trajectory slightly, and set it on the right path for its next satellite fly-by. Gravity assists have been used in the planetary program for many years. The only way the Voyager 2

spacecraft, for example, was able to fly by the four planets Jupiter, Saturn, Uranus, and Neptune, was to get a push called a "gravity assist" as it flew by each one, that would give it enough additional energy to go on to the next encounter.

Never before, however, has a spacecraft depended upon multiple gravity assists from bodies in such close proximity and so often. The navigational tricks Galileo will perform are the most complex ever attempted. **Figure 1** shows how the flight path of the orbiter will change. Each pass by a moon will either "pump up" or "pump down" the path of the orbiter, slowing it down or speeding it up. These changes in velocity cause the elliptical orbit of the spacecraft around Jupiter to change, for each one of its ten different orbits. The satellite tour pictured here is the best estimate of the orbiter's path at this time. Final adjustments to the planned encounters will be made as the spacecraft approaches Jupiter.

The detail the Galileo orbiter will see on the moons of Jupiter will be remarkable. The camera system, which uses optics similar to those on Voyager, has been upgraded by the

FIGURE 1  
Galileo satellite tour



Source: NASA.

*Galileo's probable mission scenario. As the mission gets under way, scientists will refine the series of fly-bys the Galileo spacecraft will make of Jupiter's four Galilean satellites—Io, Europa, Ganymede, and Callisto. After entering the Jupiter system from the asteroid belt, the orbiter will make its only close fly-by of Io, and then proceed through the series of fly-bys shown. The last, 11th orbit (7), will swing the orbiter through Jupiter's enormous magnetosphere.*



replacement of the vidicon cameras with a charge coupled device. These improved electronics will allow the imaging system to take photographs with a shortened exposure time: Instead of taking one picture per minute, as Voyager did, Galileo will take an image every two and one-third seconds. This reduces the effects of smear on close targets which the spacecraft is passing at rapid speed, and will allow scientists to "machine-gun" the images and combine them into moving pictures.

A second primary scientific objective of the Galileo mission is to observe and probe the active and turbulent atmosphere of this giant gas planet. Both the orbiter and probe will be called into service for these studies.

### Storms and weather

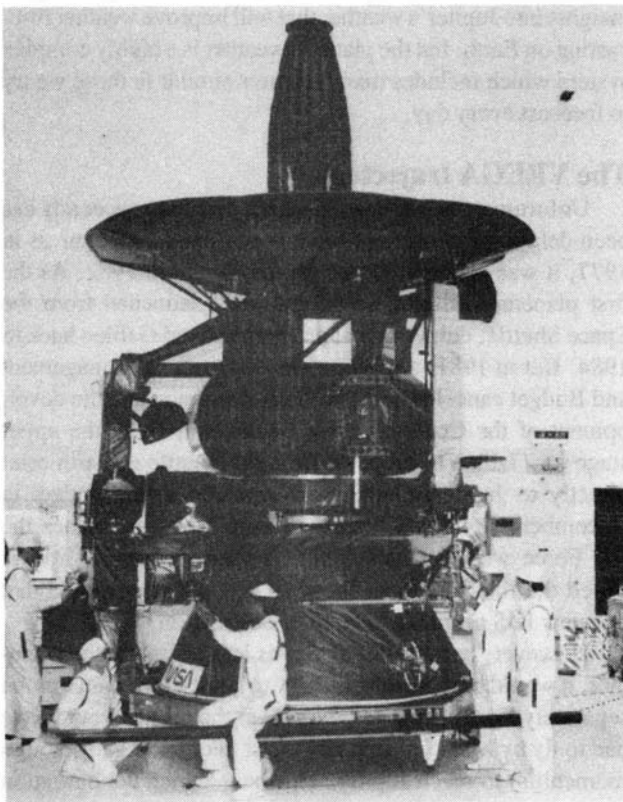
Like the Earth, but on a far more massive scale, the atmosphere of Jupiter has clouds, storms, lightning, and winds at 200 miles per hour. The storm we know as the Great Red Spot, for example, is the size of three Earths. It is located at about 20° south latitude, and is an anticyclonic storm, rotating counterclockwise. It has been observed from Earth

for hundreds of years.

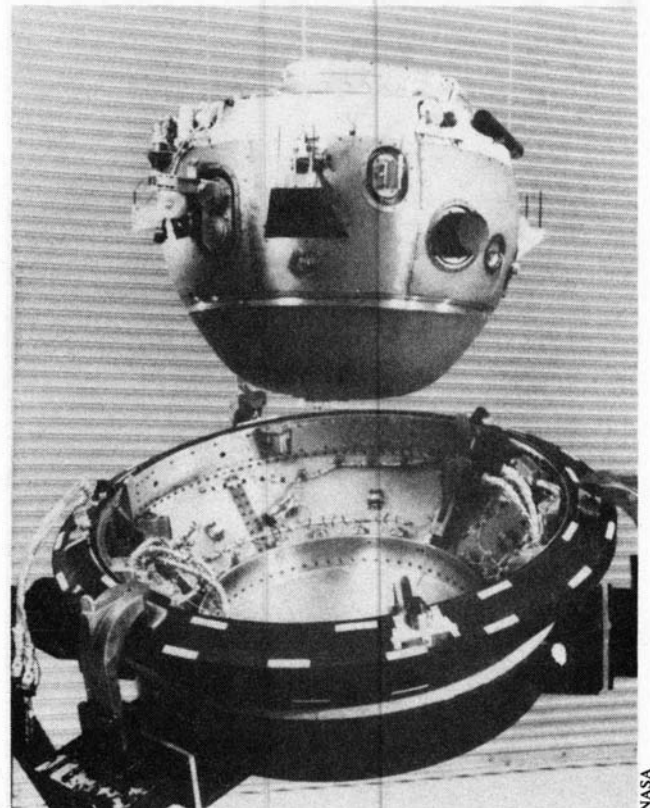
Jupiter's atmosphere is made up of 89% hydrogen, and nearly the rest is helium, although there are traces of other gases. The overall atmospheric composition is obscured by clouds and a high-altitude "smog" which has hidden the atmosphere's deeper structure from Voyager's cameras. There are indications that the top-most cloud layer is made up of ammonia, but scientists believe there may be water clouds underneath.

In addition to the dramatic Red Spot, Jupiter has white ovals, brown areas, and white plumes in its clouds. No one has come up yet with a satisfactory explanation of the beautiful colors in the atmosphere. This planet, whose diameter is ten times greater than Earth's, spins on its axis two and a half times faster than our planet does. This rapid rotation creates horizontal winds that produce shears between different layers and lead to the eddies in the clouds visible in the Voyager pictures. Voyager observed lightning at Jupiter, which would indicate that there are vertical instabilities in deeper levels of the atmosphere.

A probe will be sent through the atmosphere in order

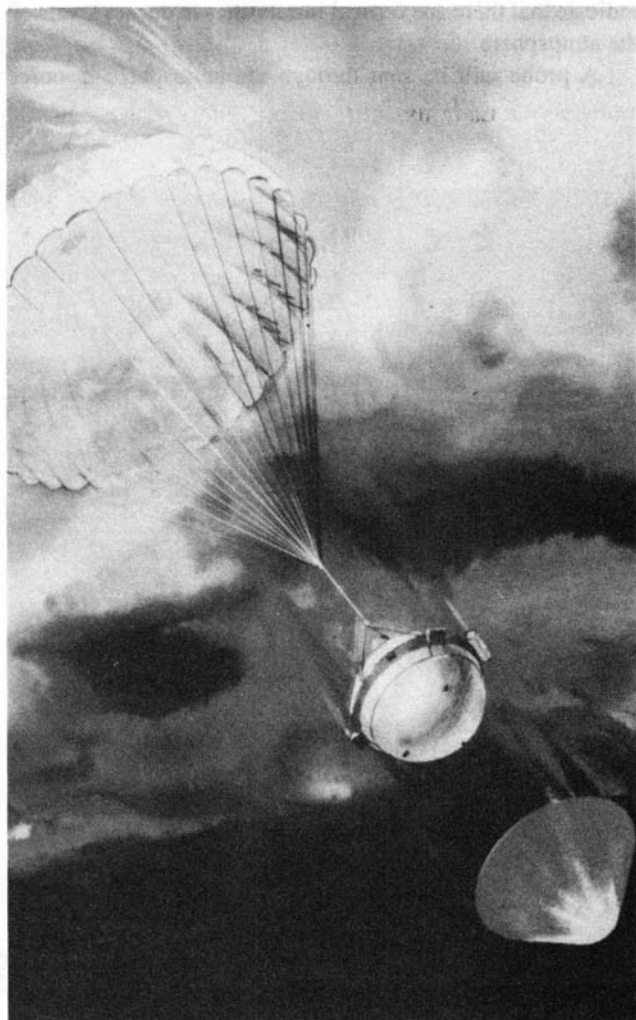


*The Galileo spacecraft, being checked out at the Kennedy Space Center, before being mated with its Inertial Upper Stage (IUS) and placed in the payload bay of Atlantis. At the top the high-gain antenna, which communicates with Earth, is furled to protect it from the Sun. The probe is located at the bottom of the orbiter.*



*The deceleration module (lower section) and descent module which will enter Jupiter's atmosphere. The 750-pound probe was built by the Hughes Aircraft Company, under the management of NASA's Ames Research Center. It will separate from the orbiter 150 days before arrival at Jupiter.*

to peer through the top-most cloud cover. After the probe separates from the Galileo orbiter, it will fly directly toward its Jupiter entry point at 6.5° north latitude. The probe has no propulsion or maneuvering capability of its own, and therefore must be sent on a precise course. As the probe approaches the giant planet, it will be traveling more than 100,000 miles per hour—a speed that would get you from New York to California in one and a half minutes. As the probe decelerates in contact with the upper layers of the atmosphere, an outer covering shell and heat shield will protect it and its scientific instruments from the tremendous heat of the entry. When its speed drops below the speed of sound, which should take about two minutes, the deceleration module will be jettisoned, and the little, 2½ foot-diameter probe, carrying 66 pounds of scientific instruments, will descend through Jupiter's atmosphere beneath an 8-foot parachute. It



*This artist's depiction shows the separation of the protective nose cone (bottom) from the probe as it descends through Jupiter's atmosphere. The probe will enter the sunlit side of Jupiter, but be in darkness for the end of its journey.*

will enter the atmosphere at less than 1 bar of pressure, roughly the same as the pressure at sea level on Earth. The pressure will increase with the descent, and scientists hope the probe will be able to send back data on the clouds, their composition, lightning, and other features of the atmosphere for up to 75 minutes, at which time the pressure may rise to 25 bars, 125 miles below its entry altitude.

As the probe descends, it will be carefully tracked from the orbiter, 133,000 miles overhead, which will relay its data to Earth. It will travel down with the winds, which will give scientists a picture of wind speeds and direction in various layers of the atmosphere.

One of the six instruments on the probe, called a nephelometer, sends out short flashes of coherent laser light and measures the returned signals from nearby clouds. Measurements taken in the near infrared will obtain images through "windows" or breaks in the clouds, and can discern if there is methane and other material in the cloud formations. The probe will measure the pressure, temperature, cloud formation, and atmospheric composition of different layers of the atmosphere. By taking measurements in a number of different wavelengths, it will help provide a three dimensional map of the whirling, stormy atmosphere of Jupiter.

Scientists cannot say now whether or not they will gain insights into Jupiter's weather that will improve weather forecasting on Earth, but the planet's weather is a highly complex system which includes many features similar to those we try to forecast every day.

### **The VEEGA trajectory**

Unfortunately, the launch of the Galileo spacecraft has been delayed a number of times—approved by Congress in 1977, it was originally to be Jupiter-bound in 1982. As the first planetary mission scheduled to be launched from the Space Shuttle, delays in that program moved Galileo back to 1984. But in 1981, the White House Office of Management and Budget canceled both the Galileo mission and the development of the Centaur rocket, which was to be the upper stage for Galileo to propel it from the Shuttle in Earth orbit directly to Jupiter. Galileo was restored to the budget in December of that year, but the Centaur was not. Since the Air Force was then developing a three-stage solid rocket called the Interim Upper Stage (IUS), it was proposed that this new IUS propel Galileo to its destination.

However, because the IUS was less energetic than Centaur, it would have been necessary to launch the Jupiter probe separately from the orbiter. Moreover the orbiter would have had to fly by Mars for a gravity assist in order to gain enough momentum to reach Jupiter. This new launch configuration would have required significant redesign of the Galileo spacecraft, and the National Aeronautics and Space Administration (NASA) was able to win approval to go ahead with the Centaur, when the Air Force began having serious problems developing the Interim Upper Stage.

In January 1982, however, NASA terminated the Centaur program due to budgetary considerations, and Galileo was back on another solid rocket also called the IUS, but now standing for "Inertial Upper Stage" consisting of only two stages. Later that year, the Congress legislated reinstatement of the Centaur program, and set the launch of Galileo for May 1986, aboard the Shuttle.

Less than four months before Galileo was to finally begin its trip to Jupiter, the Challenger was lost. Fear that the liquid hydrogen fuel that Centaur was carrying was too dangerous to be on a manned spacecraft led to the cancelation, once again, of the Centaur for use on the Shuttle. Galileo will be launched from Atlantis by an IUS. Galileo, however, will not go *directly* to Jupiter, because of the less favorable alignment of the planets and the reduced power available from the IUS.

Figure 2 shows what route Galileo will take to arrive at Jupiter in December of 1995. Three gravity assists will be needed, the first at Venus, and then two back near the Earth. VEEGA stands for Venus-Earth-Earth-Gravity-Assist. Galileo will reach Venus before the Magellan spacecraft, which was launched last May from the Shuttle, and will take a look at this shrouded planet with a different set of instruments

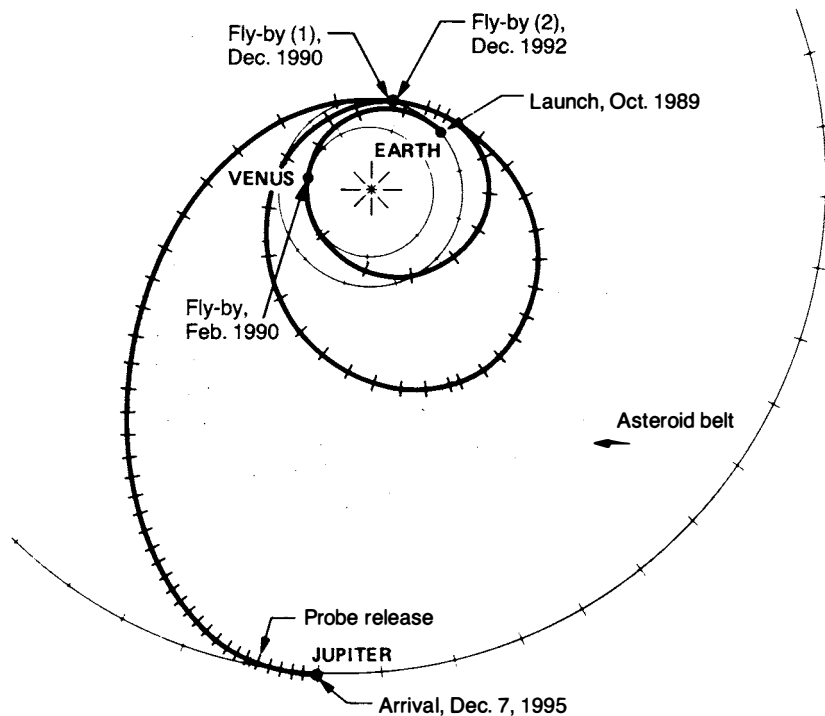
than the radar on Magellan.

Galileo was originally designed to go from the Earth away from the Sun, not toward it, and operate where sunlight is 25 times weaker than at Earth. Therefore, precautions have been taken to protect its sensitive instruments from damage from the increased heat at Venus. Engineers designed a set of sunshades to protect the craft, and for this system to work, the front end of Galileo must be aimed precisely at the Sun. The main antenna will remain furled for protection until after the first Earth fly-by in December 1990. This means that at Venus, the data will be recorded for playback to waiting scientists via the low-gain antenna when the spacecraft is close to Earth, rather than being sent in real time. At Venus, Galileo will observe the planet in the infrared and the ultraviolet, which will help in the search for cloud patterns and, possibly, for lightning storms. The radar instrument on the Magellan craft will be looking through the clouds to the surface features of the planet.

About 14 months after launch, Galileo will approach Earth from the nightside and observe both the dark and bright sides of the Moon, and then it will unfurl its high-gain antenna after the Earth fly-by. Galileo, with its sophisticated instruments, will look at the Moon for the first time since the

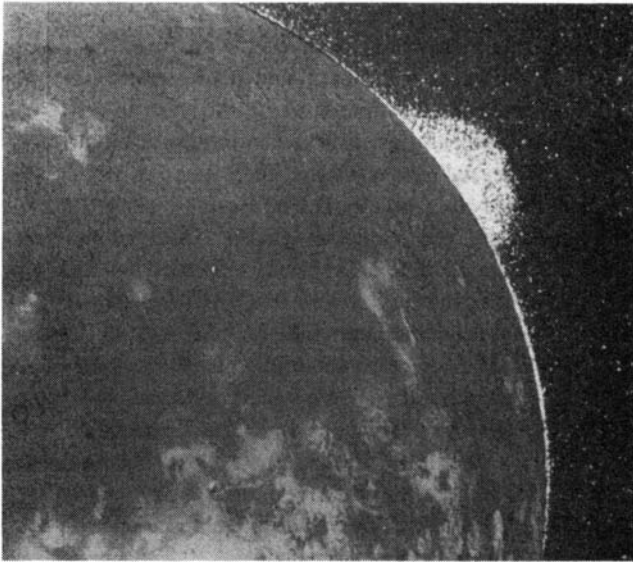
FIGURE 2

### Galileo's VEEGA trajectory to Jupiter



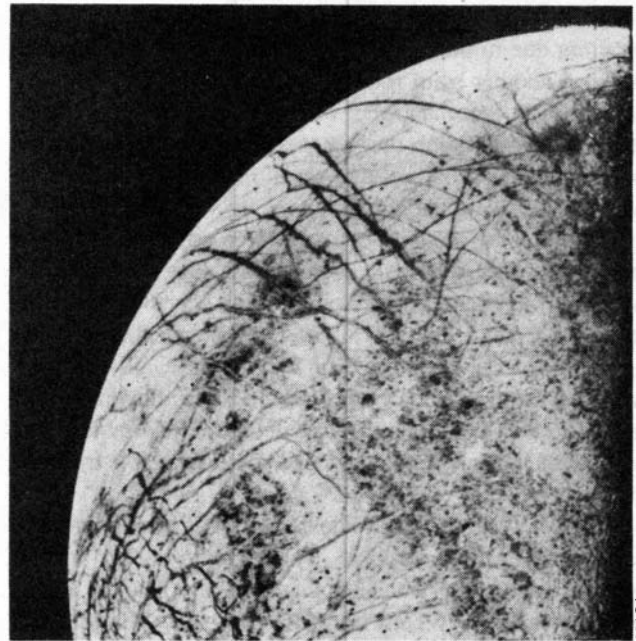
Three gravity assist maneuvers will be needed to get the Galileo spacecraft to Jupiter, because of Jupiter's alignment with Earth, and because of the reduced available power from the Inertial Upper Stage that will boost Galileo into space from the Space Shuttle. VEEGA is an acronym for Venus-Earth-Earth Gravity Assist: Galileo will arrive at Venus in February 1990, fly by Earth in December 1990, and fly by Earth again in December 1992. The spacecraft will finally arrive at Jupiter in early December 1995.

Source: NASA.



NASA

*The moon Io: One of Voyager's most astonishing discoveries was the existence of erupting volcanoes on this moon. In this enhanced photo, taken from nearly a half-million miles, a volcanic plume rising from the limb of the moon is clearly visible. Eight erupting volcanoes were seen by Voyager 1.*



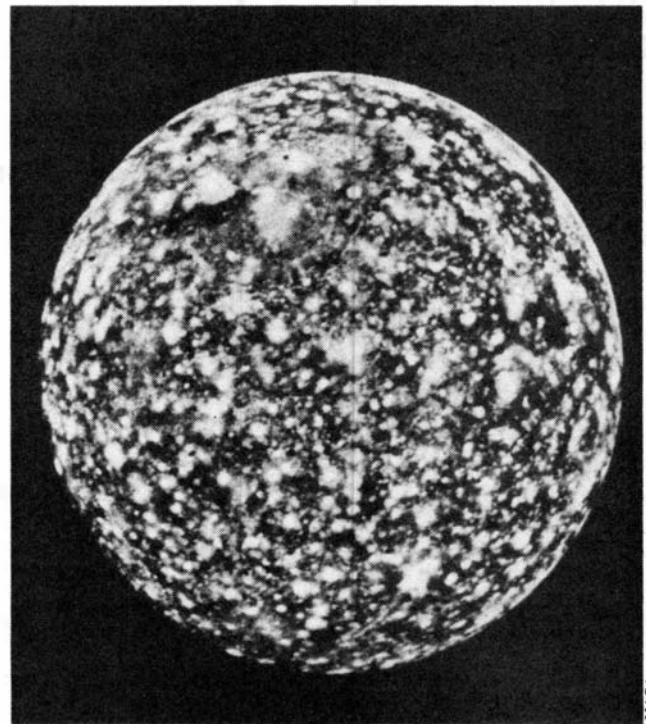
NASA

*The Galilean moon Europa is covered with complicated linear features, which appear to be fracture lines. No large craters have been observed on Europa's surface, and therefore scientists believe it may be a thin ice crust, which is resurfaced by eruptions of water from underneath.*



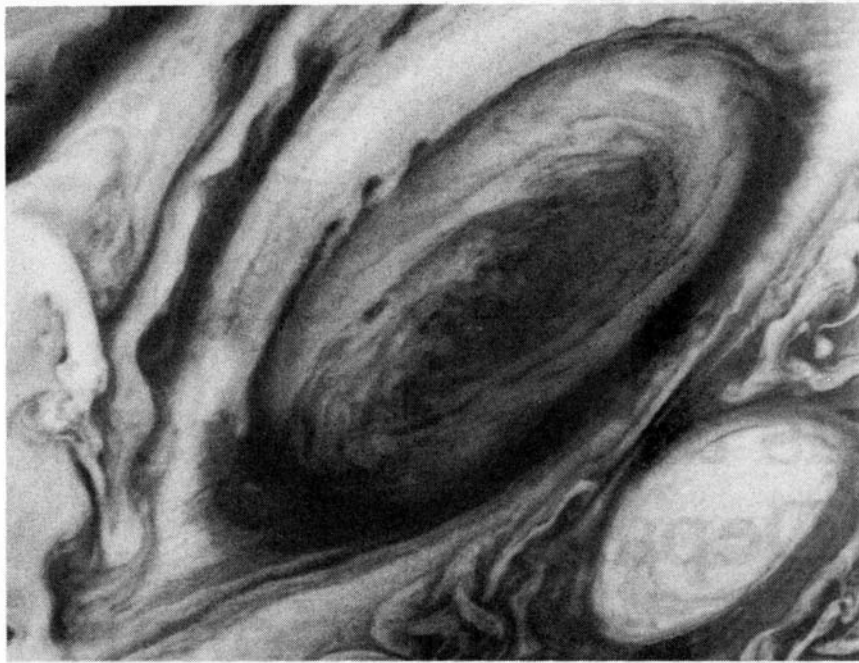
NASA

*The moon Ganymede appears to have a combination of young and old terrain. The regions with numerous impact craters, seen here in the lower right of the photo are the older features. The grooved terrain (bottom) is a younger surface, still being reshaped by geologic activity.*



NASA

*Callisto, the farthest Galilean satellite, is clearly the coldest and least geologically active. It is covered with a beautiful array of craters, some with bright spots which may expose fresh ice and frost. This photograph of Callisto was taken by Voyager 1 from a distance of 675,000 miles.*



*Jupiter's Great Red Spot is one of the most "observed" features in the Solar System. This mosaic from Voyager 1, clearly shows the swirling storm in the center of the Spot. Scientists have observed that the structure of the large white spot (bottom right) is identical to that of the Great Red Spot. Both are anticyclonic (rotating counterclockwise in the southern hemisphere), also indicating their meteorological similarity.*

end of the Apollo program, 15 years ago. The spacecraft will look over the poles of the Moon, which have never been imaged before. Some scientists believe there may be water at the lunar poles, though this is quite unlikely. As it turns out, Galileo will help lay the basis for future lunar orbiters and for man's return to the Moon.

Eleven months after its first Earth passage, which will give Galileo enough energy to intersect the asteroid belt past Mars, it will encounter its first asteroid. Gaspra is believed to be a fairly representative mainbelt asteroid, about 10 miles across, and probably similar in composition to stony meteorites. Galileo will pass within about 600 miles of the asteroid at a relative speed of about 18,000 miles per hour, and will collect several pictures of Gaspra, and take measurements of its chemical composition and physical properties.

Thirteen months later, in December 1992, Galileo will have completed its two-year elliptical orbit around the Sun and will arrive back at Earth. As it will need a much larger ellipse, with a period of six years, in order to intersect the Jupiter's orbit, the second Earth fly-by is needed to "pump up" the spacecraft. Galileo will pass about 185 miles above the Earth's surface, gaining about 8,000 miles per hour in speed and changing its flight direction to finally set it toward its ultimate goal. Nine months later, on its second trip in the asteroid belt, Galileo may have an encounter with the asteroid Ida.

By the time the orbiter and probe reach Jupiter, they will have traveled about 2.5 billion miles in a complex path of ever-increasing ellipses, for more than six years. Undoubtedly still in perfect shape, the Galileo orbiter 22-month-long Jupiter mission will begin.

At the end of its planetary observations and satellite encounters, Galileo will swing around the planet in a wide ellipse to plow through Jupiter's magnetotail. This enormous structure is the largest single object in the Solar System—certainly one of the most interesting aspects of the Jupiter system.

On Earth, the solar wind provides the particles and energy for the magnetosphere and the Van Allen radiation belts circling our planet. On Jupiter, however, it is the planet's own strong magnetic field and rapid rate of rotation that appears to power the magnetosphere. Between 3 and 11 Jupiter-radii—between 132,600 and 486,000 miles—from the planet, is a torus of dense plasma, which was found by the Pioneer spacecraft.

Voyager revealed that sulfur and sulfur dioxide ions are present in this plasma, which scientists assume comes from volcanic eruptions on Io. The interaction between Jupiter, its moons, radiation belts, and magnetosphere will be the final observations Galileo will make of the Jupiter system.

NASA managers and the Galileo scientists are hoping that the technology and hardware developed for Galileo will be brought into service for future outer-planetary orbiter-probe missions. The Cassini mission to Saturn has been proposed, where a probe would descend into the thick atmosphere of the moon, Titan.

These *in situ* studies of the outer planets, complemented by continuing detailed observation of our nearer neighbors the Moon, Venus, and Mars are opening the second great age of planetary space science, following the remarkable discoveries of the Pioneers and Voyagers.

## Is today's Justice Department unconstitutional?

by Edward Spannaus and Mary Jane Freeman

With over 77,000 employees—including almost 10,000 FBI agents—the U.S. Department of Justice today constitutes a gigantic national police force, feared less by criminals than by anyone involved in politics, industry and finance, or unions. Its power is such that it is almost impossible to overcome once it trains its sights on a targeted individual or group.

The statistics themselves tell a lot. The rate of convictions obtained by federal prosecutors is well over 90%. Eighty-five percent of federal indictments are disposed of by guilty pleas, without a trial. Of those who go to trial, 75% are convicted.

An impressive record? Good law enforcement? The drug plague which is destroying this nation proves otherwise. If the national law enforcement machinery had been doing its job for the past three decades, there would be no drug crisis, and no need for the President to announce an intensified war on drugs at this late date.

As the federal law enforcement apparatus has expanded, so has crime. Its priorities are clearly elsewhere. "Political corruption," "white-collar crime," defense procurement fraud, Abscam, Brilab: This has been the emphasis since the days of the Carter administration. Not only the priorities but the targets are politically determined.

This is not a new phenomenon. The dangers of a national police force were well understood by the Founding Fathers. The Constitution dealt with this two ways. First, it limited federal law enforcement functions, leaving them largely to the states. Secondly, the Constitution and the Bill of Rights built in specific protections against overarching federal police powers, which protections have been severely eroded during the twentieth century.

Indeed, until 1870, the nation got along without a Department of Justice at all. In 1850, for example, the Attorney General—who functioned as an adviser to the President—had a staff of only four people.



Stuart Lewis

*A demonstration by the National Democratic Policy Committee in front of the U.S. Justice Department. The date is Dec. 19, 1988, three days after the conviction in a railroad trial of Lyndon LaRouche and six associates. The LaRouche case is at the center of the Justice Department's unconstitutional rampage.*

Under the plan of the Constitution, the enforcement of criminal laws was a state function, with a few exceptions. Congress was expressly authorized to punish treason against the United States, piracy and felonies on the high seas, offenses against the law of nations, and counterfeiting the coins and securities of the United States. Additionally, under the Necessary and Proper Clause, it was recognized that Congress could provide for the punishment of acts interfering with the exercise of federal authority, such as the postal system or the administration of justice.

Only one crime—treason—was actually defined in the Constitution. The reasons for this—the arbitrary use of indictments for treason by the English crown—are too well known to need elaboration here. Even before the adoption of the Bill of Rights, the Constitution itself provided guarantees against the exercise of tyrannical power by means of the criminal law: It guaranteed the right of *habeas corpus*, and forbade its suspension except in times of invasion or rebellion; it prohibited bills of attainder and *ex post facto* laws; and it required that criminal cases be tried by jury, and in the state where the alleged offense was committed.

This delimited federal authority was restricted even further by the Bill of Rights—particularly the Fourth Amendment's prohibition of "general searches" and restrictions on the power of search and seizure; the Fifth Amendment's guarantees of due process of law, indictment by a grand jury, and its prohibition against double jeopardy and being a witness against one's self; the Sixth Amendment's fair trial guarantees; and the Eighth Amendment's prohibition of cruel and unusual punishments, and of excessive bail and fines. And, of course, the First Amendment carved out areas of

political activity and religious belief that were to be free from interference by the federal government.

(It should be recalled that the Bill of Rights' prohibitions and guarantees were understood as applying only to the *federal* government; their application to the states is a relatively recent development.)

After the ratification of the Constitution, a limited enforcement machinery was created by Congress with the Judiciary Act of 1789. A three-tier court system was established, with both district courts and circuit courts having criminal jurisdiction. Also created were the offices of clerk of court, U.S. marshal, and district attorney. Marshals were the sole federal law enforcement officers; the district attorneys (today's U.S. Attorneys) prosecuted accused offenders and represented the United States in civil actions.

This remained the structure of federal law enforcement for many decades. The Attorney General was a counsellor and adviser to the President; he did not even supervise the district attorneys, whose budgets were under the Interior Department.

### **Defining federal crimes**

Congress still had to define what constituted crimes against the United States and their punishments. The Crimes Act of 1790 defined 17 crimes, six of which were capital offenses, including treason, piracy, and murder on U.S. property. Other defined offenses, carrying lesser penalties, included perjury, obstruction of justice, and bribery of a judge. From time to time Congress defined additional crimes: stealing mail or robbing a mail carrier was made a federal crime in 1792; certain violations of neutrality were made

crimes in 1794; forgery or counterfeiting of instruments of the Bank of the United States were made crimes in 1798; the Logan Act, which forbade private individuals from carrying out international diplomacy on behalf of the United States, was passed in 1799; and criminal penalties for the slave trade were imposed in 1800.

There were also some early efforts to bring common-law crimes under the federal courts. That is, any act traditionally considered a crime under the common law could be prosecuted in federal courts if the offense was committed within federal jurisdiction—i.e., on federal property, the high seas, etc. Alexander Hamilton, for one, believed that the federal courts should have common-law jurisdiction. But even so, this did not mean *general* criminal jurisdiction, merely jurisdiction over all offenses committed against the federal government.

Chief Justice Oliver Ellsworth said in 1795 that a federal grand jury could indict for “acts manifestly subversive of the National Government, or of some of the powers specified in the Constitution.” Thomas Jefferson, predictably, sounded the alarms at this “wholesale doctrine,” warning that the

Bank Law, the Alien and Sedition Acts, etc. were “inconsequential, timid things, in comparison to the audacious, barefaced and sweeping pretention to a system of law for the United States . . . so infinitely beyond their power to adopt.” “If this assumption be yielded to,” Jefferson declared, “the State Courts may be shut up.” (Old Tom must be spinning in his grave today, with the sweeping jurisdiction given to the federal courts today to prosecute all kinds of garden-variety crimes that have no relationship whatsoever to federal constitutional authority or power.) In 1812, the U.S. Supreme Court ruled definitively that the federal courts could only punish those crimes defined by statute, and not those defined by common law.

The federal law enforcement system nevertheless became politicized very early on, particularly with the Alien and Sedition Acts, which were passed in part because of the difficulties in obtaining common-law prosecutions for political offenses. The Sedition Act of 1798 defined as criminal any conspiracy to oppose any measure of the government; it also defined criminal libel, while allowing truth to be entered as a defense against a charge of libel.

## Budget cutters of 1860s created Justice Dept.

In 1870, almost a century of opposition to establishing federal jurisdiction over crimes and law enforcement was finally broken with the passage of H.R. 1328—a bill to establish a federal Department of Justice. The opposition had been rooted in the abhorrence first articulated by our Founding Fathers to the establishment of national police powers. When the yoke of British rule had been thrown off in America, one critical consideration in creating the U.S. Constitution was to eliminate the heavy hand of regal power as reflected in the British system of criminal law. Our forefathers rightly saw that such a system of criminal law was in fact a “tool of politics.”

The first proposal to create a department of law came from President Andrew Jackson in 1828. But it was not until the 1850s that a concerted push was made to get the necessary legislation passed. From 1854 to 1870, when the bill was finally passed, a series of joint committees audited and investigated the legal expenditures made by different governmental departments. In 1870, Rhode Island Congressman Thomas Allen Jenckes pressed the passage of the legislation, with the rationale that it cost too much for each branch of government to have its own law

division. His argument scrupulously circumvented the central argument against such a department being created—the danger of a federal police apparatus—by playing on the budgeting concerns of Congress financing the operations of government.

The creation of the Department of Justice was followed by a series of initiatives which gradually federalized the enforcement of criminal law—exactly what the opponents had feared. These initiatives culminated in the establishment of a Criminal Division of the DoJ in 1928.

A brief chronology follows:

- 1871** A central fund of \$50,000 is authorized for nationally supervised investigative functions out of the DoJ.
- 1872** The Mail Fraud statute is enacted. It is the first federal criminal statute of broad scope used to prosecute criminal activity (e.g., fraudulent schemes) which was normally dealt with under state law.
- 1875** Attorney General Williams begins appointing “special agents” to conduct investigations throughout the country.
- 1883** Attorney General Brewster calls for the revision of federal statutes, with a special emphasis on procedure and substance of the criminal law.
- 1887** The post of “General Agent” is created. The General Agent’s responsibility is to supervise all “special agents.”



The Federalists used the Alien and Sedition Acts against the Jeffersonian Republicans. The latter denounced the former for their politically motivated use of these statutes—especially prosecutions for criminal libel—but they were just as quick to wield these laws against their Federalist adversaries as soon as they had the opportunity.

Under Jefferson's presidency, some additional crimes were defined as federal offenses, such as offenses involving the national bank, the postal system, Indian lands, and the slave trade. The second comprehensive federal criminal code was not passed until 1825; it added little to the limited list of federal crimes, but even so, there were still complaints in Congress that it interfered with state criminal laws.

This was, by and large, the system that existed up until the Civil War. From time to time, new federal crimes were defined, but they were always offenses that involved actual federal jurisdiction or property; there was no need to duplicate state criminal laws. For example, the problem of interstate flight to avoid prosecution did not emerge with the invention of the automobile; a criminal could outrun a local sheriff by horse or boat. But the Constitution considered

that problem and solved it with Article IV's provision for extradition; there never has been any need to "federalize" state crimes because a suspect crosses a state line, whether by foot or by air.

## Creation of the Justice Department

From time to time there were also proposals to broaden the powers of the Attorney General and to create a Department of Law. These were successfully resisted as encroachments on the powers left to the states by the Constitution.

However, under the needs of the Civil War, in 1861 the Attorney General was given formal, administrative control over the district attorneys and U.S. marshals. The Attorney General thus assumed control over prosecutorial functions that had been dispersed in various departments of the government, i.e., the Treasury, State, Navy Departments, etc. In 1870, the Department of Justice was created by Congress, and in 1871 the first federal funds were allocated for "the detection and prosecution of crimes against the United States."

The first significant expansion of federal law enforcement came with the Sherman Anti-Trust Act of 1890—exactly 100 years after the passage of the first federal criminal statute. Also, over the years, the practice of hiring private detectives (Pinkertons, etc.) had grown, and in 1909, under the pretext of "professionalizing" such investigative functions, the Bureau of Investigation (today's FBI) was created.

(It is interesting to recall that the principal investigative agency in the early years of the republic was the grand jury—an independent body of citizens that conducted its own investigations, called witnesses, etc. Unlike today's rubber-stamp grand juries, these bodies in the 19th century frequently acted independently of prosecutors, charting out their own investigations, and indicting or refusing to indict as they saw fit.)

The FBI's "charters"—so to speak—were the Mann Act of 1910 (crossing state lines for immoral purposes) and the Dyer Act of 1919 (making auto thefts across state lines a federal crime). Charter or no, the FBI jumped into the investigation and harassment of radicals and union organizers. During World War I, the FBI increased its strength from 300 to 400 agents for alleged enforcement of the Neutrality Act and the Espionage Act. The most massive political attacks occurred with the 1919 Palmer Raids, when as many as 10,000 aliens and perceived radicals were arrested without warrants.

But it was in the 1930s that the creation of a national police force was seriously undertaken. The stage was set by a multiplication of "crime commissions" in the 1920s, generally funded by the Eastern financial establishment and using Prohibition-spawned gangsterism and racketeering as the excuse to call for new federal criminal laws.

The years 1933-34 saw a massive expansion of federal criminal laws, which were denounced in Congress as "substituting a federal criminal code for the criminal codes of the

- 1890** Sherman Anti-Trust Act is passed.
- 1897** Congress authorizes a commission to revise and codify the criminal penal laws of the U.S.
- 1905** An *ad hoc* reorganization of the appointment of "special agents" occurs—the first step to establishing a national investigative force.
- 1909** The Bureau of Investigation is created within the DoJ. In the same year, a comprehensive federal criminal code is adopted.
- 1910** The Mann Act is passed, prohibiting interstate transportation for immoral purposes.
- 1914** The Harrison Act is passed, beginning federal criminal involvement in dealing with narcotic drugs.
- 1919** The Dyer Act is passed, prohibiting interstate transportation of stolen motor vehicles.
- 1928** A Criminal Division is created within the DoJ with Attorney General Cummings designating 31 functions to the division. The federal criminal code of 1909 is made part of the general statutes of the U.S.
- 1932** The Lindbergh Law, making kidnaping a federal offense, is adopted.
- 1934** Nine new federal criminal statutes are adopted, including the Fugitive Felon Act, wire fraud, bank robbery, extortion, firearms, and interstate transportation of stolen property.

states.” In 1934, new laws were passed making federal crimes of wire fraud, extortion, bank robbery, fleeing across state lines, transporting stolen property across state lines, and so forth.

At this point, full police powers were also given to FBI agents. In 1934, agents of the FBI were given the power to serve warrants and subpoenas, make seizures and arrests, and carry firearms. The rationale for the early 1930s’ consolidation of federal police power was that this was necessary to respond to the “crime wave” and to deal with gangsters and “racketeers.”

It is not accidental that this acceleration of the creation of a national police-state apparatus (1933-34) coincided with Franklin Roosevelt’s “first New Deal”—many features of which (NIRA, etc.) were modelled on Mussolini’s corporatist fascism. This was a period when both the economy and the financial structure were in utter collapse, and waves of mass strikes were rolling across the country, and being broken by police and troops.

During the 1930s the FBI also expanded its “internal security” functions against fascists and Communists; with the outbreak of World War II the FBI was reorganized with the creation of the notorious Division V, handling internal security and counterintelligence. The FBI hardly missed a beat in the transition from wartime to the McCarthyism of the late 1940s and 1950s, continuing with its “Cointelpro” dirty political operations into the 1960s and 1970s, and indeed, up to the present day.

The 1950s saw another wholesale expansion of federal criminal jurisdiction—particularly in areas of gambling, union operations, and interstate travel for just about anything. In 1958 the Organized Crime and Racketeering section was created within the Department of Justice. This unit was supposed to concentrate on the prosecution of narcotics, tax, and gambling offenses. However, it used its powers to aggressively target labor unions and officials—especially the nation’s largest independent union, the Teamsters.

This trend has continued apace to the present day. This expansion of federal jurisdiction has absorbed all sorts of local crimes into the federal system. This includes numerous areas in which there is no direct federal interest—such as theft, robbery, fraud, burglary, threats and extortion, bribery, loan sharking, murder, assault, gambling, prostitution, pornography, etc. The Travel Act and the Racketeering Influenced and Corrupt Organizations (RICO) statute directly incorporate state laws into federal laws.

## How to encourage crime

With all these weapons in the federal law enforcement arsenal, one might expect crime to have been reduced. But in fact, reality works in the opposite way: deteriorating economic and cultural conditions bring more crimes and more police-state measures.

Two of the most powerful weapons in the federal police-

state arsenal are the 1970 Racketeering Influenced and Corrupt Organizations Act (RICO) and the 1984 Sentencing Reform Act.

The RICO statute is treated at length elsewhere in this issue. The continuation of RICO civil procedures and remedies (private suits, injunctions, treble damages) and criminal prosecutions gives the government enormous—but totally unnecessary—powers.

The mandatory sentencing provisions of the Sentencing Reform Act (which took effect in late 1987) have greatly increased the powers of federal prosecutors to coerce pleas and cooperation, while decreasing the discretionary powers of federal judges. Sentencing is now basically “computerized,” with no allowance for individual differences with respect to criminal propensity, potential for rehabilitation, etc. The *only* way a defendant can get a reduced sentence is by “cooperation,” i.e., by informing on other defendants or suspects. The information provided by a “cooperating” defendant need not be truthful—and frequently isn’t. The important criterion is whether it helps the prosecutors get further convictions—e.g., with more plea bargains.

The increasingly powerful weapons available to federal law enforcement agencies are not used where they are most needed. Since the late 1970s, the Justice Department’s priorities have been so-called “white collar crime” and “political corruption”; any political or economic grouping which could represent a potential for independent political action or resistance to depression conditions can and will be targeted.

The only conclusion which can be reached is that most of the powers which Congress and the courts have given to the Justice Department and FBI are not only unnecessary, but are in fact a danger to the republic. But, the reader protests, “What about the War on Drugs? What about terrorism?” These, in fact, conclusively prove our point, for under the original powers given to the federal government under the Constitution, international drug trafficking and terrorism (i.e., piracy) could be fully dealt with. Congress explicitly has the power to control imports and exports, to punish piracy, felonies on the high seas, and offenses against the law of nations. Congress can also declare war if necessary.

All of the powers necessary to wage war on drug trafficking and terrorism are implied in the original plan of the Constitution. There is no necessity for the federal government to have such “garden variety” criminal jurisdiction as it has today, to adequately perform those law enforcement functions that are properly its own.

In short, all those law enforcement functions which are necessary and proper for the federal government to exercise can be carried out within the bounds of the Constitution. There is no justification for the existence of the massive police-state apparatus called the U.S. Justice Department; it has become that sort of engine of politically motivated legal tyranny which the Founding Fathers tried to prevent. Indeed, the Constitution itself is becoming its victim.

# Justice is not its aim: RICO creates a police state

by Leo F. Scanlon

The mechanisms used to expand the jurisdiction of the federal law enforcement apparatus in the United States has always contained the seeds of a revolt against the American constitutional system. This is by no means an academic question, given the fact that today we are seeing the emergence of police state justice in the United States. The culmination of this process of erosion is the federal Racketeering Influenced and Corrupt Organizations Act—the so-called RICO statutes. Designed by Robert Blakey—who now claims that his offspring has been “abused”—and adopted in 1970, RICO was in fact purposefully designed to overturn American jurisprudence—the Constitutional protection of the rights of U.S. citizens (and even non-citizen residents), and mount an assault on freedom of association.

Like the Soviet concept of “justice,” RICO is based on the principle of guilt by association. Mere membership in an organization can render an individual open to criminal or civil penalties. In effect, organizations, rather than individuals, are judged to be criminals. While there are two forms of RICO proceedings—civil and criminal—in practice civil RICO has been shaped to allow the civil courts to impose punitive action upon defendants, such that civil RICO proceedings are now usurping the proper role of criminal proceedings. Worse, defendants indicted under civil RICO do not have the protection accorded to them in normal criminal cases. True, they do not face jail in civil RICO cases, but the confiscatory property seizures are such, that the difference may appear moot. Furthermore, private individuals may, under civil RICO, gain powers similar to those enjoyed by prosecutors in criminal proceedings.

Most important, and most overlooked, is the fact that a law so wide-ranging inevitably shapes the investigative as well as prosecutorial powers of the government. It has created what is known as the “enterprise theory of investigation,” through which the FBI is granted the power, and the obligation, to bring the harassing impact of intrusive investigations to bear on any organization, political or religious, that is independent of state-controlled financing mechanisms.

Robert Blakey, who can fairly be called the father of RICO, reviewed its origins during a seminar he delivered in November 1985 at a seminar at Notre Dame University, where he is currently a professor. RICO, he said, “can be seen as the culmination of a series of statutes in late 19th and early 20th century jurisprudence. We did it in antitrust at a national level. We did it with the food and drug statutes. We did it with the labor statutes. We did it in the securities statutes.”

“It” refers to particular features of laws, especially the Sherman Anti-Trust Act passed in 1890, which were increasingly used to target entrepreneurial capitalists such as the sugar, tobacco, and oil monopolies for conspiring to restrict competition. Financial trusts remained untouched.

In 1933 and 1934, President Franklin Roosevelt introduced the Securities Acts, which aimed at accelerating such targeting operations by “federalizing” the common-law crime of “fraud.” From then on, securities fraud could be tried in a civil as opposed to a criminal proceeding, meaning that looser standards of evidence would apply, and that guilt could be determined by a mere “preponderance of the evidence” rather than requiring “proof beyond a reasonable doubt.” In securities fraud cases, triple damages could be awarded to the victorious plaintiff, and any citizen could initiate a prosecution—a major step in the eradication of the distinction between civil and criminal law as embodied in the RICO statute.

Blakey himself began his career in government law enforcement as one of the “whiz kids” in Robert Kennedy’s Justice Department. The unit was staffed by a group of veterans from the “anti-corruption” units of New York prosecutor, governor, and eventual presidential candidate Thomas Dewey, which had distinguished itself in the use of investigations and indictments to “pre-empt” crime.

A reasonable hypothesis is that prosecutions against the mafia were intended to be a “test bed” for a law which would have far greater applicability, and could be turned to political purposes. This emerges from an examination of the sociolog-

ical "models" of the mafia, done on behalf of the 1967 Crime Commission report by Donald Cressey. Far from being profiles in crime, these "models" are equally applicable to any constituency-based political machine, or to any large religious institution. It should therefore be no surprise that the weapons created to battle "organizational crime" would so easily be turned against non-criminal organizations.

While working as a consultant to this commission, Blakey concentrated on the task of expanding the evidence-gathering powers of the federal prosecutor's office. He championed the idea that the grand jury should be viewed primarily as a prosecutor's weapon, rather than an independent evaluative body. He proposed that constitutional limitations on the scope of what constitutes contempt of court, be scrapped in order to force testimony from witnesses caught up in the investigatory web. He was eventually asked to draft the 1968 Surveillance Act, which vastly broadened the wiretap practices. In all of this, Blakey argued that constitutional protections of the individual's freedoms are ultimately constrained by the necessity to restrict the power of social organizations.

According to Blakey's own account, he made a conceptual breakthrough while working as the staff director for the Senate subcommittee which oversaw the infamous re-writing of the U.S. Criminal Code by the Brown Commission. Blakey explains that he realized that a new theory of conspiracy would be required to adequately use the expanded prosecutorial tools he had been developing. He wrote: "There is . . . tension in the law between conspiracy as 'agreement,' i.e., mental assent, and conspiracy as 'combination,' i.e., concerted activity. . . . The solution of this tension in the law seems evident: Break it. . . . Conspiracy thus must be defined in terms which emphasize not only mental assent, but also concerted activity. This is met by joining the notions of agreement and relationship." Or, as he describes it elsewhere, "I realized that the concept of conspiracy had to be shifted from the agreement to the association."

The S. 1 bill (as the Brown Commission report came to be called) was rejected by Congress, which refused to vote for pre-trial detention, fixed sentencing, and other devices which have since been enacted, but which at the time were considered police-state measures. However, a compromise was worked out and in 1970 Congress accepted an anti-crime bill, the Racketeering Influenced and Corrupt Organizations Act.

### How RICO works

Blakey is self-admittedly a big fan of the Hollywood-generated image of "organized crime," and claims that he invented the acronym RICO in honor of the gangster character of the same name played by film actor Edward G. Robinson. But the statute's text goes way beyond "organized crime." It states:

"(a) It shall be unlawful for any person who has received

## Federal justice: then and now

If you are indicted by a federal grand jury today, your probability of being convicted is greater than 80%.

Of 48,529 federal indictments in 1988, 7,824 (or about 16%) were dismissed by the prosecutors or the court. Of the remainder, there were 39,065 convictions and only 1,640 acquittals ("not guilty" verdicts). Almost 34,000 of the 39,000 convictions were the result of "guilty" pleas. Of those who refused to plead guilty and went to a trial in front of a judge or jury, there were 4,815 convictions and only 1,640 acquittals. So if you stick it out and decide to plead not guilty, your chances of conviction after trial are about 75%.

In contrast to the 50,000 federal indictments per year today, during the period of 1801 to 1828 there were only 2,718 federal indictments—an average of less than 100 a year. Of those 2,718 federal indictments, 1,075 went to trial, and juries found 596 guilty—or about 55%. The overall conviction rate was thus about 18%, as compared with 80% today. And of those convicted, about one-fourth were eventually pardoned by the President.

Does the federal criminal justice system function more efficiently today? Without a doubt, if the rate of convictions is a guide. But if justice, and not police-state efficiency, is the standard, history may have some lessons to teach us.

any income derived, directly or indirectly, from a pattern of racketeering activity or through collection of an unlawful debt . . . or to use or invest, directly or indirectly, any part of such income, or the proceeds of such income, in acquisition of any interest in or the establishment or operation of any enterprise which is engages in, or the activities of which affect, interstate or foreign commerce. . . .

"(b) It shall be unlawful for any person through a pattern of racketeering . . . to maintain . . . any interest in . . . any enterprise. . . .

"(c) It shall be unlawful for any person employed by or associated with any enterprise . . . to conduct or participate directly or indirectly, in the conduct of such enterprise's affairs through a pattern of racketeering activity. . . .

"(d) It shall be unlawful for any person to conspire to violate any of the provisions of subsections (a), (b), or (c). . . ."

There is a list of specific "predicate crimes" which sometimes varies on the state level, but always includes murder, extortion, etc. as acts which constitute "racketeering activi-

ty.” The list also includes “fraud” and its variants “mail fraud” and “wire fraud,” and borrows the Securities Act provisions for triple damages and citizen prosecutors.

In the Kafka-like world of RICO, the word “enterprise” can be any person or association in fact. A “pattern” is defined as any two acts, such as telephone calls or mailing letters, in furtherance of a “fraud.” Conspiracy can be charged with all the implications described above. Blakey told the Notre Dame audience: “RICO is not different from either the anti-trust or securities statutes. It takes the messages of both and generalizes them across our society.” And, by endowing the word “enterprise” with an unlimited meaning, it successfully moves the focus of conspiracy from agreement to association.

Criminal RICO cases are supposed to be centered on the provisions of sections (a) and (b), which supposedly are directed at mob money that is being used to buy up “legitimate” businesses or extort tribute from the same. But since the abstract behavior this section regulates—which is drawn from a sociological model—seldom occurs in a clear fashion, most RICO prosecutions—even of alleged mobsters—occur under section (c), the so-called “civil” component of RICO.

In 1987, William Weld, a leading figure in the “Get LaRouche” task force and then an Assistant Attorney General, testified before a congressional committee considering RICO reform proposals, defended the current civil RICO statute with the following explanation:

“The civil RICO statute is potentially of use to the federal government because, as the Chair is well aware, the standard of proof is a *preponderance of the evidence*, as against a *reasonable doubt* standard in criminal cases. A party who refuses to take the stand becomes the subject of an adverse inference as to his or her testimony, which is not the case in criminal matters, because the liberal discovery rules are available in civil cases, and because the relief which the court is permitted to award in civil RICO actions is considerably more flexible and indeed more radical” (emphasis added).

### **Weapon of private intrigue**

RICO encourages private citizens to utilize its fraud provisions to shape every social dispute into a RICO action. The effect is that all social activity is viewed as pecuniary—personal relations, religious activities, political activities, and all are equally subject to RICO actions. Do the abortion mills want to stop a protest? They can accuse the protesters of disrupting business, allege conspiracy, add everyone from the sidewalk picketers to the movement’s newsletter writer to the complaint, and file a RICO action. Does an airline want to stop a strike? It can accuse the union of deliberately disrupting an impending takeover bid, charge conspiracy, and bring a RICO action. The costs of responding to such suits are enormous, and can potentially cripple a business or organization.

There is no such thing as “innocent until proven guilty” in

Blakey’s world: “How do you know the business is legitimate until the person has had his day in court to test the question?” he asks. “If we are going to go down the lists of legitimate businesses, let’s take the General Electric company, for example, who’s cheating us on the Minuteman missile; or Rockwell International; or General Dynamics. I do not think any business is legitimate simply because it develops a favorable image for itself through advertising. The time to find out whether they are legitimate is in the case, and the place to find that out is in a full and fair trial.”

So it’s no surprise when Blakey states flatly, “This bill is systemic reform, not limited to organized crime. . . . The mafia was just a test case.” The effect of RICO is not determined by the number of cases tried in the courts.

### **‘Enterprise theory of investigation’**

By 1980, these prosecutorial innovations were being incorporated into the investigatory side as well. The FBI’s new guidelines were supposedly designed to prevent the FBI from conducting indiscriminate investigations against domestic organizations; but the guidelines utilized RICO’s open-ended language, with its loose definitions of “crime” and “probable cause,” which had precisely the opposite effect, significantly expanding the FBI’s power to interfere in any organization deemed “likely to commit a crime.” Under the new guidelines, investigations designed to preempt criminal activity in a targeted organization have in fact become more common than they were during the days of FBI “Cointelpro” operations against political groups.

RICO also has the blockbuster power to authorize pre-trial seizure of assets of targeted organizations, including funds necessary to retain counsel, a practice certified by the Supreme Court last year. In the “Three-penny Opera” of Blakey’s courtroom, “White-collar criminals get the same justice as no-collar criminals.” The remark is not a joke. Blakey and the Supreme Court are saying that *in all cases*—rather than only in those where there is no other remedy—the right to counsel should be determined by the prosecution and the court. Once indicted, no defendant has a right to counsel except the public defender. The sophistry that this will not happen in all cases is irrelevant—it will happen in the most important cases. The threat is exacerbated by the Sentencing Reform Act, which allows the prosecutor, not the judge, to modify the sentence of a defendant—if he “cooperates.” A free society does not need such tyrannical practices to defend itself from any enemy in war or peace.

But for all its talk about “white-collar crime,” the civil fraud provisions of RICO have no more power to stop the coming financial crash than the Securities Act of 1933 was able to stop the Great Depression. And as we quickly slide into the current depression, the deliberate targeting and suppression of political organizations, which is now a standard practice of law enforcement agencies, will weaken the ability of our sick nation to deliberate on and correct its errors.

# East Germans vote with feet against U.S.-Soviet deal

by Helga Zepp-LaRouche and Rainer Apel

Over the first week of October, television viewers around the world saw two scenes which said more than words about the obscene alliance which the administration of U.S. President George Bush has entered into with the Soviet dictatorship: First, viewers witnessed West German embassy officials in Prague and Warsaw pulling East Germans to safety inside the embassy grounds, often while police attempted to drag them away from their chance for freedom. And then the next scene, in West Berlin: a United States embassy official, brutally forcing an East German woman *back* into the arms of the waiting East German *Volkspolizei*. It was as if the U.S. official were saying, "Don't give *us* your huddled masses yearning to breathe free!"

On Oct. 1, some 4,000 East Germans who had crowded into the West German embassy in Prague, and another 1,000 in the Warsaw embassy, were put on trains bound for West Germany, following hasty negotiations between the West German government and East bloc officials. As the trains passed through—some of them back through East German territory on their way West—there was an explosion of happiness; all along the train's route, East Germans could be seen dancing in the streets, with people shouting "Freedom!"

Two days later, after these embassies had been emptied, 11,000 more East Germans stormed into the embassy in Prague. Young people, generally from 20 to 25 years old, with children in tow, pushed through barricades as they were clobbered by police, and then ran even more quickly than the police deployed to stop them.

All of this was taking place only 72 hours before the 40th

anniversary of the German Democratic Republic, featuring a great celebration of the "triumph of socialism" and a visit by Mikhail Gorbachov.

As of this writing, many of the released East Germans are still sitting in trains. But 10,000 police of various kinds have now surrounded the Prague embassy and are stationed along the border and along the route the trains are supposed to travel into West Germany, since the authorities want to prevent people from jumping on the moving train along the way. A dramatic escalation is expected when the train goes through the last, mountainous area before the Czech-West German border, where it must reduce its speed. Large groups of youth are already reportedly in the mountains there, waiting to jump aboard.

In East Germany, police forced thousands out of train stations as they attempted to board trains into Czechoslovakia. Then, on Oct. 4, the feared and expected announcement came: "For the time being," East Germans seeking to "vacation" in Czechoslovakia would henceforth be required to acquire special visas.

But the German Democratic Republic's 40th anniversary celebration promises to be far from peaceful. Helmut Schmidt, the former West German chancellor, warned on Oct. 4 that one could expect at least a situation like the "Prague spring" in 1968, and possibly a full uprising, similar to Hungary in 1956.

One source characterized the situation thus: "We are seeing the ultimate stage of the decrepitude and decadence of the Communist empire, which is making its citizens flee in panic and desperation. But, in the West, there are no wise

moves—not even passive thinking. People who should have been making contingency plans are in a daze; they have no strategy. The experts who should work out contingency plans are in a daze.”

### **‘Tank therapy’**

The expert also voiced what East Germans have known for some time: “The Soviets are now preparing for a massive showdown in the Empire, a bloody confrontation. They’ll crack down very seriously in a number of trouble-spots, I’m sure, and they’ll probably secure the tacit acceptance of the Western powers. I’m sure the Soviets are saying to the West, ‘Don’t interfere, we’ll be all right.’ So, as they move, they’ll do so in a totally unembarrassed way. They’ll revert to the usual methods, what people in the know refer to as ‘tank therapy.’ And that ‘therapy’ will be applied with great enthusiasm.”

Another source said, in effect, that the game of Erich Honecker, East Germany’s octogenarian dictator, is over. “He gambled for time, hoping the situation in Moscow would stabilize, but the opposite has happened. Now decisions are unavoidable. There will be uncontrolled riots. Just imagine what will happen if in the celebrations, people do not shout, ‘Long live Honecker!’ but whistle and boo instead? In the shortest time, this will go totally out of control. The Soviets want Honecker out; they want somebody with a firmer profile but the same policies. This is a breaking point, and in the next 72 hours, you will see the first signs of this.”

### **Who are the refugees?**

There has been much propaganda in the Western media that the East Germans fleeing into the West are simply the young hotheads who have become too impatient to await the wonderful benefits of Moscow’s *perestroika* economic restructuring plan. Nothing could be further from the truth. The following information has emerged from *EIR*’s face-to-face interviews with refugees who have just made it into the West and are currently at holding-camps in the Rhine-Main region of West Germany.

These young East Germans are the generation that grew up entirely under the Communist system of education. But the official East German propaganda for the “socialist nation-state of the G.D.R.,” transmitted through the paramilitary youth organizations, has certainly never taken root with them. When they speak of “the zone” they escaped from, they are referring to the “Soviet Occupied Zone”—the name that was used for this region from 1945 through 1949. Their use of that term—which has been edged out of the Western vocabulary, especially since the 1970s “*détente*” period—describes the reality: The East German “state” is, by its revised constitution of 1973, bound into an “eternal and unchallengeable alliance with the Soviet Union”; the German Democratic Republic’s economy is densely woven into the Soviet

system of looting, having 40-45% of its foreign trade with the Russians.

Many refugees characterized the economic situation as considerably worse than 10 or 15 years ago. Until 1980-81, the German Democratic Republic’s raw material imports were more diversified, and there was a certain maneuvering-room; hard coal shipments from neighboring Poland were dominant. But the Polish crisis of 1980-81 and the imposition of martial law there reduced these coal shipments to almost zero. Soviet coal had to fill the gap. In return, the G.D.R. had to ship more fertilizers, machinery, electric equipment, micro-electronic products, and textiles to the Soviet Union.

Investments had to be pulled out from housing, medical care, and agriculture, to meet the increased quotas set by the Soviets. The G.D.R. also had to take over costs, directly or by compensation, of the 1980s program for restructuring and modernization—*perestroika*—of the Soviet armed forces stationed in East Germany.

In tandem with the increased demands from Moscow, working conditions were made immensely harsher. The SED party daily *Neues Deutschland*, for example, carried a report on Sept. 16 by a young worker at the Karl Marx microelectronics combine in Erfurt, that “it was expected that the annual output would be four million chips, 1.5 million more than originally planned.”

The drastic investment cuts in the industry at large, especially in infrastructure and consumer goods production, has caused, over the past few years, a process of impoverishment and a mood of revolt against the system.

### **No future for families**

Inside this system of intense looting, young East Germans who are still planning to have a family, with a three-room apartment of their own and the like, see no chance of ever “making it.” Their physical living situation is horrendous. For example, medical care: Young mothers are finding that there is no available hospital capacity where they can give birth to their babies. Gynecologists and nurses, surgeons and anesthesiologists are rare, and the quality of medicine is bad. No syringes, no vaccine, no capsules outside of standard pills against everything and nothing, are the reality in the G.D.R. hospitals.

Young G.D.R. families have severe problems finding an apartment to live in, or even a room of their own. What sense does it make to sign up on the waiting list for an apartment that will not be built in the next three to five years? What sense does it make to look for a job appropriate to one’s skills in a city that has no apartments? What sense does it make to stand in line for some baby food that is sold out, or for the three bananas which a three-person family may be able to buy, sporadically.

There is a deep conviction among the young East Germans, that “nothing will ever change under this regime.” They know that their own parents and grandparents went

through this kind of brutal Soviet “primitive accumulation” in the immediate postwar years, the 1950s and early 1960s. The late 1960s and the 1970s saw a marginal improvement of their living conditions, but the 1980s brought a collapse again.

All of these problems have been brought up again and again, by workers in the plants, by hospital personnel, even at SED party-base meetings. The SED leaders have responded by simply passing on the directives from Moscow: “nyet”—no change.

“Is there any life before death?” is a question many of the young East German refugees asked in personal discussions with *EIR*. Their dramatic and adventurous escape from East Germany in the weeks of September and early October gave the answer: certainly there is no life in the Soviet Occupied Zone.

Desperation to get out now before it is too late, is the dominant motive among the East German youth to make it into the West at all costs. Statements such as, “This was probably the last chance to get out,” or, “Soon, this will no longer be possible,” were made by many refugees in front of Western television cameras and radio microphones. The overriding feeling was that all borders will be closed, and all visas for travel into other East bloc countries canceled, following Oct. 7.

There is a further reason why most of the refugees are aged 20-24. Especially with young men, this is the age category of East German army reservists who would likely be called up for active duty in the uniform-bearing “workers militia” *Kampfgruppen*, in order to break up protest rallies, riots, and the like. The young East Germans simply don’t want to be around to be ordered to fire on unarmed protesters. And shooting has been rehearsed: Special exercises have been held over the past few months, to prepare the *Kampfgruppen* for street-level confrontations with rebellious oppositionals.

The coming crackdown was addressed in the following terms by the West German Minister of Third World Affairs, Jürgen Warnke, in an interview with the daily *Neue Osnabrücker Zeitung* Oct. 4: “There is fear among certain circles of the G.D.R. population that the SED party could deploy its well-organized state security machine down to the *Kampfgruppen*, to secure its power. Also the presence of 400,000 Soviet soldiers in the G.D.R. shows which risks are implied for both sides in violent confrontation.”

This fear was dominant at an unprecedented 25,000-strong protest rally held Oct. 2 in the city of Leipzig—the biggest held since the June 1953 uprising. Slogans on banners included “We shall overcome, Freedom, Freedom,” but also, “Never again another China.” “There is fear that very soon, there will be violent clashes, there is such an explosive mood in the population. We are afraid there will be many deaths,” declared one young woman who had just made it into the West.

## Beijing-East Berlin axis tightens grip

by Mary M. Burdman

Even as tens of thousands flee East Germany in well-founded fear of a repetition, in the heart of Europe, of the June 4 massacre of students in Beijing’s Tiananmen Square, the clouds of crisis are also gathering again in Communist China, East Germany’s staunchest friend. The “Beijing-East Berlin Axis”—with Pyongyang, the North Korean capital, the third partner—is consolidating its forces, not only to face external condemnation, but also to deal with terrible internal crises. Both the Chinese and East German regimes celebrate 40 years of power the first week of October, and they are using “diplomatic” exchanges to issue blunt warnings to their own populations and the world, that they will maintain that power through whatever military means necessary.

The Chinese leadership has been issuing threats right and left. Chairman Deng Xiaoping’s newly appointed leadership gave its first press conference Sept. 25, and Prime Minister Li Peng and Communist Party Secretary General Jiang Zemin both asserted that the June 4 crackdown had done nothing to change Beijing’s determination to achieve the “reunification of [Taiwan] with the motherland”—and Jiang said that the regime will not rule out the use of force. Jiang also reiterated that Hong Kong was being used to “subvert” the Beijing government.

Although Li Peng said there was no timetable for re-taking Taiwan, just the fact that the leadership threatened violence should be a warning, since Deng Xiaoping has vowed to re-take Taiwan by the end of the 1980s.

Jiang Zemin began the four-day anniversary celebrations in Beijing with an 80-minute speech harkening back to the Communist bloc’s “we will bury you” phase of the 1950s. Jiang stated that the Chinese Communist Party is “fully confident of the Communist future of the human race,” and warned China of the “reactionary international forces [that] have never abandoned their fundamental position of hostility toward the socialist system. . . . The struggle against infiltration and counter-infiltration, subversion and counter-subversion” of the socialist countries towards capitalism “will last for a long time.”

Tensions have escalated internally and externally since



those September warnings. Tibet is currently an armed camp, observers report, and five Buddhist nuns were sentenced Oct. 4 to four years in a labor camp for simply shouting Tibetan independence slogans in a Lhasa marketplace last month. The awarding Oct. 5 of the Nobel Peace Prize to the Dalai Lama, Tibet's exiled political and spiritual leader, lit another fuse: Within hours, the P.R.C. embassy in Oslo, Norway protested to the Nobel committee that their choice "would wound the feelings of the people of China."

Two days earlier, the government of Hong Kong had allowed a champion Chinese swimmer, Yang Yang, who had appealed for asylum in Hong Kong when his visa expired in August, to leave for the United States. Yang had not been involved in the democracy protests in Beijing in May and June, but said he had helped dissidents to escape from China. Xinhua news agency, which functions as Beijing's unofficial embassy in Hong Kong, issued a very nasty protest, saying the move was "certain to cast a shadow on other aspects of cooperation between Hong Kong and China," and had set a very bad precedent. As the China editor of a prominent Hong Kong newspaper told *EIR* Oct. 5, we have only seen the beginning of this problem. Beijing was "very unhappy" with the Hong Kong decision, he said. There are some 100 students who fled China hiding in Hong Kong, and if they try to leave, the crisis will escalate.

In addition, the Republic of China on Taiwan has issued new emergency regulations to allow leaders and members of the democracy movement to take refuge there, and immediately offered Yang asylum—an action which Beijing, which ranks Taiwan as a breakaway province, can only take as a threat.

### Origins of the axis

The Beijing-East Berlin axis was "founded" in October 1986, when East German leader Erich Honecker embraced supreme Chinese leader Deng Xiaoping repeatedly when he became the first East German leader to visit Beijing. Although Polish leader Gen. Wojciech Jaruzelski, who was in Beijing a month before Honecker, was the first East bloc leader to visit China since the Sino-Soviet split over 20 years before, Honecker's visit was considered officially far more important, especially in re-establishing Communist Party ties between the East bloc and China.

Both China and East Germany have given everyone full warning that the crackdown is only beginning. Following the June 4 Tiananmen massacre, East Germany was the first to express its public backing for Beijing's actions. In mid-September, Deng Xiaoping thanked Honecker on his birthday, stating: "I am deeply convinced that the relations of friendship and cooperation between our two parties, states, and people will continue to be consolidated." The next day, P.R.C. ambassador to East Germany Zhang Dake told the Karl Marx College for cadre of the ruling Socialist Unity Party (SED), "The Communist Party of China and the P.R.C.

government pay great attention to the relations between the P.R.C. and the German Democratic Republic. . . . The SED, the G.D.R. government, and the People's Chamber have offered our country support and solidarity in quelling the counter-revolutionary putsch in Beijing."

The diplomacy culminated around the two countries' 40th anniversary celebrations. East German Politburo member Egon Krenz arrived in Beijing Sept. 25 for a week-long visit. He was accompanied by East Germany's deputy defense minister. The only senior official at the Oct. 1 celebration was North Korean Vice President Li Jong Ok. Krenz met during the week with Chinese Politburo member Qiao Shi, who heads internal security in China and is considered a "dark horse" candidate for succeeding Deng. The two discussed promoting party and government ties, according to Radio Beijing. Krenz also met party head Jiang Zemin.

A high-powered delegation of SED leaders attended the reception at the P.R.C. embassy in East Berlin Sept. 29, including Politburo members and many senior officers of the East German army. Axen proclaimed "firm solidarity with the comrades of the People's Republic of China." Axen added that "in Europe, the campaign of forces hostile to détente is currently concentrating on the G.D.R.," and that no letting-down of "alertness at this highly sensitive border between Socialism and Imperialism, between NATO and the Warsaw Pact," could be allowed.

East Germany reciprocated by inviting Vice-Premier Yao Yilin to East Berlin for the 40th anniversary of SED rule, where Mikhail Gorbachov is the supreme guest. The Chinese delegation was greeted at the airport by SED Politburo member Guenther Kleiber, who said, "We share the same positions and expectations, for the basic challenges of our times." Kleiber said that the "recent developments" in China—the crackdown—were a "common lesson for us."

### North Korea's role

The third part of the new axis is North Korea, the most repressive regime on earth. Exchanges between Beijing and Pyongyang have been intense. Since the late August visit of North Korean Chief of the General Staff Choe Kwang to Beijing, exchanges and trade delegations have come thick and fast. Choe was greeted by Chinese Defense Minister Qin Jiwei, and also by Liu Zhenhua, political commissar of the Beijing Military Area. Since then, Chinese Foreign Minister Qian Qichen spoke at the Pyongyang Embassy in Beijing Sept. 8, stating that the Chinese people "invariably" support their Korean counterparts. A Chinese Communist Party delegation led by Yang Yichen of the Central Advisory Commission met with North Korean Politburo member Ho Tam in Pyongyang Sept. 5, and two weeks later, a Korean Supreme People's Congress delegation was received by high-level officials in Shanghai, including Xi Zhongxun, vice chairman of the Standing Committee of China's National People's Congress.

# Gorbachov bans strikes, warns that Kremlin is 'losing control'

by Konstantin George

On Oct. 2, Soviet President Mikhail Gorbachov addressed the U.S.S.R. Supreme Soviet to demand a 15-month total ban on strikes, with the following words: "We cannot wait any longer. Every additional day brings terrible consequences. We have started to lose control of things. New methods have not taken root. The old ones no longer work. . . . We must avoid anarchy."

It is too late, however, for Gorbachov or anyone else to "avoid anarchy" in the Soviet Union. A physical breakdown of the Soviet civilian economy, compounded by national unrest, has generated a devastating crisis of confidence and a constantly expanding strike wave.

Glimpses into the breakdown were provided by Lev Voronin, first deputy prime minister of the U.S.S.R., who addressed the Supreme Soviet after Gorbachov. Voronin reported that strikes in 1989 had resulted in the loss of 5 million working days, including 2 million working days in the Transcaucasus area (the republics of Georgia, Armenia, and Azerbaijan) alone. During September, rail freight "disorganization" affected 600,000 tons of food and industrial supplies, while September rail strikes in Moldavia blocked 130 freight trains bringing badly needed consumer goods from Hungary, Czechoslovakia, and Romania.

The Soviet trade union daily, *Trud*, revealed Sept. 21 that the threat of a nationwide construction strike also loomed over the Soviet leadership deliberations on what to try to do about the crisis. Cutbacks in cement supplies to central construction organizations, due to an overall shortage and the allocation of 153,000 tons of cement for sale to non-centralized construction cooperatives, could put 150,000 construction workers, especially in the nuclear power industry, out of work. In the face of this, their union warned the government of "a possible mass strike by the [power] sector's construction industry workers," according to *Trud*.

At the Supreme Soviet session, Voronin described the catastrophic situation of energy stocks. Winter weather is already at hand, as Moscow temperatures plummeted to near freezing in early October. Strikes by coal miners last July left coal stocks at thermal power plants 4.5 million tons below target, he said, down to a near-record postwar pre-winter low of less than 3 million tons. Any renewed miners' strikes would lead to crippling power shortages and failures in many parts of the Soviet Union.

This is a particular serious lack, as *Pravda* reported Sept. 26, because "today, when the nuclear energy program has been noticeably cut back, thermal power stations have to bear the main load." The past summer's drought in Central Asia and Siberia worsens matters, because the reservoirs behind hydroelectric stations are not full.

*Pravda* on Oct. 4 reported bluntly that the country was completely unprepared for winter, and would face likely power cuts, fuel supply shortages, and inadequate and broken heating equipment. "Preparations for winter are being carried out extremely unsatisfactorily," the paper wrote. "The aftermath of Chernobyl, accidents on the railways, the earthquake in Armenia, and mass disruptions of law and order have taken their toll. All this has left a negative stamp on preparations for the cold season."

According to *Pravda*, there is a 13 million-ton shortage of coal supplies, and supplies in regions with the bitterest winter weather are well below normal. Another 20 million tons of coal has failed to be moved from the mines by the railways.

The situation with food is equally bleak. A winter of hunger, and possibly famine in some areas, is approaching, and the population knows it. Pre-winter hoarding had begun already in September. A Sept. 29 Soviet TV interview by economist Tatyana Zaslavskaya, saying that given severe food shortages, the Supreme Soviet would "have to" adopt strict "food rationing," transformed the panic-buying trend into a torrent.

## LaRouche predicted a bloody crackdown

The process that would lead to a Soviet economic breakdown by 1989 was foreseen by Lyndon LaRouche as early as 1983, when Yuri Andropov was in power, and restated in detail in LaRouche's introduction to *EIR*'s July 1985 "Global Showdown" Special Report. Then a year ago, following the Sept. 30, 1988 Soviet Central Committee Plenum, LaRouche forecast that Moscow, in response to the crisis, would expand its elite security forces, as the means for executing a bloody crackdown. In a statement released on Oct. 3, 1989, LaRouche warned again, "They're going to propose a crackdown . . . on the wave of strikes inside various parts of the Soviet Empire—a bloody show is coming up there."

Within hours of that most recent statement, on Oct. 3,

the U.S.S.R. Supreme Soviet passed a law inaugurating just such a crackdown. Although ostensibly a more moderate version of Gorbachov's demand for a 15-month total strike ban, in fact the law banned all strikes in four key sectors of the economy, and was worded loosely enough to define almost the entire industrial, transport, and energy economy within those four categories. The four sectors are: transport; metallurgy; raw materials, raw-materials processing, and manufacturing industries; and the energy sector.

The strike ban was coupled with a Gorbachov ultimatum, adopted by the Supreme Soviet, that "emergency steps" employing forces of the Interior Ministry and the Defense Ministry "to normalize the situation on the railways" would be taken, beginning in Azerbaijan and Armenia. This constituted the last warning to end the total rail blockade, in effect since August, imposed by Azerbaijan on the neighboring republic of Armenia and the Armenian-inhabited region of Nagorno-Karabakh, located within Azerbaijan. The blockade, which has cut off all non-military fuel deliveries to Armenia and Karabakh, has caused a total shutdown of production and transport in these areas. The new law also signaled the intent to use the military to end the rail strikes in the republic of Moldavia, bordering on Romania, and in such sporadic rail and port strikes and slowdowns as have hit the Ukraine since August.

The ultimatum to Azerbaijan gave that republic until Oct. 9 to end the blockade. An earlier ultimatum had been delivered by Gorbachov on Sept. 25, and expired on Sept. 27. The blockade was maintained, and that time, Gorbachov did nothing. But the fuel blockade of Armenia must be broken before the onset of the harsh Armenian winters, and Gorbachov cannot and will not risk losing face a second time around. He knows the fatal penalties that can strike in the brutal world of Kremlin politics.

On Oct. 6, Azerbaijan's Supreme Soviet upped the ante, passing a law proclaiming the republic's "sovereignty within the U.S.S.R." and asserting its "right of secession," with any decision to secede to be reached by a popular referendum.

With every passing day, the crisis deepens and grows. In early October, ethnic clashes in the Georgian Muslim region of South Ossetia were disrupting Georgia's rail links with Russia, threatening to create another blockade situation in the Transcaucasus.

Radio Moscow reported on Oct. 5 that units of the Interior and Defense ministries have arrived to guard certain sections of the railways in the region.

### **Shevardnadze: massacres to come**

Soviet Foreign Minister Eduard Shevardnadze, in a speech Oct. 2 before the Foreign Policy Association in New York, compared the present Soviet crisis with the crisis America experienced during the years of the Great Depression, and underlined that the Soviet Union will not be spared bloodshed. "Let me . . . draw some parallels between, for

example, the current situation in our economy and the Great American Depression," he said. "In Washington troops were fighting the Bonus Army . . . people were dying in demonstrations, strikes, and riots."

Such words have already been matched by deeds of butchery:

- On Oct. 1, in the western Ukrainian city of Lvov, several hundred troops of the Interior Ministry's dreaded Special Units, composed of elite former *spetsnaz* commando and airborne veterans of the Afghan War, attacked a group of 100 Ukrainian nationalists, marching with Ukrainian flags. Attacks had happened in Lvov often before, in the form of beatings with clubs. This time, the troops, who outnumbered the marchers, fired plastic bullets at close range and even point-blank. Fifteen people were taken to the hospital in serious condition, and one person in very critical condition. Several women marchers were shot in the eye with plastic bullets.

- On Oct. 2, in the small Russian town of Sielsto, 120 miles northwest of Moscow, a food riot broke out and a crowd tried to storm the local police station. According to *Pravda* on Oct. 3, "warning shots" were fired—but the "warning shots" killed 1 person and wounded 11.

- On Oct. 4, the U.S.S.R. Supreme Soviet passed "urgent measures" called for by Gorbachov to "considerably beef up" the "special units of Interior Troops," to far more than their present strength of 36,000. Gorbachov had called for this in his concluding speech to the summer session of the Supreme Soviet Aug. 4, when he emphasized the need for Interior Ministry forces, which he has since placed under his personal command, to combat what he called "mass insubordination."

The new laws passed provide for increasing the Interior Ministry's budget "by two- or threefold" over the next two years. In an interview with the Soviet government newspaper *Izvestia* published Oct. 4, Gen. A. Griyenko, the commander of the Interior Ministry special units, stated directly that the increases were required to suppress outbreaks in the Transcaucasus and other regions.

The crackdown that has begun, bloody as it will be, will not succeed over the short term in establishing anything approximating order or stability within the empire. The breakdown in the economy, and the consequent total lack of confidence in the Moscow regime, have become so ensconced in the population, justifiably so, that massive repression not only will not succeed, but will generate new escalations in anti-Soviet resistance.

The Ukrainian response to the Lvov massacre proves the point. In former times, such a demonstration of brutality would have worked. But on Oct. 3, some 30,000 people in Lvov defied threats and warnings and staged a demonstration to protest the massacre. In the Nikopol and other regions of the Ukraine, the first coal miners strikes began, ahead of schedule, in enraged protest over what happened in Lvov.

# Colombian Supreme Court backs extradition, despite mafia threats

by José Restrepo

The Colombian Supreme Court on Oct. 3 put an end to weeks of speculation and concern over the fate of President Virgilio Barco's war against the drug mafias, when it ruled in favor of extradition of drug traffickers wanted in the United States, the cornerstone of the government's anti-drug offensive. The Supreme Court also approved the constitutionality of eight other hard-hitting emergency decrees that President Barco had issued on Aug. 18, the day that front-running presidential candidate Luis Carlos Galán was assassinated by drug mafia hit-men.

The only decrees ruled unconstitutional by the court were No. 1893, a judicial procedure allowing confiscation of goods and properties suspected—but not proven—to belong to drug traffickers, and No. 1863, which authorized military judges to order raids without specifying criminal charges. The government has prepared two emergency decrees to correct and substitute for No. 1893 and No. 1863, which have already been submitted for approval to the Court. In the meantime, military spokesmen have congratulated the Court for its findings, while reporting that the two rulings of unconstitutionality in no way contravene their sanctioned search-and-seizure operations against the drug mafias.

## Mafia 'fifth column' retaliates

The Supreme Court findings represent an important and timely victory for the Barco government, which is fighting a two-front war against the cartels—one on the streets and in the jungles, and another against the mafia's paid agents inside the National Congress. On Oct. 4, the Colombian Senate gathered in full quorum, the first time it has bothered to do so since Barco's declaration of war against the drug mob. It had been convoked by Sen. Alberto Santofimio Botero, a presidential candidate and one of eight congressmen whose name appeared on the U.S. State Department's "black list" of canceled visas. Held ostensibly to "clarify" the issue of the canceled visas, the session was in fact a war council called by the drug mafia's fifth column.

The majority of senators gathered warmly applauded a

two-hour diatribe by Santofimio, who attacked the extradition weapon, the military's raids on the mafia, and the canceled visas as "Yankee aggression" and "moral terrorism" imposed by the United States on Colombia. He denounced the anti-drug daily *El Espectador*—nearly bombed out of existence by narco-terrorists—as two-faced, claiming it had accepted paid advertisements from drug mobsters years earlier. He praised both the Conservative and Patriotic Union (communist) parties for their "anti-Yankee" stance, and insisted that it was the U.S. Drug Enforcement Administration, not the drug cartels, which had ordered the murder of his rival, candidate Luis Carlos Galán.

In his speech, Santofimio further claimed to possess documents—never presented—proving that Galán's successor César Gaviria Trujillo had taken money from the drug cartels. Not accidentally, it was Santofimio who had created a scandal back in 1984 by accusing then Justice Minister Rodrigo Lara Bonilla—coordinator of the country's first successful offensive against the traffickers—of being on the mafia payroll, and demanding his resignation. Lara Bonilla had been pointing the finger at Santofimio and his political associates as "narco-politicians." A few short weeks later, Lara Bonilla was assassinated by the mob. It is widely known that Gaviria Trujillo's strong stance against negotiations with the drug mob and in defense of extradition has made him a target of the traffickers.

During the same Senate sessions, Interior Minister Orlando Vásquez Velásquez announced his resignation from the Barco cabinet. He accompanied his announcement with strong praise of Santofimio's speech while defending Congressman Bernardo Guerra Serna, whose name appeared on the U.S. "black list" along with Santofimio's. Further, Vásquez Velásquez gave his personal endorsement to Santofimio's proposal that application of extradition procedures be submitted to a popular plebiscite—a proposal that has also been made by another presidential candidate, the pro-drug legalization Sen. Ernesto Samper Pizano. The proposal is universally viewed as a mafia stall tactic, to indefinitely sus-

pend any extradition orders.

It is no coincidence that Vásquez Velásquez was the first government official approached by the Medellín Cartel after Galán's murder, and asked to consider negotiations with the cocaine traffickers. An Oct. 6 article in the daily *El Siglo*, by Colombia's leading congressional commentator Darío Hoyos Hoyos, claimed that, as interior minister, Vásquez Velásquez was instrumental in sabotaging President Barco's decree permitting the assignment of military mayors to towns besieged by narco-terrorism, or by mafia-tolerant officials of Vásquez Velásquez's ilk. Just prior to Vásquez Velásquez's "resignation," his political boss Federico Estrada Vélez told President Barco that the government minister's departure from the cabinet would force Estrada Vélez's withdrawal of support from a constitutional reform bill, President Barco's pet project. The President, it appears, was not to be blackmailed.

### **A matter of treason**

Although the majority of Colombia's Congress has proven itself deserving of the invective it has drawn recently from Colombians disgusted with its suspicious "do-nothing" attitude, there are exceptions. One such is Sen. Iván Marulanda, a close colleague and friend of the murdered Galán, who used the sessions called by Santofimio Botero to denounce the black-listed presidential candidate and his colleagues as "traitors," and negotiations with the traffickers as "treason."

He said, "Those who negotiate over the bodies of Galán Sarmiento, Cano Isaza, Lara Bonilla, Pardo Leal, and the thousands of other fellow citizens immolated in the fratricidal orgy of the drug trade, will go down in history for their cowardice and for their surrender of national dignity." Marulanda demanded total support for President Barco's war on drugs and blasted his fellow congressmen for having bartered their dignity for mafia money. "They are now accountable to history and to their consciences for having contributed to the nightmare the country is going through."

President Barco and the circles backing his anti-drug campaign have issued their own denunciation of these traitors, in a statement issued by the National Security Council presided over by the President: "In evaluating the characteristics of public order, the Security Council detected the application of an insidious campaign of disinformation on the part of the drug-trafficking mafias, for the purpose of diverting investigations, distracting citizens' attention, slandering officials charged with combatting that plague, reducing the efficiency of anti-narcotics operations and heaping false accusations upon organizations uninvolved in the assassinations and assaults that have shocked the nation.

"The means used by this criminal enterprise are slander, defamation, black propaganda, pamphlets, and rumor as mechanisms of psychological terrorism. . . . These are some of the various methods the drug kingpins have been using to

crush the battle readiness of honest people and, at the same time, to muddy the good image of authorities who for security reasons they have been unable to physically eliminate. . . . In this sense, it is clear that the drug traffickers seek to saturate public opinion so as to cause exhaustion and intolerance, to force society to react against the government and demand a different strategy."

The Security Council also addressed the campaign of indiscriminate narco-terrorist bombings that have been rocking the nation since Barco's anti-drug decrees were put in force. Nearly 120 bomb attacks have occurred in the five weeks since then in what has been termed by Colombian officials an "avalanche of terror." Particularly targeted have been farms, banks, businesses, political offices, supermarkets and schools.

Despite heavy militarization in major cities such as Bogotá, people are afraid to go to work, send their children to school, or go to the marketplace.

Referring to this violence, the Security Council stated, "In moments of such confusion, one can see symptoms of a collective neurosis, the product of indiscriminate terrorism applied to defenseless sectors [such as] the student population. The Security Council calls on the community to maintain its good sense and not submit to the impositions of the drug trade . . . which seek to place the national government in a precarious position to force it to negotiate the proposals presented by the Extraditables. This is blackmail that under no circumstances will be permitted."

## **Who's behind the 'Cali Cartel' ploy?**

by José Restrepo

Michael Abbell, a former senior official of the United States Department of Justice now representing Colombia's Cali Cartel drug boss Gilberto Rodríguez Orejuela, has offered new terms for a deal between the dope traffickers and the United States government, the *Washington Post* revealed in a front-page article Oct. 2. Abbell, the primary attorney for the Cali Cartel in the United States since he left the Justice Department in 1984, has been lobbying the U.S. Congress and legal establishment in the past month to overturn the extradition agreement with Colombia—this time from the U.S. side.

Despite the glimpse it offered into the depths of corrup-

tion of U.S. officialdom, the *Post* coverage was not a serious exposé, but a major escalation in an international campaign to get the Colombian and U.S. governments to drop all idea of crushing the drug trade and strike a deal instead with the “moderate drug-pushers” of the Cali Cartel. Key to this argument is the claim that there is a distinction between Abbell’s supposedly well-behaved and “business-oriented” clients, and the violence-prone, “lower-class” Medellín Cartel.

Thus, Abbell was able to outline on the front page of Washington’s leading newspaper an offer for a “compromise” with the “Extraditables,” whereby they would be tried and sentenced in the United States, but then returned to Colombia to serve their sentences. Abbell promoted his drug-running clients as “mainstream” and “legitimate” businessmen, who employ 5,000 people in pharmacies, banks, and other companies, and urged that they not be lumped together with the Medellín traffickers. “The people in Cali are adamantly opposed to any violence. . . . My impression is you can work with these people,” he stated.

One day earlier, the *Baltimore Sun* floated the same line, basing its story on propaganda put out by Colombia’s Department of Administrative Security (DAS), which also promotes the “divisions in the cartel” propaganda. DAS spokeswoman Diva Rojas Mayor stated on Sept. 29 that no arrest warrants have been issued for the four chiefs of the Cali Cartel, because they are not wanted for crimes committed within Colombia. Some in Colombia believe only the “revolutionary violence” associated with the drug trade is a problem, not drug trafficking itself, the *Sun* reported.

Divisions among the various cartels operating in Colombia—those of Cali, Medellín, and La Uribe (the last run by the Communist Party-controlled Revolutionary Armed Forces of Colombia)—are important only when the dope trade is viewed at the lowest level of on-the-ground operations. When the narcotics business is examined from a higher level, as the integrated multinational that it is, these “divisions” amount to little more than psychological warfare manipulations by Dope, Inc. itself, the better to achieve its overall strategy of legalized production, consumption, and export of drugs.

## Role of the U.S. Justice Department

The high level of the Cali Cartel’s U.S. sponsors confirms that this maneuver was not decided upon at the level of Colombia’s dope-runners. Abbell himself is no minor official. From 1979 to 1984, he served as acting director and deputy director of the DoJ Criminal Division’s International Affairs section. This section, one of four sections overseen by Assistant Deputy Attorney General Mark Richard since 1980, is in charge of all criminal investigations or prosecutions which have an international dimension, including all narcotics and arms-smuggling cases and extraditions.

Within six months of leaving office, Abbell testified be-

fore Spanish courts that Rodríguez Orejuela should not be extradited to the United States, because the Justice Department—his former employer—had filed a deficient petition against his client. Since then, Abbell has made at least six trips to Cali to meet with Rodríguez and his associates, and advise them on how to avoid continued U.S. extradition requests. Abbell works out of the Washington-based law firm Kaplan, Russin and Vecchi, which also maintains offices in Bogotá, Bangkok, Santo Domingo, Taipei, and California. Working with Abbell at the firm is a former official in the State Department’s Agency for International Development (AID), one Jonathan Russin, and Bruno Ristau, another former career official from the Justice Department.

## The intelligence community

Abbell’s relationship to Rodríguez Orejuela’s gang is also no isolated case of a corrupted individual. Rodríguez Orejuela’s ties to sections of the U.S. intelligence community go back to at least the 1970s, when he worked closely with the CIA’s “labor front,” the American Institute for Free Labor Development (AIFLD), in Colombia. With 70% of its funding provided by AID, AIFLD is considered “one of the more successful CIA ventures, indirectly organizing a very sophisticated collaboration between government, business, and labor, carrying out a clear policy conceived as being in the external interests of the United States,” in the words of CIA chronicler John Ranelagh in his book *The Agency: The Rise and Decline of the CIA*.

In 1975, Rodríguez Orejuela became a partner in a business venture undertaken by the AIFLD-controlled Union of Colombian Workers (UTC), then Colombia’s largest labor federation. Rodríguez’s UTC sponsor was then Secretary-General Tulio Cuevas, for decades a member of AIFLD’s board of trustees. Thus endowed with credentials as a bona fide labor organizer, Rodríguez bought himself a place on the board of directors of AIFLD’s latest pet project, the UTC’s newly formed Workers Bank, and turned it into a major drug-laundering mechanism.

By 1984, the UTC executive was organizing a nationwide campaign against extradition of drug traffickers. A high-level delegation from the UTC traveled to Spain in November of that year to plead in defense of Rodríguez Orejuela, who had been arrested there on drug-trafficking charges along with Jorge Luis Ochoa, number-two man in the supposedly “rival” Medellín Cartel. In 1986, both Rodríguez and Ochoa were extradited to Colombia, thanks in part to the efforts of Michael Abbell, who fought the pre-existing U.S. extradition request. Ochoa promptly bought his way out of jail, while Rodríguez confidently took his case to trial and won an acquittal from a corrupt judge.

Despite Colombia’s recent anti-drug offensive, Gilberto Rodríguez Orejuela continues to operate with impunity to this day, perhaps confident in the protection of Abbell’s “former” employers.

# Ernesto Samper Pizano: front man for the Colombian dope traffickers

by an EIR Investigative Team

On Sept. 20, it was revealed that the U.S. State Department had canceled the entrance visas of two dozen Colombians, including eight congressmen, for suspected involvement with the narcotics trade. When the existence of the list was made known, presidential candidate Ernesto Samper Pizano protested, "It is very dangerous for us to initiate a campaign of moral terrorism, and for all Colombians to have to go to the [U.S.] embassy for certificates of good behavior."

One of the individuals on the State Department's "black list" is presidential candidate Alberto Santofimio Botero, whose political faction inside the Liberal Party has long been a haven for such drug mafiosi as Medellín Cartel chieftain Pablo Escobar. Santofimio, who has charged the U.S. Central Intelligence Agency and Drug Enforcement Administration with murdering front-running presidential candidate Luis Carlos Galán on Aug. 18, had first formulated the accusation of "moral terrorism" against the United States.

Also on the U.S. "black list" are Sen. Juan Slebi, an open advocate of drug legalization, and political leader David Name Terán, brother of former Labor Minister José Name Terán. All are notorious for their involvement with the Atlantic Coast contraband trade, and all of them are high-profile activists within the Samper presidential campaign.

The State Department's action against these Colombian "citizens above suspicion" was both correct and justified. Which leaves the question: Why was Ernesto Samper Pizano not included on the "black list"?

In the following dossier, we demonstrate that Samper Pizano is in fact the leader of the pro-drug forces inside Colombian ruling circles. Should Samper become President, he will legalize the drug trade as the prelude to delivering his nation over to Dope, Inc.

One major U.S. daily has publicized Samper's true role. On Sept. 26 the *Miami Herald* headlined its coverage on Colombia, "Leading Colombian Candidate Suggests Legalization of Drugs." The article describes Samper as "the first major presidential candidate" to publicly endorse legalization. Now that it can no longer pretend that "it didn't know," it is incumbent upon the U.S. State Department to include Samper Pizano on its "black list."

## Launching the legalization effort

From 1977 to 1980, Ernesto Samper Pizano served as president of the **National Association of Financial Insti-**

**tutes (ANIF)**, a think tank and lobby of the country's most powerful financial agencies. In the January-March 1979 edition of ANIF's quarterly magazine *Carta Financiera*, ANIF economist **Hernando Ruiz Hernández** published an article on "The Production and Marketing of Marijuana in Colombia," which marked the opening of the ANIF campaign to legalize the marijuana trade.

On March 15-16, 1979, ANIF's president Samper Pizano sponsored an international symposium in Bogotá under the title "Marijuana: Myth and Reality," which was attended, among others, by:

- Colombian Attorney General Guillermo González Charry;
- U.S. Ambassador to Colombia Diego Asencio;
- White House drug adviser Lee Dogoloff;
- representatives of the U.S.-based **National Organization for the Reform of Marijuana Laws (NORML)** and the pro-drug monthly *High Times*.

At the symposium, Samper presented his arguments for legalizing the drug trade, which ran the gamut from protecting the peasantry which makes its livelihood from drug production, to deriving economic benefits through legalized drug revenues, to eliminating the corruption and violence fostered by illegal drug smuggling.

The next issue of *High Times* carried a lengthy article, written by one of the attendees at the Bogotá symposium, singing the praises of Samper's legalization campaign. Samper is described as "identifiably wealthy, but instead of merely wearing his richness, he uses it. A fat, smug South American capitalist Samper is not. He is sharp, irresistibly ingratiating, and quick as a hawk." Samper's ANIF is described as Colombia's "leading marijuana lobby." In a July 1980 press statement, Samper himself characterized ANIF as "the Latin American coordinator of the international alliance to amend marijuana laws."

One year later, Samper authored an English-language pamphlet under ANIF auspices, entitled "A Proposal to Legalize Marijuana." Among the many lies in the pamphlet is the claim, identical to that of the Colombian Communist Party, that "marijuana is not grown by criminals, nor by opportunists hoping to get rich rapidly, but by some 30,000 peasant families . . . who have been traditionally excluded from the benefits of Colombia's economic development. . . . Marijuana production . . . constitutes an

occupation that, if not licit within the terms of the law, is legitimate according to a clear concept of social justice.”

Samper argues in the pamphlet that “repression” of the drug trade:

- “threatens and harms small farmers, humble fishermen, modest transporters”;
- “terrorizes inhabitants of production areas”;
- “breaks down the innovative social organization scheme that permits the thousands of small marijuana growers to help each other”;
- undermines moral values by forcing the creation of a clandestine economy which has corrupted the honest work ethic;
- increases the profitability for the drug mafias;
- causes “deterioration of [Colombia’s] national image”;
- corrupts “the security forces, the judiciary and all levels of public administration”;
- has caused “more generalized violence in the areas where the repressive campaign has been intensified.”

### The U.S. connection

In July 1979, Samper Pizano devoted several months to touring the United States where, under joint NORML-ANIF auspices, he conducted intense lobbying efforts with U.S. representatives and senators, government officials, academics, and others to promote his proposal for “legalization on both sides.” In a July 1979 interview, Samper declared, “I think that the person in the U.S. who is nearest to the proposal for legalization is **Senator Kennedy**.” Samper also named Harvard professor **Norman Zinberg** as an ally in his legalization campaign. During his tour, Samper also met with the Carter administration’s representative to the Inter-American Development Bank **Ralph Duncan**, who endorsed Samper’s legalization proposal and lamented only that the proposal was not yet a Colombian government initiative.

Samper Pizano was also a member of the executive council of the **International Cannabis Alliance for Reform (ICAR)**, of which NORML is a member, and he was quoted in ICAR publications calling for the United States to recognize the legitimacy of Colombian marijuana exports. A close ally and associate of ICAR at the time was **Mathea Falco**, head of the State Department’s Bureau of International Narcotics Matters during the Carter-Mondale administration and also a member of NORML’s advisory board. Falco is believed to have opened the door to Samper Pizano’s U.S. tour and subsequent lobbying efforts.

### On the mafia payroll

Samper Pizano left ANIF to become director of the Liberal Party in 1980. His new position was provided by his mentor, former President and party “patriarch” **Alfonso López Michelsen**, just as the ANIF presidency had been granted Samper by López’s cousin **Jaime Michelsen Uribe**, at the



Carlos de Hoyos

*Presidential candidate Ernesto Samper Pizano, the State Department’s friend in the Colombian dope legalization lobby.*

time Colombia’s most powerful banker. **Michelsen Uribe** is currently in jail for dirty financial dealings. López needed Samper in the Liberal Party executive in order to assure his own nomination by the party as its presidential candidate. Samper went on to become the campaign manager for López’s reelection bid in 1982.

During the López campaign, Samper met with and accepted substantial contributions from leading drug kingpins. In 1983, convicted cocaine smuggler and former chieftain of the Medellín Cartel **Carlos Lehder Rivas** gave an interview to the Colombian press revealing that he had represented the entire cartel leadership in donating more than 20 million pesos to the López Michelsen campaign, with the explicit understanding that the contribution was a down-payment for legalization of the drug trade should López win the presidency. Samper was forced to acknowledge that he had accepted the money, while denying that any strings had been attached.

Despite the financial backing of the drug mob and the commitment of his own substantial wealth to the campaign, the universally despised López lost his presidential bid. Samper, who had hoped to ride López’s coattails into the Senate and thence to the presidency itself, also lost in the anti-López backlash. Two years later, Samper sought and won a seat in the Bogotá city council, campaigning on a platform which urged the legalization of Colombia’s contra-



band trade. He would ultimately use that post as a stepping-stone into the Senate in 1986.

### **The murder of Lara Bonilla**

On April 30, 1984, Colombian Justice Minister Rodrigo Lara Bonilla was murdered by Medellín Cartel hit-men. Lara Bonilla had directed a spectacular series of raids against the cartel's extensive jungle cocaine refineries, had begun investigations into several drug money-laundering operations in the country, and had started to turn his sights on the political protectors of the mob, when his assassination was ordered. One week later, Samper's mentor López Michelsen met secretly in Panama with the cartel's high command, allegedly to record and convey their interest in negotiating a deal with then President Belisario Betancur. That deal, according to a document delivered to López by the traffickers and subsequently published, proposed that in exchange for a political amnesty (read: legalization) and an end to extradition, they would:

- dismantle illicit smuggling operations;
- invest their drug money inside the country;
- combat domestic consumption of drugs; and
- retire from "open or visible political activity."

President Betancur rejected the cartel's proposal, despite López's urgings.

### **The Galán murder**

On Aug. 19, 1989, presidential candidate Luis Carlos Galán was murdered by mafia hit-men. Galán was a close friend of Lara Bonilla's, and with César Gaviria Trujillo (Galán's political successor), the three had collaborated in the founding of the anti-López political movement inside the Liberal Party known as New Liberalism (Nuevo Liberalismo).

Galán was widely viewed as a shoo-in as Colombian President in 1990, and as a dedicated enemy of the drug cartels. With Galán's death, the front-runner's position for the Liberal Party presidential nomination was open, and Samper Pizano's chances boosted. Samper immediately issued two responses. In a statement to RCN radio in Bogotá, he urged making "all the concessions necessary to achieve peace and avoid violence." He also declared that "Galán's banner cannot go slack, and we will take it up and fight for his ideals."

Samper then went on to attack President Barco's emergency decrees issued on the night of the Galán murder, which included extradition of captured traffickers and expropriation of properties and assets owned by the drug mafia. Samper charged that the measures were "inconvenient on the eve of new elections called to consolidate the democratic process." He called for a referendum to determine whether the population agreed with President Barco's course of action or not. He denounced U.S. offers of aid: "Let's not let Colombia be converted into a Vietnam of the war against drugs." He

opposed extradition: "I continue to believe that it is not the ideal solution." He urged dialogue with the mafia, and finally he told the daily *La República* Sept. 25, "If repression fails, there must be legalization."

### **The mafia's fifth column**

On Sept. 22, shortly after her return from the United States where she was sent to hammer out a more concrete aid package to back up Colombia's war on drugs, Justice Minister **Monica de Greiff** was fired by President Barco, through the offer of a low-level ambassadorial post which she rejected.

The public story was that the minister had "wanted out" of the dangerous job for security reasons, including threats to herself and her family. In fact, De Greiff was part of Samper Pizano's "fifth column" inside the government, as she made clear by her statements to the press following her "resignation," that she:

- opposed extradition of drug traffickers (the cornerstone of Barco's anti-drug offensive);
- favored dialogue with the drug mafia;
- was joining Samper Pizano's presidential campaign.

Days after De Greiff's dismissal from the Barco cabinet, Samper Pizano demanded a meeting of Liberal Party congressmen to formulate a new policy on drugs. He told the media that one needn't "blindly" follow government policy simply by virtue of membership in the ruling Liberal Party. He also announced plans to demand a Liberal Party "statement of solidarity" with De Greiff.

At the same time, the president of Colombia's Chamber of Deputies **Norberto Morales Ballesteros** called for peace talks with the narcotics traffickers, saying, "People don't see government actions as capable of eliminating the terrorism." Morales is also a supporter of Samper Pizano's presidential candidacy.

### **The bankers' blessing**

Samper Pizano has the blessing of the U.S. Establishment media, representing those financial interests that have managed to stay afloat during the past decade or more due largely to the international flow of hundreds of billions of drug dollars. In one week alone, several prominent articles appeared in major U.S. dailies praising candidate Samper Pizano, including:

- The Sept. 15 *Los Angeles Times* presented Samper as the country's leading anti-drug fighter, backing his President's anti-drug war because, "My responsibility at this moment is to my country and its people." Samper "now opposes legalization," wrote the *Los Angeles Times*, one week before Samper endorsed the legalization "option."

- The Sept. 24 *New York Times* devoted a feature-length article to Samper's presidential campaign, portraying him as a courageous anti-drug fighter dedicated to "an international solution" to the drug-trafficking problem.

# Bush administration takes its orders on Cambodia from Beijing

by Linda de Hoyos

On Sept. 27, the Vietnamese completed their withdrawal of troops from Cambodia after nearly 11 years of occupation. Despite this concession, which was the primary demand of the Association of Southeast Asian Nations (ASEAN), the People's Republic of China, and the United States for a political settlement for Cambodia, the United States and allied nations have upped the ante against Vietnam—in service to their policy of obeisance to the largest geopolitical power in the region: Beijing. The P.R.C. continues to demand that the way be left open for the return of the murderous Khmer Rouge to the seat of power in Phnom Penh.

The current stance of the United States is to pretend that the Vietnamese withdrawal has never taken place. Economic sanctions against Vietnam will continue, Washington has indicated, until that country participates positively in creating a political settlement in Cambodia which would bring about a neutral government. Such demands, of course, are not made on the Soviet Union, Vietnam's alleged protector.

Secondarily, the United States insists, along with Cambodian leader Prince Sihanouk and Beijing, that the Khmer Rouge be included in any interim government in Phnom Penh. This policy has been vigorously asserted by Richard Solomon, Assistant Secretary of State for Far East and Pacific Affairs, a long-time associate of Henry Kissinger with a background in "China card" policy. It is "self-deluding," according to Solomon, for the United States to ignore the existence of the Khmer Rouge. "You're not going to have your hands unsullied," he said recently, according to the *Far Eastern Economic Review*. "It is built into the structure of the situation that a lot of people have blood on their hands."

The U.S. posture makes a mockery of its alleged diplomatic attempts to avert full-scale civil war in Cambodia after the Vietnamese withdrawal. In the week of the withdrawal, the three superpowers maintained steady contact with each other. Soviet diplomats in Jackson Hole, Wyoming, for the meeting between U.S. Secretary of State James Baker and Soviet Foreign Minister Eduard Shevardnadze, proposed an early arms moratorium in Cambodia. This was rejected by Baker, who said that an arms halt could only come after a full political settlement. This translates into a continuation of U.S. arming of the non-Communist resistance of Prince Sihanouk and Son Sann for military operations against the Vietnamese-backed Phnom Penh government of Hun Sen.

This, in turn, provides the cover for a Khmer Rouge offensive to attempt to fill the vacuum now left by the Vietnamese.

Soon after meeting with Shevardnadze, Baker scurried off to New York to meet with Chinese Foreign Minister Qian Qichen, despite the official U.S. ban on such high-level meetings with representatives of the Tiananmen Square butchers. Baker reportedly discussed the Cambodian situation with Qian for more than an hour.

In short, rather than taking advantage of the Vietnamese withdrawal, the superpowers who have made a murderous mess of this region for the last 25 years, above all else claim their rights to continue to do so.

## Vietnamese devastation

An apparent goal of the current U.S. policy is the continuing starvation of the Vietnamese economy. Up until mid-August, the international banking community, along with the International Monetary Fund and World Bank, were preparing to re-enter Vietnam as a new market and a new pool of extremely cheap labor. The political way would be cleared by the withdrawal of Vietnamese troops. The financial problem to clear was Vietnam's non-payment for its loans from the Fund years ago. The Banque Française du Commerce Extérieur had promised that with IMF approval, it would organize a consortium of lenders for a bridge loan of 100 million Special Drawing Rights, with which Vietnam could pay back the IMF and re-enter the world economy.

Within the last month, this plan has gone up in smoke. At the executive board meeting of the IMF on Sept. 13, the United States and Japan, the Fund's two largest donors, vetoed any re-entry of Vietnam into the Fund. The reason: Vietnam must not only withdraw, but also bring about a political settlement in Cambodia. This decision put the kibbosh on the bridge loan from the Banque Française, leaving the Vietnamese high and dry once again. Reportedly, Japan and Australia have cut off all aid programs to Vietnam in cooperation with the IMF.

There is little doubt as to where the pressure for the veto came from. At the same time, the Beijing Embassy in Tokyo had convinced the Japanese Foreign Ministry to find it inconvenient to host Vietnamese Foreign Minister Nguyen Co Thach this fall, although Thach has been in Tokyo often before. Vietnamese diplomats, of course, are still not permit-

ted to set foot in Washington, D.C.

The U.S.-Japan decision uncharacteristically contradicted the advice of IMF officials, according to the Sept. 28 *Far Eastern Economic Review*. They pointed out that Vietnam had been implementing since March 1989 exactly the type of "structural adjustment" plan required by the IMF for its seal of approval.

Ironically, the Vietnamese have reportedly gone further in their "reforms" toward a market economy than the Bush administration's favorite son, China.

However, as in all the other cases where IMF prescriptions have been followed to the letter, the result is financial rationalization with a resulting severe dislocation of the physical economy. The Fund had demanded that Vietnam reduce its state deficit from 20% of the budget down to 2-4%, expected to come from a decrease in the military budget especially pending the withdrawal, reduction in government expenditures and administrative costs, and increase in taxes.

To provide an orderly environment for looting organizations to re-enter Vietnam, the discrepancy between the official economy and black market economy had to be ended. Accordingly, the Hanoi government instituted a round of draconian deflationary measures. The Vietnamese currency, the dong, was massively devalued, and the government fixed the exchange rate at a level within 5-10% of the free-market rate. Interest rates and reserve requirements were raised. Prices were raised from controlled to market levels on most staples and services, including on rice. Subsidies to state workers were removed, with the sole exception of housing. These are measures which most underdeveloped countries dare not institute, for fear of outright insurrection.

Factories and state enterprises have been forced to take a market approach toward output, despite the fact that interest rates were hiked from 3.5% to far higher market rates. In addition, these enterprises face the problem that the purchasing power in the Vietnamese domestic market is extremely low.

The result is that factories are closing fast. Already, 18-20% of the workforce is unemployed—a percentage that will be further swelled with the return of troops from Cambodia. It is estimated that 10-15% of the country's enterprises are in the process of closing down.

In addition, wages are not being paid. Vice Premier Nguyen Co Thach said that even the most profitable factories are one month behind in paying wages and the worst off are six months behind. Nguyen Van Tu, chairman of the federation of Vietnamese workers, complained that in the first half of 1989, some 500,000 workers had been made redundant by state enterprises, and that unpaid wages amounted to 1 billion dong.

Vietnam had undertaken these measures on the assumption that desperately needed capital from Western sources would soon be coming into the country. The gap is unlikely to be filled with the Soviet Union. Even as early as July,

Moscow, which has announced that it doesn't have enough fuel for this coming winter, indicated that "ideologically motivated aid" to countries like Vietnam and Cuba was being re-examined as a luxury that the Soviet Union can no longer afford.

Even Vietnam's attempts to open up to Western looting of its economy and manpower have failed.

### **Khmer Rouge on the march**

Meanwhile, the Khmer Rouge has proceeded with its offensive against Phnom Penh. The Khmer Rouge strategy is to move into the interior from the Thai border, and attempt to take the city of Battambang. The strategy of the Hun Sen government is to stand fast, hoping that Phnom Penh can replicate the steadfastness and hence increasing credibility of the Kabul regime of Soviet puppet Dr. Najibullah. As in the case of Afghanistan, the Soviets, according to Thai intelligence, are pouring arms and matériel into the Phnom Penh government. Phnom Penh is currently equipped with 16 Soviet-made MiG aircraft, a group of helicopter gunships, over 100 tanks and armored personnel carriers, and heavy artillery. For their part, the Khmer Rouge, also according to Thai reports, have been armed and upgraded continuously over the past year in anticipation of the coming battle.

The first test was the battle over the deserted border town of Pailin. Although the town was destroyed in fighting between the Khmer Rouge and the Lon Nol government many years ago, it is the command post for Route 10, which leads to the city of Battambang and is also the center of a region rich in precious stones.

According to reports from Bangkok and acknowledged by Hun Sen, the Khmer Rouge have taken Pailin.

Apologists for the current policy of Washington claim that the Hun Sen government is composed of former members of the Khmer Rouge and is an "oppressive Communist dictatorship." However, it has shown no propensity to murder millions of its own population, the hallmark of the Pol Pot years 1975-79. Reports from aid agencies of the continuing Khmer Rouge reign of terror over refugee civilians indicate that Khmer Rouge nihilism remains intact. Pol Pot himself is now reportedly directing the bulk of the Khmer Rouge's military operations.

The only force that appears genuinely interested in trying to avert war is Thailand, whose prime minister, Chatichai Choonhavan, has been trying to arrange a new round of Paris talks among the Cambodian factions. Thailand's strongest support has come from Vietnamese Foreign Minister Thach, who stated that the fate of the area could well hinge on agreements reached between Thailand and Vietnam. This is because Thailand has been forced by China to serve as the conduit of arms to the Khmer Rouge, a position which is being attacked by various factions in Thailand itself. If such an agreement is reached, however, it will still have to contend with the geopolitical ambitions of the superpowers.

# United Nations imposes bloodbath on southern Africa

by Jeffrey Steinberg

Up until March 1 of this year, South West Africa, also known as Namibia, was a nation enjoying relative peace and prosperity. It was a former colony of the Republic of South Africa in transition to full independence. Its progress in racial reform and economic integration left South Africa in the dust. The communist-backed SWAPO insurgency movement had been soundly defeated in its 20-year effort to render the country ungovernable. So long as the UNITA national liberation movement in neighboring Angola continued to progress in its effort to overthrow the Marxist regime in Luanda, with critical military support from Pretoria and Washington, the prospects for a successful transition to full independence looked very good.

Then, on March 1, 1989, the United Nations moved in and the situation in Namibia has since gone to hell. In six months, according to one well-placed official in Windhoek, the United Nations Transitional Assistance Group (UNTAG), a 6,000-man multinational armed force charged with overseeing the electoral process, has done more to make the country "ungovernable" than a Soviet armed insurgency movement could accomplish in two decades.

The story of what is now unfolding in South West Africa is critical for two reasons. First, the UNTAG performance has all of southern Africa now poised on the edge of a genocidal regional civil war. One local military official bluntly warned, "southern Africa is the next Beirut."

Second, it stands as an object lesson in how the United Nations Organization foments bloodshed and genocide wherever it goes. For those, like Sen. Sam Nunn (D-Ga.), who would have the United Nations step in to take charge of the war on drugs in Ibero-America, the lessons of Namibia must be brought home with relentless clarity.

## A deadline approaches

On Nov. 1, the voters of Namibia, including some 24,000 refugees who have returned to the country from camps inside Angola since last April, will go to the polls to elect delegates who will draft a national constitution. A year later, voters will be asked to ratify or reject that constitution. Pending the results, full national elections will take place to choose a government.

Throughout this transitional period, UNTAG will retain responsibility for maintaining law and order inside Namibia, as well as for monitoring the withdrawal of all Cuban troops from Angola, as spelled out in the Brazzaville Accords signed last December by Angola, Cuba, and South Africa.

According to a number of sources interviewed by *EIR*, if fair elections occur, SWAPO will be soundly defeated at the polls, and some coalition of the nine other political parties registered for the elections, who have banded together to form a national front, will dominate the constitutional convention.

According to these sources, SWAPO's brutal guerilla offensive last spring, launched within days of the UNTAG takeover, has further eroded the movement's already inflated popular support. And the early September return from exile of SWAPO president Sam Nujoma did little to restore popular support for his Soviet-backed movement.

According to some regional sources, Nujoma's charismatic appeal faded rapidly after he cut a deal with British and South African robber barons Tiny Rowland and Sir Harry Oppenheimer to allow their respective multinationals, LonRho and Anglo-American, exclusive raw material looting rights in Namibia if SWAPO takes power.

Oppenheimer and Rowland have cut a wide path of looting and terrorism across the landscape of southern Africa in recent years as two of the leading perpetrators of British colonial domination. Rowland's LonRho (London Rhodesia Company) has moved into Mozambique as the principal economic beneficiary of the violent FRELIMO Marxist regime in Maputo, going so far as to import teams of British SAS mercenaries to train special "counterterror" teams to combat the anti-communist RENAMO resistance movement.

Sir Harry Oppenheimer, an intimate of Lord Victor Rothschild of Anglo-Soviet Trust notoriety, has his own long track record of sponsoring radical black nationalist movements through his Institute for Race Relations.

## SWAPO POW camps

Among the Namibian refugees repatriated since the spring are over 150 prisoners of war who were kept in SWAPO prison camps across the border in Angola. The local press

in Namibia has featured dozens of accounts of hideous torture of these POWs by SWAPO. The international press, though well represented in the capital city of Windhoek to observe the elections, has blacked out these reports entirely.

The United Nations refugee commission has refused to take any actions against SWAPO for these documented human rights violations, and has in fact turned its back on over 1,000 individual complaints filed by Namibian citizens who claim that their children were kidnaped and brought to SWAPO camps in Angola during the course of the civil war of the early 1980s.

In fact, the entire history of the United Nations' involvement in Namibia, from the 1970s creation of the U.N. High Commission on Namibia, headed by Sean McBride and Arthur Ross, has been aimed at accomplishing one and only one objective: the installation of SWAPO in power.

According to sources in Windhoek, UNTAG troops from Kenya and other African states have been providing cover for SWAPO guerrillas. In May, South West African Police units engaged SWAPO terrorists in a series of skirmishes along the Angolan border.

In several instances, SWAPO guerrillas were caught wearing UNTAG uniforms and carrying United Nations ID badges.

Now, as the elections approach in less than one month, the only prospect of a SWAPO "victory" is through massive United Nations-run vote fraud. Officials of the South West African Provisional Police Force, the national police force that maintained the peace prior to the UNTAG arrival, warn that if the United Nations does carry out such a fraud, there will be a popular revolt—which the U.N. forces will be incapable of containing.

Though such a revolt will likely be brief, these sources project a massive bloodletting.

On the other hand, the recent resumption of SWAPO raids along the northern border—out of bases inside southern Angola—suggests that the SWAPO guerrillas are also preparing to try for a bloody coup if they lose on Nov. 1.

## **Savimbi hangs tough**

Early in October, UNITA's Dr. Jonas Savimbi is visiting the United States. The decision by Savimbi to travel out of the country is a strong indication that UNITA was victorious in the dry season battles with the MPLA which ended in mid-September. This evaluation is bolstered by eyewitness accounts that UNITA defeated a major MPLA-SWAPO joint military offensive aimed at seizing control of the southernmost area of the country along the Namibian border.

This area had been formerly occupied by South African garrison forces who moved in years ago as part of the counter-insurgency campaign against SWAPO. Under the terms of the Brazzaville Accords, all South African troops were pulled out of southern Angola by February of this year.

Had the MPLA-SWAPO combined forces managed to

gain control over this vital border region, SWAPO would have won a crucial staging area for running a continuing guerrilla war against the regime in Windhoek. As of this writing, the rainy season has begun, and UNITA's ability to sustain guerrilla warfare actions pinning down the MPLA will likely maintain the military status quo through the spring of 1990. So far, according to eyewitnesses, the flow of American weapons, including Stinger anti-aircraft missiles, into Savimbi's forces continues unabated.

## **A chain reaction?**

Officials in Windhoek are bracing for the election results. They express fear that if the UNTAG forces proceed ahead with the longstanding plans to impose a SWAPO government, this will send an unambiguous signal to the African National Congress and related circles in the Republic of South Africa that the major powers, including both the United States and the Soviet Union, are willing to impose radical black nationalist regimes throughout the region.

There is no telling what kinds of actions this might trigger against the newly installed De Klerk regime in Pretoria. The government response will undoubtedly be a bloody repression. In neighboring Mozambique, a 15 year civil war by RENAMO to overthrow another Marxist regime will likely flare up as well.

For many people in Namibia, the most enraging aspect of the UNTAG debacle is measured in economic terms. Initially, the United Nations allocated \$600 million to finance the presence of the UNTAG force and to supervise the transition to "democracy."

A United Nations advance team arrived in Windhoek in March and announced that the actual cost of the effort would be closer to \$1.5 billion. At the point that the first troops began arriving in Windhoek in March, the U.N. had only managed to line up \$300 million.

Now, with only the first phase of the two-year United Nations mandate near completion, UNTAG has already overspent its \$600 million. According to sources in Windhoek, over \$90 million in expenses have been incurred—but not yet paid. The UNTAG presence has become an economic drain on Namibia—as well as a source of unnecessary instability bordering on chaos.

One Windhoek official put it in the following terms: If the United Nations had taken the billion dollars now being spent to destabilize the country and put the money instead into economic development, the Gross National Product of Namibia would have increased by between 18-19% over the past year.

Instead, the funds have been put toward a process that now threatens to foment a bloody civil war, and that has economically weakened the country. UNTAG itself owes over \$90 million to local businesses in South West Africa for food, petroleum, housing, and other supplies that have been purchased in expectation of further funds being raised from the United Nations membership.

# 'Retirees—Freedom for LaRouche' slate of 230 on ballot in Rome

by Thoula Frangos, Claudio Rossi, and Giorgio Prinzi

A new electoral alliance has been formed in Rome to strengthen the cause of economic justice and the defense of life against the new wave of austerity. This party is called the "Lega Pensionati—Libertà per LaRouche," and its program leads with the demand to liberate statesman and economist Lyndon H. LaRouche from imprisonment in the United States. The new party is fielding a slate of 230 candidates for the upcoming Roman city elections on Oct. 29 and 30. There are 80 candidates running for the 80 seats of the city council and 150 candidates running in 17 of Rome's 20 districts for district councilman.

Rome, a city of 4 million, is not only the Italian capital but also the historic world center of Christianity. And it is precisely here that the new party decided to launch its program. The candidates are focusing their attack on the escalating severe austerity policy of the government.

Taxes are going up and the basic services like medical care, transportation, and housing are becoming unaffordable for many. Of course the hardest hit are the old people whose already small pensions cannot stretch much further. Meanwhile, the world's leading exponent for economic justice, a man who has proposed an economic program that excludes austerity and guarantees real economic growth, is a political prisoner of powerful people who don't want his policies to take root.

So the alliance came together—liberate LaRouche and stop the insane economic policies that are violating human rights, starting with those of the senior citizens.

The other major plank of the party's platform is to discredit the growing "green" movement in Italy, a movement which not only has caused major setbacks in productivity by attacking basic industry and agriculture, but has also increased austerity through new taxes to fund its demands. Italy's

Parliament, which of course convenes in Rome, is now discussing an "environmental tax," which would go to fund the green movement's causes. In the last week of September, the price of gasoline jumped by 15 liras a liter (nearly 5¢ a gallon in U.S. equivalence) in order to make the so-called "green" (unleaded) gasoline artificially competitive.

The 230 candidates are themselves an alliance of the different sectors of the economy, many of them hit by the austerity policies and the environmental swindles. Among the candidates are farmers, cattlemen, industrialists from the plastics industry, activists from the pro-life movement, engineers, architects, teachers, and musicians. They will present a program for the city of Rome: a program of major infrastructural projects particularly in health and transportation, and measures to save the historic center of the city.

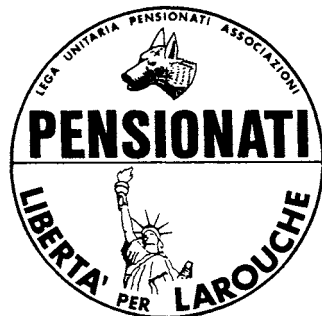
## Ballot position secured

On Sept. 29, when the doors of the electoral office of the City Council of Rome opened at 8 o'clock, the list Retired League—Freedom for LaRouche succeeded in obtaining the second position on the ballot.

The Italian Social Movement (MSI), the party that got the first position, mobilized hundreds of goons to make sure that no one else could get in before them, and had actually kept a watch around the electoral office for two months in advance. The conquest of the first position has always been a fighting issue among the main parties in Rome.

During the night, a group of representatives of "Freedom for LaRouche," together with some feisty retirees, defied cold and stormy weather to stand outside in the rain, to secure the second position. The symbol of the alliance has the Italian word for "retired" in large letters in the upper part and "Libertà per LaRouche" with a drawing of the Statue of Liberty.

Needless to say Rome's municipal elections are much more important than ordinary administrative elections, because they are carefully watched by all the political parties and by the whole country. In this particular election, the results are expected to influence the national administrative elections coming in the spring.



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## Interview: Rita Matteuzzi

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*Mrs. Rita Borioni Matteuzzi, a candidate for the Rome City Council on the "Retired League—Freedom for LaRouche" alliance slate, was interviewed by Giorgio Prinzi in Rome.*

**EIR:** A problem in which you have particular experience is the health issue—the question of health service or the lack of it. Would you indicate what is required to fully satisfy the needs of the citizenry?

**Matteuzzi:** I hope to avoid repeating commonplaces or the usual long list of justified complaints of the voting public. Instead, let me make a statement of principle. In general the services, and the health service in particular, must, as services, exist as a function of the Person, be based upon respect for Man as the bearer of his intrinsic dignity and inalienable natural rights, which cannot be renounced, and are moreover guaranteed by the Constitution of the Italian Republic.

As to what ought to be done to have a model health service, the answer is partly implicit in the statement of principle just enunciated. The difficulty, if there is one, is to translate that into concrete actions, since among the public administrators we lack individuals who fully refer back to these principles, sometimes because they are distracted by the "daily grind" or more often, and here I am especially addressing the situation in Rome, because they are steeped in a different and unfortunately dominant pseudo-culture which is the negation of the Person, of Man, and of Life itself.

**EIR:** Should we infer that you believe there is a fundamental outlook which is prejudicial to any practical implementation?

**Matteuzzi:** Unhesitatingly, I would say yes. Every action of Man arises from a philosophical, cultural, and political vision, defining values, which shape and characterize it.

The breakdown of the National Health Service, besides resulting from technical-administrative reasons, comes from the culture of pragmatic utilitarianism, which leads to setting aside, as useless, the subject who is not capable of expressing full psycho-physical effectiveness and who therefore is not completely autonomous.

The structural malfunctioning of the health service can be definitively summed up in the aberrant outlook of considering the sick person as a "cost center" from whom one should try to attain all possible savings, applying the economic logic of cost-benefit, by which a seriously ill or terminally ill person has to be "helped" to die instead of being treated and respected as a person.

**EIR:** You are firmly against euthanasia, therefore?

**Matteuzzi:** We must not be deceived by the etymology of this word which means "good death." Death is never good,

especially not if it arrives as a "mercy killing" to bring suffering to an end. Death is the greatest mystery of our life and is intimately connected to life itself.

I maintain that no one has the right to decide on the life of a human being. Personally I am convinced that not even the person himself has the absolute freedom to dispose of his own life, considering, among other things, that in a dramatic situation such as the one we are outlining, outside conditions can or could be such as to compromise one's full volitional faculties.

On the other hand, the right of the dying or gravely ill person to be treated with all means available to science that may mitigate the sufferings of the disease or the anguish of passing away, remains inviolate.

**EIR:** Is your absolute defense of life to be understood as extending to the fetus as well?

**Matteuzzi:** Yes. I think that the defense of the life of the unborn child is a principle, if one admits that there is a scale of values among principles, to be affirmed with the greatest vigor.

The conceived child, in fact, is not capable of communicating on his own with the outside, his desire to possess his own, unrepeatable and unique future life, of which he is the "legitimate owner." Even the law decriminalizing abortion foresees, in its first clause, the safeguarding of the life of the unborn. The application of abortion as a method of contraception not only violates the spirit of the law itself, but violates, above all, that right to life on the part of the unborn child to which I referred a little earlier.

**EIR:** In relation to the abortion issue, some have proposed making their firm opposition concrete by subtracting from their own taxes a percentage equivalent to the amount allocated by the national budget to this item. Do you agree?

**Matteuzzi:** I agree with this position. If it is a true principle that no law, if it is intrinsically wicked, can bind the conscience, then the resulting fiscal imposition cannot be juridically binding.

It is my opinion that citizens' tax contributions should be spent in defending higher principles of life. When these contributions serve to violate the unwritten laws, I maintain that they cannot be bound by any written law, whatever the consequences may be.

**EIR:** Don't you think this position could be dangerous for civil society? Others have proposed to object to military spending. In this manner tax objectors could become a tool for paralyzing the very functioning of the state apparatus.

**Matteuzzi:** I think there is an abyss of difference between the two. Abortion concerns the individual and personal sphere, whereas the defense of one's nation concerns a collective and social aspect. For all the various hypothetical contingencies you refer to, I maintain that this fundamental criterion has to be upheld.

## A 'Marshall Plan' in reverse

*President Sarney warns that revolution could sweep the continent if transfer of resources abroad is not stemmed.*

**I** am convinced that democracy is the path. It was the banner which commanded our peoples to sweep away authoritarianism, despots, tyrants, dictators. But not to replace them with hunger, with disease, with backwardness, with the foreign debt, with recession, with unemployment. Latin America is showing signs of involution. It is not that we have grown less than the other continents; it is that we are regressing. Suffice it to say, that, in 1988, the gross domestic product of the region was at the same level as 1978. The net transfer of resources abroad in 1988 reached \$29 billion. Brazil alone, in the past five years, sent nearly \$56 billion abroad. It is a Marshall Plan in reverse."

With these words, Brazilian President José Sarney opened the United Nations General Assembly on Sept. 25. His reference to a failed Marshall Plan is the same formulation being used by circles within the Brazilian Armed Forces to criticize U.S. behavior toward Brazil in regard to the foreign debt.

Sarney warned of the region's explosive situation: "Without resources and oppressed by a perverse international situation, Latin America's rulers lack the means to meet the most legitimate and elementary aspirations of their societies. The spontaneous signs of revolt are multiplying. There is an accumulation of violence, of sublimated rebellion which could surface at any moment and rage uncontrollably.

"It is no longer a matter of ideological motivations. What is at play in Latin America is not a dichotomy between the capitalist and socialist sys-

tems. In Latin America, the persistence of poverty and the exhaustion of development models lead to competing ideologies. The present dilemma is not one of militarism or populism, but recession or growth.

"It is not possible to grow when, every year, nearly a third of our internal savings is remitted abroad. No adjustment could work unless they give us a way of solving an equation which is insoluble. Now is the time to recognize that until now, the remedy for the foreign debt problem has primarily improved the financial health of the creditors."

It is this dramatic situation which has forced Sarney to declare a "white" moratorium—one agreed upon with Brazil's creditors. "The moment has arrived," he continued, "to adopt a strategy which departs from the assumption of renewed growth by the debtor countries. Such a strategy will demand a serious reduction in the amount of the debt and in the net and gross transfer of resources abroad."

Although the decision to go with a debt moratorium is absolutely correct from the viewpoint of national security, the Sarney government still maintains the illusion that it is possible to obtain some concessions from the creditor banks. This position is defended by Finance Minister Mailson da Nóbrega and by Ambassador to Washington Marcilio Marques Moreira. Serious accusations are made against the latter, in a soon-to-be-published book containing the memoirs of the late Finance Minister Dilson Funaro. According to Funaro, Marques Moreira sabotaged all of his efforts to win a dignified and just treatment of

Brazil from the international banks.

The official schizophrenia reigning in Brasilia was evident during President Sarney's visit with President George Bush at the end of September. Attending on Brazil's part were both Ambassador Marques Moreira, representing the financial oligarchy, and U.N. Ambassador Paulo Nogueira Batista, who represents the civil-military grouping advocating a "great projects" approach to development and insisting on a drastic reduction of resource transfers abroad.

In a useless display of force, Bush trotted out his national security cabinet: Secretary of State James Baker, White House Chief of Staff John Sununu, National Security Adviser Brent Scowcroft, and the State Department's Bernard Aronson. A rather elaborate show, with nothing to offer.

The responses of the banks and of the International Monetary Fund (IMF) to Brazil's demands were immediate and hard line. They demanded brutal austerity and measures to privatize the Brazilian economy. "If the economic policy of the country were good, the flows [of credit] would have been good," declared IMF Managing Director Michel Camdessus Sept. 28, in his closing address to the joint assembly of the IMF and World Bank.

If this weren't enough to shatter the Brazilian government's illusions, World Bank President Barber Conable, in his opening address to that same assembly on Sept. 26, haughtily demanded that Third World nations slash their defense budgets. For Brazil, this is a definitive point of confrontation, especially in light of the creditor banks' interest in seizing control of the Amazon, for which the dismantling of Brazil's military capacities would be an indispensable condition.



## **Fixing for a fight with the IMF?**

*To save its modernization drive, India may have to take up the cudgels for basic monetary reform.*

**T**here is no indication that New Delhi is as yet prepared to take a new initiative on the vexed issue of international monetary reform, but the government's own effort to accelerate growth may compel it to do just that in the not too distant future.

It is noteworthy in this regard that during the late-September International Monetary Fund-World Bank annual meeting in Washington, D.C., Indian Finance Minister S.B. Chavan bluntly and repeatedly called the basic premises of prevailing economic orthodoxy into question.

In contrast to the plaudits for the "favorable world economic climate" issuing from the U.S. and other representatives, Chavan said the 1980s were a "lost decade" for most developing nations. In fact, their prospects are *declining* year by year, he said. Payment imbalances persist, the debt burdens increase, and a net transfer of resources out of the developing nations continues.

The Indian government warned in a detailed paper prepared for the secretariat and member countries of the World Bank, that if aid flows are not forthcoming, the government may be forced to return to a regime of strict trade and exchange controls.

India is in the process of moving its economy toward a higher rate of growth through a more open policy regime with a priority on modernization, an undertaking which has been universally applauded in advanced sector capitals. But, as the government paper explains, this has triggered a balance of payments problem, as imports of high technology capital

goods necessary to boost industrial productivity and exports increase sharply.

If the payments gap has to be financed through commercial borrowings on hard terms, it will certainly lead to a crisis, which will, in turn, necessitate either a return to relative autarchy and associated slower rate of growth, or a deflation that would defeat the very purpose of the effort to modernize and speed up growth in the first place.

This is a dilemma that is not unique to India. It is the failure of international economic policy to address precisely this dilemma over the past 20-odd years, that has produced the present debt crisis.

In seeking to maintain an accelerating growth path, Indian officials have increasingly found themselves in trench warfare with contemporary economic irrationalities—from the International Monetary Fund's (IMF) demands to terminate all subsidies for the farm, fertilizer, food distribution, and export sectors, to the U.S. Trade Representative's demand that the national criteria for foreign investment be ripped up.

India's official refusal to entertain the U.S. Trade Representative's demands has inspired threats of trade war under the American "Super 301" law, and the subsidies issue figured as a major topic in a paper prepared for the IMF-World Bank. The government's paper showed just how costly the summary elimination of subsidies in these crucial areas would prove to be.

At the IMF interim committee

meeting Sept. 27, Finance Minister Chavan went to the heart of the matter—the "free market" ideology that spawns these demands.

"Let me turn to another aspect of adjustment—the belief that the answer lies in the free play of market forces," Chavan told the policymaking body of the IMF. "Developing countries are being asked to deregulate, reduce subsidies, and allow market mechanisms to work. I have no doubt that much of this advice is well taken, and many of us have come to similar conclusions without any prompting from the outside.

"The error lies in believing that this is all that is required. This is shown by the failure of many structural adjustment programs," Chavan continued. "Markets function when demand and supply respond reasonably quickly to market signals. *In developing countries, this response is often constrained by the lack of physical and institutional infrastructure.*

*"That is why substantial investment in energy, transportation, land, water development and human resource development is very necessary both for adjustment and for growth. Any adjustment program which fails to recognize this is necessarily incomplete,"* Chavan stated (emphasis added).

This appreciation of economic fundamentals would certainly be understood in Japan, where the proposal to set up a "Global Infrastructure Fund" to meet this urgent need emerged in the early 1980s. Though the quota issue, which among other things involves Japan's bid for greatly increased authority in the IMF-World Bank, was postponed, India had declared before sending its representative to Washington that it was working with Japan on this and other economic issues.

# International Intelligence

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## ***Shamir: Israeli and Jewish interests differ***

Israeli Prime Minister Yitzhak Shamir declared that the interests of Jewish organizations and of the State of Israel are not always the same.

In an interview with the Sept. 8 *Jerusalem Post*, Shamir defended Israel's refusal to get sucked into the frenzy around the Catholic convent at the Auschwitz concentration camp in Poland. "The State of Israel, at any rate, will not see this [anti-Semitism] today, as a main battlefield. That has always in fact been our policy throughout the years. Israel cannot fight the whole world."

Asked about Israeli policy toward the Catholic Church, Shamir said, "Are you suggesting that the State of Israel can declare an all-out war against the Church? We have a dispute with the Church. . . . That is not a particularly favorable fact in our life. I would much prefer if we had warm relations, close relations with the Catholic Church. . . . There are areas of tension, of conflict between us . . . but nor should we mount the barricades or declare war."

"We don't have to have declarations of war" against every anti-Semite, Shamir said. "Can I kill every anti-Semite in the world? What I must try to do is to kill anti-Semitism . . . but that is an historic process that will take centuries."

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## ***Hitler-Stalin Pact commission suppressed***

A majority of the members of a Soviet parliamentary commission formed to study the 1939 Hitler-Stalin Pact announced that the results of their study had been distorted and suppressed in advance of the commemorations scheduled during the 50th anniversary of the pact.

Yuri Afanasyev, a historian and member of the commission, said that Alexander Yakovlev, close adviser to Gorbachov, had acted under party discipline when he an-

nounced that the commission found that the secret protocols of the pact had existed, but that they were not related to the annexation of the Baltic states.

"This is a case of sheer disinformation," he said. Igor Grazin, a panel member from Estonia, added, "The party apparatus obviously felt that our real conclusions were unacceptable, and they had to take the route they did." The only commission members who did not sign the report were Yakovlev, Georgi Arbatov, and Valentin Falin.

The commission's final report declared the pact "null and void from the moment of its signing."

Afanasyev said the party's reaction was "not atypical" of the resistance to shifting power to new government organs. "There is clearly a struggle for power now going on in our society," Grazin said. "The party wants to protect its power, but they also want to use us as a shelter to say they are involved in democratization. But we don't want to be anybody's shelter."

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## ***Soviets developing new weapons, paper charges***

"The Russians are secretly developing what may be the ultimate weapons of war—genetically engineered poisons that can destroy the ability of troops to fight—at a time when, publicly at least, they are proposing to do away with all chemical armaments," the *Sunday Times* of London reported Oct. 1.

Defense correspondent James Adams wrote the weapons are "believed to provide a leap in capability," and "could change the face of warfare. . . . The poisons are designed to have a very specific effect for a defined time. Soldiers in a tank regiment could be made to have violent diarrhea to prevent them fighting. Infantrymen could be made to weep uncontrollably so that they could neither fire their weapons nor obey orders. To generals, they would be the perfect weapons, allowing invading armies to take territory without heavy loss of life on either side."

These new weapons are believed to have been tested after development at several secret research stations in the Soviet Union. The British Ministry of Defense's Chemical Defense Establishment at Porton Down "is urgently working on new equipment and antidotes to the poisons." According to Adams, the development of these weapons is "casting a shadow" over proposed talks to limit the stockpiling and development of chemical weapons. The Soviets have consistently lied about the real extent and content of their work in this area, and, in one case, reneged on a promise to destroy a chemical weapons plant, claiming that "environmentalists" had protested against the destruction of the plant.

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## ***Canadian banks hit for money laundering***

Sen. John Kerry (D-Mass.) has made public a confidential report, prepared by the Drug Enforcement Administration and the Royal Canadian Mounted Police, which says that hundreds of millions of dollars stream into Canada each year to avoid American laws designed to detect money laundering, the *New York Times* reported Sept. 28. Canada has no laws requiring reports on money entering and egressing the country.

The report states that the money comes in by car, and by electronic transfers between banks. There is little risk involved, because of the huge volume of traffic and transactions, and because Canada and the United States have just implemented a far reaching free-trade agreement that removes almost all barriers to trade. Bush administration officials told the *Times* that they expect the money laundering in Canada to increase, as the free trade agreement is further implemented.

Staff members on Kerry's subcommittee on Terrorism, Narcotics, and International Operations told the *Times* that officials of the Canadian banks have declined to appear and testify before the subcommittee.

## ***Shevardnadze announces new Great Depression***

Speaking before the Foreign Policy Association in New York City on Oct. 2, Soviet Foreign Minister Eduard Shevardnadze said, "Right before our eyes, the world is sliding into a deep economic depression. The debt of the Third World countries, the interest they have to pay and the pace of their economic development—are those not the signs of an impending catastrophe? The response, however, has been most inadequate. The measures taken thus far can only temporarily mitigate or slow down some trends. They do not offer a way out or a solution."

But neither will the fascist solutions proposed by Shevardnadze. He called for "radical bold steps . . . a kind of New Deal, a transition to a policy that would draw the developing countries into the scientific, technological, and information revolution. It will be necessary to overcome a certain psychological barrier, to go beyond national concerns and to start thinking in global terms." In other words, he proposed applying an even more virulent form of "globalist," "post-industrial" insanity which has already brought the world's physical economy into its current breakdown crisis.

Shevardnadze also engaged in the favorite Russian pastime of rewriting history, repeatedly likening the economic situation inside the U.S.S.R. now, to the Great Depression era in the U.S. beginning 1929 and extending into the 1930s. "In 1929," he said, "a powerful and confident state took an economic nosedive. There were bread lines in New York's Times Square and tents of the jobless huddled along Riverside Drive. In Washington, troops were fighting the Bonus Army that had invaded the capital. People were dying in demonstrations, strikes and riots."

Shevardnadze proceeded, in the best tradition of logical-positivist "dialectical materialism," to argue that, just as the capitalism survived in the U.S. in the 1930s, so, too, will Communism survive its present crisis

in the Soviet Union. "It is well known that in those years there were widespread expectations in [U.S.] left-wing circles that the severe crisis of the world capitalist system would finally bring about the world revolution. And long after that it was still believed that only the World War helped that system to stand up and survive. . . . Any analogies and comparisons have limited value. But I would still say that to a certain extent our economic problems today are similar to the problems the United States faced in the early 1930s. Then, uncontrolled rugged individualism upset the balance in your economy. . . ."

## ***Gorbachov sets visit to Japan for 1991***

Soviet President Mikhail Gorbachov has agreed to visit Tokyo in 1991, a Japanese Foreign Ministry spokesman at the U.N. said Sept. 27 after a meeting between Foreign Minister Taro Nakaya and Soviet Foreign Minister Eduard Shevardnadze.

Nakaya told Shevardnadze that the new government placed a high priority on relations with the Soviet Union, but complained that improved relations were stalled by a "lack of a strong political will on the part of the Soviet Union," according to Reuters.

Japanese sources believe that the timing of the summit in early 1991 assures that a U.S.-Soviet summit will occur before the unprecedented Soviet visit to Tokyo.

The Soviet Communist Party paper *Pravda* said Oct. 1 that the Soviet Union and Japan were actively seeking a way to sign a postwar peace treaty and confirmed the planned Gorbachov visit.

The daily also discussed the Soviet-Japanese feud over the Kurile Islands "in far more relaxed terms than previous Soviet media reports on the subject," according to the *Washington Times*. *Pravda* acknowledged that the four islands had belonged to Japan before the war, and it did not repeat the usual declarations made by Moscow that the area was traditionally part of Russia.

● **POPE JOHN PAUL II** told Thomas Melady, the new U.S. ambassador to the Vatican who presented his credentials on Oct. 2, "The curse of drug addiction, which hovers like a dark cloud over entire nations, is surely one of the most serious menaces to freedom in our time."

● **FERDINAND MARCOS**, the former President of the Philippines, died of heart failure in Sept. 28 in Honolulu, Hawaii, the sad victim of the "Project Democracy" grouping which forced President Reagan to betray his old friend and agree to his ouster in 1986.

● **THE ANDEAN** Supreme Court, comprised of the presidents of the supreme courts of Bolivia, Ecuador, Peru and Venezuela, passed a resolution at a meeting in Quito, Ecuador Sept. 29 expressing solidarity with Colombia and the war it has declared on the drug mafia. The judges met for three days to study coordination of anti-drug legislation among Andean countries.

● **NEW ZEALAND** Finance Minister David Caygoll said while in Washington for the IMF conference Sept. 27 that the July 1985 sinking of the Greenpeace ship *Rainbow Warrior* was "a piece of good luck." It allowed his government to implement radical policy reforms. "It took the attention of the New Zealand public away from some of the economic difficulties," he said.

● **AN ATOMIC BOMB** was detonated during a Soviet military exercise on Sept. 14, 1954, according to a Soviet Defense Ministry statement Sept. 29. Its purpose was to study the effects of the explosion and test troops' ability to negotiate contaminated terrain, according to the Soviet Defense Ministry.

## U.S. plot fails against Noriega in Panama

by Carlos Wesley

A plot by the United States to overthrow the government of Panama and to kidnap or possibly kill the commander of the Panamanian Defense Forces (PDF), Gen. Manuel Noriega, was put down by forces loyal to Noriega on Oct. 3. Ten persons, all of them insurgents, were killed during the failed uprising staged by junior officers of the PDF. Among the dead were the nominal leader of the rebellion, Maj. Moises Giroldi Vera, who commanded the Urraca company, in charge of security at PDF headquarters. Other plotters managed to escape and were given refuge by the U.S. Southern Command at American military bases in Panama.

Noriega loyalists also detained several members of the PDF high command and placed them under investigation. They include Intelligence chief, Col. Guillermo Wong, chief of police Col. Julio Ow Young, and Col. Armando Palacios Gondola, of the combined U.S.-Panama board in charge of security for the Panama Canal.

Col. Wong's name had been mentioned in connection with a previous coup plot that was being arranged by a U.S. anti-Noriega ally, Venezuelan President Carlos Andrés Pérez. That plan was uncovered on May 11, when Panama's military attaché in Colombia revealed that he had been approached by a representative of Pérez and of former Colombian President Alfonso López Michelsen, an apologist for the Medellín cocaine cartel, with an offer of major financial assistance for Panama if the PDF would oust Noriega. Allegedly, Col. Wong was supposed to be Noriega's successor had the Pérez plan gone ahead.

### A war of nerves

The coup attempt got under way early in the morning of Oct. 3, when some 200 soldiers, largely from Mayor Giroldi's Urraca company, and anti-riot police headed by Captain

Edgardo Sandoval, who also died during the uprising, broke into the PDF Central Headquarters and managed to capture General Noriega. Immediately a gun battle broke out between loyalist forces at PDF headquarters and the insurgents.

For a short while, the plotters also took over one of the nation's television networks and a radio station, and read a communiqué proclaiming themselves the "Young Officers" movement and announcing that they had ousted Noriega and several members of the high command. They also said that they would hold new elections "as soon as possible, under the supervision of the Organization of American States."

Plans were for the plotters to turn Noriega over to U.S. personnel in Panama for removal to the United States, to be put on trial on fake drug-trafficking charges. But, giving new meaning to Gen. George Patton's famous comment, "They've got us surrounded, the poor bastards," Noriega claimed he personally overcame his captors. As he explained, "my rank imposed itself on them." He told his captors that they would have to kill him, since he would not surrender peacefully; that they were surrounded; and that if they didn't surrender, they would all be killed. Since they were not ready to die, and since their instructions from the United States were to take him alive, Noriega gained the psychological advantage.

While this war of nerves was going on between Noriega and his captors, the crack "Batallion 2000" and other pro-Noriega units were airlifted by helicopter into position around the PDF headquarters compound, decisively tipping the scales in favor of the loyalists. The airlift was necessary because U.S. troops in Panama had blocked all access roads to the compound.

At no point was the U.S.-supported opposition able to mobilize any forces into the streets in support of the coup,

proving once again that they enjoy no popular support. In fact, at the first sign of battle, Guillermo Endara, the corrupt former presidential candidate of the Central Intelligence Agency-financed ADO-C, the party of the pro-drug financial oligarchy, cut short a hunger strike and went into hiding with former vice presidential candidate Ricardo Arias Calderon. In sharp contrast, tens of thousands of people turned out to support Noriega at a rally in front of PDF headquarters on Oct. 4, the day after the failed coup.

There is no question that, had the United States committed its troops in Panama to the uprising, the coup would have succeeded, given the overwhelming superiority of U.S. military forces. According to some sources, one reason the United States did not give its wholehearted backing to the young officers, was because the administration was working on yet another plan for a coup involving senior officers of the PDF. In any case, an overt U.S. military intervention would have brought its forces into a direct confrontation with the "Batallion 2000," causing heavy losses to both sides, and would have forced the U.S. to militarily occupy Panama, triggering a backlash throughout Ibero-America.

Despite the Girolidi fiasco, the U.S. administration is still considering the use of force against Noriega. "The United States retains the option to use American forces; that option has never been ruled out," Secretary of State James Baker III told a congressional committee on Oct. 4.

### **Bush doth protest too much**

Panama's President Francisco Rodriguez said on Oct. 4 in New York City, where he was to address the United Nations, that his government has photographic evidence "that American troops with tanks and other weapons blocked the roads leading to the PDF headquarters before the insurgents launched their attack." He charged the United States with wanting to break the 1977 Canal Treaties "and perpetuate its military bases in Panama."

But even before the Panamanian President made the charge, George Bush was denying any U.S. involvement. "There are rumors around that this was some sort of an American operation, and I can tell you it is not true," said Bush on the afternoon of Oct. 3, right after it became apparent that the coup had collapsed. Underscoring the fact that the U.S. move against Noriega occurred in the context of its arrangements on global power-sharing with the Soviet Union, Bush chose a White House meeting with Soviet Defense Minister Dmitri Yazov to announce that the United States had played no part in the plot.

"Get out of here, do your job," Bush told the reporters present at his meeting with Yazov. "Beam your television signals to Panama, and tell the people there that the U.S. had nothing to do with any of this," said Bush, who has repeatedly called the PDF to stage a coup against Noriega.

But the President protested a bit too much. Department of Defense officials have admitted that American officers in

Panama, including the commander of U.S. Army South in Panama, Gen. Marc Cisneros, held several meetings with Major Girolidi, Girolidi's wife, and others involved in the plot. At these meetings, the U.S. reportedly agreed to deploy troops to block reinforcements from reaching Noriega. To support the rebellion, at least one U.S. Marine company from Howard Air Force Base in Panama, and one Army mechanized infantry unit from Fort Amador were deployed to block Panamanian highways, say Pentagon sources. Fort Amador, a facility shared by the U.S. and Panamanian military, was shut down, preventing another PDF unit loyal to Noriega from leaving the base.

Also, U.S. reconnaissance airplanes and helicopters were kept flying above the PDF central headquarters throughout the uprising, and conducted intelligence-gathering overflights all over Panama City while the attempt was in progress.

### **U.S.-Soviet condominium**

In addition to Bush's meeting with Yazov, there was other evidence that the U.S. plot against Noriega took place within the framework of U.S. condominium deals with the Soviets on Central America.

On Oct. 2, the night before the failed coup, Soviet Foreign Minister Eduard Shevardnadze confirmed in a speech to the New York Foreign Policy Association, that during their September meetings in Jackson Hole, Wyoming, he and Secretary of State Baker had concluded an agreement on Central America. Two days later, Shevardnadze traveled to Nicaragua and explained that he and Bush had agreed on "the need to establish a mechanism of negotiations to define" the security needs of each Central American country.

"The Soviet Union and the United States could help the countries of the region define the concepts of [weapon] sufficiency," he said. "It is possible that the two superpowers could act as guarantors in the agreement on the equilibrium of forces." Shevardnadze added that conditions now exist for the U.S.S.R. to establish diplomatic relations with El Salvador, Honduras, and Panama, with which the Soviets now have no direct ties, reported the *Washington Post* Oct. 5.

As *EIR* has repeatedly reported from the beginning of the Panama crisis, the United States wants to get rid of Noriega because he stands in the way of those agreements. The charges of drug trafficking were fabricated out of whole cloth solely to justify his removal, as is proven by the fact that almost every single one of the leaders of the Panamanian opposition whom the United States wants to replace Noriega with, have been proven by U.S. law enforcement agencies to have been involved in drug trafficking and related activities. "Since Noriega is not controlled by either of the superpowers," wrote *EIR*'s Ibero-American Intelligence Director Robyn Quijano in the June 3, 1988 issue, "he presents a danger to the regional pacts agreed to by Reagan and Gorbachov."

# Ramsey Clark argues LaRouche's appeal

by Warren J. Hamerman

Ramsey Clark, the former Attorney General of the United States, argued in federal court in Richmond, Virginia on Oct. 6 for a reversal of the conviction of Lyndon LaRouche and six associates, before a three-judge panel of the Fourth Circuit Court of Appeals. "What was done in this trial," he said, "was the heart of travesty."

The judges—Butzner, Hall, and Murnaghan—were the same three who had denied the bond pending appeal application of the LaRouche Seven. The Seven were convicted of conspiracy to commit loan fraud, and LaRouche himself was additionally convicted of conspiracy to defraud the IRS, in a case appropriately described as a political "railroad." In prison for their political work, along with LaRouche, are Michael Billington, Paul Greenberg, Joyce Rubinstein, Dennis Small, Edward Spannaus, and William Wertz.

Clark said that the reason he and so many others felt so strongly about this case, was that the quickness to trial and the extreme brevity of the jury selection were "startling even in the Eastern District of Virginia."

At the conclusion of the slightly more than hour-long hearing, Clark said: "This case asks whether the American judicial system is capable of giving a fair trial in an extremely controversial situation. That's always the test. The trial here was not fair because of the extra haste and rush to trial. More importantly this occurred in the face of a demonstration of years of highly prejudicial media publicity. Appropriate extra care would have had to be taken. But the judge selected a jury in a matter of minutes. This is unprecedented in a case like this, and unacceptable to those interested in justice."

The signing of amicus briefs supporting the LaRouche appeal by more than 800 U.S. attorneys and 45 Europeans, indicates the level of concern expressed by Clark. This concern was also reflected by the presence of eight international observers at the appeal hearing.

## Prejudice at the start

Shortly into his presentation, Judges Murnaghan and Butzner interrupted Clark to ask questions culled from the prosecution's papers. They implied that the defendants couldn't raise the shortness of time from arraignment to trial as an issue, because the defense had not filed a motion objecting to the trial date the moment that it was announced. Clark held his ground, and turned the discussion to his critique of Judge Albert Bryan's failure to give the LaRouche Seven an unbi-

ased and fair jury.

Clark argued that not only were there only 25 working days from the arraignment to trial, but that there could be no due process or constitutional protection given the incredibly short jury selection (*voir dire*).

He said that he himself had been a political adversary of LaRouche, but that he was so disturbed about the constitutional abuses done to LaRouche, that "when I see what was done to him, I felt compelled to come to his defense. This also explains the tremendous international and national concern with the case."

Clark said that he has been involved in other trials "where I have spent six weeks or five weeks in jury selection. You don't pick a fair jury in a case like this in 20 minutes." He stressed that jury selection is the "heart of fairness" in a trial, and if you don't have a fair and impartial jury, you cannot get a fair trial. He said that he has defended many unpopular causes and defendants against whom there was prejudice, including the Attica seven defendants. "While there was prejudice in the community against them, it in no way compares to the duration and intensity of prejudice in Northern Virginia against Lyndon LaRouche."

Clark drew particular attention to the fact that the trial occurred "in a district saturated with government employees." The jury pool contained CIA and FBI agents, Department of Justice, and other government employees. "I represent many unpopular defendants who have to overcome prejudice. But this is the worst case. There were years of prejudice in the area in the *Washington Post*, *Washington Times*, and other media. You can't really choose a jury in 20 minutes in these circumstances. Eight potential jurors never even had to answer a question. What's the Sixth Amendment really worth if we let this stand?"

In conclusion, Clark asked: "Was it really necessary in this case to deny the due process of law? It was impossible to know whether the jurors in the box were impartial. There was no respect for the Constitution here. What was done in this trial was the heart of travesty."

Following Clark, LaRouche's attorney Odin Anderson made brief remarks in which he drew attention to the extraordinarily broad international interest in the case. He said, "This is because this case has historical roots. The case comes after 20 years of government investigation that began in Cointelpro and continued with national security interests." He charged that the government engaged in "forum shopping" when they brought the LaRouche trial down from Boston to Alexandria. He also attacked Judge Bryan's ruling on the motion *in limine* which prohibited the defense from mentioning government efforts against LaRouche and his associates. Anderson concluded: "Lyndon LaRouche is 67 years old and he was given a 15-year sentence. If you do not reverse the case on appeal, his sentence is a death sentence."

The Fourth Circuit Court of Appeals normally takes three to four months to announce a decision.

# Protests continue to bombard Bush over attempt on LaRouche's life

The number and level of protests to President George Bush over the life-threatening treatment given to former U.S. presidential candidate Lyndon LaRouche in prison, increased in the first week of October. As previously reported by *EIR*, the 67-year-old LaRouche has been mistreated in the Rochester, Minnesota federal penitentiary where he is being held while the appeal of his conviction last December is pending in federal court.

## Fauntroy pledges to take steps

In late September, Brazilian Rep. Oswaldo Lima Filho released a statement reporting that he had received a response to his request for investigation from U.S. Delegate to Congress for the District of Columbia, Walter Fauntroy. Fauntroy wrote Lima Filho that, although he does "not support the views of the highly controversial Mr. LaRouche," he does "support his right to fair treatment under law," and therefore, "as a Member of the United States Congress [I pledge] . . . to take all necessary and appropriate steps to ensure that fair and safe treatment under the law is accorded to Mr. LaRouche."

Below is a sampling of letters and telegrams which were made available to *EIR*. All of the messages were sent to President Bush unless otherwise specified.

## German 'Amnesty International' member

"In the Amnesty International Working Group on Medicine and Psychology (Federal Republic of Germany Section), we draw attention to inhuman and inhumane treatment of prisoners in prisons throughout the world and write to those responsible. Thus I have already turned to the Presidents of many states, for example, in the U.S.S.R., Romania, Bulgaria, Turkey, South Africa, Nicaragua, El Salvador, Peru, Chile and many others. I would never have thought that it could be the case that I would have to write such a letter to you also in the United States. This grieves us and fills us with concern about the development of justice and the execution of justice in your great, free American land, which is founded on the best Constitution of any nation on this earth, because it is founded on Christian principles.

"Lyndon LaRouche, who warned against the AIDS epidemic and has fought against the spread of all kinds of drugs in the world, and who for years has pointed out workable ways to fight this species-threatening epidemic and to destroy

the worldwide drug mafia, has been held in the federal prison in Rochester, Minnesota since January 1989. This man is a politician like you. He therefore must be well known to you. The 67-year-old man has to carry out eight hours' heavy labor per day from 4:00 a.m. to noon. This is a scandal and something you and your country should be ashamed of. In no civilized country is anything like this possible. In our country, no man of this age would have to perform heavy labor in prison, in fact, he would not even have to be imprisoned for the charges brought against him. I have heard that Mr. LaRouche had to have a medical procedure performed on his intestine, like the one President Reagan underwent some time back. According to general medical standards (in Germany as well as in the U.S.), such a patient requires two days' rest in bed before and after such a procedure. Mr. LaRouche, however, was given no bed rest in preparation for the procedure (total emptying of the intestine and consequent weakness) nor after the procedure (weakness as a result of the anaesthetic, bleeding, heart and circulatory stress, inadequate nutrition and abdominal pains). This is a violation of the duty to provide care, in every sense; indeed, this is torture. Amnesty International most thoroughly denounces such behavior throughout the whole world! Mr. President! Please do something immediately! Arrange for the 67-year-old sick man to be immediately freed from labor and, if necessary, to be given bed rest. If you intervene for the release of this patient, you would well deserve praise for respect of human dignity and human compassion. Please act immediately!

"Respectfully,

"Dr. Günter Buch"

## One who led uprising against Hitler

". . . As a lawyer I dare to say to be able and entitled to form a judgment on treatment of prisoners, both in a democratic world as well as under Nazi terror. I have had firsthand observations at the time, most hated and fought against under Hitler's regime. Based hereon I am the elected president of the 'Zentralverband Demokratischer Widerstandsorganisationen' for Bavaria. And in U.S. archives I am well known as head of the only successful military uprising against Hitler on April 27, 1945 at Munich, the so-called 'Freiheitsaktion Bayern.' Now, studying the treatment of Lyndon LaRouche at the prison of Rochester, Minnesota, I beg you, Mr. President of the United States of America, for

its responsible government may institute a Commission of Inquiry regarding necessity and rules of treatment versus Lyndon LaRouche Jr.—a possibly disagreeable—but patriotic and loyal U.S. citizen.

“Dr. Rupprecht Gerngross, lawyer”

### **Australian Civil Liberties Union**

“The Australian Civil Liberties Union believes there is strong *prima facie* evidence that the trial of Mr. LaRouche and others before Judge Albert V. Bryan was a travesty of justice. The defendants were denied their right to a fair and impartial jury, trial subpoenas for exculpatory documents were denied without justification and in the words of a previous trial judge there is systematic persecutorial conduct on the part of government agencies involved in the prosecutions. The prosecutions brought against Mr. LaRouche and others appear to be part of a political vendetta.

“The ACLU also believes there is strong *prima facie* evidence that Mr. LaRouche is receiving quite inadequate medical treatment in jail, and is being forced to work at times, which in view of his medical condition, puts his life at risk, perhaps deliberately so.

“Yours faithfully,

“John Bennett, President, Australian Civil Liberties Union”

### **Captive Nations**

“We, the Captive Nations, have no better friend than *you*.

“We trust you, and trust that some upsetting injustices of the previous Government will not be repeated. Like the case of Karl Linnas, i.e. his deportation to the U.S.S.R. (Estonian S.S.R.). . . .

“Mr. LaRouche’s uncompromising stand against the tyranny and oppression of the Soviet Union dictatorship is well known. Judging by the abnormalities in his trial and his imprisonment for 15 years, one might question whether he has been offered up as a political sacrifice on behalf of closer ties to the U.S.S.R.—especially in the light of the present popularity of Mr. Gorbachov. . . .

“On October 6th, when a higher court hears his Appeal, many eyes all over the world will be focused on that courtroom. We pray that the United States will not let down the cause of truth, freedom and justice!

“I remain truly yours,

“Lia Lovever, B.E.M., Secretary, Captive Nations Council of New South Wales” (Australia)

### **Former Cambodian President**

“I am very concerned about the conditions facing Lyndon LaRouche in prison in Minnesota. He is a friend of freedom and a leader in the fight against Communist tyranny worldwide. I am asking you to investigate the harsh treatment that he is receiving in prison and to act in accordance with the tradition of respect for human rights for which the United

States is known.”

“Heng Cheng

Former Chief of State (President) of Cambodia”

*Heng Cheng was President of Cambodia from 1970 until 1972. He left Cambodia in 1975, several weeks before the Khmer Rouge seized power. From his present home in Houston, Texas, he has been a leader of anti-Communist Cambodian refugee organizations and president of Khmer Unity for Peace and Freedom.*

### **Virginia Delegate**

*A statement by Virginia Del. William R. Robinson, chairman of the House of Delegates’ Black Caucus, issued to a meeting of the Martin Luther King Tribunal on Human Rights Violations held in Richmond, Sept. 30:*

This country was founded upon the principles of freedom, equality, and justice for all. Indeed, the dissidents of Europe emigrated to the shores of what became the United States to escape political, social, religious, and economic tyranny.

The greatness of this nation has endured and has been preserved principally because of our national tolerance for diverse ideas and philosophies. God help us if we ever reach the point where an opposing idea so frightens us that we feel compelled to silence that voice of dissent through persecution, prosecution, and imprisonment.

The rights, privileges and immunities which are our birthright, belong likewise to one of this nation’s most dissident voices, Lyndon LaRouche.

### **Protest from Mexico**

*From an ad placed Oct. 2 in the Sonora, Mexico paper El Imparcial, in the form of a letter with 83 signers. It is addressed to Mr. Robert Witajzowski, U.S. Consul General, Hermosillo, Sonora:*

Honorable Sir:

The undersigned Mexican citizens, residents of the State of Sonora, respectfully request that you inform the President of the United States, Mr. George Bush, of what we consider human rights violations against Mr. Lyndon LaRouche that have . . . seriously undermined his health, to the extent that his life is in danger. . . .

The treatment given Mr. LaRouche is comparable only to that engaged in by totalitarian dictatorships to rid themselves of their political opponents. . . .

LaRouche’s growing influence in the United States and throughout the world is well known because of his programmatic proposals to turn around the current international financial crisis, and his 15 years of tireless struggle against the interests of drug trafficking. LaRouche has been the voice of hope for the impoverished nations of Ibero-America and the Third World, which have been suffering the unjust burden of the foreign debt. . . .



# CIA director Webster targets U.S. allies

*On Sept. 19, 1989, Director of Central Intelligence William Webster told the Los Angeles World Affairs Council that it was no longer the East bloc, but our allies who are now the enemy. Excerpts of his treacherous diatribe follow.*

. . . As the 21st century approaches, it is clear that economic considerations will play an even greater role in our relations with our allies and adversaries alike.

There is now a universal recognition that economic strength is key to global influence and power. Nations are adjusting, even reshaping their economic systems in order to compete in the global marketplace. And we are seeing three trends:

First, the Soviet Union, Poland, Hungary and other nations with centrally planned economies are recognizing the flaws of their systems and the need for reforms; Second, the world's financial markets are becoming increasingly integrated; And third, there is greater international focus on debt, trade balances, and technological development. . . .

The serious and ongoing economic problems in the Soviet Union have convinced President Gorbachov to undertake bold reforms. . . . One move that could eventually help and that greatly affects our security interests is Gorbachov's plan to cut defense spending. . . .

Over the past two years, Gorbachov has made a number of changes in Soviet national security policy that reduce somewhat the burden of defense on the economy. . . . [I]n January, Gorbachov said the Soviet Union's economic situation was so "acute" that his government would also have to consider reductions in military outlays. Two weeks later, in an address to the Trilateral Commission, Gorbachov announced that the military budget would be reduced by 14% and the production of arms and equipment by nearly 20%. . . .

The second major economic trend we are seeing is the further integration of financial markets. This financial integration is a revolutionary structural change in the global economy. Traditional distinctions have been blurred between domestic and international markets, between the different kinds of financial transactions, and between who is a market participant and who is not. . . .

This "globalization" of financial markets has created a highly fluid situation in which political and economic developments in one area are quickly and forcefully transmitted to the rest of the globe. . . . The first indications of breaking world events are often seen in the immediate movements of interest rates, exchange rates, and capital flows.

Even rumors can send markets reeling. . . .

During the next few years, U.S. policymakers will be looking at the impact of increased financial integration on world economic stability. They will also be looking at the ways in which the international financial system can be used by governments and groups whose objectives threaten our security interests. . . .

The other economic issues I mentioned—trade imbalances and technological development—illustrate a point that is becoming increasingly clear: our political and military allies are also our economic competitors.

Trade imbalances have focused attention on the trade barriers that exist in countries with which the United States has large trade deficits—particularly Japan and the newly industrializing countries in East Asia. Last year, our trade deficit with Japan alone reached \$52 billion.

[In] the 1990s, U.S. policymakers will be very interested in identifying protectionist measures and other impediments to reducing trade imbalances. They will be interested in the reaction of economic competitors to measures the U.S. may take to correct imbalances.

## High technology and national security

Perhaps the most formidable economic challenge we face in the next decade is in the area of high technology. Technological advances can revolutionize major industries in a few years or even a few months—an example of that is the impact microelectronics has had on the computer industry. And just as important as developing a new technology is bringing it to the marketplace quickly.

The national security implications of a competitor's ability to create, capture, or control markets of the future are very significant.

During the next few years, Japan and some of our other economic competitors will continue to make technological strides in high-tech industries in which the United States has long held the lead. Telecommunications and data processing are just some of the areas in which the Japanese and other industrialized nations are growing increasingly competitive. . . .

In high technology and in virtually every other economic area, U.S. policymakers will be increasingly focusing on where the playing field is not level as far as U.S. interests are concerned. They are looking at the strategies of our economic competitors, as well as the efforts by foreign governments to target markets and finance research, development, and production.

As the economic trends I have discussed today unfold, the connection between economics and national security will become even greater. The intelligence community looks at these developments from a strategic perspective, examining what is occurring, the forces at play, and the ways that actions taken abroad can directly and indirectly affect our national security interests. . . .

# LaRouche-inspired candidate movement determined to solve crisis

by Patricia Salisbury

A growing movement of citizens determined to force solutions to the economic, political, and cultural crisis facing the United States and the world is announcing candidacies for public office. The drive was initiated with the flagship campaign announcement of Lyndon H. LaRouche, Jr., the noted physical economist now imprisoned in an attempt by his political enemies to silence him.

On June 23, LaRouche announced from his jail cell that he would run as a Democrat for the U.S. Congress in Virginia's 10th Congressional District. LaRouche stated that his campaign would be run on the model of the successful 1810 campaign for Congress of American statesmen Henry Clay. Now, as then, LaRouche stated, a failure of nerve on the part of the elected leaders of the Republic threatens to plunge our nation and the world into chaos. In 1812, Clay used his campaign to galvanize other patriotic citizens to seek and win office. He then used his newly won position of Speaker of the House to lead a transformed U.S. Congress in adopting policies which renewed the country after over a decade of economic and moral decline.

At the time LaRouche's announcement, the United States, under the mis-leadership of President George Bush, was displaying a failure of strategic nerve with regard to the China crisis, first failing to denounce, and then actually supporting, the butchers of Tiananmen Square. LaRouche pointed out that the major decisions of 1989 and 1990 lay immediately ahead, as earthshaking crises, including the deepest worldwide financial collapse of the century, would hit simultaneously. He stated that to solve these crises would require the reversal of every leading policy trend of the first five months of the Bush administration.

## The power of 10 million leaflets

LaRouche's campaign announcement was not symbolic, but was aimed at accomplishing a "political miracle" on the order of Henry Clay's precedent. Over the first four months of LaRouche's campaign, over 10 million leaflets went out nationwide—5 million in July, 2 million in August, 2 million in September, and 1 million in the first week of October. These leaflets were distributed by over 1,000 LaRouche supporters throughout the nation. In addition, LaRouche's campaign committee—appropriately named "LaRouche for Justice"—released 100,000 copies of a 24-page pamphlet au-

thored by LaRouche titled "The Great Crisis of 1989-1992," explaining the economic and cultural reasons for the nationalist upsurge erupting, or about to erupt, throughout all regions of the world.

LaRouche for Justice also sponsored rebroadcasts of two campaign addresses by LaRouche which were nationally televised during his 1988 U.S. presidential campaign. The first, "The Woman on Mars," presenting LaRouche's program for space colonization as the basis for economic recovery, aired on a Washington, D.C. station which also hit Virginia's 10th Congressional District and parts of Maryland. And in early October, the campaign broadcast "The Test of Fire," an address which forecast in some detail the now-breaking economic crisis, over the national cable network of the Chicago-based station WGN.

Meanwhile, statewide and U.S. congressional campaigns have already sprung up in California, Indiana, Illinois, Missouri, and Virginia, while campaigns for city office and school board are under way in these and many more states. Here are the highlights:

## West Coast

At a press conference in front of California Attorney General John Van de Kamp's Los Angeles office, LaRouche Democrat Mark Calney announced his campaign for governor and released an initial slate of candidates pledged to waging—and winning—the war on drugs. Calney charged that Van De Kamp, his opponent for governor in the Democratic primary, "has been an utter failure" in enforcing anti-drug laws, and outlined Lyndon LaRouche's 15-point program for winning the war on drugs, while presenting model legislation to stop money laundering. California, Calney pointed out, has become the cocaine capital of the United States, servicing an estimated 12 million users, and he charged that Van De Kamp "has opposed the use of paraquat on domestically grown marijuana, which is now California's number-one agricultural crop at an estimated \$30 billion per year." Calney charged that instead of prosecuting the banks and others involved in laundering drug money, "Van De Kamp has chosen to use his office to attack LaRouche supporters and others who are fighting the drug pushers."

Calney's running mate for lieutenant governor is Khushro Ghandhi, who was co-chairman of the Prevent AIDS Now

Initiative Committee (PANIC), which sponsored Proposition 64—the 1986 anti-AIDS ballot initiative. Thirteen other LaRouche supporters have announced for Congress in northern and southern California, with scores more running for school board and other offices.

## Midwest

The Midwest “LaRouche slate” is headed by a man whose very name strikes fear into the hearts of anti-LaRouche hacks in the Democratic party: Mark Fairchild, who is running for Governor of Illinois. It was Fairchild, along with his running mate Janice Hart, who captured statewide nominations for lieutenant governor and secretary of state in the 1986 Democratic primary, clearly establishing that the LaRouche strategy of transforming the Democratic Party back to a constituency-based party, was winning.

Another important Midwest campaign is being run in Minnesota by truckdriver and Teamster Kent Herschbach, who is opposing incumbent governor Rudi Perpich. Herschbach has challenged Perpich to take concrete economic steps long before the 1990 election to protect the citizens of Minnesota from the economic collapse. He points out that in Minnesota, as in the rest of the country, the building boom has gone bust, with over 25 major projects in receivership and recently built downtown skyscrapers now empty “ghost buildings.” Herschbach heads a slate which also includes several congressional candidates.

In Missouri, LaRouche supporter Nick Clement has announced a campaign against Rep. Richard Gephardt for the Third Congressional district. Clement gained notoriety in the past months by leading the opposition to the St. Louis concert of degenerate rock star Ozzie Osbourne.

In Indiana, veteran candidate Georgia Irely has announced for U.S. Senate, heading a slate that includes several congressional candidates.

## Southwest

In Texas, a slate of four candidates headed by Claude Jones filed for office in the Houston municipal elections. Jones, who was elected chairman of the Harris County Democratic Party in March 1988, receiving more than 54,000 votes, will challenge Mayor Kathy Whitmire in the mayoral race. Jones kicked off his campaign with an attack on Mayor Whitmire’s ridiculous claims that because of her, the blown-out Houston economy is now experiencing an economic recovery.

Meanwhile, Houston’s corrupt Democratic establishment is attempting to disqualify the Jones campaign on a technicality. In 1988, the Party leadership waged and finally won a court battle to remove Jones as Harris County chairman because of his association with LaRouche, despite the fact that he had clearly won the election. The Jones for Mayor campaign has announced it will go into court to fight this new maneuver.

## East Coast

In Virginia, Nancy Spannaus, editor-in-chief of the *New Federalist* newspaper, is running a campaign for Senate against Republican John Warner. Spannaus’s husband Edward is one the “LaRouche Seven” framed up and jailed along with LaRouche. Spannaus’s slate includes candidates for state legislature in southern as well as northern Virginia. She is offering her expertise in LaRouche’s economic thinking in a series of weekly tours, meetings, and interviews with local press.

In September, Spannaus was the first Virginia political figure to go to the coal fields in support of the miners’ strike. Spannaus and an aide visited the headquarters of District 28, where the UMW strike against the Pittston Coal Group is being coordinated. Spannaus arrived one day after AFL-CIO President Lane Kirkland, UMW President Richard Trumka, and 16 other prominent national and state union officials had been arrested for holding a support demonstration for the miners. She found the strikers in high spirits, given this expression of national and international support, but outraged at the role which the Virginia State Police, at the behest of Democratic Gov. Gerald Baliles and Democratic Attorney Mary Sue Terry, are playing in the strike. The state of Virginia, in an attempt to intimidate the miners into submission, is subjecting them to immediate arrest if police consider pickets out of bounds. In addition, fully one-third of the Virginia State Police force has been deployed into the sparsely populated county where the strike is centered.

Spannaus was invited to address the miners gathered at the main Solidarity encampment, and introduced herself as a LaRouche Democrat and a supporter of the UMW strike. She denounced the current efforts to impose a police state on the United States. When LaRouche was convicted last year, she reminded her audience, he warned that this would happen. And in the seven months since he has been in jail, the police-state measures have gradually been expanded—to labor, anti-abortion activists, civil rights layers, and farmers, in particular, and throughout the world in China, and the East bloc.

Spannaus challenged the miners, as she has challenged other Virginians, to realize that these police-state conditions are occasioned by the impending economic crisis, and are being imposed by the policymakers who would prefer mass murder to a change in policy. She called on every citizen to realize the responsibilities which they each bear for the crisis we face. “Even if we succeed in ‘throwing the bums out,’ ” she warned, “the vast majority of our citizens would generally repeat the very same mistakes that have created the current catastrophic mess.”

That is why she and the other candidates are joining with LaRouche in calling on our citizenry to root out of our own thinking the assumptions that have corrupted our judgment, and the habituated passivity which permits the country to be governed by mediocrities and worse.

## **AMA ties rock to Satanism and drugs**

*However timidly, the American Medical Association has drawn attention to the link between rock and dangerous behavior.*

**F**or the first time, a non-religious "mainstream" organization has drawn a direct link between rock music and experimentation with sex, drugs, and Satanism.

The prestigious American Medical Association's Group on Science and Technology has issued a report, "Adolescents and Their Music," which counsels physicians who treat teenagers to be aware of the connection between rock music, especially of the heavy metal variety, and aberrant, anti-social behavior.

The study was published in the Sept. 22-29 edition of the *Journal of the American Medical Association (JAMA)*.

"One aspect of the adolescent environment that has been a source of concern since its appearance in the 1950s has been the role of rock music, specifically its lyrics," says the report. "This concern has been enhanced by the visual imagery of rock music videos," whose "violent and sexual content . . . are disturbing to many." Heavy metal music "features a loud pulsating rhythm and abounds with lyrics that glorify hatred, abuse, sexual deviancy, and occasionally Satanism."

Although the report is extremely conservative—it concludes by claiming that no substantive evidence exists which actually proves that rock has a deleterious effect on adolescent behavior, it nevertheless performs a useful function by citing numerous studies which have implied a causal relationship between adolescent fascination with rock music, and participa-

tion in drug use and other destructive behavior.

Asserting that "as an important agent of adolescent socialization . . . the negative message of rock music should not be dismissed," the study warns that for teenagers heavily immersed in the heavy metal subculture, there is "evidence, although anecdotal, [which] suggests that these adolescents may be at risk for drug abuse or even participation in satanic activities."

The study cites several murders which "have been correlated with a fascination for heavy metal music," including the case of the "Night Stalker," serial murderer Richard Ramirez, who left Satanic slogans and symbols at the sites of his crimes, and "was said to be obsessed with the heavy metal band AC/DC."

It also makes reference to numerous studies which link heavy metal and other kinds of rock music to drug abuse and premarital sex.

One such study, of chemically dependent adolescents, found that 60% named heavy metal as their first choice of music, leading the author to suggest that such music is associated with and may promote destructive behavior in susceptible teenagers.

Another, on the effect of music television (MTV), discovered that 7th and 10th graders, after watching more than one hour of selected music videos, "were more likely to approve of premarital sex compared with a control group of adolescents." One behavioral study "found that violent music videos desensitized viewers to vio-

lence immediately after viewing."

But perhaps the most frightening finding reported by the *JAMA* report, is that, between the 7th and the 12th grades, the average teenager listens to an astonishing 10,500 hours of rock music.

The study contains two major flaws. First, it fails to recognize that, in the case of rock music, the medium is indeed the message. There is no "good" rock. The music itself is anti-human, and therefore must incite anti-human behavior.

Although explicitly Satanic or perverted lyrics and visual images undoubtedly exacerbate the negative effects of rock, it is the nature of the "music" which is objectionable. Attempting to substitute the words "God" and "love" for "Satan" and "kill" in a typical heavy-metal piece, may produce even more devastating effects upon the human psyche, because it subliminally equates the idea of goodness with what, by virtue of its mindless chaos, is essentially evil.

Not only do the *JAMA* study's authors neglect to make a value judgment against rock, period, but they also fail to propose the kind of cultural renaissance, based on promoting great classical music, which is the obvious antidote to the banality and depravity which characterizes popular culture in general.

The study's second major drawback is its treatment of rock as a sociological phenomenon, rather than a deliberate conspiracy against the human mind.

Despite these problems, the AMA has done an important service by drawing attention, albeit timidly, to the dangers inherent in rock, and by providing useful ammunition to those who are trying to expose the rock movement as cultural warfare against Western civilization.

## Terror hangs over D.C. drug trial

*The legal system in the nation's capital is threatened by intimidation from drug traffickers.*

The headlines in the local news sections of the Washington, D.C. press the last two weeks of September and the first week of October would leave a visitor here wondering if he were not in Medellín, Colombia, instead. Alongside progress reports on the record number of homicides for 1989, have been accounts of bombings, shootings, and threats to witnesses and jurors participating in the trial of a man alleged to operate the city's largest cocaine-distribution organization.

Six killings over the Oct. 1 weekend brought the total murders so far in 1989—among only 650,000 residents of the nation's capital—to 338, way ahead of last year's all-time record of more than one murder a day.

But news of the latest body count, with almost all the murders attributed to drugs, was dwarfed by the headlines reporting an extraordinary action by Federal Judge Charles Richey to close to the public the trial of alleged drug kingpin Rayful Edmond III. Richey's order came Sept. 29 in an attempt to protect both jurors and witnesses.

One key witness had already been shot in the leg. This was due to an error by the prosecution, when it sent a letter to the witness's home, which was being shared with one of the defendants. A bullet-proof shield had already been placed between the courtroom audience and the court proceedings.

And, in an unprecedented move in the District of Columbia, the names of all the jurors and alternates were kept secret from both prosecution and

defense, as well as the public.

Nonetheless, one juror had already asked to be dismissed from the case, because he was recognized by a member of the audience, who passed on his identity to one of Edmond's 12 lawyers.

Judge Richey observed that Edmond and others among the 11 on trial were making signals to persons in the audience, and that jurors were glancing over the audience with worried looks to see if anyone recognized them.

These developments, in the context of the allegation that the Edmond drug-trafficking organization was responsible for at least 30 murders, caused the judge to order the courtroom closed.

However, on Oct. 2, a three-judge court of appeals overruled Judge Richey, saying that potential threats to witnesses and jurors "did not outweigh the defendants' constitutional rights to a public trial."

The result has been an escalation of violence, and police here are braced for more. On Oct. 4, the home of the mother of a key prosecution witness, who had been on the witness stand that day, was firebombed. No one was injured, and the mother was spirited away under Drug Enforcement Administration protection, but the witness, who faced cross-examination the following day, was warned against even mentioning the incident, because it could lead to a mistrial on the grounds that it would prejudice the jury. In addition, the attorney for another key prosecution witness told the court that his client had been

threatened.

As a result, despite the order by U.S. Attorney Jay Stephens to provide police protection for all witnesses and jurors, the total number of jurors, including alternates, has dwindled from 18 to 15, and only two dozen of the prosecution's list of over 160 witnesses had testified as the trial moved through its third week.

The shootings, bombings, and threats of violence have been augmented by intimidation tactics used by Edmond's lawyers, including demanding psychiatric examinations of three witnesses and accusing another of cheating on her taxes. Defense attorneys have been relentless in their calls for a mistrial, and the judge and prosecution have bent over backwards to prevent that, including resort to such extraordinary measures as requiring drug tests for all witnesses.

The defendants are charged with cocaine distribution, conspiracy, and racketeering. In addition, the 24-year-old Edmond is charged with "running a continuing criminal enterprise," a charge that brings life imprisonment without the possibility of parole, if convicted.

It is alleged that Edmond ran the largest street-level cocaine-trafficking distribution network in the District of Columbia, distributing over 1,700 pounds of cocaine per week during its peak in 1987 and 1988, with a single pound bringing \$30,000 to the organization.

If true, according to officials here, this made Edmond's operation not only the biggest drug enterprise, but one of the biggest businesses of any kind in the region.

But what has observers here shaking their heads is the ability of the drug traffickers to disrupt courts to such a degree—even courts that sit literally in the shadow of the Capitol.

## House passes bill to meet Gramm-Rudman target

With the sword of the Gramm-Rudman-Hollings budget deficit reduction law hanging over its head, the House of Representatives passed by a vote of 333-91 on Oct. 4 a bill that would, on paper, reduce the U.S. 1990 federal budget deficit to the target mandated by the Gramm-Rudman-Hollings law. But the bill does this by such transparent hoaxes as putting expenditures for the U.S. Postal Service (\$1.7 billion) "off-budget," and forcing telephone companies to pay their federal taxes one week earlier.

The federal government is now operating under a continuing resolution, past the Oct. 1 deadline set by Gramm-Rudman at which "automatic" pre-calculated across-the-board budget cuts go into effect. If Congress does not pass a deficit reduction package by Oct. 16, the new deadline set by the resolution, the automatic cuts will take effect.

## Catastrophic health insurance is repealed

The House of Representatives voted 360-66 Oct. 4 to repeal a catastrophic health insurance law it had passed overwhelmingly only last year. The vote came as a result of grassroots pressure from senior citizens, who forced a reversal of positions in favor of the bill initially taken by such lobbying groups as the American Association of Retired Persons.

The law, said Rep. Brian Donnelly (D-Mass.), one of the sponsors of the repeal measure, "has no support among the people we purport to help."

The principal objection to the law is its sole source of funding: It requires

some seniors to pay a tax of up to \$800 a year or more for health coverage they had already been receiving. Benefits for the elderly have traditionally been funded at least in part by taxes on the general population, not solely by the beneficiaries themselves. The catastrophic health law was hailed on that account as a model of budget-balancing, fiscal austerity legislation when it was originally passed last year.

But subsequently the law drew such bitter opposition that earlier this year, Rep. Dan Rostenkowski (D-Ill.), one of the catastrophic health plan's original backers, was chased off a public street in Illinois by outraged senior constituents.

The law's defenders, who hoped to substitute a partial repeal for the full repeal in the Senate, tried to cast attacks on it as coming from "wealthy" seniors upset at being forced to pay under Medicare for unlimited hospitalization, and some doctors' fees and prescription drugs, for those less well off than themselves. In fact almost half of the nation's senior citizens were being taxed under the law.

## Capital gains tax cut fails to pass committee

The Senate Finance Committee split 10-10 in an Oct. 4 vote on President Bush's proposed tax cut on capital gains realized from sales in stocks, bonds, and real estate. The vote means the tax bill reported out of committee does not carry the capital gains cut provision, but Capitol Hill sources expect an attempt to add it in by amendment on the Senate floor. The House passed a capital gains tax cut last week.

The Democratic Party leadership in both House and Senate vigorously opposed the capital gains cut, arguing it was a Bush administration giveaway to rich GOP supporters.

At the same time, however, the Senate bill included a huge \$500 million subsidy for alcohol fuel producers, which the *Washington Post* reported would mainly go to Archer Daniels Midland, the giant agribusiness conglomerate whose chief, Dwayne Andreas, is the Soviet Union's second favorite capitalist, after Armand Hammer. Also tacked on were tax benefits for Individual Retirement Accounts (IRAs), to family business owners, and an assorted \$35 billion in tax benefits to other interest groups.

## House panel votes new auto pollution standards

In what is being hailed as a landmark decision, the House Subcommittee on Health and the Environment voted unanimously Oct. 2 to tighten automobile tailpipe emission controls by establishing national pollution standards as strict as California's. The standards will be phased in between 1994 and 1996 and will cost at least \$500 per car.

The subcommittee voted to force automakers to install special canisters on 1994 models to reduce emissions during refueling, at an additional cost of between \$200 and \$400 per car. Critics say the provisions will cut gas mileage, engine performance, and reliability, and create the conditions for expensive recalls—and that the projected standards for the mid-1990s may be impossible to meet.

The environmentalist victory came as a result of the capitulation

of Rep. John Dingell (D-Mich.), who has traditionally represented the interests of the Detroit automakers, to the program of Rep. Henry Waxman (D-Calif.).

Several sources claim that General Motors' new sales strategy is geared to tougher emission requirements and bills that would tax older cars so heavily as "polluting gas-guzzlers," that they would become too expensive to operate.

Besides mandated increases in gasoline mileage to a minimum of 40 miles per gallon and tougher emission controls, the 1994 model year cars would have to use air conditioners with Du Pont's HCFC-134a, the toxic and much more expensive replacement for the safe CFCs. It is projected that this will require air compressors which will draw as much as 40% of the car's horsepower when in use.

## **Rockefeller offers bill on coal strike**

Led by John D. Rockefeller IV (D-W. Va.), a group of senators including Robert Byrd (D-W. Va.), John Heinz (R-Pa.), and Arlen Specter (R-Pa.) has put forward a bill to speed a settlement of the six-month-old United Mine Workers strike against the Pittston Coal Group.

Pittston provoked the strike by pulling out of the Bituminous Coal Operators' Association agreement in January 1988, refusing to keep paying into the industry-wide health care and pension trusts, denying benefits to the company's ill and retired employees, and eventually, simply refusing outright to bargain in good faith for a new contract with the union.

The strike has recently been expanded to include four companies in West Virginia and two in Kentucky,

which the UMW says are supplying coal to Pittston, so that it can fill its orders.

The Rockefeller bill would force Pittston to keep paying into the health care and pension trusts. The legislation is backed by the UMW, although it leaves job security and other strike issues open. It does not mention Pittston by name, but mandates all companies that had signed the BCOA prior to Jan. 1, 1988, to maintain payments.

## **Fusion fusion now, House panel told**

Fusion scientist Dr. Stephen Dean told a congressional hearing Oct. 3 that the United States will be left without an energy strategy for the 21st century unless it acts now to develop fusion technology. The Department of Energy pulled the rug out from under the fusion program in the early 1980s, Dean testified.

Dean proposed a 1% set-aside tax on fossil fuels to pay for a \$15 billion program to build a commercial fusion reactor by the year 2015. Utilities will need to invest \$5 trillion in new capacity to meet U.S. electricity needs in the early 21st century, Dean said; why should the U.S. put \$5 trillion into new coal-burning plants?

Dean was one of six fusion scientists testifying at hearings called by the Investigations and Oversight Subcommittee of the House Committee on Science, Space, and Technology. Of the six, five said Congress should fund the next-step device, the Compact Ignition Tokamak, despite the Bush administration's opposition.

The one dissenter, Dr. Kim Molvig of the Massachusetts Institute of Technology, supported the proposal of Dr. Robert Hunter, Department of Energy Director of Energy Research,

who killed the CIT from the 1990 budget, claiming that more physics research was needed to be certain that the device would reach ignition. Hunter has taken funds from the magnetic fusion program to set up a civilian inertial confinement program in order for the programs to "compete."

According to Dean, the issue of more physics is a "red herring." A broad program that includes physics research is essential, he said, but if the U.S. keeps postponing building the machine that will make electricity, it will never get there.

## **Senate backs global anti-drug strike force**

The Senate approved by a 95-5 vote Sept. 28 an amendment to a \$288 billion defense appropriations bill that included a non-binding "sense of the Senate" provision urging President Bush to consider aiding a multinational military strike force to carry out so-called friendly invasions against drug trafficking.

Arlen Specter (R-Pa.) said he introduced the amendment in response to a proposal for such a strike force made by Jamaica's Prime Minister Michael Manley. Sam Nunn (D-Ga.), who co-sponsored the amendment, said the strike force would only be available for countries that wanted its assistance. "The idea here is not to set up any kind of multinational group that is going to invade a country against its will."

On Oct. 5, however, the Senate voted 52-48 to strike legislation it had passed only the week before, empowering U.S. authorities to shoot down suspected drug-carrying aircraft which refused an order to land for inspection when crossing the U.S. border.

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# National News

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## LaRouche: Jim Bakker conviction 'reeks'

Congressional candidate Lyndon LaRouche issued the following statement on Oct. 5, after learning of the conviction of TV evangelist Jim Bakker:

"I just heard that former evangelist Jim Bakker was convicted on all counts totaling to a potential 120 years.

"Now, as I understand the conviction, he was convicted of overbooking his hotel, which makes one believe that he was convicted of believing that he was an airline.

"While Jim may have done something of which I do not approve—I don't know about that—the point is that the entire case against Jim reeks of trial by press and farce. And 120 years for overbooking a hotel seems a little bit in the way of stiff. I think we ought to take a good look at this thing, beyond what Tammy had to say about it.

"I don't particularly like Jim, but I believe in justice. And this thing doesn't smell good, even if I don't like Jim."

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## School officials take steps against Satanism

School officials in a north Dallas, Texas, school district have instituted procedures to protect students from Satanic activity, including banning traditional Halloween practices.

In a memo to parents, the officials report that they have had numerous calls from parents who have heard that there are Satanic cults operating in the area and are concerned that the cults are planning to abduct of children for rituals around Halloween.

Because the schools could not discount such a possibility, they adopted procedures including increasing personnel vigilance on school grounds; increasing attention to students being picked up during the school day; encouraging parents to exercise suitable precautions in allowing students to walk between school and home without supervision; and encouraging Halloween activities that exclude "trick or treating."

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## Supreme Court refuses to hear NDPC appeal

The U.S. Supreme Court decided on Oct. 3 not to hear the appeal of the National Democratic Policy Committee, the political action committee of the LaRouche wing of the Democratic Party. The NDPC was seeking to overturn a multimillion-dollar civil contempt fine imposed by a federal judge in Boston, Massachusetts, for alleged failure to produce documents subpoenaed by a grand jury.

NDPC chairman Warren J. Hamerman denounced the Supreme Court's refusal to even hear the NDPC's argument as a "shameless insult to the First Amendment of the U.S. Constitution. Without granting a hearing, the Supreme Court has now condoned the first economic death penalty in American history against a purely political organization."

On Sept. 27, the NDPC had answered the government brief, noting that the brief did not dispute the NDPC's contention that the First Circuit Appeals Court in Boston is interpreting the law in a way that contradicts all other court circuits. For this reason, the NDPC said, the Supreme Court must hear the matter.

Hamerman charged that the government has tried all along to cover up the fact that they knew that the NDPC had "fully complied with the subpoena of the grand jury as has recently been admitted in court-filed affidavits by the U.S. Attorney's office in Boston. . . . They knew we complied with the grand jury years before they concocted the fine collection."

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## NASA: Put up funds or be second rate

Congress should either provide the National Aeronautics and Space Administration with proper funding, or frankly tell the American people, "We have decided to be second rate in space," the director of NASA's Langley Research Center, Richard Peterson, said at Purdue University on Oct. 2.

"It is crucial in the future we either provide the funds to compete as a world-class space power, or that we tell Americans the whole truth—that this country has chosen not to be a world leader in space," Peterson told a crowd honoring Purdue graduates who had become astronauts. "To have a world-class space program, we will need to make a long-term investment and double the funding for NASA in the near future, which will be a major political battle."

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## DoJ memo attacks right to counsel

Attorney General Richard Thornburgh has issued a memo to prosecutors which authorizes them to ignore ethics rules governing contact between prosecutors and defendants who have retained counsel, according to the Sept. 30 *Legal Times*.

One lawyer called the move "a declaration of war on the defense bar." Neal Sonnett, of the National Association of Criminal Defense Lawyers (NACDL) said the memo is a "green light to ignore the Code of Professional Responsibility."

Thornburgh's memo argues that the ethics rule, which dates from 1900, prevents prosecutors from contacting suspects who have retained counsel, and amounts to an unconstitutional expansion of the right to counsel. "As a practical matter," the memo states, "these efforts threaten to become a substantial burden on the law enforcement process."

Margaret Love, an associate deputy attorney general who wrote the memo, said, "It is a distraction for defense attorneys to be pulling out ethical rules to stop us from using legitimate investigative techniques to get the bad people."

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## Pressure grows to cut U.S. military forces

The Pentagon is under growing pressure from the budget-cutters and the pro-Gorbachov lobby to cut back the size of the U.S.



## Briefly

Armed Forces. The *Washington Post* on Sept. 30 quoted Gen. Edward C. Meyer (ret.) predicting, "If the Soviets continue their non-confrontational course [sic] . . . all the services are going to be from one-half to two-thirds of their present size."

The newly designated chairman of the Joint Chiefs of Staff, Gen. Colin Powell, told the Senate Armed Services Committee, "If the squeeze finally comes and you cannot do it all, then I would vote in an instant for a smaller but ready force with the kinds of quality we have now."

Pressures to withdraw U.S. forces from Europe and Asia will shape the strategic review Congress is demanding, and at a press conference releasing the latest edition of *Soviet Military Power*, Secretary of Defense Richard Cheney said such Pentagon planning is well-advanced.

This policy is furthered by the exhortations of CIA director William Webster, to the effect that the Soviets are no longer the main threat to the United States (see article, page 63).

A report issued by the Georgetown University International Security Studies Program takes the same line, blaming the lack of U.S. military intelligence capability on conflicts in the Third World, on an alleged overemphasis on the East-West conflict.

### Political attack on S&Ls receives setback

Government prosecutors suffered another setback in their attack on savings and loan executives, as two of the three indicted officials of Commodore Savings Association were acquitted on Sept. 28 by a federal jury in Dallas, Texas.

Woodrow Brownlee, the president, and John Harrell, the vice chairman, were acquitted of charges that they conspired to misapply the thrift's funds and then tried to conceal it from federal regulators. The jury was unable to render a verdict on two other charges. A third defendant, E. Morten Hopkins, the former president of National Mortgage Corp. of America, was found guilty of a conspiracy charge. Prosecutors said they may ask for a new trial on the charges on

which the jury was unable to reach a verdict.

Abbe Lowell, a Washington attorney who is representing several individuals under investigation, "The fact that the jury would not find them guilty of fraud lends a great deal of support to the argument that the tremendous problems in the banking industry were not necessarily caused by fraud."

The *Dallas Times Herald* on Sept. 17 said the government failure "raises concerns that the highly touted Bank Fraud Task Force . . . likewise will stumble when it goes after those Attorney General Dick Thornburgh describes as the 'kingpins' of savings and loan fraud."

Allen Carver, a deputy chief in the Department of Justice fraud section, admitted, "In many instances, losses may be traced to incompetence, stupidity, gross negligence and bad luck."

### Demands on food banks rise astronomically

Reflecting a nationwide pattern, the Food Bank of Western New York will nearly double the amount of food it collects and ships to food pantries in 1989 compared with 1988, according to the *Buffalo News* Sept. 28.

For the first seven months of 1989, one of the largest soup kitchens has served 46,177 meals, compared with 15,086 in 1983 at the height of the steel and auto plant shutdowns. The clientele needing food has shifted from mostly alcoholics and drug addicts, to children and their parents, the elderly, the handicapped, teenagers, and the mentally disturbed. One soup kitchen reports serving up to 400 children each day during summer, and still serves 250 after school has started.

The welfare commissioner for Manchester, New Hampshire reports that the Welfare Department will be out of money before the end of 1989, reports the Oct. 2 *Manchester Union Leader*. Record numbers of people are seeking food and assistance, and many of them are the " 'working poor' who have no money left after paying their rent and utility bills, and . . . who have fallen on hard times and no longer can make ends meet."

● **THE FREE NEEDLES** program would be ended by both New York City mayoral candidate Democrat David Dinkins and Republican Rudolph Giuliani, according to *New York Newsday* Sept. 28. "We're glad that the program doesn't look as if it is going to live," said Debra Fraser-Howze of the Black Leadership Commission on AIDS. "It sent out the wrong signal."

● **20 TONS OF COCAINE** and \$10 million cash were seized by federal and local law enforcement agents in a warehouse in Los Angeles on Sept. 29 in the largest bust ever.

● **C. EVERETT KOOP**, in one of his last interviews as U.S. Surgeon General, said on National Public Radio Sept. 26 that the U.S. must "ration health care," and commended Oregon for its notorious decision to withhold funds for organ transplants in favor of prenatal care.

● **ANTI-TRUST** violations by the food cartels are not being prosecuted by the Department of Justice, according to Iowa State University professor John Helmuth. "Today, the Anti-Trust Act is not being enforced, despite the fact that market control among major packers is almost 20% higher than it was in 1920," he said.

● **JAMES BAKER** defended his meeting with Red Chinese Foreign Minister Qian Qichen at the U.N. General Assembly on Sept. 28. "If we're going to improve their performance in the human rights area as well as others, we're going to have to talk to them diplomatically," the secretary of state said on Sept. 29.

● **JOHN POINDEXTER'S** attorneys have asked a federal judge for access to any notes kept by President Reagan and Vice President George Bush relating to the Iran-Contra deals. The former national security adviser's request is part of his legal strategy to show that Bush and Reagan authorized his actions.

## Editorial

### *Overdue: LaRouche's 'Berlin proposal'*

Exactly one year ago, on Oct. 12, 1988, independent U.S. Democratic presidential candidate Lyndon LaRouche unveiled a proposed policy by which the next U.S. administration could bring about the reunification of Germany, at a press conference at Berlin's Hotel Bristol.

Since that historic initiative, LaRouche, who at the time had just been indicted in what became the infamous Alexandria, Virginia "railroad," was convicted of a series of politically motivated charges, imprisoned, and subjected to life-threatening mistreatment in jail. And during that one year, the conditions he identified, of economic breakdown and food shortages throughout the Soviet bloc, have worsened by far.

In Berlin, LaRouche emphasized that the Soviet bloc had entered into a worsening economic crisis in every respect, not food shortages alone. Speaking as an economist, he reported that no amount of restructuring or Western credits, by themselves, could reverse the down-slide of the Soviet and Eastern European economies over the coming period. In his statement, and in answers to a question from a reporter from a Berlin daily, LaRouche emphasized, that as soon as Moscow recognizes this economic fact, it would be forced to consider new options.

LaRouche warned against hope for truly peaceful relations between Moscow and the West sooner than "30 or 40 years ahead." In the meantime, "The best we can do in the name of peace, is to avoid a new general war between the powers." While we maintain military strength and political will in face of continuing threats of Soviet adventures, we must follow the advice of "Nicolò Machiavelli: We must always provide an adversary with a safe route of escape. . . . We must rebuild our economies to the level at which we can provide the nations of the Soviet bloc an escape from the terrible effects of their economic suffering."

He cited the food crisis as an example of such economic diplomacy, emphasizing that the world grain available during 1988 was not expected to reach above 1.7 billion tons, "already a disastrous shortage." Mos-

cow will probably demand at least "80 million tons from the West during 1989, as a bare minimum for the needs of its population." LaRouche proposed that nations act to ensure that at least 2.4 billion tons of grain were available for each of the coming two years. This would require "scrapping the present agricultural policies of many governments and supranational institutions, but it could be accomplished. If we are serious about avoiding the danger of war during the coming two years, we will do just that. By adopting these kinds of policies, in food supplies and other crucial economic matters, the West can foster the kinds of conditions under which the desirable approach to reunification . . . can proceed on the basis a majority of Germans on both sides of the Wall desire it should."

LaRouche described his proposed shift in U.S. policy: "I shall propose the following concrete perspective to my government. We say to Moscow: 'We will help you. We shall act to establish Food for Peace agreements among the international community, with the included goal that neither the people of the Soviet bloc nor the developing nations shall go hungry. In response to our good faith in doing that for you, let us do something which will set an example of what can be done to help solve the economic crisis throughout the Soviet bloc generally.' "

He proposed: "Let us say that the United States and Western Europe will cooperate to accomplish the successful rebuilding of the economy of Poland. There will be no interference in the political system of government; but only a kind of 'Marshall Plan' aid to rebuild Poland's industry and agriculture. If Germany agrees to this, let a process aimed at the reunification of the economies of Germany begin, and let this be the *punctum saliens* for Western cooperation in assisting the rebuilding of the economy of Poland."

We face the prospect of a winter of starvation in the East bloc. It is in the power of President Bush to take truly statesmanlike measures to avert that disaster; it is in his power to free Lyndon LaRouche, the author of those measures. He must act now.

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## On June 23, 1989 Executive Intelligence

**Review** exposed Henry Kissinger's lucrative interest in keeping the Beijing butchers in power, in "Kissinger's China card: the drug connection."

## On September 15, 1989 Wall Street

**Journal** published "Mr. Kissinger Has Opinions—And Business Ties: Commentator-Entrepreneur, in Wearing Two Hats, Draws Fire From Critics," where Kissinger's conflict of interest was exposed—without mentioning the heroin trade.

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