

# EIR

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Bronfman traded 'whiskey for the Holocaust'  
U.S. transportation needs Maglev revolution  
Interview: soprano Laila Andersson-Palme

**Lithuania's fight challenges  
American political morality**



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Is America still the land of "liberty and justice for all"? Or, are we heading into a totalitarian police state, like Nazi Germany or Soviet Russia? Read this book, and learn the truth about what happened to justice in the United States.

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U.S.A. vs.  
Lyndon LaRouche, et al.

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**"I SHOULD GET A CIGAR. . ."** bragged the judge after railroading through the frameup and conviction of presidential candidate Lyndon LaRouche.

Judge Albert V. Bryan was the judge who finally accomplished what a federal government "Get LaRouche" Strike Force had been attempting to do since 1983. That task force swung into motion using the resources of the FBI, CIA, IRS, and private agencies, at the instigation of Henry Kissinger, who bragged in the summer of 1984 that "we'll take care of LaRouche after the elections."

The first federal case against LaRouche and his associates, held in Boston before Federal Judge Robert Keeton, backfired on the government. A mistrial was declared, and the jury said they would have acquitted everyone on *all* charges.

But in Alexandria federal court, the "rocket docket" did the job. Judge Bryan hand-picked the jury in less than two hours, excluded all evidence of government harassment, and rushed the defense so rapidly that convictions were brought in on all counts in less than two months from the indictment.

LaRouche was sent to jail for 15 years, on January 27, 1989, a political prisoner. The conviction and imprisonment have provoked protests of outrage from around the world. In this book, you'll see why.

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# EIR

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## From the Editor

I shall introduce our cover news story on how Lithuania's independence fight is challenging the wretched appeasement strategy of the U.S. government, by referring to comments Lyndon LaRouche made on May 5.

In a draft strategic analysis, America's leading political prisoner declared: "We cannot say that the Bush administration is dedicated to preserving the United States as it was founded, as a republic, in respect to adversary forces; that is, forces which are *adversary* to that purpose, and that interest which the United States was founded to represent, as a constitutional republic. Rather, the Bush administration is itself betraying, irrevocably, if it continues the present course, the most fundamental interests of both the United States as such and Western civilization as a whole."

LaRouche has also warned that while the Soviets seem to be in retreat, it would be not inaccurate to speak of the precedent of Lenin's "two steps backward, one step forward." In a nutshell: The West is being disarmed by the Gorbachov myth, and the Soviets are sacrificing territory in Eastern Europe which would be very costly and dangerous for them to hold, *temporarily*, in order to use that territory as a launching pad for penetration of the West, in the form of "a small but very effective intelligence operation, which is Moscow-controlled, and now free to move west with a new kind of impunity."

This danger highlights the reason why the open criticism of Edgar Bronfman in a West German Jewish magazine and also in Israel (p. 36), is an important breakthrough. One channel through which the Soviet "Trojan Horse" intelligence operation runs into the West is the channel of Bronfman's friends. Bronfman is not accidentally a top fundraiser for the so-called Anti-Defamation League, the chief U.S. conduit for British policies of appeasing Gorbachov—and for coordinating injustice against Lyndon LaRouche and his friends.

What kind of policies are backed by LaRouche, and feared by his enemies? He wants to use fast-rail transport technologies like "maglev," the topic of this week's *Science & Technology* report, to restart the collapsed U.S. economy; and he has catalyzed the fight to revive classical music by his campaign for the scientific tuning of C=256, which has won the support of the finest musicians (see pp. 50-53).

*Nora Hamerman*

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# U.S. revenue collapse feeds hyper-inflation, austerity

by Chris White

On Tuesday, May 9, the U.S. government begins the quarterly refinancing of its debt. Before the end of the week, more than \$30 billion in redemptions and new issues of debt will have been stuffed into the markets in the biggest quarterly refinancing in history. Still unresolved, apparently, is the additional matter of where, exactly, the more than \$50 billion required to complete what is now known as the administration's "June 30th Project" is to be found.

The "June 30th Project" plan is to shut down about 144 insolvent savings and loans institutions by that date. The \$50 billion is the estimated price tag for the completion of the operation. Either the money is to come from yet more borrowings—an unlikely prospect given the failures of successive marketings of bonds designed for that purpose—or it is to come from sales of the assets of failed S&Ls now held by the federal government's Resolution Trust Corporation. In the latter case it might equally well be asked, where, exactly, will the supposed purchasers of government-held failed S&L assets find the cash: from sale of government-insured, mortgage-backed securities back to the federal government's agencies of original issue?

The government's accountants in the Treasury Department, and their buddies on Capitol Hill, insist that the financing requirements for the S&L closures will not affect the budget deficit. "After all, you see, we are financing the operation off-budget," they say. But they can use whatever words they want, since the words don't make any difference.

The combination of government on- and off-budget financing requirements, under conditions of accelerating deflationary collapse of the economy and financial system as a whole, are now fueling an impulse toward simultaneous hyper-inflation, and the imposition of murderous austerity, to support financial institutions and arrangements which

are bankrupt many times over.

## Tax revenues are in a nosedive

The best evidence for this is what Undersecretary of the Treasury for Finance Robert Glauber refused absolutely to discuss when he announced the quarterly refinancing package on May 2, namely, the matter of the government's tax receipts. Tax revenues have been in a deepening tailspin since the September to October period last fall, when Robert Campeau's Federated Department Stores went into default on Sept. 15, and the stock market collapsed on Oct. 13. By March, the collapse had reached the point that the government's monthly deficit, in excess of \$50 billion, was the largest in the entirety of U.S. history. No wonder Glauber refused to discuss what has happened since tax payments came due on April 15. No wonder markets breathed a sigh of relief that the largest-ever quarterly financing in U.S. history was only slightly in excess of \$30 billion.

The government's tax receipts are made up of the payments to the treasury of individuals and corporations. Their collapse reflects what the powers-that-be have refused to face since 1982, when the public relations extravaganza known as the "Great Recovery" began to come on stream—that the economy has been sliding deeper into a new depression. Since 1982-83, the so-called income or earnings against which tax obligations are assessed, whether for corporations or for households and individuals, have been supported by the biggest borrowing binge in history. The combination of indebtedness and speculative investment rose from \$9.8 trillion in 1982, to \$22.2 trillion by the end of 1989. The borrowing binge collapsed in September and October of 1989, when the \$200 billion per annum market in below-investment grade securities, one of the means established

since 1982 to expand the indebtedness of those who, only ten years before, would have no longer been considered creditworthy, collapsed after the failure of Campeau's real estate empire.

The collapse of last fall set off a spiral of deflationary collapse which has in the interim swept the world, wiping more than \$2 trillion worth of supposed assets off the books of financial institutions and investors. Since then, the gurus in the financial community, such as Federal Reserve Board chairman Alan Greenspan and Treasury Secretary Nicholas Brady, have attempted to control the pace of events through the same methods of crisis management, blackmail, and outright thuggery which were employed to finance the borrowing binge in the first place. Spread over months rather than hours, the \$2 trillion-plus in global losses accumulated since October 1989 is still far larger than the losses incurred in Wall Street's "Black Monday" on Oct. 19, 1987.

### **The shock of deflationary austerity**

The deflation in progress spreads in its wake unemployment, the shutdown of industrial and other capacities, misery, and the brutality of austerity, reflected in the accumulated so-called budget crises of states, cities, and municipalities across the nation. To the extent economic activity continues to be sacrificed to support the usury of worthless paper holdings and bankrupt institutions, this will continue to get worse, with murderous effect.

All such crises could be resolved quite easily, as jailed political leader Lyndon LaRouche has insisted for years, if it were simply recognized that the financial system is bankrupt and were put through the equivalent of a corporate Chapter 11 reorganization, in which financial claims were set aside, in favor of rebuilding physical economic activity through investment in technology, productive employment, and infrastructure development which permits business concerns to function and tax revenues to increase.

But the problem is not only the government. It is no accident that in March, when the government's monthly deficit became the biggest in all American history, the volume of new issues floated in what had been the \$200 billion per annum junk bond market, fell to zero. Nor is it an accident that over the months since September and October of last year, to grow.

So far, Greenspan's Federal Reserve has created credit to offset losses incurred as the deflation has gathered steam. Now the collapse of economic activity, reflected in the collapsed revenues of federal and other levels of government, combined with the collapsed earnings of corporations and individuals, and the collapse in the nominal value of much of their collateral—in the form of real estate—that has underwritten the borrowing binge, ensures that the credit creation is about to take off into the hyper-inflationary mode, or that the collapse, delayed through blackmail and thuggery, will

take place with greater devastation than ever before.

### **Financiers cry, 'Protect the system!'**

Representatives of the financial community are demanding that Greenspan hyperinflate to protect the financial system. On May 3, the so-called Group of 30, a think-tank for the combination of the largest British and American banks, issued a report under the name of one Benjamin Friedman entitled "Implications of Increasing Corporate Indebtedness for Monetary Policy." The report argues in its precis, according to the *Financial Times* of London, that "widespread fears that over-extended corporate borrowers defaulting en masse might lead to a rupture of the U.S. financial system are unfounded. . . . Actions of the Federal Reserve make a financial crisis unlikely. . . . The Fed would act vigorously should a debt-induced crisis appear imminent, the prevention of such a crisis would constrain the Fed's ability to conduct an anti-inflationary monetary policy."

The report's theme was echoed May 4 by a *Financial Times* editorial, representing the same financial interests, which read, "In these circumstances a central bank has to remember that inflation-fighting is sometimes a luxury. The most basic duty of a central bank is to preserve the functioning of the financial system in a crisis." This is what happened in 1982 when the so-called Third World debt crisis broke, and again in October 1987, the editorial affirmed. "It is now the judgment of many of those best placed to make one that the U.S. Federal Reserve is again caught in the same trap."

On May 3, Gerald Corrigan, the chief honcho at the New York district of the Federal Reserve, testified to the same effect before the Senate Banking Committee. "The system as now configured may be risk- and accident-prone, rather than risk-averse," he warned. "We have, in my view, excess capacity in large segments of banking and finance. . . . The symptoms of this condition abound in razor-thin spreads, pinched margins, and perhaps especially in the troublesome manner in which we see vast amounts of very short-term churning and trading in so many segments of the financial markets," he continued.

Corrigan is pushing the standing proposal widely circulated in the early days of Ronald Reagan's first administration and which was associated with Walter Wriston of Citibank, Donald Regan of Merrill Lynch, and then-Vice President Bush in his capacity as Chairman of the Presidential Commission on Regulatory Relief. This was to consolidate U.S. banking and finance into the hands of a mere handful of outfits, such as Citibank and Merrill Lynch, who would grab viable assets and deposits, while everything else was permitted to rot. Corrigan is arguing for such action, since "failure could ultimately call into question the long-term viability of the dollar as the world's reserve currency."

It seems that the government's funding crisis may well be forcing these matters to the top of the agenda in the coming weeks.

# Two Germanys agree on monetary union, the key to freedom in the East

by Rainer Apel

In a series of lengthy sessions at the chancery in Bonn, West Germany on May 1, chief negotiators for the East and West German governments agreed on the basic details of the planned German Monetary Union (GMU). The package, which was ready for signature as a formal government-to-government treaty by May 4, is to be implemented by July 2, according to West German Chancellor Helmut Kohl. The agreement will introduce the West German deutschemark as the new currency of the East Germans, and their old eastern mark will be exchanged at a favorable rate of 1:1 for all incomes and pensions (which will thereby raise their income level to 70% of the average in West Germany). An exchange rate of 2:1 for the accumulated debt of the corporate and public sector will write off half of this debt, which is estimated at about 140 billion eastern marks. A generous handling of the remaining debt (principal and interest) and granting of new, low-interest credits to industry is included as part of the package.

The talks were a victory against international financial circles, led by the British, who have been trying to prevent any repetition of the West German "economic miracle" of the early 1950s in a reunited Germany. And yet, there is a bitter aftertaste, since over the past weeks the great debate in East and West Germany has increasingly focused on purely internal German matters. It is all too understandable that German diplomacy has been oriented toward securing German unity before turning to other things. The problem is, the world is not standing still waiting for that to happen. West German Chancellor Helmut Kohl and French President François Mitterrand ill served their own interests when they asked the Lithuanians to put a hold on their Declaration of Independence. After all, the Lithuanians could just as well have demanded that the Germans postpone their own economic unity until Gorbachov has lifted the economic blockade of Lithuania. The least West Germany could do, would be to send food and medicine to Lithuania, as a number of Christian Social Union parliamentarians are demanding, in order to send a message to Gorbachov that the West does not accept his embargo policy. Would Gorbachov have dared to shoot at German ships carrying such aid? Perhaps—but perhaps not.

## Immediate Soviet economic interests

Moscow has an urgent self-interest in rapid German economic unity, since it would bring great advantages for its own sinking economy. Receiving East German Prime Minister Lothar de Maiziere and his delegation on his first visit to Moscow April 27-28, the Soviets emphasized their interest in preferential economic relations.

The Soviets expect that with the GMU, all their exchange of raw materials and commodities with the East Germans will be billed in hard western deutschemarks as well. This can be negotiated, since the West Germans are not totally opposed to it, on the condition that certain aspects of preferential trade agreements between East Germany and the Soviet Union be kept for a transitional period.

The Soviet trade interest is to secure from the West Germans a package of up to 40 billion deutschemarks—the equivalent of 37-38 billion marks the previous East German government contracted with the Soviets for deliveries of raw materials, prefabricated products, and heavy machinery during 1990. The East Germans have delivered about the same volume, consisting of finished products, high-tech commodities, machine tools and electronics, light agricultural machines, and spare parts, to the Soviets. East German trade with the Soviets is not fully balanced, however. The Soviets have a trade deficit with East Germany of about 3-4 billion rubles, which is due to the Soviet failure to deliver the contracted volume of hard coal, iron ore, natural gas, and crude oil.

Furthermore, Gorbachov is in desperate search of Western food surpluses to ease the worsening food supply in the Soviet Union. Soviet state emissaries, like Deputy Premier Stepan Sitaryan, have turned to both German governments and presented a list of priority requests:

- 1) Substantial West German assistance to ensure emergency sales at preferential prices of East German beef and pork meat and other food products to the Soviet Union in the coming weeks. The East German population is increasingly to be supplied with food products from West Germany and the European Community;

- 2) Another credit line of several billion deutschemarks of the type signed at the end of 1988 between Deutsche Bank



and the Soviet Foreign Trade Bank, mainly for emergency food purchases in the West. The total volume of required Soviet emergency food purchases in the coming weeks, to fill the empty shelves in Soviet department stores, is at least \$10 billion, according to industry and government sources in West Germany.

### **Medium-term Soviet economic interests**

Furthermore, the Soviets want Western credits and technical assistance in restoring at least parts of the now-desertified, former breadbasket of Ukraine. The entire package of basic agricultural investment—restoring the quality of the soil, irrigation, fertilizers, and farm machinery, is said to be at about \$30-40 billion. Moscow thinks that the West Germans can and should contribute a major share of this basic investment. A delegation of senior representatives of West German industry toured Ukraine upon an official invitation of the region's government at the end of April, arriving at the preliminary conclusion that the problems to be solved are immense, but manageable.

Another future investment area, the energy sector, is on the agenda of the upcoming German-Soviet economic talks. According to a German industry source in Bonn, the entire Soviet oil-producing sector has entered a profound structural crisis. This is cynically documented by the fact that a sizable share of the crude oil and natural gas the Soviets are offering these days to West Germany and other Western clients, was originally assigned for delivery to Lithuania but has become "available" through Gorbachov's embargo against the Lithuanian economy. The source emphasized that "this kind of—let us call it—new sales policy to earn hard Western currencies, can't work for long, because the Soviet oil fields are in a dismal condition. Output is constantly falling, the Soviets are already falling behind in deliveries to their clients."

The situation with most Soviet oil fields is that massive investments for exploration and basic equipment were made in the 1960s and 1970s, but the structure has been run down in the 1980s. Some oilfields cannot be operated at all, while many can only operate at reduced capacity. There should have been massive investments in exploration of new oilfields to begin production at the end of the 1980s, but this has not happened. Without new investments, dependence on Soviet oil deliveries is a high risk for any client in the 1990s.

Another factor which has to be taken into account, the source said, is that Soviet oil workers are no longer satisfied with simple overtime pay for their jobs far out in Siberia, but want better and safer living and working conditions, to be able to buy consumer goods, and labor union rights. The command economy of the past doesn't work anymore, with workers growing more rebellious, which spells big trouble for the Soviet oil-producing sector in the 1990s.

The same is true for the iron and coal mines of the Soviet Union, which are in bitter need of massive investments in modern mining technology. There is currently an attractive

offer from the two co-producers of a new mining technology, AEG and Ruhrkohle: At the annual Hanover World Industrial Fair, which opened May 2, they presented a so-called Integrated Transport System (ITS). This is an industrial version of the German magnetically levitated experimental train, Transrapid, that can be used for more efficient, safer, and less noisy and polluting transport of coal, equipment, and workers to and from the coal mines. The ITS would be attractive also for the Polish iron and coal-mining sector, which is faced with the same, if not worse problems as the Soviet one.

Much of this can and will be discussed among the Soviets and Germans (East and West) in the upcoming economic talks. It is still unclear how the West Germans will play their cards in this game. The Soviet side has the ugly trump card of the military-strategic muscle; the Germans have the attractive, strong deutschemark and stable, highly productive industry.

To the mere trade aspect must be added 1-2 billion deutschemarks, the equivalent of the money East Germany has paid in each of the past years to support the 380,000 Soviet soldiers and equipment stationed on East German territory.

There is a prospect that these troops, or at least most of them, will be pulled out under an East-West agreement on troop reductions in Central Europe. But Moscow wants West German funding not only for the costs of the withdrawal from East Germany, but also for the creation of new jobs and homes in the Soviet Union for the soldiers who are to be demobilized. "In the ideal case," one German industry source told *EIR* May 2, "the Soviets want to balance the weight of each of their soldiers in East Germany in West German gold bars. This won't work, naturally, but we will have to pay a lot."

### **The price Moscow has to pay**

If these economic talks are well conducted by the Germans—and they should have the appropriate moral, political, and financial support from other Western countries—substantial political and strategic concessions can be extracted from the Soviet side. Why not take a bold step, offering the Soviets a huge Western credit package at favorable conditions over the period of the next 10-25 years? A spinoff of this giant project would be that in addition to tens of millions of Soviet workers, several million Third World workers could take part, developing into a stable, skilled labor force for the reconstruction of their own economies in Africa, Asia, and Ibero-America over the same period.

And, naturally, a considerable share of the Western net investments in the East will go into the countries of Eastern Europe, partly for the reconstruction of their economies, partly for the restoration of an efficient transportation infrastructure that can form the bridge for all economic exchange between the West and the East. Many billions of dollars and deutschemarks will have to be spent on the construction of efficient, modern rail routes and the necessary locomotives

and rolling stock for high-speed transport of commodities and persons in both directions between Berlin, Warsaw, and Moscow. The Soviets will receive a part of the multibillion-dollar level of investments from the West, not all of them.

The fundamental net concession Moscow has to make in addition to a basic commitment to economic cooperation, is to grant far-reaching political and economic autonomy to those regions that want to remain part of the Soviet Union, and full sovereignty to those parts of the present-day Soviet empire that want to become independent states, like the three Baltic republics, the states of Eastern Europe, and most likely also Ukraine.

Talks on the state or superpower summit level alone won't suffice to produce these concessions from the Kremlin, which is under heavy and ever-increasing pressure from the population of the ailing Soviet empire, as was amply documented with the alternative May Day rally of about 100,000 in Moscow. The West, including the Germans, must provide a public forum for all those oppositional groups that call for a peaceful, constitutional transformation of the Soviet empire from within. As much as the East Europeans have to cooperate with each other to consolidate their newly gained freedom, they have to establish official contact with the respective progressive groups in the Baltic republics and the Soviet Union.

This can, and should be done, in addition to all other contacts on the state and industrial level, such as between the military of the West and East. The West needs political insurance, a reliable ally for the giant investments undertaken in the Soviet Union, and these allies can only be people that have a genuine interest in the in-depth transformation of the Soviet system.

To a certain extent the East Germans, who are both liberating themselves from the Soviet system from within and also becoming part of the new, Western-minded society of a reunified Germany, can play a key role in this political transformation process. It is apparent that delegations from the three Baltic independence movements and of the Ukrainian resistance movement, Rukh, will find a big public audience in a city such as Leipzig, which played such an essential role in the peaceful East German revolution of 1989.

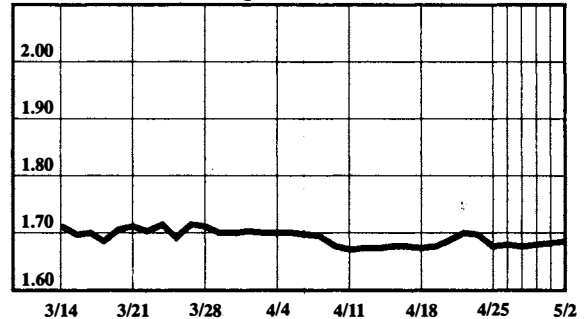
And, since the West Germans are paying most of the bill for German Monetary Union and all other big projects with the East and the Soviets, they should have few problems also funding these kinds of contacts between the people of Leipzig and the freedom movements of the East. The Germans have a clear historic mission to help set this into motion.

The first big political concession Moscow has to make, however, is to end the embargo against Lithuania and resume normal economic and civilized political relations with the government in Vilnius. This is an essential confidence-building measure to convince the West that it makes sense to invest tens of billions of dollars and deutschemarks in the Soviet Union.

## Currency Rates

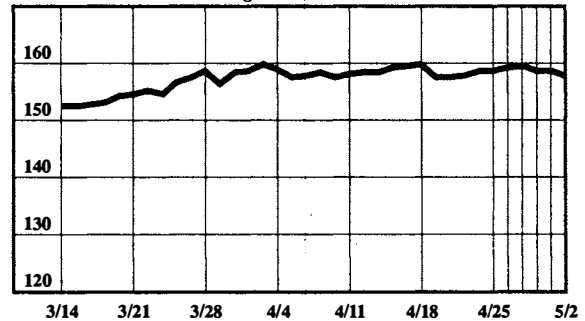
### The dollar in deutschemarks

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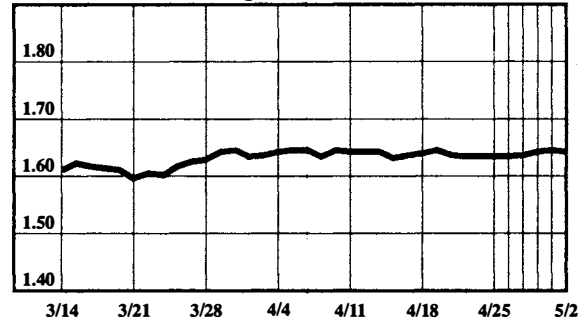
### The dollar in yen

New York late afternoon fixing



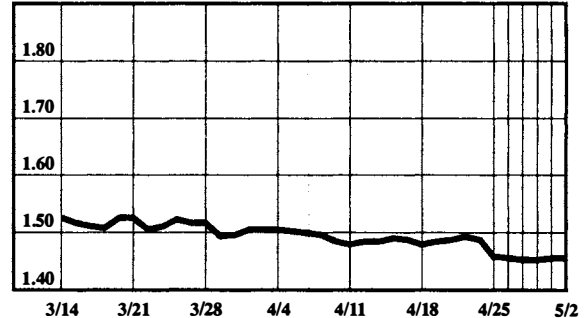
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# One million farmers protest in Europe

by Marcia Merry

On April 25 more than 1 million farmers and supporters were on the streets in the 12 member nations of the European Community (EC) to force the EC officials meeting in Brussels to back down on their stated intention of imposing more farm price cuts, output reductions, and farm income losses through acquiescence to the General Agreement on Tariffs and Trade (GATT). These mass protest demonstrations are unprecedented in size and effect.

As of 5:30 a.m. on April 27, the farmers had won a victory of sorts in the current round of conflict with Brussels: The EC Agriculture Commission ended its "Marathon" talks on farm policy, announcing what is in effect a farm price freeze. Nominally, there is to be a 3% decrease in the price of grain, but this will be offset by at least 2.7% by other measures modifying how other EC regulations are applied.

This infamous EC annual farm policy conference is called the "Marathon" meeting, because when member nation agriculture ministers gather each spring, they meet round-the-clock, non-stop until there is an agreement on price levels for the year. But this year, when they met in early April, it was a bust, and had to be re-scheduled for April 25. EC Agriculture Commissioner Ray "the Axe" MacSharry, from Ireland, proposed sweeping price cuts, but the heat on the member nation agriculture ministers was so great from their farmers at home, that only France and Britain were prepared to accede to MacSharry's austerity demands.

Then, in the final countdown to the re-scheduled meeting, farm protest actions were staged all over Europe. Most of the key highways in all EC countries were blocked; airports and railways, and border crossings were shut down. There were demonstrations in hundreds of city centers.

In Milan, 5,000-6,000 farmers and supporters snaked through the old city streets near the Cathedral Square.

In Bonn, tractorcades drove to the steps of the embassies of each of the EC member nations, and the U.S. embassy. Farmer delegations went into the offices of West German Chancellor Helmut Kohl and of Agriculture Minister Kiechle, and presented emergency policy resolutions to their staff members.

German farmers singled out the British embassy for a special demonstration, because Margaret Thatcher's agriculture minister has consistently demanded that EC grain growers be penalized and taxed for having "overproduced" grain last year, by this year receiving lower prices for their grain.

The British officials also favor continued milk output restrictions.

Altogether, there were an estimated 200,000 farmers demonstrating in West Germany alone. This amounts to every third farmer (counting part-time farmers) joining the protest actions. Some 50,000 tractors were involved in the German demonstrations.

As a direct result of this outpouring of revolt against the EC policies, officials of the ruling German Christian Democratic Union called an emergency session of the parliament on April 25 to discuss the situation. Speaker after speaker condemned farm price cuts, and supported Kiechle's opposition to MacSharry.

"European farmers are fighting for their very survival," said the president of the German Farmers' Union, Wolfgang Heeremann, in his address to the Bonn farmers' rally. He demanded that the EC nations' agriculture ministers "show strength" against MacSharry and the EC Agriculture Commission, as well as against the U.S. and Australian demands for low world farm prices through the GATT.

Heeremann said that the price decreases proposed by the EC Agriculture Commission were a "provocation," and stood in disregard of the European Parliament in Strasbourg that had opposed such price cuts for farmers.

The main slogans at this Bonn rally were, "Parity Prices . . . For the Defense of Our Dignity," and "International Free Trade Is an Absurdity—The Rich Get Richer and the Poor Get Poorer!"

## Farm income dropped 30%

Since 1985, when the financial pressure on EC farmers began to come down from the Brussels EC officials, European farmers have suffered at least a 30% drop in income. Prices for their output have declined, and their costs have gone up. In addition, EC restrictions, in the name of protecting the environment and "preventing food surpluses," have increased dramatically.

A particularly hated EC program is the milk reduction plan, in which every dairy farm has a quota for how much milk it is permitted to send to market. If the farmer tries to produce and market more, he or she is hit with a stiff fine. Now there are needless milk shortages in regions of Western Europe. And dairy farmers don't have the cash flow to service their debt and remain in operation.

Judging by the venality of the EC Agriculture Commission, whose officials are following an austerity blueprint authored by the Trilateral Commission in 1985 called "Restructuring Agriculture," the battle over agriculture policy is not over yet. Even one of the most tradition-bound groups of farmers in the world, the wine grape growers, are preparing for action. The organizers of a group called the Organization of Protesting Wine Growers in West Germany, were bowled over when at its first public meeting, 800 farmers streamed into the hall.

# S. Korea reels from U.S. economic war

by Lydia Cherry

South Korea is one country that the U.S. has forced into line by Super-301, Sen. Lloyd Bentsen (D-Tex.), an author of the Trade Act of 1988 provision, claimed April 24 as he campaigned for naming Japan as a primary offender. In March, the United States had lodged complaints to Seoul over government attempts to increase exports by giving financial and tax support: "If low-priced, government-subsidized R.O.K. [Republic of Korea] goods come pouring into the United States, they will not be tolerated," Seoul was told by the U.S., according Seoul daily *Choson Ilbo* March 24. South Korea has agreed to eliminate all trade barriers to imported beef by 1997, the *Journal of Commerce* reported.

The U.S. effort to shut down America as a major export market has found the South Korean economy vulnerable to this economic warfare. As a result, coinciding with Seoul's attempts to seek rapprochement with North Korea prior to the U.S. withdrawal of its troops from the peninsula, the Noh Tae Woo government has embarked upon an ambitious economic diplomacy effort—particularly with respect to the East bloc.

An economic solution, however, has not come easily. With very few natural resources, Korea is dependent upon import of raw materials; thus the economy is heavily dependent on exports—and in particular export to the United States. As a government economic analysis published by *Tong-a Ilbo* in late December began: "Our economic strength has become greatly weakened due to the failure of the export industries to cope with the deteriorating overseas export climate."

Last year's GNP growth rate of 6.7% was the lowest in the past eight years and is likely to be even lower in 1990. Leaders in Seoul emphasize that 7% is the minimum growth rate needed to merely create enough jobs for new entrants into the labor force.

The South Korean stock market, like the Japanese, has fallen, and the drop in the value of the Japanese yen will further limit overseas sales for many of Korea's industrial sectors. In Seoul the last week in April, groups of South Korean investors stormed brokerage houses, yelling such slogans as, "Wake up, economic planning and finance ministers! The stock market is dying!"

Despite stock market volatility, Korea's economy is physically sound. This was reflected in the economic policy outline spelled out April 4 by Deputy Prime Minister Yi

Sung-yun, who holds the top economic post in the cabinet, and who was finance minister in the government of former President Chun Do-Hwan. In it he notes that "the growth policies of the 1950s and '60s meant quantitative development to escape from absolute poverty. However, the growth policies to be pursued by this economic team will mean qualitative development based on development of high technology." He noted there will be no instant recovery; that current goals are 6.5% GNP growth, a current account surplus of \$2 billion, and an inflation rate of 5-7%. He announced a massive injection of funds into businesses to promote investment and exports. Yi noted that the funds to be channeled to industry would not, in the long run, cause inflation "because they would be tightly linked with production." He added that the government will strictly regulate the money "to prevent it from flying into non-manufacturing fields, including service industry, and plans to apply stringent monetary policy to absorb the increase in the money supply in financial sectors." Yi Sung-yun said that the government will crack down on real estate speculation.

## Soviet 'solution' is problematic

The Seoul news service Yonhap reported that steel exports to the communist bloc are expected to rise substantially this year. The South Korean auto industry, which faces difficulty exporting to the U.S., is perking up due to increased domestic demand. The textile industry is picking up slightly because some contracts were signed with Beijing in February, after complete suspension of trade after the June Tiananmen massacre. A great increase in trade with China and the East bloc, however, has not materialized, and many South Korean business concerns that tried to jump into economic relations with the Soviet Union have been hung out to dry.

Soviet foreign exchange shortages will seriously hurt business concerns endeavoring to expand exports to the Soviet Union, the *Korea Times* noted in April. It reported that the Soviet Union is delaying payment for its merchandise imports or is not paying at all because of the shortages. The Korea Trade Promotion Corp. said the U.S.S.R. has defaulted on the payment of \$100 to \$500 million by due dates since October last year.

An editorial in the daily *Hanguk Ilbo* April 4 referenced a report that the Soviet Union has requested that the R.O.K. government "help the Soviet Union with daily necessities worth billions of dollars with a payment guarantee by the Soviet government." The editorial recommended that "we should accept the burden of carrying out the business on credit with the guarantee for payment by the Soviet government," but that "the way for our economy to survive does not rest in the politically oriented 'short-lived demand' " of such a prospect. "The Soviet Union should not give excessive hope to our people as if it were Aladdin's lamp," the editorial read. The South Korean goal, it suggested, must be to break through the competition in the new arena of Eastern Europe.

# States mount rearguard effort to protect remaining industrial base

by Andrew Rotstein

In late April, Massachusetts and Pennsylvania enacted legislation to block the hostile takeover of firms incorporated under their respective laws, joining 40 other states with similar provisions. Angered by the ravages of the merger-and-acquisition mania of the 1980s, Americans are demanding action to bar further cannibalization of the nation's dwindling industrial base. It is a populist upsurge few politicians dare oppose.

The Massachusetts law passed both legislative houses unanimously only weeks after BTR (British Tire and Rubber) made a hostile bid to acquire the Worcester-based Norton industrial group. BTR had previously bought out Worcester Controls and the Chicago-based Stewart Warner, moving some units to low-wage areas and selling off others for cash flow.

The Pennsylvania bill, the strongest anti-takeover measure of any state yet, was prompted by the proxy fight launched by Canada's Belzberg family to acquire Armstrong World Industries of Lancaster, the flooring materials manufacturer. The Belzbergs, who have also been major players in the savings and loans roulette game, did not endear themselves to Pennsylvanians by their reputation: Scovill, Inc. was dismembered after the family bought it in 1985, and H.H. Robertson has had a history of financial troubles since they acquired a 25% interest.

Corporate raiders have evolved some high-minded rhetoric to give their quest for short-term profits the aura of civic virtue. They claim that average shareholders are the victims of complacent executives, whose mismanagement deprives them of the potential worth of their invested savings. They point to the role of even unsuccessful takeover bids in boosting stock values, spurring efficiency on the part of incumbent management, and making American capitalism more "dynamic."

## The chain-letter economy

Without a doubt, corporate managers may be easy and deserving targets for criticism in many cases. But the stock speculators themselves represent what is worst in the deregulated, paper-trading economy of the 1980s: profits without production, generated out of the fact that what is bought

today may sometimes be sold for a gain tomorrow, whether any new wealth is created in the process or not—that is, at least until the day of reckoning arrives.

From 1980 to 1986, there were 26,671 mergers and acquisitions, with a combined value of over \$1 trillion transacted in the United States. Much of the financing came from bank loans, thus squeezing out productive commercial lending, and from the junk bond market, which is now well advanced toward its inglorious fate. For this seven-year period, corporations spent some \$688 billion on mergers and acquisitions, an amount 2.2 times greater than their expenditures for research and development, and 1.2 times their outlays for *all* capital investment—statistics embodied in the grim reality of this nation's stagnating productivity and technological mediocrity.

The consequences for the economy have been disastrous. Because of the tax deductibility of interest payments, corporations have become debt junkies. As the public coffers have in effect been depleted by debt financing, the corporate musical-chairs game has been indirectly subsidized by the taxpaying public.

The trend is stark: Corporate interest payments as a percentage of pre-tax profits have soared from 15% to almost 60% merely in the last decade. Bondholders have seen the value of their assets fall, as the steep rise in the new obligations of the increasingly leveraged firms heightens the risk of prior investments. And in the drive to meet mounting debt obligations and to stave off takeover bids, the sounder instincts of management—to plan for the long-term health of the company—tend to give way to the pressures to raise cash and to inflate stock value.

## Paper begets paper

Of all the questionable practices associated with the feverish trade in corporate ownership, perhaps none is more illustrative, or more infamous, than "greenmail." This is the practice of putting a company "in play" by buying large blocks of shares, and then reaping huge profits by selling them back at a premium.

Consider the case of T. Boone Pickens, the "corporate gunslinger." A decade ago, as owner of Mesa Petroleum, Pickens made a run at buying Supron Energy. He failed, but

made \$22 million from running up the value of the stock he purchased. Next, he set his sights on Cities Services. Again, he lost the bid for ownership, this time to Occidental, but managed to make \$44 million on an investment of \$182 million. Then, it was another “unsuccessful” campaign for General American Oil. This time, Pickens netted \$25.3 million by investing \$32 million for a little over a month. A brief assault on Superior Oil gained a profit of \$31.6 million.

Graduating to the big time, Mesa undertook to acquire Gulf. After a bidding war that lasted five months, Chevron wound up with the prize of ownership; but Pickens and his partners walked away \$760 million richer. Then, he tried to buy out Phillips Petroleum, setting off a competition involving the likes of Carl Icahn, Irwin L. Jacobs, and the lately imprisoned Ivan Boesky. Phillips retained its independence—at a staggering cost—and, for four months of jockeying (it could hardly qualify as “work”), Pickens made \$89 million, plus \$25 million in expenses.

In all the above and similar episodes, numerous deal-brokers—securities lawyers, investment bankers, and financial advisers—also wound up with a windfall in “fees.”

### **A ‘free market’ run amok**

The raiders and their apologists argue that the movement of stock prices to “truer” (or, at any rate, higher) values has enriched those willing to risk their capital in promising enterprises, rewarded behavior tested and proven in the marketplace, and provided the resources for another cycle of investment and progress. Like their social Darwinist forebears, they claim that interference in this process, however well-intended, simply hampers growth and efficiency, and infringes on the rights of investors.

But in an economic climate where casino builders prosper while steel companies go bankrupt, the claims of the free-marketeers are just glib rationalization. The major scholarly studies of mergers and buyouts, including those by David Ravenscraft and F.M. Scherer of the Brookings Institution and the University of Maryland’s Dennis C. Mueller, indicate that the mergers-mean-efficiency thesis is not borne out by experience. And these surveys merely study corporate performance, not even the larger economic impact referenced above.

Communities that have seen factories closed, jobs cut, suppliers and customers decimated, and firms slide into obsolescence in order to meet enormous debt burdens, have had enough of it. Companies and business federations like the Chamber of Commerce have joined with labor unions in pushing anti-takeover laws.

Admittedly, such efforts address only some of the most visible depredations of the speculative economy, and on a piecemeal basis at that; they only hint at the underlying problems of economic policy. But they are a healthy reaction to the ruinous course of the recent past, and a hopeful sign of a mass political awakening yet to come.

## **Nuclear deal gives Pakistan a breather**

by Susan Maitra and Ramtanu Maitra

After years of frustration and waiting, Pakistan’s nuclear power program received a boost when French President François Mitterrand announced in Islamabad in February, during the first-ever visit by a French head of state, that France would supply Pakistan a 900 megawatt (MW) pressurized light water reactor. Several months earlier, Chinese Premier Li Peng also promised to supply two fully safeguarded nuclear power plants of 300 MW each during a visit to Pakistan.

Li Peng’s announcement was widely welcomed in Pakistan, but the French government’s move is arguably the more dramatic and potentially far-reaching. Not only will France be helping this power-starved nation to realize an essential energy option crucial for the country’s economic future, but in reversing its earlier capitulation to the superpowers’ “non-proliferation” blackmail of Pakistan, France is helping break the embargo enforced against Pakistan, principally by the United States, at a time when there is a thrust within the country to establish policy independence from its erstwhile American ally.

One of the more important recent events in Pakistan is the rise of a significant group within the Pakistan military and bureaucracy who seek to cut its umbilical cord with the United States and reorient foreign policy around a regional consensus on Islam and an even-handed stance toward the superpowers. This grouping, of which Army Chief of Staff Aslam Beg is a prominent representative, would like to reduce Pakistan’s vulnerability to both the carrots and sticks that have been Washington’s routine fare for its “most allied ally.”

This should not be surprising. Pakistan is important for the U.S. for electronic surveillance, a possible military base, and an opening to Iran; but after more than 40 years of “strategic” alliance, and a significant amount of weapons transfers and economic aid, Pakistan has become the unwilling host to 3.5 million restless Afghan refugees, its bankrupt economy is in the clutches of the International Monetary Fund, and its people is still enmired in appalling poverty and illiteracy. On top of this, the United States has taken advantage of the intimacy to tinker with Pakistan’s domestic politics with seeming impunity.

Nuclear “non-proliferation” has been one of the more important sticks the United States has consistently used

against Pakistan, which, like India, has refused to become a party to the Non-Proliferation Treaty game whereby the superpowers seek to maintain their monopoly on nuclear technology under the pretext of preventing the spread of atomic weapons. It is no secret that the treaty has failed utterly in preventing the spread of nuclear bomb-making secrets; less appreciated is the fact that it has been devastatingly effective in preventing the spread of nuclear power plants to an energy-starved world.

To this day, Pakistan, though arguably close to attaining the technical capability to make nuclear devices, has been systematically denied the technical knowhow to construct reactors, nor does it possess the necessary industrial infrastructure.

### **Nuclear power play**

In 1975, Pakistan and France signed an agreement under which France would supply a 600 MW nuclear power plant—the nation's second nuclear station—and a reprocessing plant. The agreement came under intense pressure from the then-U.S. Secretary of State Henry Kissinger. Although the U.S. representative at the International Atomic Energy Agency meeting in 1976 voted in favor of Pakistan's application for a fully safeguarded nuclear plant, then-French President Valéry Giscard caved in to pressure from Kissinger's State Department.

Details of this story are only now beginning to come to light. Air Marshal Ayaz Ahmad Khan (ret.) reported recently in the Pakistani daily *The Dawn* that the U.S. made an offer of 100 A-7 Crusader fighter-bombers in order to dissuade Pakistan from going ahead with the reprocessing plant. Khan related that when Air Chief Marshal Zulfikar Ali Khan (now Pakistan's ambassador to Washington) was asked by then-Prime Minister Zulfikar Ali Bhutto for his opinion on the offer, he "readily refused the juicy carrot from America in the interest of long-term national development."

Kissinger's open personal threat to Bhutto over the French nuclear deal is a matter of record, as is Bhutto's subsequent overthrow and 1979 judicial murder.

France's capitulation to the U.S. pressure was a devastating blow to Pakistan's power program. Pakistan had set up its first and only nuclear power plant, a 137 MW heavy water pressurized reactor of the CANDU type, in Karachi in 1972. The Karachi Nuclear Power Plant was supplied by Canada, but in 1976, under further "non-proliferation" pressure, the Canadians ripped up the agreement and summarily stopped supplying fuel and heavy water to the plant. Pakistan managed to keep the plant active by indigenously producing heavy water and manufacturing fuel rods. The second power station, Chashma, was approved in 1978 for construction near Mianwali in the state of Punjab, but France's retreat made it a dead letter.

Not resigned to defeat, over the following years Pakistan repeatedly floated global tenders asking for a reactor suppli-

er, and even turned to Moscow for help. The Soviet Union conceded only a smile and a promise to "study the project at an early date." As for the free market, *Nucleonics Week* described Pakistan's predicament as of Dec. 22, 1983 thus: "The United States has vigorously urged nuclear suppliers to refrain from dealing with Pakistan unless it accepts full-scope safeguards, and the U.S. and Soviet Union rarely diverge in their views on the necessity for full-scope safeguards in non-weapons states."

### **A priority for Benazir**

The breakthrough in the nuclear power program comes not a moment too soon. Pakistan has very little fossil fuel, and has become increasingly dependent on its rivers for electrical power. To date the country has an installed capacity of a mere 5,000 MW—an estimated 3,000 MW short of meeting current baseline demand.

After languishing for more than a decade, the nuclear power program was given top priority by Prime Minister Benazir Bhutto as soon as she took office. One of her first acts was to ask the Pakistan Atomic Energy Commission to draw up a 20-year nuclear program that would enable Pakistan to generate 6,000 MW of electrical power by the turn of the century.

According to the program presented by PAEC Chairman Dr. Munir Ahmad Khan last September, the first reactor to be fabricated locally, a 300 MW reactor, will take seven years to complete. Under the program, a half-dozen or more are to be manufactured before switching over to units of 600 MW capacity. Already engineering capabilities of some 400 major industrial units have been screened by the PAEC, and some have been given required quality standards. The heads of 20 companies have toured reactor manufacturing facilities in Europe, and memoranda of understanding have been signed with some 17 industries for collaboration.

In the run-up to installation of the new foreign-assisted reactors (the Chinese plants are also scheduled to come up at Chashma), Pakistan can concentrate on gearing up its nuclear infrastructure. If it chooses to opt for the pressurized light water reactor for future installations, Pakistan will have to think about developing its own fuel-making capability. In a Nov. 30 lecture in Lahore, Pakistani nuclear scientist Dr. Abdul Qadeer Khan said Pakistan was self-sufficient in enrichment. But manufacturing enriched uranium fuel to supply a light water reactor-based power program requires more than simply technical know-how. Pakistan will have to produce enriched uranium oxide in large quantities.

Also important is the cladding material, a special alloy of nuclear-grade zirconium. There are reports that mineral sands containing zirconium have been found in large quantities along the Makran coast of Baluchistan. It is also reported that the PAEC is proceeding to produce the requisite grade of zirconium alloy, and will soon be able to manufacture tubes and plates of the required precise dimensions.

## Fed moves to take control

*The Federal Reserve is in the process of establishing top-down control over the U.S. banking system.*

**T**he probable early departure of L. William Seidman as chairman of the Federal Deposit Insurance Corp. (FDIC), and his likely replacement by Federal Reserve official William Taylor, signal a move by the Fed to take full, top-down control of the nation's banking system.

Seidman has been a constant source of irritation to the team-player mentality of the Bush league, because of his propensity for public disagreement with the administration over the cost of the so-called thrift bailout and the methods by which such a bailout should be implemented. He was reportedly offered a post as an ambassador-at-large if he would resign early.

At a May 3 press conference, President Bush implied (but of course would not say) that he would be happy to see Seidman go, and stopped just short of nominating William Taylor, the Fed's top banking regulator, to take Seidman's place. People at the White House are "high on Bill Taylor," said the President.

Taylor, widely regarded as a troubleshooter for the Fed, was the first person chosen by the administration to oversee the thrift clean-up, becoming the acting head of the Resolution Trust Corp. Oversight Board when the new thrift law took effect last August. He held that position until the selection of Daniel Kearney as Oversight Board president, and returned to it when Kearney resigned some months later.

Taylor can be expected to represent the Fed at the FDIC, even more

so than did Seidman. In a recent magazine interview, Taylor was asked if the nation needed three agencies to regulate banks. "There should be one," he responded. "It should be the Federal Reserve. Many people don't agree with that, but that's my opinion."

Currently, the Fed, the FDIC, and the Comptroller of the Currency regulate aspects of the nation's banking system, but there have been persistent leaks that the administration plans to streamline the entire regulatory structure, virtually abolishing the savings and loan system and its regulator, the Office of Thrift Supervision. The plan, which will reportedly be revealed after the November elections, will merge the healthiest of the thrifts into the commercial banking system, and close the rest. It also calls for jettisoning much of the Glass-Steagall Act of 1933, which created the Federal Deposit Insurance Corp. and prohibited the nation's commercial banks from dealing in securities. Deposit insurance will reportedly be cut in half, from the current \$100,000 per account, to \$50,000, in what is likely the first step toward abolishing government bank deposit insurance entirely, in favor of private insurance.

The Federal Reserve's position was further elaborated by E. Gerald Corrigan, the president of the Federal Reserve Bank of New York, in testimony before the Senate Banking Committee May 3. Corrigan warned that the "fragmented" nature of the U.S. financial system put it at a com-

petitive disadvantage compared to other nations. Corrigan said that the U.S. economy would be better served by having fewer institutions with broader powers, free to operate nationwide. There should be no barriers prohibiting financial services companies from acting as combination banks, securities dealers, and insurance companies, he said.

"The U.S. banking system is simply out of step with the rest of the world, and more importantly, it is out of step with the realities of the marketplace," Corrigan stated. "Even more importantly, the system as now configured may be risk- and accident-prone. . . . We have so many financial institutions and so many classes of financial institutions that compete with each other, we now have, in my view, excess capacity in large segments of banking and finance. . . . The symptoms of this condition abound . . . perhaps especially in the troublesome manner in which we see vast amounts of very short-term churning and trading in so many segments of the financial markets."

Boil out the self-serving rhetoric and camouflage, and what Taylor, Corrigan, and the Bush administration are saying is simple: They plan to keep the financial system together by imposing top-down control through the Federal Reserve, through massive consolidation of the banking, securities, and insurance industries. The giants created by these consolidations will then be kept afloat with virtual blank checks from the Fed.

This policy of Mussolini-style corporatism, in which the administrative and repressive powers of the state are used to crush all dissent and competition, is doomed to fail. Police-state fascism, in addition to being profoundly evil, is a totally incompetent approach to economics.



## Wiping out the Pap smear

*Another harbinger of the Bush depression is the limiting of access to this cancer-fighting diagnostic technique.*

**T**he Bush administration is moving to restrict access to one of the most efficient and effective tools for the early detection of cancer, the so-called Pap smear. Following the usual media barrage of scare stories, the Health Care Financing Administration (HCFA) promulgated a series of regulations designed to cure the problem of inaccurate test results.

Like most Bush-league policies, the regulations will simply destroy a capability already suffering the effects of the ongoing economic collapse. The regulations were originally published for comment on Aug. 15, 1988, and a final version was released on March 14, 1990.

An article in the April 1990 issue of *CAP Today*, the magazine of the College of American Pathologists, read:

"Although the regulations published in the *Federal Register* are 'final,' the Health Care Financing Administration has allowed an additional 60-day comment period.

"Pathologists are among those commenting most strongly. They say that the rules' requirements are so unwieldy, expensive, and burdensome that many laboratories—especially small labs and those in rural areas—can be expected to simply stop providing cytology screening altogether.

"A lot of laboratories in this country will stop doing cytology," said William B. Hamlin, M.D., Seattle pathologist and chairman of the CAP Council on Scientific Affairs, "because there's no way they can meet the requirements, as they stand today, in a reasonable fashion.

"I think the impact of this regula-

tion on the average laboratory will—at an absolute minimum—double, probably triple, and may even quadruple the cost of a Pap smear to the patient.

"The cytology proficiency testing mandate, accompanied by penalty procedures, personnel standards, workload limitations, test reporting requirements, and other provisions, is contained in the final rule published by HCFA last month.

"According to the American Cancer Society, over the past three decades, the Pap smear has contributed significantly to the sharp reduction in deaths attributable to carcinoma of the cervix. The cervical cancer death rate has, in fact, dropped some 70% since the Pap smear came into widespread use.

"The Pap smear is one of the best screening tools available for any cancer: It's inexpensive, a relatively simple sample to collect, and an effective indicator of early abnormality. American women have responded well to the call to make regular Pap smears a part of their health care programs. However, overregulation now may pose a threat to this cancer screening tool.

"Alfred Ercolano, director of the CAP Washington office, poses a possible scenario. 'In a 100-bed hospital in small-town Arkansas doing 50 pap smears a week for physicians in the community, the administration may look at these regulations and determine that they can no longer offer Pap smear screening because of the onerous paperwork requirements,' he says.

"The physicians who use that service will then have to send slides to a

lab that may be 50 to 200 miles away," Ercolano adds. "Costs will go up as will reporting turnaround times, and local physicians won't be able to communicate as well with the pathologist and cytotechnologist who has reviewed the slides."

The impetus for these regulations was provided by a series of newspaper, magazine, and televised reports beginning in late 1987. These portrayed women who were supposedly dying of cervical cancer because of misread Pap smears. This campaign initially focused on so-called "Pap mills," where overworked and under-trained technicians screened large numbers of slides.

The campaign then expanded to more generalized attacks on all medical laboratory testing. Strangely enough, this coincided with the implementation of massive cuts in the Medicare and Medicaid budgets, especially in reimbursement for laboratory services. It was also part of a move to divert mounting pressure for widespread testing for human immunodeficiency virus (HIV-AIDS) infection.

The success of this media operation can be measured by the continuing spread of HIV infection, especially among the nation's poor. With the new HCFA regulations, another weapon against disease will be restricted and more women can look forward to the gothic horror of dying of cancer of the cervix.

Dr. Lloyd Wagner, M.D., president of the American College of Pathologists, summed up the situation as follows:

"The Pap smear is effective, and it's within the reach financially of most women; if it goes up in cost and fewer people provide it, this valuable service is going to be denied to the American public—and that is an injustice."

# Business Briefs

## **Economic Theory**

### **Mercantilism targeted by Trilateraloids**

"Mercantilist practices," or what in the United States is called the "American System" of political-economy, are the real problem with Ibero-American economies, the Trilateral Commission pronounced in a just released report.

The report charges that the causes of Ibero-America's economic crisis do not lie in external factors such as the International Monetary Fund, interest rates, or the foreign economic policy of the industrialized nations, but rather in "long-festering flaws in the region's economic institutions and its whole conceptual and policy approach to the question of development."

The region's leaders have finally recognized that "the roots of dysfunction lie deep within the region, its governments and its development policies." One of those flaws, it explains, "can be traced from the mercantilist practices of their former colonial rulers—traditions which always meant a great deal of governmental-bureaucratic involvement in local economies."

## **Asia**

### **U.S. bank suing Red China on loan default**

The First National Bank of Chicago is suing the People's Republic of China National Machinery and Equipment Import and Export Corp. in Hong Kong for \$14.65 million plus interest on a defaulted loan, Reuters reported April 20.

The case is being watched closely by bankers who are nervous because of a huge unacknowledged debt. Chinese state-owned companies and their joint-venture partners took out up to \$70 billion in government-guaranteed foreign loans over the past 10 years, much of which are still outstanding, Reuters quoted a senior Chinese official as saying.

Beijing has just completed a survey on this debt and has decided to strengthen control over foreign debt guarantees. Only 10 financial or-

ganizations will now be able to take loans. China's payments on its admitted \$44 billion debt will peak at \$10 billion per year in 1992.

## **AIDS**

### **Plague worsens in populous Asian nations**

India could be the site of Asia's first full-blown AIDS epidemic, the Associated Press reported April 20. In Bombay alone, doctors say, there are 10,000 prostitutes carrying the HIV virus, and a survey last year showed that the amount of AIDS-infected blood is 40 times more than in 1987.

Senior Bombay health official Dr. S.M. Bhadkamkar stated, "We could have an epidemic situation in 10 years. Every six months the number of AIDS carriers is doubling." The Indian budget for dealing with AIDS is only \$7.5 million, most of which is used for testing.

In Communist China, AIDS is spreading rapidly through drug addiction. The Chinese government is "extremely alarmed" by the situation, the Italian daily *Corriere della Sera* reported April 30. There is a big increase in the production and consumption of opium and heroin in China, centered in Yunnan, Guangdong, and Jiangxi provinces. Police report over 10,000 addicts in Yunnan alone. There has been an explosion of hepatitis in southern China, where it was already endemic, and in Ruili, of only 1,000 addicts tested, 146 were positive.

## **Technology**

### **Soviet, U.S. scientists join to stop locusts**

Scientists from the United States and the Soviet Union are collaborating on a plan to use lasers developed as part of the U.S. Strategic Defense Initiative program and its Soviet counterpart to destroy locust plagues, according to a report in the April 26 issue of the British science magazine, *Nature*.

A University of Arizona optical scientist, Peter Franken, and his longtime Soviet friend Vladilan S. Letokhov, came up with the idea when discussing possible applications of their carbon dioxide laser work. *Nature* termed it "one of the strangest plans ever put forward for the peacetime use of a sophisticated military technology," but noted that it has picked up support from the U.S. and Soviet political and scientific establishment, including Soviet Academician Yevgeni Velikhov who has reportedly promised the project funding through the International Foundation for the Survival and Development of Humanity.

An efficient, low-cost plan to use electromagnetic pulses against locust swarms was proposed in 1986 by scientists participating in a series of seminars sponsored by the Fusion Energy Foundation and *EIR* during the worst African locust plague of the century, but no relevant policy agency took up the proposal.

## **Smuggling**

### **Early warning radar to join drug war**

The U.S. Air Force announced in late April that it was putting a new Over-the-Horizon-Backscatter radar into service to help interdict drug-trafficking air flights from the Caribbean and Mexico.

The radar was designed for early warning against Soviet strategic bombers, but at a press conference in Bangor, Maine, Air Force Maj. Gen. Eric Nelson said, "the world has changed since we started this program."

The system, which bounces radar signals off the ionosphere, includes a 3,630-foot-long transmitting antenna, and a 4,980-foot-long receiving antenna 100 miles away. Conventional line-of-sight radars are limited to a detection capability of about 300 miles. This over-the-horizon system will be able to detect objects between 500 to 2,000 miles from the transmitter, or over a 4 million square mile area of the Atlantic Ocean from Iceland, to the Azores, to the northern coast of South America, when the ionosphere is cooperating, and there are no sun-spot-caused magnetic storms.

## Small Business

### Environmental plan costs Los Angeles jobs

Environmental restrictions, imposed in 1989 by the South Coast Air Quality Management District, which regulates a four-county area including Los Angeles, have run many small businesses out of Los Angeles, costing thousands of jobs, the April 29 *New York Times* reported.

The environmental regulations, called "the most restrictive air-quality plan in the world" by the *Times*, has driven businesses out of the district and out of the state. Manufacturing employment in Los Angeles County has slipped from a decade-high of 914,000 in 1987 to 866,000 in 1989. One-quarter of all fabricated-metals jobs in the county have disappeared since 1979, with only 65,000 remaining today. Machinery equipment manufacturing has lost about one-third of its jobs, dropping to 61,000 in 1990. The county's 270,000 jobs in high-technology manufacturing, the majority in aerospace fields, are expected to continue to decline.

## Computer

### Japan pushing 'massive parallel processing'

Japan will put a major development effort into new computer technology called "massive parallel processing" (MPP), as the goal which will allow Japanese companies to leapfrog the technological dominance of U.S. companies in computer electronics, according to a report prepared under the auspices of the Ministry of International Trade and Industry (MITI) in Japan.

MPP allows computers to run simultaneous calculations through tens of thousands of processors. By contrast, existing computer designs are only able to use one or a handful of processors at one time.

The report will serve as a guide to Japanese companies as they invest in computer research and development. Uptonow, most of the pioneering work in MPP has been accomplished by

small U.S. companies that have been supported through a Department of Defense program known as the Strategic Computing Initiative. The orders of magnitude increase in computing speed that MPP would allow would be a breakthrough in developing battle management data systems for the Strategic Defense Initiative.

MITI's new report is intended to be a guidance document that replaces the "Fifth Generation" project, which aimed at creating computers able to simulate the thought processes of the brain, such as sound pattern recognition. Under that project, the Japanese government provided about \$250 million in support to industry over nine years. The April 30 *New York Times* reported that Japanese companies, particularly the large computer makers Fujitsu, Hitachi, NEC, Toshiba, and Mitsubishi Electric, have spent much more than the Japanese government has.

## Poverty

### Commission warns of 'national tragedy'

A national commission headed by Sen. Jay Rockefeller IV (R-W.Va.) warned of a "staggering national tragedy" because of the impoverishment of children. It warned that America's future is threatened because children make up the poorest age group in the United States.

Some of the panel's findings include: More than a half-million children are affected by malnutrition, and 100,000 are homeless; in 1987, the poverty rate was 45% for black children, 39% for Hispanic, and 15% for white children; one out of every four rural children is poor, and they are less likely than urban children to receive assistance.

The panel, formed by Congress in 1987, stated that poverty, more than any other factor, placed American children at risk for long-term problems, including poor health. No recommendations were issued, but one commission member, Dr. Barry Brazelton, professor of pediatrics at Harvard University, said if these children are not helped, they are going to cost billions. "They're going to be the terrorists of the future."

## Briefly

● **THE U.S. SUPREME** Court April 30 overturned the Ninth Circuit Court of Appeals in a case involving the 1988 merger of two California supermarket chains, and held that states have standing to bring suit to halt an intrastate corporate merger under the Clayton Anti-Trust Act. The case will now go to trial.

● **INFLATION** rose at a 5.7% annual rate in the first quarter compared with a 3.2% rate in the fourth quarter of 1989, the steepest rise since the third quarter of 1982 rate of 5.8%, the Commerce Department announced April 27.

● **JACQUES ANDREANI**, the French ambassador to the United States, said April 25 in preparation for the July 9-11 economic summit that President Mitterrand will raise concerns of Third World leaders at the conference. "If they are bankrupt, they cannot buy anything. If they are without any means, we cannot solve, together with them, a number of global problems," he said.

● **DWAYNE ANDREAS**, the head of the grain cartel company Archer Daniels Midland, said April 24 that his company is considering receiving a large Soviet-built bulk ship from Pepsico in exchange for sending grain to Russia.

● **LYNDON LAROCHE'S** European infrastructure "Triangle" proposal is being circulated by a large regional ASEAN banking group. Asian investors, increasingly pessimistic over U.S. economic prospects, view the proposal as the basis for why such investment into the European economic expansion is sound.

● **MACHINE TOOL** orders in the U.S. have dropped 17.6% from 1989, according to the Association for Manufacturing Technology. "America's apparent reluctance to invest . . . contrasts with foreign manufacturers who are investing heavily in modern productivity-improving machines," AMT president Albert W. Moore said April 30.

## 'Milken's Monsters' and the junk bond debacle

by Harley Schlanger

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### **The Predators' Ball: The Inside Story of Drexel Burnham and the Rise of the Junk Bond Raiders**

by Connie Bruck

Penguin Books, New York, 1989

399 pages, paperbound, \$8.95

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On April 20, Michael Milken reached an agreement with the Department of Justice to plead guilty to five counts of insider trading, pay a \$600 million fine, and work with the government to make other cases. I believe that, despite the bellyaching from the *Wall Street Journal* and others about the "police state" nature of the investigations and charges against Milken, most of the charges against him were designed to cover up and thereby leave untouched, the changes in corporate finance and trading wrought by Milken and his fellow predators.

The decision was made to sacrifice Drexel and the Milken operation, but there never was an investigation of what was behind Milken and what has been established by this operation. The reason was simply that Milken's operation, which paved the way for the boom in mergers and acquisitions and, eventually, the leveraged buy-outs (LBOs) of the 1980s, was a continuation of the policy launched by Donald Regan, William Simon, Walter Wriston, and others in the mid-1970s, and implemented when the Trilateral Commission installed the Carter administration. Their policy was to destroy the savings and loan associations, streamline the commercial banking system, and give complete control over U.S. credit and financial policy to a few, selected investment bankers and trading houses, like Merrill Lynch or Salomon Brothers.

The purpose was to transform the United States into a "post-industrial" society, which was made public in the Council on Foreign Relations' multi-volume program *Project 1980s*, which they called "controlled disintegration of the economy." Federal Reserve Chairman Paul Volcker's usurious interest rates set the stage. In quick succession, the early 1980s witnessed deregulation, the Securities and Exchange Commission (SEC) turning a blind eye to charges of "insider trading," and the incredible expansion of the high-yield bond markets ("junk bonds"), all as part of this transformation, which then became known as the Reagan "recovery." The disintegration continues under George Bush.

Especially interesting is how many of the important players in creating the junk bond hustle also turn up as owners or big players in the S&L scandals; and how many of them are either directly or indirectly tied to fortunes made through organized crime; and, of course, the fact that many are connected to the Anti-Defamation League. This group was appropriately named by Meshulam Riklis, "Milken's Monsters."

### **Background on Drexel**

Drexel was founded in Philadelphia in 1838. In 1871, it opened an office in New York under the name of Drexel, Morgan and Co. This soon became a single partnership, operating as J.P. Morgan and Co. in New York, and as Drexel and Co. in Philadelphia, and engaged in both commercial and investment banking. With the passage of the Glass-Steagall Act in 1934, prohibiting the same institution from engaging in both commercial and investment banking, Morgan and Drexel split, with Morgan staying in commercial banking (eventually becoming Morgan Guaranty Trust Co.) and Drexel remaining in investment banking. In 1966, Drexel merged with Harriman Ripley and Co. of New York. In 1970, there was an infusion of funds from Firestone Tire and

Rubber Co., and the name became Drexel Firestone. The next year, with Drexel merged with Burnham and Co., Connie Bruck characterizes the merger as being between a blueblood firm in need of funds (Drexel) and a Jewish firm with funds but no status (Burnham). In 1976, Drexel Burnham merged with William D. Witter, in which Campaignie Bruxelles Lambert (controlled by Baron Léon Lambert) had a controlling interest.

Michael Milken came to work at Drexel in 1970, after graduating from the University of California at Berkeley with a degree in business administration in 1968 and from the Wharton School. Milken came to the attention of I. W. Burnham II as early as 1973, when his complaint that he was being starved for capital reached Burnham. Burnham extended \$2 million to him, from which Milken made \$2 million for the firm—a 100% return—and Burnham made sure that Milken had ample funds and the autonomy he desired.

According to author Bruck, there was a major change in financial underwriting on Wall Street in 1975. Firms stopped paying fixed commissions to their underwriters, which meant that the traditional investment banking relations, in which one firm relied on one underwriter, was dropped and was replaced by “transactional banking,” in which investment banks were forced to compete anew on every deal. The result was that whichever investment bank could raise funds most quickly would win the position of underwriter for a firm seeking funds. As interest rates became more volatile, this became an immense advantage.

The question was ultimately raised at a Drexel corporate strategy session in 1979, “What if there were no difference between corporate finance and the high-yield bond department?” The answer was obvious: Drexel would then be the firm that would hold the advantage, as Milken had proven his ability to raise funds more rapidly than anyone else on Wall Street, especially through his zeal for the so-called “high-yield bond” market.

### ‘Milken’s Monsters’

Milken’s early customers, for whom he made huge profits and who, in turn, were among those he could count on in raising funds, were largely “outsiders,” who, Bruck says, had “alienated the establishment” through their “onslaughts on major banks.” This group, which included Meshulam Riklis, who gave them their name, included:

- Carl Lindner, who took over Cincinnati’s Provident Bank in 1966, then acquired Great American, a property- and casualty-insurance company, run by the financial holding company American Financial Corp. In 1974, when he began his relationship with Milken, Lindner was under investigation by the SEC for violating anti-fraud and anti-manipulation regulations. Lindner soon became Drexel’s biggest client, in both trading and corporate finance. Charles Keating is one of Lindner’s protégés, whom Lindner set up with the mortgage company in Arizona that became the parent of

Keating’s Lincoln S&L.

- Saul Steinberg, who started a computer leasing business, Leasco, in 1961, shortly after graduating from Wharton. With money made from stock market appreciation of Leasco, he took over a conservative, 150-year old company, Reliance Insurance Co. In 1969, he tried to take over Chemical Bank.

- Meshulam Riklis, who like Lindner and Steinberg, Bruck describes, made his own fortune by “relying on leverage, invention, keen business acumen, and a disdain for the unwritten as well as some of the written rules.” And like the other two, he was under investigation by the SEC throughout the 1970s. When Riklis first met Milken, he already had control of Rapid-American, which included companies such as International Playtex, Schenley Industries, Lerner Shops, and RKO-Stanley Warner Theatres. When Riklis took Rapid-American private in 1980, he worked out the details with Stanley Sporkin, then deputy to William Casey as head of enforcement for the SEC. Soon afterward, Lindner and Steinberg followed suit, taking their firms private with aid from Milken.

- Laurence Tisch, whose insurance company, CNA, invested heavily in junk bonds with Milken.

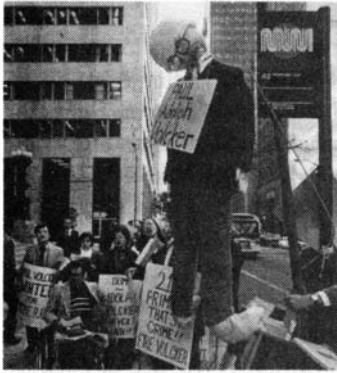
These four all invested heavily in each others’ enterprises. For example, throughout the 1970s, Lindner, through American Financial, was the second largest shareholder in Steinberg’s Reliance Financial. He was also a major shareholder in Riklis’s Rapid-American, and the second largest shareholder in Tisch’s Loews Corp.

It was in these interconnected networks that Milken would turn when he needed to raise funds. Others who became part of this grouping soon included:

- Nelson Peltz, described as the most unlikely character for this group, because he had little money or backing. Peltz was literally created by Milken, beginning in 1980, when Milken helped him and partner Peter May to take a 9.5% share of Sterling Bancorp, a New York bank holding company. In 1982, they took over Triangle Industries, which was used to leverage up for later acquisitions, such as Beverly Hills Savings, which they unsuccessfully tried to acquire in mid-1984. (Beverly Hills Savings was one of the S&Ls which bought Milken’s junk bonds. In 1985, Federal Savings and Loan Insurance Corp. (FSLIC) shut it down as insolvent.) They were more successful with National Can, which they took over in 1985.

- Victor Posner became an important client for Drexel in the mid-1970s, and was involved with Peltz and May in the National Can battle. He was another of those who joined with Steinberg, Riklis, and Lindner to buy each others’ Drexel-issued paper in the early 1980s. When he ran into tax problems in 1986, his attorney was Edward Bennett Williams.

- Carl Icahn, who conducted much of his “greenmailing”—forcing companies in which he held a sizable chunk



*A San Francisco demonstration in 1980 targets Paul Volcker's policy of "controlled disintegration of the economy." By raising the prime lending rate to 21%, Volcker set off the process that produced the junk bond and S&L diseases.*

to buy back their own stock at inflated prices lest they be taken over—with the backing of Milken and Drexel.

- Fred Carr, whose First Executive life insurance company was one of the leading purchasers of junk bonds.
- Thomas Spiegel, whose Colombia S&L, which was recently declared insolvent and taken over by the FDIC, at one time had over \$10 billion in junk in its portfolio.

By 1983, Posner, Spiegel, and Carr had become part of Milken's Monsters.

### How the takeovers worked

There were two basic methods Milken used in raising funds for takeovers. In one, he would issue what is called a "highly confident" letter. Milken would raise an initial amount of funds (usually from his "Monsters") to back a takeover bid, and then he would issue a letter, announcing that he had already raised a certain amount of funds and was "highly confident" that he could raise the rest. When one of these would circulate, his team at Drexel would raise additional funds from regular clients and investors very rapidly, creating the pool of funds needed for the takeover. Quite often his team raised more funds than necessary, and Milken would sometimes refund the initial seed money to his donor Monsters, plus a return for their help. This method was used when there was a raider prepared to launch a takeover bid, such as Peltz for National Can or Ronald Perelman's takeover of Revlon.

In another method, when Drexel had a target, but no takeover client in mind and no money, they would nevertheless announce that they had money—what they called an "Air Fund." According to an unnamed official cited by Bruck, "it was just a threat. The Air Fund stood for our not having a client with deep pockets who could be in a takeover. It was a substitute for the client we didn't have . . . we manufactured out of thin air—almost thin air—a credible takeover guy."

One of the more interesting figures among the Milken coterie who benefited from both of these methods is Ronald Perelman, who now controls Revlon. Perelman's start in finance came through his marriage to Faith Golding, the granddaughter of the founder of Sterling National Bank and

owner of the Essex House Hotel of New York. (When Perelman later divorced her, his lawyer was "his longtime friend," the late mob lawyer Roy Cohn.) Perelman was backed by Milken in his takeover of Pantry Pride, which he then used to take over Revlon.

Perelman's law firm in the takeover was Skadden Arps, a leader in the field, but he also benefited from advice from Arthur Liman, of Paul, Weiss, Rifkind, who became famous as chief counsel for the Senate's Iran-Contra committee hearings. Bruck reveals that Liman is a protégé of Simon Rifkind, who in turn was a board member of Revlon during the takeover attempt, and whose firm represented Revlon in their fight to fend off Perelman. Liman, who also wears the hat of Michael Milken's attorney, obviously saw no conflict in advising Perelman, saying he thought that Revlon should "negotiate" with Perelman, rather than fight him.

Perelman was later involved in the last, and most outrageous, takeover of S&Ls sanctioned by Federal Savings and Loan Insurance Corp. chief Danny Wall, whose "Southwest Plan" in December 1988 sold thrifts at fire sale prices. Perelman was given control over five insolvent Texas S&Ls and a \$900 million tax credit, which he could apply to Revlon, in return for some pocket change. This deal is presently under investigation by the House Banking Committee.

### 'Predators' Ball' in Japan

In November 1986, Milken went to Tokyo for an affair similar to the highly successful "Predators' Balls" he used to hold in the United States, where he would bring his major clients together for strategy sessions and schmoozing. The 1986 Predators' Ball in the U.S. included as speakers Ronald Perelman and Armand Hammer. Others who spoke were Senators Bill Bradley (D-N.J.), Frank Lautenberg (D-N.J.), Howard Metzenbaum (D-Ohio), and Alan Cranston (D-Calif.)—the last two being among the "Keating Five." Also attending, but not speaking, were Democrats Timothy Wirth, then a representative from Colorado, and Sen. Ted Kennedy. At this meeting Nelson Peltz joked to the assembly, many of whom had helped finance his takeovers, "Never have so few owed so much to so many."

Milken was convinced that the Japanese, who had previously limited themselves to purchase of triple-AAA credits in U.S. bond markets, were ready to get into the junk market. Bruck says that Milken wanted to compress his fundraising process, which had taken seven to eight years in the United States, to two years in Japan.

He had three steps in this process:

- 1) Build a client base of buyers. This had been facilitated in the United States to a large extent through "Milken's Monsters."
- 2) Raise capital for small-time entrepreneurs.
- 3) Transform the entrepreneurs into challengers, who would conduct raids on the giants of Japanese industry.

According to Bruck, Milken figured that if he could not

conduct hostile raids in Japan, he would at least increase the reservoir of capital with which to conduct raids in the United States.

### **Where were the regulators?**

As Milken's Monsters were unleashed on corporate America, there was pressure on Congress to look into the explosion of the junk bond market and the LBO craze it had spawned. The phenomenon of leveraging buyouts began in earnest in 1983 when former Treasury Secretary William Simon's Wesray backed the Gibson Greetings cards takeover. Hearings in Congress on takeovers were held in 1984 and again in early 1985 before the House Subcommittee on Telecommunications, Consumer Protection and Finance, chaired by Rep. Timothy Wirth. Wirth had initially been hostile to junk bonds, but was courted extensively by Drexel. In 1985, Wirth received approximately \$24,000 in contributions from Milken's networks. Eventually, he became a strong supporter of Drexel and junk bonds, to the point of attending the 1986 Predators' Ball. One of his top aides, David Aylward, left his staff to form a lobbying group called Alliance for Capital Access. The purpose of this lobby, backed by Drexel clients at Drexel's request, was to oppose the imposition by Congress of any limits on junk-bond financing. The leader of the Alliance was Larry Mizel of MDC Holdings, who was a close ally and business partner of Saul Steinberg.

Mizel's MDC is the holding company for Silverado S&L of Denver, which was declared insolvent by the FSLIC. Moreover, the Colorado thrift is being investigated for fraud and possible involvement in laundering funds to finance CIA covert operations. A prominent former board member of Silverado, and business partner of Mizel, is President George Bush's son, Neil Bush.

When the House proved unwilling to tackle the issue of LBOs, legislative initiative passed to the Senate. At the time, the chairman of the Senate Banking Committee's Subcommittee on Securities was Sen. Alfonse D'Amato (R-N.Y.). From 1981 to 1986, D'Amato had received \$70,750 in donations from Drexel, and \$40,600 from Morgan Stanley. Although D'Amato had pledged to his colleagues that there would be action, no legislation ever made it through the committee. He instead suggested that a federal study be conducted into junk bonds!

Of the 30 bills dealing with regulating takeovers—that were considered during 1984-85, not one passed.

Bruck points out that the legislative inaction was heavily influenced by the fact that the SEC did not favor any of the bills. In fact, the SEC and the Justice Department had what she calls a "pro-takeover attitude . . . that had fueled the M&A [mergers and acquisitions] activity of the early 1980s."

As in the case of the S&Ls, in which the mania for deregulation led FSLIC regulators to at least turn a blind eye to highly questionable activity, the SEC also took a hands-off

attitude toward the predators. In a report issued in June 1986 on the use of junk bonds in financing takeovers, the SEC concluded that there was no "justification for new regulatory initiatives aimed at curbing the use of this kind of debt issuance in takeover bids or indeed as it relates to any other aspects of corporate financing activity."

A similar conclusion was reached by the President's Council of Economic Advisers, which concluded in its 1985 annual report that mergers and acquisitions "improve efficiency, transfer scarce resources to higher valued uses, and stimulate effective corporate management." This is precisely the pitch put forward by Milken, et. al., in justifying their raids.

### **Post mortem of a 'neat idea'**

The bankruptcy of Drexel Burnham Lambert and the plea-bargain agreement reached between the government and Milken's attorneys must not be the end of this saga. The damage done by the transformation of the financial system of this nation by those who opened the doors for Milken, combined with that done by deregulation of banking, cannot be undone without a full investigation, and proper punishment of those who are guilty. In the name of "free enterprise" and "deregulation," the U.S. economy has been pushed over the edge into bankruptcy.

To use Oliver North's terminology, it may have been a "neat idea" for the financial elites to use "outsiders" like Drexel and Milken's Monsters for their "controlled disintegration" restructuring of the U.S. economy. It is Milken's belief that he led what Bruck calls a "revolt of the underclass to scale the walls of corporate America and depose the rich, credentialed and powerful." In the process, he placed their wealth and power into the hands of thugs and crooks, with the full backing of officials in the last three administrations.

Those who facilitated this transformation must be put on trial for the genocidal implications of their policies. Billions of dollars were pulled out of necessary investment in infrastructure, home building, and research and development, and diverted instead to the speculative pool of junk and LBOs. Millions of jobs were lost, communities deprived of funds, while the junk bond dealers lived like kings, imposing their philosophy of greed and hedonism on the U.S. population.

As the junk markets collapse, it is not just paper that is lost. In the S&Ls fiasco, family savings have disappeared and the cost to the government—i.e., to the taxpayer—is estimated to be at least \$500 billion. Insurance companies and pension funds, drooling at the prospect of the high rates of return promised by the junk bond dealers, poured over \$150 billion into junk, much of which is trading today at 20-30¢ on the dollar.

The coverup of this operation must end. Until we as a nation come to terms with how we were so easily seduced and corrupted by the promise of quick wealth, we will not regain our soul.

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## Maglev technology could rebuild U.S. transportation

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*Our collapsing transportation could be on the road to recovery if we invested in basic infrastructure such as magnetically levitated transport, reports Marsha Freeman.*

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For the past fifteen years, the United States has invested virtually nothing in maintaining, much less upgrading, the transportation systems that are prerequisite for the functioning of any economy. No new airports have been built, while air transport delays cost air carriers and passengers more than \$5 billion per year. Tens of thousands more miles of railroad track have been abandoned. Highway congestion has reached crisis proportions, and cities' and states' resources to improve the situation are limited. In 1975, the U.S. Department of Transportation ceased funding the next-generation transportation technologies which would have averted this crisis. Promising work in developing magnetically levitated transport systems—known as maglev—was abandoned, using the excuse that it would “cost less” to improve existing rail lines, such as the bankrupt Penn Central-turned-Amtrak system in the Northeast corridor.

During these past 15 years, the Germans and Japanese have each invested about \$1 billion in maglev technology, and have built short-distance, passenger-bearing demonstration systems. There is no doubt that the window of opportunity for the United States to participate in developing, building, and deploying this transport technology in the future is at most just the next few years: Over this decade of the 1990s, both Japan and Germany plan to build commercial-scale maglev systems at home, and, if they can, export the technology to this country.

Both the U.S. scientists who originated the concepts and basic ideas in the 1960s for maglev and who hold the patents, and others who are aware of the revolutionary potential of maglev, have watched with increasing frustration as the U.S.

abandoned its lead in developing this advanced superconducting transport technology. But in the past few years, transportation has so deteriorated—e.g., footage of collapsing bridges that appears on the evening news broadcasts—that even some of the worst “cost-efficiency” fanatics in Washington have begun to realize this nation must replenish its stock of transport infrastructure.

The rub, of course, is the overused refrain, “But, where will the money come from?” The Bush administration has proposed that any investment in transport come from new taxes, euphemistically called “user fees” (see *EIR*, March 23, 1990, p. 66). The assumption is made that the federal government does not “have the money” to rebuild collapsing infrastructure.

More recently, however, a number of proposals have been made in legislative form to finance the commercial development of new surface transport technologies, including high-speed rail and maglev. Rather than debate from which pot the money should come, it is more important to force a return to the idea that it is the federal government's responsibility to provide the infrastructure required for the growth of the physical economy. Without aggressive federal programs for transport, energy, and water development, the United States is eliminating the possibility of returning to the status of a great industrial power.

New York Senator Daniel Patrick Moynihan (D) has made great public fanfare out of the fact that the \$60 billion-plus surplus annually accumulating in the Social Security Trust Fund is being used by the Bush administration to reduce the federal government's operating deficit, to help make it



appear as if the administration is within the irrational Gramm-Rudman deficit reduction guidelines. What Moynihan has proposed, instead, is that payroll taxes for Social Security be cut to eliminate the large surplus. At the same time, Moynihan has promulgated separate pieces of legislation and various schemes to both establish a National Infrastructure Corp. and to finance maglev development from the pension funds of government workers. Obviously, pension funds, as well as Social Security and other so-called surpluses, such as the Highway Trust Fund, would be better spent financing transport and other infrastructure, than being funneled into the Treasury to defray the debt-bloated federal deficit.

But where the money comes from is, at best, secondary. Rather than obfuscating the real problems with endless proposals on how to finance what is desperately needed, the federal government must return to a policy of providing low-interest, long-term credit for federal and local governments, as well as such credit and investment tax benefits to private industry, while drying up financial resources for speculative "investments."

But what, free-market fanatics will ask, is the "cost-benefit?" Any significant improvement in infrastructure increases the productivity of the economy as a whole. Transportation, for example, can comprise up to one-quarter of the cost of any product. Increases in productivity through new technology, can, therefore, cheapen the cost of all goods, throughout the entire economy. Like the postal system, transport itself may "lose money," but it creates the conditions through which all other economic activity is made possible.

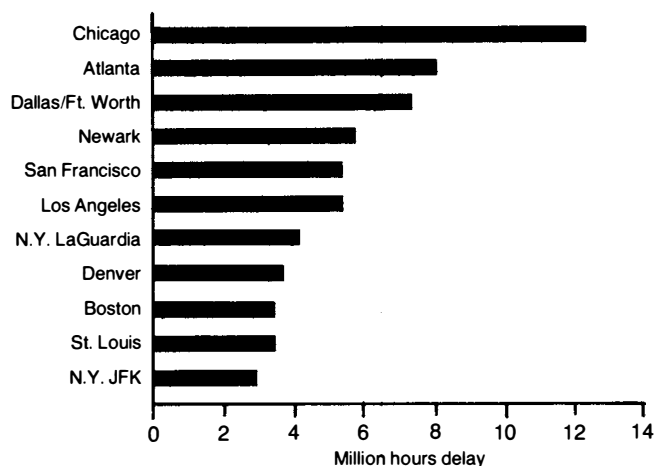
Over the last century, this nation crossed its interior with railroads, highways, and waterways, and created links through the seas and the air with the rest of the world's economy. Over the next decade, we must have a leap-frog advance, from fossil fuel-based transport to the most efficient, energy-dense technologies for the 21st century. One of these is magnetic levitation.

### Electromagnetic flight

In 1912, French engineer Emile Bachelet levitated and propelled a model vehicle using the basic magnetic principle that forces of like polarity repel, and those of opposite polarity attract. In the 1960s, considerable research into designing full-scale transport vehicles making use of this simple idea was being carried out in the United States, Canada, Japan, West Germany, England, and Romania. But in 1975, the federal role in developing high-speed maglev in the United States ended.

Magnetically levitated systems are often referred to as "wheel-less trains," but actually they are more akin to flight. Because there is no contact between the vehicle and the guideway underneath it, the major parameters effecting the performance of the vehicle are aerodynamic. The vehicles must be designed, as are airplanes, for minimal aerodynamic drag. Therefore, they will be manufactured by aerospace

FIGURE 1  
**Airports exceeding 3 million hours of passenger delay in 1987**



*The crisis in U.S. transportation is made clear from the millions of hours wasted by passengers and air carriers each year. Even five years ago, the Federal Aviation Administration estimated \$5 billion was lost annually through such delays.*

companies, not rail-car builders.

Using an electromagnetic propulsion system, along with magnetic levitation, a vehicle can maintain a constant *rate of acceleration*. Any other conventional transport system, such as rail or automobile, can accelerate up to a certain speed, and then must expend energy just in order to maintain that speed against the friction of the rail or road. But with maglev, since friction is eliminated and the vehicle can continue to accelerate at a constant rate: The longer it travels, the faster it can go.

The force of acceleration at airplane takeoff is approximately one g, or the forward thrust of the force of gravity, 32 feet per second squared. At a rate of acceleration about half that, a maglev vehicle would be accelerating at about 500 miles per minute. On a 3,000 mile trip across country, the vehicle would accelerate for 10-12 minutes, then cruise at 6,000 miles per hour for about 15 minutes, and then decelerate for another 10-12 minutes. The entire trip would take less than an hour! It takes time to build up speed and the vehicle could not be accelerated at a rate that would make passengers uncomfortable, and therefore, maglev is not significantly faster than wheel-on-rail trains for short distances. The farther it travels, the more time for acceleration, and hence, the faster maglev can go.

The top speed range for most steel-wheel-on-rail train systems is between 125-185 miles per hour (mph), because track alignment must be nearly perfect for a train to safely run at such relatively high speeds and difficulties arise from

the continuous transmission of power through rail-wheel contact at high speeds. The Japanese Shinkansen ("Bullet") train line is closed down every day between midnight and 5 a.m. so 1,000 workers can check and realign the rails. Maintenance costs are, therefore, quite high.

Such high-speed wheel-on-rail systems are efficient for traffic in heavily populated regions, when the distance between cities is less than a few hundred miles, and trips are less than two hours, such as in Europe and Japan. But in the United States, air travel has exploded over the past decade, largely because the distances businessmen and others must travel is so great. At the same time, average population-density is considerably lower than in Europe or Japan.

The travel range in which 300 mph maglev systems could make a substantial contribution to rational transport is in the area of a 100-600 mile air or automobile trip, which in the United States includes inter-city travel throughout the congested East Coast corridor, throughout the states of Florida, Texas, and California, and between cities of the industrial Midwest. In these regions, levels of airport traffic have already surpassed the limits of civilized transport. **Figure 1**



Argonne National Laboratory

*A chemist at Argonne National Laboratory uses liquid nitrogen to help cool a candidate material for higher-temperature superconductivity. Materials that stay superconducting up to 73°K above absolute zero can be cooled with liquid nitrogen, rather than less efficient liquid helium.*

illustrates the severity of the problem. Maglev promoters have pointed out that if this technology could reduce the \$5 billion-plus cost of airport delays suffered by passengers by even 30% over each of the next 20 years, the savings would pay for more than 2,000 miles of maglev infrastructure.

Highways are overcrowded and dangerous, and passenger rail transport has nearly disappeared. Magnetically levitated systems could provide quick, clean, energy-efficient connections for people, and even freight. In the longer term, vehicles placed inside evacuated tubes, where air resistance would not limit speed, could cross the nation in less than an hour.

In addition to its inherent advantages over conventional high-speed rail, electromagnetic flight will require the development of wholly new technologies, which will spin off into other industries and help propel the U.S. economy into the 21st century.

### **Basic principles of maglev**

To levitate an object, either of the basic principles of magnetic attraction or magnetic repulsion can be employed, and both are being developed for maglev. Attractive maglev, also called electromagnetic suspension (EMS) (**Figure 2**), requires placing an electromagnet underneath the carriage of the vehicle. The non-contacting guideway is made of an electrically conducting material, such as ferromagnetic steel, which is placed below the magnets on the vehicle. The vehicle is attracted to and is pulled up toward steel rails fixed to the guideway. If the attractive magnetic force should fail, for example from a power outage, the vehicle would come to rest on the guideway. All attractive maglev systems to date have used conventional iron-core magnets with copper coils.

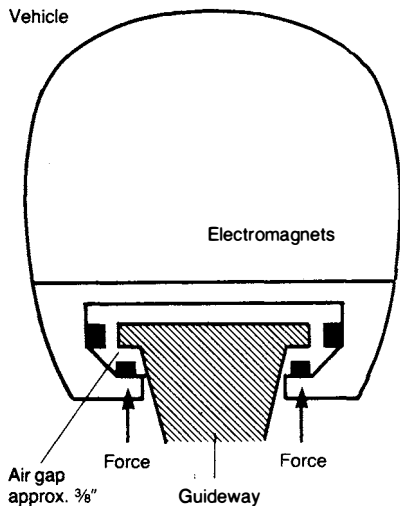
One important characteristic of attractive maglev is its inherent instability. Because of the relatively small magnetic field strength obtainable with iron-core magnets, there is only a small gap between the vehicle and the guideway. Typically, this air gap is less than an inch for a practical system, and hence produces very little tolerance for fluctuations caused by gusts of wind, passenger movements during travel, rail misalignments, and debris on the guideway. As in wheel-on-rail travel, the guideway must be maintained in nearly perfect condition. If the vehicle, for instance, moves slightly up toward the guideway and thus reduces the air gap, the attractive force increases, and the magnet on the vehicle is pulled even closer to the rail. No natural force is exerted to automatically restore the vehicle to its equilibrium position. Controlling the air gap in attractive maglev systems, therefore, requires continuous monitoring, and the magnetic attraction must also be continuously adjusted. The energy used in the feedback circuits required for stabilization and the magnetic drag increase with the vehicle speed.

From the beginning of research into maglev technology, it was recognized that repulsive maglev, or electrodynamic suspension (EDS) would be more stable than EMS. This

FIGURE 2

## Attractive and repulsive maglev

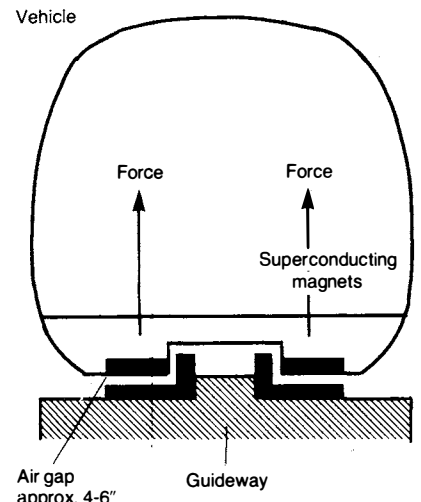
### Electromagnetic maglev (attraction)



System: Germany's Transrapid 07

*Electromagnetic, attractive maglev (left) uses conventional magnets aboard the vehicle which are attracted to a ferromagnetic guideway. This design creates a small air gap between the vehicle and the guideway of only a fraction of an inch. On the right is the superconducting, repulsive maglev design. Here, the magnets onboard the vehicle interact with induced magnetic fields from eddy currents produced in a light-weight aluminum guideway. The air gap is greater, and the vehicle is inherently stable.*

### Superconducting maglev (repulsion)



System: Japan's Linear Express ML-002

is due to the overall configuration of the magnetic fields generated, and the force of gravity, which provides a natural correction to any variations from the repulsive magnetic levitation, pulling the vehicle back toward the guideway.

The problem designers faced was to generate magnetic fields strong enough to lift a multi-ton transport vehicle, with magnets light enough to be carried onboard the vehicle—something which conventional magnetic systems could not do. Even in the 1960s when repulsive maglev was first proposed, however, the solution was at hand.

In 1908, Kamerlingh Onnes, working at the University of Leyden in Holland, succeeded in liquefying helium by achieving a temperature of only 4.2° Kelvin, or above absolute zero, for the first time. Up until that time, 20.3°K, which is the boiling point of hydrogen, was the lowest temperature ever maintained experimentally.

Three years later Onnes discovered the phenomenon of superconductivity, while exploring how far the electrical resistivity of a pure metal would decrease as the temperature dropped. He found that some materials brought down to 4.2°K exhibited *no* resistance to an electrical current—the current, once established, continued to flow unimpeded and appeared to be capable of persisting forever, because no resistance meant there was no loss of energy. It has been estimated that superconducting magnets for maglev will only have to be “recharged” after about 400 hours of use, or every two weeks, if the vehicle ran continually. Electromagnets require a continuous input of current to create the magnetic fields.

The importance of the discovery of superconductivity is revealed in the following comparison: A conventional 12

gauge copper wire cannot carry a current greater than 20 amperes because resistive energy loss and heating would melt the copper. A comparable wire of a superconducting alloy, such as niobium-titanium, can carry a current of 50,000 amperes, if kept at the temperature of liquid helium. Since there is no energy loss, once the magnet is energized, it does not require a continuing supply of electricity.

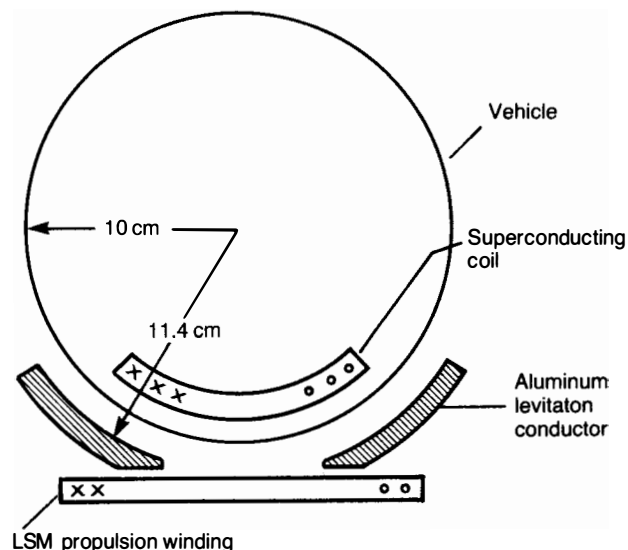
In a repulsive maglev design, superconducting magnets onboard the vehicle generate a magnetic field that interacts with a non-magnetic, but electrically conducting, light-weight aluminum guideway. The motion of the magnetic field over the guideway creates small electrical eddy currents, which, in turn, create a secondary magnetic field. This induced field has the same polarity as the field generated by the onboard superconducting magnets, because it has the same directionality, and repulsion results from the interaction of the two magnetic fields. Test vehicles have attained an air gap of up to 7 inches using superconducting magnets.

Since the *motion* of the superconducting magnet over the guideway is what creates the magnetic field, the vehicle must be moving in order for it to be levitated. Sufficient force is created for levitation at a speed of 20-30 mph. Until that speed is attained, the vehicle would be supported by wheels, similar to an airplane's landing gear. After liftoff, the wheels can be retracted to reduce aerodynamic drag.

The one-foot air gap between the vehicle and the guideway provides improved safety, allows flexibility for banking on curves, and eliminates the need to maintain a nearly perfect guideway. The gap will also make the system less sensitive to weather problems, such as rain, snow, or ice.

The repulsive or dynamic maglev is inherently stable,

FIGURE 3

**Magneplane design**

The MIT Magneplane, tested at 1/25 scale in the 1970s, used on-board superconducting magnets for levitation, propulsion, and guidance. This promising research was ended in 1975, when the government stopped funding maglev development.

because if the vehicle is disturbed by wind gusts or other movements and pushed closer to the guideway, the repulsive force would increase, which tends to push it back to its original position. If there were any anomalous increase in repulsive force, it would be counterbalanced by the gravitational pull of the vehicle back toward the guideway. The magnetic field interactions do produce electrodynamic drag, which is overcome by the propulsion system. Drag reaches a peak at a relatively low speed, depending upon the track thickness and vehicle design, and then diminishes when the guideway becomes electrically saturated, unlike aerodynamic drag, which continues to increase with speed.

**Superconductivity for propulsion**

The best method for propelling the maglev vehicle forward also makes use of superconductivity. Two types of rotary electric motors “unwrapped” into linear structures have been considered. The most promising design, using superconducting magnets aboard the vehicle, is a linear synchronous motor (LSN). In the Magneplane design, developed and tested in 1/25 scale at the Massachusetts Institute of Technology in the mid-1970s, the same superconducting magnets on the vehicle were used for levitation, guidance, and propulsion (see **Figure 3**).

For the LSM, coil windings are placed in the guideway, representing the non-rotating stator windings of the motor. The coils in the guideway are excited with an alternating

current activated in only small sections at a time, coordinated with the approach of a vehicle (see **Figure 4a**). The current in the guideway is not transmitted to the vehicle. It produces an alternating magnetic field, or standing magnetic wave, and only a relatively weak current is needed in the guideway. The vehicle “rides” the electromagnetic wave, similar to the way a surfboard rides the waves of the ocean. The magnetic field created by the three-phase alternating electrical current in the guideway attracts the vehicle and pulls it toward it (**Figure 4b**). Then, when the vehicle is directly overhead, the direction of the current is changed and in that instant there is effectively neither an attractive nor repulsive interaction. But as the current changes direction, and the vehicle is moving forward to the next section of excited guideway, a repulsive force is created, pushing the vehicle along from behind. The vehicle moves in coherence with the alternating magnetic field.

The sequential energizing of guideway sections, called “blocks,” requires a network of wayside power substations connected by power transmission lines and control cable switches that turn each block on and off. If the linear synchronous motor used a less powerful conventional copper coil magnet, it would require a high-voltage guideway. Large currents generated by the onboard superconducting magnets make the LSM feasible for maglev.

**Higher-temperature superconductors**

The maglev systems designed in the 1970s, which should be scaled up and demonstrated as quickly as possible, were designed before there was experimental evidence that material for magnets could be kept superconducting at much lower than the 4.2°K required for the niobium-titanium low-temperature superconductors that are now in use.

At a press conference in Houston on Feb. 16, 1987, Professor Paul Chu from the Texas Center for Superconductivity, University of Houston, announced that he had succeeded in producing a material that was superconducting at 93°K. New higher-temperature superconducting materials will allow the production of lighter and more reliable magnets, which will decrease the cost of maglev systems.

But scientists and engineers developing maglev technology have made clear that the higher-temperature superconductors are an *enhancing* technology for maglev, *not* an enabling technology. It is likely that the demonstration maglev systems of the 1990s will not use these higher-temperature materials, but they will probably be commercially available by the time large-scale, inter-city maglev transport systems are under construction.

A major advantage of the higher-temperature superconductors (HTSC) is the reduced weight of the magnets and reduced cryogenics to keep them cold, which could result in up to a 9.5% reduction in energy use (see **Table 1**). These new materials could reduce the vehicle’s weight by as much as two tons, decreasing the energy required for both levitation

and propulsion. The net effect is approximately a 3.2% decrease in propulsion power at a cruising speed of 300 mph. At lower speeds, where the ratio of electromagnetic drag to aerodynamic drag is higher and the ratio of lift to drag is lower, the effect of weight reduction is substantially greater.

Liquid nitrogen requires at least 30 times less energy to remove a given quantity of heat energy at 77°K than does liquid helium at 4°K, so onboard energy consumption for the magnets should be significantly reduced. Nitrogen's heat capacity is such that onboard liquefaction may actually not be required.

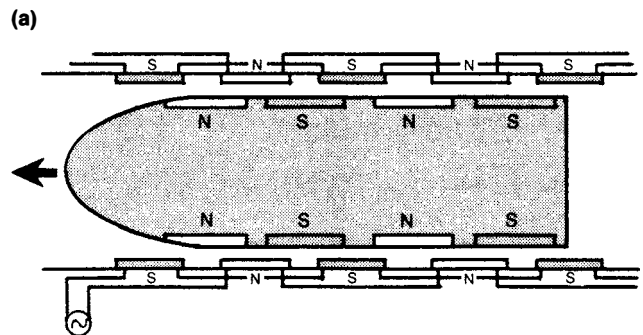
The commercial development of higher-temperature superconductors has been seen by the government as a research

and development priority for American industry. The Council on Superconductivity for American Competitiveness (CSAC) was established in 1987 as a national organization for leaders in industry, government, and academia, with a primary mission to accelerate the commercial application of superconductivity throughout a range of applications. The CSAC board of directors has established a MAGLEV 2000 Task Force responsible for speeding up the development of a domestic maglev industry to design and build a superconducting system in this decade. It is recognized that maglev is an excellent potential market for the new superconducting technology.

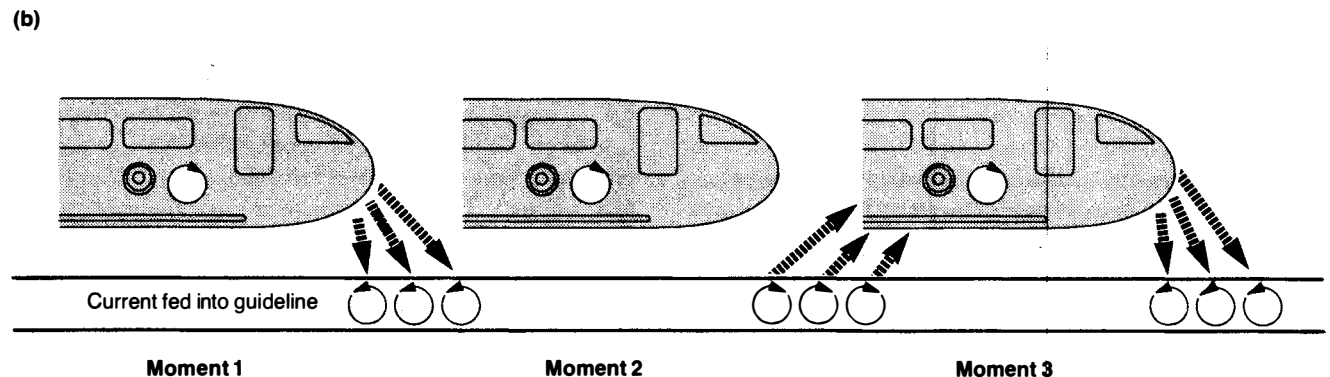
In addition to the fact that commercial maglev systems will require the mass production of magnets, which will push the state of the art in fabrication techniques, the threshold design requirements for the magnets will be less demanding than they will be for magnetohydrodynamics, fusion energy, magnetic motors and generators, ship propulsion, transmission lines, magnetic energy storage, and magnetic separation applications.

Dr. Gregory J. Yurek, president and chief executive officer of the American Superconductor Corporation testified on behalf of the MAGLEV 2000 Task Force on March 21, 1990 before the Senate Commerce, Science, and Transportation Subcommittee on Surface Transportation. "About 30 years ago, President Kennedy addressed a Joint Session of Congress to unveil his dramatic program to land an American on the Moon," Yurek stated. "America at that time was faced with an international competitiveness challenge, one with both political and technological implications. I would submit that today we are confronted with an equally daunting challenge—building from scratch a world-class, competitive maglev industry in the United States. Meeting this challenge will require the commitment of substantial economic and technical resources. Without this commitment, we could wit-

FIGURE 4  
**How a linear synchronous motor propels a maglev vehicle**



The Japanese MLU 001 vehicle is propelled by a linear synchronous motor. The polarity of the coils in the guideway is alternated, and the magnet on the vehicle is attracted by the guideway coil of opposite polarity ahead of it, and repulsed by the same polarity immediately behind it.



This pictorial representation shows the change in the direction of the guideway current at Moment 2, when the vehicle is directly overhead. In Moment 3, the vehicle is both pushed from behind, and pulled from the front.

TABLE 1

### Potential effects of weight reduction due to use of HTSC magnets

Item	Low-temperature superconductivity	High-temperature superconductivity
<b>Weight (lb)</b>		
Levitation magnets and cryostats	2,310	1,617
LSM magnets and cryostats	11,088	7,762
Vehicle suspension and structure	14,872	13,726
Magnet shielding	3,498	2,625
Subtotal	31,768	25,279
Total vehicle, inc. 100 passengers	63,360	57,321
<b>Performance at 300 mph</b>		
Aerodynamic drag (ton)	3.26	3.26
Lift-to-drag ratio	21	21
Electromagnetic drag (ton)	1.52	1.37
Net drag (ton)	4.78	4.63
Propulsion power (MW)	5.67	5.49

ness yet another American-invented technology to be commercially exploited by our foreign competitors."

Many local and state communities are now considering high-speed rail and maglev technology to alleviate the unbearable congestion in their transport systems. There is no question that any such investment will require federal government support, either directly, or at least indirectly by making available low-interest, long-term credit for investment. Some have suggested that the West German Transrapid technology be imported, to save time in developing the maglev technology and a U.S. industry to produce it. Such an approach would not really save any time; but it would circumvent the development of both a new transport system, and also an array of technologies which will have widespread applications in industry.

The United States has watched for 15 years as other nations developed magnetic levitation technology to the point of commercial introduction. We still have the time to leap ahead into the most advanced technologies, while we provide the transportation for a growing economy.

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## Repression of Lithuania may seal Gorbachov's doom

by Konstantin George

May 1, 1990 will go down in history as the day when, in Moscow's Red Square, the entire facade of Gorbachovian glasnost, the so-called perestroika revolution from above, and "democratization," all collapsed, and with it, the ludicrous rationale behind Western appeasement of Gorbachov. It was the day when two fundamental truths which the Western leaders and media have gone out of their way to conceal, asserted themselves: that the great mass of Soviet citizens, non-Russians and Russians, despise Gorbachov for what he really is, a brutal dictator; and that his treatment of Lithuania has made him more hated than ever inside the Soviet Union, including among ordinary Russians.

May 1 showed the whole world exactly how "popular" Mikhail Gorbachov is. After a tame, staged march by a mere 10,000 "trade unionists," May Day was requisitioned by the ordinary citizens, Russians, and non-Russians of cosmopolitan Moscow. A huge crowd poured onto Red Square, and within a few minutes the shock of the century was upon Gorbachov.

No fewer than 100,000 Russians and other nationalities booed, hooted, and whistled at him and the entire Soviet state and party leadership, the new Presidential Council and the old party Politburo, gathered atop the Lenin Mausoleum. As TV viewers the world over saw, a Soviet leader and his cronies were forced, in the most humiliating manner, to hurriedly leave a podium. The look in Gorbachov's face as this happened, of deep dismay, shock, and bristling anger, evoked the memory of the last mass rally held under the gaze of Ceausescu, in Bucharest, Romania last December, one day before he was overthrown. This by no means implies that the same immediate fate awaits Gorbachov, but from his contorted facial expressions, it would be a fair guess that the image of Ceausescu crossed his mind as the "unexpected" was occurring right on the Kremlin's doorstep.

As Andrei Svetov, a newly elected member of the Moscow City Council, put it: "The time when the masses would gather in Red Square and give thanks to the Politburo is over. What happened shows that the leadership does not know what is going on in the country."

The Neville Chamberlain "umbrella" set of modern Western heads of state,





James Durac

The Schiller Institute took part in this recent demonstration for ending the Hitler-Stalin Pact and recognizing Lithuania in Los Angeles. Now, the same spirit has manifested itself in Moscow.

notably U.S. President Bush and British Prime Minister Thatcher, have been justifying their sellout of independent Lithuania, by solemnly proclaiming that any support of Lithuania would topple their beloved Gorbachov and create “uncontrolled instability” in Russia. The May Day Moscow popular demonstration proved that Bush and Thatcher’s policy of abandoning Lithuania to “save Gorbachov” is not only criminal, but ludicrous.

That mass demonstration, unprecedented in Soviet history, was filled with ordinary Russians, marching in solidarity with those carrying the flags of Lithuania, Latvia, Estonia, Ukraine, Georgia, and other Captive Nations. The demonstration led off with the 100,000 shouting, in Russian, “Freedom For Lithuania!”

Other notable slogans and banners included: “President by Direct Election of the People,” “Gorbachov—Usurper,” and “Gorbachov—Dictator”; “Down with the Red Fascist Empire!” “Politburo Retire!” “Turn Over Your Dachas!” “The Blockade of Lithuania Is a Disgrace by the President!” “Bolsheviks, Give Back the Power!” “Down with the KGB” and “Kremlin Ceausescu.” The marchers repeatedly turned to face the Kremlin leadership on the reviewing stand, and shout: “Shame!” and “Out, Out, Out!”

Everyone remembers the December scene in Bucharest where Romanian TV suddenly went off the air, showing in its last clip a terrified Nicolae Ceausescu, with a facial expression of total disbelief and horror, the sudden realization that “his” people hated him. Soviet TV also abruptly went off the air on May Day, though unlike Romania, at the very beginning of the anti-Gorbachov demonstration, and

thus well before the final humiliating scene as he and his entourage retreated from the Mausoleum.

Glasnost has always had, to put it mildly, its limits, and this time around the strictest censorship was imposed. The Soviet media, with the solitary exception of *Izvestia*, has not dared cover what really happened. *Izvestia* mentioned at the end of a long front page article that some slogans were “calls for a direct confrontation with the authorities. In these circumstances, the people on the stand, who included the newly elected mayor of Moscow, Gavril Popov [all other names, beginning with Gorbachov, were censored out of this account], were compelled to leave Red Square, and the last columns of informal groups held their demonstration only for the benefit of each other.”

Otherwise, a short TASS wire, which became the coverage for Soviet TV, radio, and *Pravda*, reported that there were “provocative, extremist slogans” by a “minority,” and “rowdies” had called for a “confrontation” against the “legal” authorities. Gorbachov’s hasty exit was not reported. One can easily censor events that take place behind closed doors, or in remote locations. But Gorbachov’s humiliation occurred before more than 100,000 eyewitnesses, guaranteed that the May Day story of “The Emperor’s New Clothes” will spread to every nook and cranny of the U.S.S.R. within a few days at most.

### Beethoven defeats Bolshevism

What happened in Moscow on May Day is, while unique in the dramatic and compact way this message was delivered to Gorbachov and the Kremlin, coherent otherwise in essence

with a dynamic under way in the entire U.S.S.R. since March 11 when Lithuania declared independence. Gorbachov's attempts to crush Lithuania and his attempts at tough actions against other independence movements, such as Rukh, the Ukrainian national movement, have backfired. Far from raising the internal crisis threshold in the U.S.S.R., they have lowered that threshold much more rapidly. The mood in Latvia, Estonia, and Ukraine, following the Anglo-American abandonment of Lithuania, can be summarized as: "Lithuania can only win its independence if we help it, join it in defying Moscow, and ourselves move towards independence. If Lithuania wins full freedom, then our own day of liberation from Bolshevik tyranny will be that much closer."

Lithuania's March 11 Declaration of Independence and refusal, no matter how severe the short-term economic hardships, to surrender to Moscow's blockade blackmail, have sparked a spirit of resistance and freedom among all the Empire's captive nations, Russia included. On April 29, Lithuania celebrated its independence and defiance of Mikhail Gorbachov and George Bush, through an outdoor performance in Vilnius of Beethoven's Ninth Symphony, which has become an international anthem of freedom since the Chinese students used it a year ago at Tiananmen Square. The performance was attended by a crowd of over 300,000. It was broadcast live on Lithuanian TV and radio, reaching also an audience of millions in neighboring Poland, Latvia, and Belorussia. Since that broadcast, many Polish citizens have begun flying Lithuanian flags or mounting emblems with the Lithuanian flag.

### **Lithuania is not alone**

Before Gorbachov can crush Lithuania through economic blockade, the repercussions of that same blockade on domestic politics inside the U.S.S.R. will have generated social and political explosions. The blockade has cut off Russia from Lithuania's big food surpluses, provoking intense anger in the food shortage-plagued urban centers of Russia. Local Russian organizations had already broken with the blockade policy before May 1.

- A workers' delegation from Russia's West Siberian Tyumen oil-producing center arrived in Vilnius, April 26, offering Lithuania oil for food.

- Solidarity with Lithuania was also proclaimed by Gleb Lebedev, a spokesman for the "Democratic Russia" bloc of deputies who won control over the Leningrad City Council in the March 11 elections. Lebedev compared Moscow's current blockade of Lithuania with Nazi barbarism in World War II, citing the Nazi blockade of Leningrad, where 900,000 starved to death: "We sympathize with Lithuania . . . because we too [in Leningrad] were victims of a blockade in the Second World War."

- On May 3, the newly elected parliament of Lithuania's Baltic neighbor, the Republic of Latvia, convened and overwhelmingly passed a resolution "renewing" Latvia's pre-

war independence. The historic document was passed with a special guest of honor present: Lithuanian President Vytautas Landsbergis.

The difference with Lithuania is that Latvia's independence is not declared as taking effect immediately, and stipulates a "transitional period" of negotiations with Moscow. However, in the words of Ivars Godmanis, deputy chairman of the Latvian Popular Front, and Latvia's new prime minister: "We are declaring our will to renew independence. The transition period will be to create the structures of an independent state, but it has to have a defined cutoff point." Godmanis categorically rejected the Gorbachov formula for a minimum transition period of five to six years, stressing that Latvia wants full independence within two years at most.

Beyond that, the Latvian parliament announced that measures will be taken to "strengthen coordination" with independent Lithuania. With this, Latvia has followed recent decisions by the Baltic Republic of Estonia to aid Lithuania in breaking the blockade.

### **Ukraine: the 'other' May 1 shock**

The Red Square shock was not the only nightmare haunting Mikhail Gorbachov on May 1. Hundreds of kilometers away, in Kiev, the capital of Ukraine, the largest non-Russian republic with over 50 million people, leaders and delegates from the Ukrainian Helsinki Union, one of the leading components of the Ukrainian national movement Rukh, met and founded the first pro-independence political party in Ukraine. The new party, dedicated to creating a free and independent Ukraine modeled on the constitutions of the West, was appropriately named the Republican Party. The Republican Party's platform calls for an independent Ukraine, declaring the 1922 "Treaty of Union" with Soviet Russia "null and void," because the document was signed by "an illegally emplaced government," installed by Bolshevik Moscow. The Republican Party's program provides for independent Ukraine to create its own "army on Ukrainian territory," a sovereign "Ukrainian Central Bank . . . to extend credit and issue the Ukrainian national currency," the complete confiscation of all property belonging to the Communist Party, the dissolution of the KGB, and an economy based "on principles of the market economy."

The Ukrainian delegates elected Levko Lukyanenko, one of the Helsinki Union's leaders, and the most revered freedom fighter inside Ukraine, as party chairman. Lukyanenko embodies the notion of the man of principle, making no compromises with the forces of tyranny. He has spent a total of 26 years in Soviet prisons and labor camps. Following the successful revolution in Czechoslovakia, Ukrainians bestowed another honor on Lukyanenko, referring to him as "the Ukrainian Havel," as Czech President Vaclav Havel symbolizes the revolutionary justice where yesterday's imprisoned freedom fighter, becomes tomorrow's head of state in a free land.

# Bush appeases Moscow and Beijing, snubs Lithuanian leader

When Lithuanian Prime Minister Kazimiera Prunskiene arrived in Washington, D.C. on May 2 to appeal for support for her nation's Declaration of Independence from the U.S.S.R. and from the legacy of the Hitler-Stalin Pact, there was no reception at the airport from the U.S. government, no limousine, no government escort. Prunskiene was forced to trudge, in the company of one translator, up the drive to the White House door after being taken through a metal detector and forced to produce her *Soviet* passport.

Even the *New York Times* admitted that Bush called his press conference later that day out of sheer pique that he might be upstaged by the Lithuanian premier, and delivered his most lavish praise to date of Gorbachov, whom Prunskiene had scathingly referred to as "the world's darling" for whom too much support "degenerates into toadyism," and who "does not have the monopolistic right to decide the fate of other nations." A week earlier, the President of Lithuania, Vytautas Landsbergis, had compared the Bush administration's behavior to the infamous 1938 sellout of Neville Chamberlain to Hitler in Munich. As that comparison echoed around the Western media, the State Department was reluctantly forced to permit Mrs. Prunskiene to come to the United States, only three weeks before the planned Bush-Gorbachov summit.

## LaRouche: Why George acts like Neville

Imprisoned U.S. statesman Lyndon LaRouche posed the basic moral issues involved when he observed on May 3, "There are many, I believe mostly mistaken, views of the motives for George Bush's policy of Neville Chamberlain-like appeasement of the Soviet dictatorship of Mikhail Gorbachov. What most people seem to be overlooking is really the obvious. There is a group in the United States and Britain closely tied together, traditionally the hard-core Anglophile, Anglo-American, liberal financial establishment."

These families "have dreamed of establishing an East-West condominium of global imperial power, shared between the Muscovites and the Anglo-Americans, under which the entire world can be enslaved, according to a utopian design, which might be called an environmental fascist dictatorship, without any significant margin of technological progress. It is a reversion to a peculiar kind of science fiction utopian feudalism.

"Is George Bush afraid of a military reaction from Mos-

cow hard-liners?" LaRouche asked, and replied, "I say no, that is not the primary consideration.

"The primary consideration is seen by looking at Central and South America, and by looking more closely at what happened in Panama. The United States is determined to enslave all of these populations, and to reduce their population by force—that is, at the point of a bayonet. . . . They have no power to resist the Auschwitz-type of economic demands, imposed upon them."

LaRouche continued: "In order to do that around the world, with all the developing nations, and to destroy forever the power of the U.S. Constitution and similar or like-minded institutions in other countries, the United States oligarchy, which George Bush so far seems to represent, the Anglo-American oligarchy—the useless but overpowerful and over-wealthy families—committed themselves to an alliance with a circle around Gorbachov in Moscow, to establish a world dictatorship."

## We can stop new Auschwitzes

"If that world dictatorship collapses, then the policy is impossible, and the world goes back to the system of sovereign nation-states, of patriotism, in which peoples have to live by means of scientific and technological progress in basic economic infrastructure, in agriculture, in manufacturing, and so forth: back to the old system we knew as recently as the Kennedy administration here."

Indeed, he explained, "If Gorbachov were to fall, under pressure from sections of the Soviet population which are demanding bread—which means the production of bread—who are demanding things from Soviet manufactures and so forth and so on; that means that the world goes back to the old system, for which the American Founding Fathers fought. That is what George Bush's backers are afraid of. That is what George Bush's behavior suggests he is afraid of."

He added, "If Mrs. Thatcher goes, if Gorbachov goes, then the world can look forward to the possibility of return to freedom. If Gorbachov survives, and Mrs. Thatcher were . . . to survive, and George Bush to be upheld, then I think there's very little chance for freedom anywhere in the world."

The image of the Americas, "from Mexico south, becoming the new Auschwitzes of Bush's Teddy Roosevelt regime, would become the world reality," warned the independent Democratic congressional candidate. "I think the worst thing that could happen to the United States, under those circumstances, is that Gorbachov should survive; or at least the Gorbachov which Mrs. Thatcher and Mr. Bush say they are trying to support," LaRouche concluded.

In contrast to the U.S. government's behavior, spokesmen for Lyndon LaRouche and the Schiller Institute greeted Mrs. Prunskiene with flowers, gifts, and messages of support as she arrived at the airports of Ottawa, Toronto, and Washington on her North American tour.

# British bring U.S. the Chamberlain line

by Mark Burdman

Highest-level officials of British intelligence traveled to the United States during the week of April 24, bringing dire warnings that should the West support Lithuania's Declaration of Independence, this might destabilize Mikhail Gorbachov and drive the U.S.S.R. to the edge of civil war. Reportedly, this disinformation from London was important in consolidating the Bush administration's "Neville Chamberlain" approach toward Lithuania.

This is the latest case, and one of the more extraordinary cases, of a history of damaging British manipulation of U.S. foreign policy. It shows the bankruptcy of the intelligence evaluations and political judgment coming from London and evidently endorsed in official Washington. The fact is, as Lithuanian leaders themselves have stressed, selling out Lithuania will help nobody, including Gorbachov. Meanwhile, the longer-term effects of betraying the West's own principles of justice and freedom will also backfire. This treachery will only hasten the day that mass-strike political upheavals will erupt in the English-speaking world.

The British intelligence deployment to the U.S. was highlighted by the *Times of London* April 28. The paper's U.S. editor Peter Stothard wrote from Washington: "A consolidation of CIA and MI-6 intelligence assessments, reinforced by a top-level inter-service meeting in Washington in the past few days, has resulted in an analysis of extreme gloom about President Gorbachov's prospects of holding the Soviet Union together without the increasing use of armed force. . . . A senior U.S. administration source confirmed this week that allied concern about the fragility of the Soviet Union was an important factor in President Bush's surprise decision against imposing economic sanctions on Moscow in retaliation for the Lithuanian blockade."

Stothard reported that the British delegation was headed by Sir Percy Cradock. Cradock is Prime Minister Margaret Thatcher's top foreign policy adviser, with responsibilities for intelligence coordination at 10 Downing Street, as head of the Joint Intelligence Committee (JIC). According to Stothard, Cradock left the U.S. on April 26, accompanied by other senior British officials. One unnamed U.S. official told Stothard that the British-American talks were "as close as

you would expect at this critical time."

Stothard further affirmed that the Bushman most eager to do all possible to bolster Gorbachov, would be Secretary of State James Baker III. Stothard warned that the Soviets could be moving toward "nuclear civil war." In fact, as many European intelligence experts have noted in recent weeks, the Soviets have pulled back nuclear weapons to the "Russian core" of the U.S.S.R. and have placed them under the most stringent operational controls.

## 'Thatcher was told by Gorbachov'

In a background briefing, a London insider affirmed April 28 that the British Foreign Office and British intelligence services were mobilized in mid-April to put out the line that "Gorbachov is in danger," and that nothing substantial should be done to help Lithuania. He said this was because more and more politicians in both Britain and the United States, including President Bush, were coming under pressure on the Lithuania issue and being accused of letting Gorbachov bully the Lithuanians.

He said: "We've been hearing this line repeatedly in off-the-record briefings during the past days, that Gorbachov is in grave danger. The reading of our intelligence is that various Soviet republics are in a state of near-insurrection. If sanctions were imposed on the Soviet Union to punish them for the blockade of Lithuania, the suffering of the Soviet population would increase, and that would make matters more volatile. . . . It's quite clear that Mrs. Thatcher was told so much by Mikhail Gorbachov when they had that television conversation right before she met George Bush in Bermuda [April 13]. My understanding is that he said to her that he didn't like to do what he was doing vis-à-vis Lithuania, but he had no choice, and that it was becoming a high-stakes game."

He added that the visit of British intelligence chiefs to the U.S. was the latest in a "constant series of meetings and joint assessments since the Lithuania crisis erupted. . . . In fact, meetings have been going on constantly since East Europe began to unravel, particularly since the time of the opening of the Berlin Wall. . . . I wouldn't be surprised if William Webster were not over here recently, too."

This source affirmed: "The roots for such coordination go back to the British-American intelligence-sharing agreements worked out in 1947, but such coordination has taken on fresh urgency now. George Bush is personally very much committed to cooperation among the intelligence services of the leading English-speaking nations," he added. "Such cooperation is easy, since the 'Dominion' intelligence services—Canada, Australia, New Zealand—were set up at the impetus of Britain in the first place."

He further stated that "it is certain that the British-American intelligence meetings this past week discussed other international issues, including the international economic and financial situations. . . . What they are doing is setting up various committees, precisely to look into matters like this."

# Red Army mistreats Baltic soldiers

*The following report on the Red Army's mistreatment of draftees from the Baltic nations was made available to the West German newspaper Neue Solidarität, which passed it on to EIR.*

People in the Baltic are oppressed and troubled in many ways. Only if one has some knowledge of these, does it become understandable why the three [Baltic] nations are determined to leave the Soviet Union, no matter what the cost. For, each new day under the Soviet regime brings new victims.

"The deportation of people from the Baltic hasn't stopped," said a mother whose son was inducted into the Army and was murdered shortly thereafter. "Today is not like 1949, when peasant families were simply deported and killed; today almost 100% of the recruits are sent out of the country and are scattered all across the gigantic Union, where they are subjected to the most brutal physical and mental maltreatment. Many are maimed, and many suffer such psychological damage that they end up in mental institutions. And many more come back to their hometown in a zinc coffin. This is the way the genocide against the Baltic peoples is being continued."

Statements such as this are not exaggerated. The high desertion rate is evidence of the internal condition of the Soviet Army, of how demoralized it is at the present time. This can be ascribed to the rapid rise of criminality within the entire Soviet society.

Former prisoners also end up in the military service, where they find ways to vent their pent-up rage over the degradations which they had to suffer in prison, by torturing the younger soldiers with sadistic attacks.

Since the Army leadership is at pains to conceal its abusive attitude toward human beings, it is very difficult to get a precise overview of the extent of this genocide. In Riga, [Latvia] there are two ladies' auxiliaries which keep track of the men who have gone into the military moloch, but many parents are afraid to give them precise information about the fate of their sons, making it all the more difficult to estimate the number of victims.

Here is the story of one young man who fled the Soviet Army:

"On Dec. 12, 1988, I, Harija Eliass, in Riga, was inducted into military service in the Soviet Army. I was sent to Central Asia, where I was to be trained as an army cook. After I finished school in May 1989, for the rest of my term of service I was transferred to Tedzen-1 and assigned to Army Unit 10858 'x.' Up through Jan. 1, 1990 [the day of the events described below], I had never been reproached for any violation of the Army's military regulations.

"On Jan. 1, at 5:00 a.m. a deputy political commissar of my regiment, Lieutenant Colonel Adranov, arrived at the company barracks and woke everyone up to check if anyone was under the influence of alcohol. Everyone who had been drinking was sent to the brig. My comrades and I went back to sleep. About 20 minutes later I was woken up by the cook Falsivnikov. He told me I had to go look for the cook on night watch, who had disappeared. I got dressed and was about to go out, but I hadn't reached the door when Lieutenant Colonel Zarovna came in. Without saying a word, he struck me in the face a number of times with his fist. My nose and my split lip began to bleed. Zarovna sent me out to wash my face."

## 'You Baltic sow!'

"When I returned from the washroom, Zarovna ordered me to lie on the floor. Then he called over two soldiers and ordered them to tie my hands behind my back. While I lay on the floor with my hands tied, Zarovna trod on me with his feet. He stepped all over my body, and also on my face. Then he ordered the two soldiers to grab me by the feet and drag me down the stairs to the brig.

When my friends offered to lift me up and carry me down, he did not permit it. So they dragged me down the stairs and pulled me by the feet through the courtyard, past the mess hall and into the brig. Every time I tried to raise my head, Zarovna kicked me in the face with his foot and said that my head had to be dragged along the ground, too. He accompanied the entire proceeding with curses such as 'You fascist! Criminal! You piece of filth! I'll show you how revolutions are made, you Baltic sow!'

"In the brig my hands were freed and I was locked up in a cell. My face and entire body were swollen. After about three hours, a soldier from my company came in and led me before the staff. There stood Lieutenant Colonel Zarovna, and Persidsnis, and the chief cook Proporscik Savcenko. When Persidsnis asked me who had done this to me, I remained silent. Then Zarovna sent me to work, to prepare lunch. After lunch I went to the first aid division where my injuries were documented. I gave the documentation to the head of the company, who forwarded it to Colonel Kasanov in the staff.

"On Jan. 12 I spoke with my mother. When Colonel Kasanov found out that I had spoken with her, he forced me to send a telegram home ordering my mother not to tell anyone else about what had happened."

## Bronfman traded 'whiskey for Holocaust' to Reds

by Mark Burdman and Rainer Apel

In its March-April 1990 edition, the West German magazine *Semit*, self-described as "the independent Jewish magazine," published a blistering exposé of World Jewish Congress President Edgar Bronfman's dealings with the former East German communist regime of Erich Honecker. The article, authored by Jacob Dachauer, documents how Bronfman, who is also a top fundraiser for the Anti-Defamation League (although that is not mentioned by *Semit*) utilized his WJC post to make deals with East Germany on behalf of his Seagram's liquor empire.

The article is entitled "A whiskey for the Holocaust," and is accompanied by a photograph of Bronfman receiving the state medal of East Germany from former East German leader Erich Honecker. The caption is: "Great Star of the People's Friendship: Peace, Happiness, Egg Nog." (In its original German, the caption has a connotation, "Don't worry, shut up and have a drink." That, plus the title, would convey the idea, "Don't worry about the Holocaust, have a drink.")

Prior to the *Semit* piece, only *EIR* had exposed Bronfman's double-dealings with the East German communists.

The article refers primarily to the autumn 1988 period, when relations between Bronfman's WJC crowd and the East German communist regime became particularly intimate. The reader should note that at the time of the November 1988 events described, West Germany was being destabilized, in the famous "Jenninger Affair," when West German parliament president Philipp Jenninger was forced to resign, because of phony allegations that his speech was sympathetic to Nazism. The same Bronfman who was embracing Honecker was instrumental in orchestrating the international campaign that forced Jenninger to step down.

The reader should also be aware that the article was evidently composed around mid-February 1990, at a time when there was an East German transitional government containing

some communists. That explains some of the contemporary references found in the text.

The article begins by noting that the year 1988, with the approach of the 50th anniversary of the Kristallnacht pogroms, marked a "Jewish watershed" for the East German state, and that this involved "a great number of well-orchestrated public events, encounters with Jews, both on the domestic and international scene." What follows are excerpts from the remainder of the article by Dachauer.

### 'Making the Honecker-Mielke regime kosher'

"The purpose was twofold. One, the absolution of the East German state and party leadership by Jewish functionaries. The real aim, however, was on the level of foreign policy and economics. It was a big success when Bronfman shook hands with Honecker. In terms of media treatment, the performance of some Jewish 'Potemkin villages' in the salons of the state council of East Germany was a full success. President of the World Jewish Congress Edgar Miles Bronfman, after meeting Honecker shortly, meeting three female members of the [East German communist party youth group] FDJ for five minutes, and referencing inside information supplied from Dr. Peter Kirchner, chairman of the Jewish Community of East Berlin—after doing all this, he declared that East Germany has resolved its part of the German past. [According to Bronfman] the youth [of East Germany] is well-acquainted with Jewish affairs. Racism is a word not known between Rostock and Erfurt. In other words, in his view, there is no reason to object to a U.S. trip by Erich Honecker, nor the granting of the intensely pursued Most Favored Nation status in U.S. trade with East Germany.

"The official side of the Bronfman trip to Honecker is not what went on in reality; there's only an AP release pointing

to the real talks. As a matter of fact, in the private delegation of Bronfman, there were two delegations. One was of the World Jewish Congress, which did the TV aspect of shaking hands with Honecker and de-stigmatizing the East Germans. The second delegation, led by the general manager of Seagram's—the biggest hard-drinks multinational in the world—was conducting intense talks, signing several contracts of a double-digit-million-dollar value with then (and still in office under the government of Modrow) assistant minister of foreign trade, Christian Meyer. (The actual foreign minister and former NSDAP [Nazi Party] member, Gerhard Beil, was likely not attending for reasons of higher piety.) It's just by accident that the main shareholder and chairman of the board of Seagram's is none other than Bronfman.

“Sigmund Rotstein, president of the Association of Jewish Communities in East Germany, made a fiery speech Nov. 8, 1988, at the Chamber of People's Deputies before a prominent domestic and international audience, praising the ‘Wall-State’ in the baroque style of Saxonian court jesters, proclaiming East Germany to be the best and most democratic state of all times, and the true home of all Jews. Then came Dr. Peter Kirchner, chairman of the Jewish community of East Berlin, having a record since 1971 of painting things in rosy-red colors in a more decent way. The chairman of the Jewish community of West Berlin, Heinz Galinski, who personally, since early 1988, also heads of the Central Council of the Jews in Germany, has earned not a few merits in making the Honecker-Mielke regime kosher. From September 1988 on, he was begging for the generous offer of a meeting with Honecker, which he didn't get on the spot, but only on a side track, after an intense interrogation by East German Assistant Minister of Church Affairs Klaus Gysi [father of current East German communist boss Gregor Gysi—ed.], who instantly recognized the ambitious Galinski's usefulness for the purpose of mollifying the foreign policy troubles of East Germany at that time, smoothing out the past, in the struggle for export markets.

“Both functionaries, Galinski and Honecker, were not particularly enthusiastic about each other, but apparently now applied the old Yiddish saying, ‘If you need a thief, you cut him down from the gallows.’ Galinski and Honecker met many times. ‘It was truly a historic moment, which you can tell from the length of the discussion. I personally liked this discussion very much, and there is a rapprochement’ (Galinski to *Neues Deutschland*).

“All three—Rotstein, Kirchner, and Galinski—received the East German medal ‘Great Star of the People's Friendship’ from the hands of Erich Honecker on Nov. 8, 1988. In April 1989, when Galinski was celebrating his 40th anniversary as chairman of the Jewish community of West Berlin, Honecker sent his assistant minister Loeffler to sing a song of praise to Galinski. No mentioning any more of the juvenile sins, the splitting of the then-still-united Jewish community

of Berlin in 1953. . . .

“The European representative of Bronfman in Brussels, Maram Stern, met twice in the past weeks with the intimate of [Politburo member and Central Committee member, in charge of international relations, particularly with Jewish organizations] Hermann Axen and still-operating East German Foreign Minister Oskar Fischer and Vice-Premier [Lothar] De Maiziere. Stern encouraged both to produce an official East German government declaration on the East German share in the guilt for the Nazi crimes. Stern defused worries about the ensuing compensation costs, and said that if his boss Bronfman could keep and expand his privileged position as monopolist in East German-U.S. trade—an agreement signed between Bronfman and Honecker's people—he would talk to Shamir to modify material claims from the side of Israel and the Jewish Claims Conference for Germany in an appropriate way. And, because of its difficult foreign policy situation, Israel is dependent on an unbroken support from the side of a well-meaning Jewish lobby in the United States, the chances for this triangular agreement are not bad.

“There is a certain liberal-minded, economically independent and internationally known personality who has an important say in the decisions of the Jewish Lobby in the United States. His name: Edgar Miles Bronfman.”

### Outcry from Tel Aviv

In an undoubtedly related development, *Outcry*, the publication of the Tel Aviv-based World Jewish Student Movement, is circulating a pamphlet attacking Edgar Bronfman and quoting from, among other sources, *EIR*'s serialized exposé last year of Bronfman's machinations (see *EIR*, Vol. 16, Nos. 34-37).

A lead article in the pamphlet is entitled, “Does Judaism Need a Pope?” with the subtitle answer, “Like a hole in the head,” and is accompanied by a mock-up photo of Edgar Bronfman as a kind of “Jewish pope,” wearing a crown. The article, by Zvi Arens, is a blistering attack on Bronfman for using his position as head of the World Jewish Congress for illicit personal gain; for undermining the organization which was built by Nahum Goldmann; for sabotaging the legitimate interests of Soviet Jews, as part of his deals with the Soviet and U.S. governments; and for feeding into the growth of anti-Semitism.

Arens writes that the original World Jewish Congress of Nahum Goldmann was a good organization, created with lofty motives. But now the leadership is a “publicity-hungry” group that seldom reflects the real opinion of Jews. “Under the presidency of Edgar Miles Bronfman, it has become a Mecca for private economic deals and politically and socially irresponsible activities.” Arens asks whether Jews can afford such a World Jewish Congress: “We as young Jews must abhor the misuse of power for the purpose of private business deals, as well as for motives of personal vengeance. . . . We refuse to become subservient to a secular Pope.”

# John Paul II calls for East-West synod

by M. Cristina Fiocchi and Fiorella Operto

On Sunday, April 22, from the basilica of Velehrad in Czechoslovakia, the Pope John Paul II announced to the world the convocation of the Synod of the Bishops of Europe from the Atlantic to the Urals. Later the Secretary of the Synod, Msgr. Jan Schotte, during a brief press conference in Rome, called it "a surprise announcement, but not surprising," which is "located within the interest which John Paul II has manifested, from the outset of his pontificate, for the fate of the European continent and for the Church's mission in Europe." He also stressed that it would not just be a Synod for the East.

John Paul II's choice of Velehrad to make the announcement immediately evokes the spirit in which the important event is being seen. Velehrad holds the tomb of St. Methodius, who, with his brother St. Cyril, evangelized the peoples of the East, in respect for their culture and traditions, and in communion with the Roman Pontiff. Cyril and Methodius, the "Apostles of the Slavs," are the model for the Church's (and, we would add, any other cultural reference point's) attitude toward Europe: Cyril and Methodius, Byzantine Greeks by culture, knew how to become the apostles of the Slavs in the full sense of the word, and in their search for unity with the Apostolic See of Rome they interpreted the universal meaning of their mission in the deepest way. In 1980 the Pope had named them co-patrons of Europe.

With remarkable foresight, in his 1980 encyclical *Redemptoris Mater*, John Paul II hoped that Europe would return to "breathing with both of its lungs, East and West." The crumbling of Eastern Europe's communist regimes is making that wish come true. Today, in the new Europe, it is a matter of rediscovering and rebuilding—rediscovering the Christian tradition, in nations where it was either cruelly combatted or, as in the West, skillfully replaced by materialistic ideologies—to build a new conscience, by education of the generations who in the East have been forced to accept 40 years of atheism and know almost nothing of their real history.

The Pope's trip to Czechoslovakia pointed the way that others may take in building a new Europe "with both lungs." "The Pope's visit," said John Paul II when he arrived, "the first in the more than millenary history of Christianity in these lands, symbolically closes a period in your journey and opens another. You now find yourself at the beginning of a great work of renewal."

He spoke of victory, "a victory which has its origins in

the heart of your sufferings. Your victory is the fruit of loyalty, which is an important aspect of faith. . . . Out of this loyalty came your liberation. It was not given from outside, it was born from inside, from the cross planted in your life." He went on, "For this reason you cannot now stop, you cannot turn back. You must rather keep moving forward in true liberty in Christ."

"I dare say that in this moment I am participating in a miracle," said Vaclav Havel, the playwright President. "The miracle is that in the country devastated by the ideology of hate, arrives the messenger of love; in the country devastated by the rule of the ignorant, arrives the messenger of love." At sundown the Pope and the President, after a private discussion, appeared on the balcony of Prague Castle, where only yesterday the gray Communist leaders had stupefied the masses with their propaganda. People exploded in joyful applause.

Vatican experts say the visit to Czechoslovakia was exceptional, coming only a few months after the country's democratization. Vatican diplomacy would traditionally have put priority on the already-announced trip of the Pope to Hungary, given the friendly relations between that nation and the Holy See. It seems that the Pope wanted to force the conjuncture, aided by the warm invitations of Havel's government, to immediately set up a dialogue with these peoples, the new democratic governments, the bishops, and clergy—a dialogue outside the Yalta diplomatic and institutional framework. This indicates the urgency of the Synod.

This framework is crucially important for the Soviets. Scholars who have recently visited the U.S.S.R. report a renewed demand for genuine spirituality coming from people victimized for seven decades by the regime's atheistic and nihilist propaganda. While most inhabitants of the U.S.S.R. are not atheistic, but deeply ignorant of human history, among the Orthodox believers and the people in ferment over the catastrophic socio-economic conditions, they report that a spontaneous admiration has arisen for the Pope in Rome, who travels around the world like a pilgrim speaking in the name of suffering humanity.

The gateway for access to the U.S.S.R., a missionary land of the Church, is Eastern Europe and the "key" of Cyril and Methodius's apostolate. The new acculturation of Russia could come through the tradition contained in the "historical memory" of Europe. It is in this dimension that the Church's role must be taken, and Pope Wojtyla is the principal interpreter of this need. Speaking in Prague to cultural leaders and students at the old St. Charles University, the Pontiff clearly posed the problem: "If Europe's historical memory does not reach beyond the ideals of the Enlightenment, its new unity will have superficial foundations. Christianity, brought into this continent by the Apostles and penetrated into its various parts by the actions of Benedict, Cyril, Methodius, Adalbert, and a countless host of saints, is at the very roots of European culture."



# Pérez basks as U.S.-Moscow darling

by Ana M. Papert

During his visit to Washington, D.C. in the last week of April, Venezuela's social democratic President Carlos Andrés Pérez firmly established himself as "deal-maker" in Ibero-America on behalf of the Trilateral Commission and their drive for an Anglo-Soviet world condominium.

With an agenda ranging from the Venezuelan debt to drugs and the "pacification" of Central America and Colombia, Pérez met everyone from President Bush and members of both houses of Congress, to the National Security Council, the heads of the International Monetary Fund and World Bank, and Henry Kissinger. In every area under discussion, Pérez insisted that the Bush-Gorbachov accords must be extended to the Western Hemisphere through a supranational hemispheric framework.

Pérez went out of his way to publicly demonstrate his support for both powers of the condominium. In a final press conference on April 27 before leaving Washington, Pérez declared that when it comes to U.S.-Latin American relations, "It is clear that President Bush has the desire, the purpose, and the will to guide relations between his great nation and our own nations without any intention of subordination." Such gushing praise was especially welcome in Washington just four months after the U.S. military occupation of Panama.

## No Venezuelan oil for Lithuania

Soviet dictator Mikhail Gorbachov has also turned to Pérez for similar public relations services, this time to help "explain" the Soviets' 50-year military occupation of Lithuania. According to Bernard Aronson, assistant secretary of state for Inter-American affairs, Pérez had informed Bush during their meeting of a personal note from Gorbachov, asking that Pérez "comprehend the situation in which he [Gorbachov] finds himself, and to help the other leaders of Latin America to understand also."

Indeed, in his press conference, Pérez called the Soviet dictator "a great leader," and expressed his "admiration" for the "efforts which [Gorbachov] is making." As for Lithuania's Declaration of Independence, Pérez declared that while "we hope with all our heart that an understanding is reached between Lithuania and the Soviet Union," Venezuela has no

plans to send oil to Lithuania to break the Soviet blockade. If Lithuania needs Venezuelan oil, it can buy it, he stated.

Pérez told reporters that in his view, the future of such countries as Cuba, Nicaragua, and Colombia does not depend on Ibero-American diplomatic efforts such as those of the Rio Group, but rather upon the superpower condominium. "If the two great powers, the U.S. and the Soviet Union, have succeeded in easing tensions in Europe with the accords which Presidents Bush and Gorbachov have set in motion . . . [if] détente is a reality in the world, then there is no justification for the East-West confrontation to continue exclusively in the American Hemisphere," he said.

Pérez's speech the Organization of American States (OAS) on April 27 was a carbon copy of the report on Ibero-America recently released by the Trilateral Commission. Although he told the press that he had not read the Trilateral report, he assured them that the report's lead author, former U.S. ambassador to Venezuela George Landau, who today presides over Rockefeller's Americas Society, is "my friend." That report urges the creation of a "new security system" for the Caribbean and Latin America, eliminating national military institutions, and "suggests" creating "some form of multinational police force. Pérez explained in his press conference that Latin America should establish "its own security system."

In his address to the OAS, he proposed that it become a supranational government. The OAS "is wrapped in the thick crust of traditionalism, out of place in this dynamic and changing world—with renewed concepts of relations among states—in which we live." Pérez pointed out that these "renewed concepts" are based on "existing supranational obligations and rights," and that with the presumed end of the Cold War, "collective security could lead to a strengthening of the inter-American system" through the "peaceful solutions" offered by the OAS.

Pérez's concept of a "peaceful solution," however, is intended to keep the narco-terrorist apparatus in Latin America intact. In his press conference, the Venezuelan President expressed "pain" and "indignation" over the assassination of the founder of Colombia's M-19 movement Carlos Pizarro, and reported on his meeting with Pizarro in Caracas one week before the narco-terrorist's death. In an interview with the Venezuelan daily *El Universal* April 21, Pizarro "came out in favor of legalizing the consumption and sale of drugs," and said that "all of this must be done without false moral prejudices." Yet Pérez emphasized to the press that Pizarro was a man "who had joined the fight for peace and democracy in his country."

These criminal alliances were also reflected in Pérez's intercession in favor of the permanence of Sandinista Humberto Ortega as Nicaragua's defense minister. The *New York Times* reported April 30 on rumors that it was Pérez who had convinced Nicaragua's newly elected President Violeta Chamorro to keep Ortega in her government.

# Soviet Navy, far from being mothballed, is stronger than ever

by Argus

As U.S. arms procurements continue to draw down, the Soviet Union, giving only the appearance of a similar trend, continues to make major qualitative improvements in its armed forces. A number of defense analysts point to ongoing modernization of the Red Navy as a cardinal example of the way in which public perceptions of Moscow's "arms reductions" do not match the actual situation.

The same specialists warn that if these presently disparate U.S.-Soviet trends in arms, especially naval ones, continued, and a new Cold War broke out, the United States would be placed at serious disadvantage.

Serious observers point out, moreover, that U.S. defense expenditures in Fiscal Years 1989, 1990, and 1991 tend to favor the Navy. By FY91, the U.S. Navy will receive 43% of the arms procurements budgetary pie, which is, on the average, double the share of the other branches of service. However, at the same time, the Soviet Navy is expected to continue to make giant strides ahead of the American Navy.

## Cold War will return

Writing in the respected monthly *Defense Science*, electronics warfare editor Dr. Julian S. Lake says that "if the hardliners return to power in the Soviet Union for whatever reason, it is almost certain that the 'cold war' will return. If this occurs, the probability of a 'hot war' will increase over that of pre-Gorbachov days."

The analyst further points out that "modern wars are fought with the [military] assets and weapons on hand at the time the wars start." Unfortunately, he maintains, the U.S. Navy is steadily losing its once-assumed lead over the Soviets.

The latter, he notes, are building a faster, more heavily armed, and in general a more modern fleet than that of the United States. "Under perestroika Soviet at-sea operations have been dramatically reduced. Nevertheless, new ships, submarines and naval aircraft keep coming.

"It could well be that the U.S. Navy is about to be confronted with an active, modern [Soviet] carrier capability,

the likes of which have not been seen since World War II."

In a similar vein, the maritime editor of the American Defense Preparedness Association's *National Defense* writing in the Australian *Defence 2000* monthly, notes that "much-advertised" Soviet cuts in their naval forces have been accompanied, however, by "large improvements in the [Soviet Navy's] efficiency without adversely impacting its combat potential."

The analyst, Floyd D. Kennedy, says the Soviets are shifting the focus in combat readiness from quantitative to qualitative. Restructuring of Soviet heavy industry under perestroika, he notes, is linked to improving and girding up the military. The Soviets make false claims of "naval force reductions" by retiring antiquated platforms.

In their place, however, are being built and deployed, he indicates, more efficient ships and naval aircraft: "highly sophisticated, large, modern surface combatants and submarines that are replacing their scrapped predecessors at considerably less than a one-for-one exchange ratio. The result will be a numerically smaller but more sophisticated Soviet Navy."

## Soviet buildup: on sea . . .

The Soviet naval buildup, Kennedy continues, reflects a strategy of enhancing the four Red fleets' "long-range strike capability" together with the incorporation of what the Soviets call "reconnaissance strike complexes." These are near-real-time targeting systems that make possible, among other things, long-range offensive operations.

At the same time, these measures are being accompanied by a more defensive Soviet naval posture placed "close to their homeland [whose purpose it is] to counter American naval power in the shortest possible time with a dense-echeloned defense." Training exercises, Kennedy says, are being held closer to the home shores.

Yet this training, to judge by the weapons being tested, eventually is designed to carry the Soviet military "out of area." Future Soviet naval operations, this author and Dr. Lake indicate, will be based on ongoing modernization of

far-ranging Red naval aircraft. "The new major surface combatants," Kennedy says, will "soon be protected by air cover beyond the tactical radius of land-based fighters and [instead] to the sensor range of early-warning AWACS aircraft, thanks to the imminent initial operational capability of the first Tbilisi-class aircraft carrier.

"Three large-deck carriers undergoing sea trials fitting out, and under construction providing compelling evidence of the Soviet Navy's intent to improve the quality, not the quantity, of their forces."

The 1989 edition of the Pentagon's *Soviet Military Power* likewise takes note of the burgeoning Soviet naval modernization program. It further notes that recent developments in Soviet Navy deployment and training reflect overt emphases upon offensive arms and tactics as well as employing "more realistic training scenarios" together with "increased combined-arms games." In the latter, the Soviets' expanding military satellite program play key roles, as noted in recent issues of *Signal* monthly, an electronics journal, and *Strategic Review* quarterly.

As they build large-size aircraft carriers and multiple warheads on their submarine-launched long-range missiles, the Soviets seem to be girding up for missions in the Third World. Many observers predict that the coming decade or two will witness increasing outbreaks of violence in the form of "regional low-intensity conflict" (LIC). During the past month, countries like Iraq, Libya, and Syria have given no uncertain indications that they intend to use modern weapons, including missiles, poison gases, and nuclear weapons, most of which are of Soviet make, to further their goals in the Middle East, and possibly outside that region as well.

Likewise East Asia, a strong candidate for future hostilities, perhaps above the LIC level, finds at least one power, North Korea, in the process of strengthening its offensive and defensive war-making capabilities. Its international line also remains militant. Yet relations with Moscow, which touts "reasonable defense" and "new thinking" in world affairs, and defusing Third World tensions, remain close at present. Western intelligence says that it is aware of North Korea's progress toward developing nuclear and chemical warfare arms. It appears this enhancement of the North's defense has been due to covert Soviet assistance.

Most recently, however, communist-ruled Pyongyang has let Moscow know officially of its displeasure at the latter's emergent demarche toward South Korea. The Kremlin has been giving signs of its wish to establish normal relations with South Korea. That country has recently indicated that it will reciprocate any such move in the hope of doing business in the Soviet Union. Such improvement in relations was hinted strongly during the course of this spring's Moscow visit by the highest South Korean official ever to hold talks in Moscow.

As potential battlefields scattered about the world emerge as global hot-spots, the United States is fast losing its capacity

to "surge," or rev up, for unexpected hostilities, including those in remote places. As a whole, the American defense industry is beginning to shrink as industries once engaged in defense production are turning to non-defense pursuits, or they are going out of business. Once-strong defense stocks in Wall Street have long since begun to trend downwards in what some observers call their long-term decline.

That the Soviets themselves anticipate a continuation of threats of a new war in the present era of apparent good feeling was recently voiced by the commander-in-chief of the Soviet Navy, Adm. Vladimir Chernavin. "The trend toward disarmament," he said, "is not irreversible. The world situation is such that the military risks of conflict on the seas are just as great as they were before, if not greater."

In an article published in the March-April issue of the Frankfurt-based bi-monthly *Posev*, Russian emigré military analyst Georgy Bruderer notes what he calls an "evident contradiction" between Soviet civilian officials' protestations of the state's allegedly "defensist military doctrine" versus professional Soviet military writings that claim, quoting Lenin and Soviet military theorist Frunze, that the offensive constitutes the basic war tactic of the Soviet armed forces.

This, Bruderer suggests, is most obvious in Soviet naval strategy.

### . . . and in space

The same picture of racing ahead in arms modernization may be seen in Soviet space activities. *Aviation Week & Space Technology* of April 9 cited Teledyne Corp.'s Dr. Nicholas Johnson's latest annual report on the Soviets in space. Johnson pointed to reports that despite a temporary drop in launch activity, the "Soviet military space program remains strong [and the Soviets] are pursuing new areas of development and innovation."

*Aviation Week* noted that in intelligence-gathering and military-communications satellites, the Soviets have orbiting satellites with longer lives and ever more sophisticated on-board electronics. Soviet missile early-warning satellite array, Johnson said, keeps increasing in effectiveness.

For instance, they now carry infrared detectors capable of detecting the heat from missile plumes. The first of this new generation of satellites was launched March 27. Moreover, their global network of orbiting military-communications satellites now greatly facilitate navigation by Soviet missile-carrying submarines and Soviet naval surface craft. The Soviets now also have a well-rounded, operational nuclear-powered military radar ocean-surveillance network of satellites.

The Johnson report stated that the Soviets also appear to be testing anti-missile space-borne radars associated with tracking enemy missiles. These would be used in a fully developed Soviet "Star Wars" anti-missile defense, which Gorbachov told a U.S. television interviewer in December 1987 the Soviets had been working on for some time.

# U.N. gets LaRouche rights case

*The case of the unjustified political prosecutions of Lyndon LaRouche and associates is now before the United Nations. Part IV of a four-part series.*

*The Paris-based Commission to Investigate Human Rights Violations and Helga Zepp-LaRouche, wife of political prisoner Lyndon LaRouche, filed a second petition to the Commission on Human Rights of the United Nations in Geneva, Switzerland on Feb. 2, 1990, seeking U.N. action against human rights abuses committed against LaRouche and his political movement by federal, state, and court authorities in the United States. A first petition had been submitted at the end of May 1989, but has yet to be deliberated upon.*

*Part III took up the Virginia state prosecutions of two LaRouche associates, Michael Billington and Rochelle Ascher, which resulted in barbaric 77-year and 86-year jail sentences, respectively. In this, the concluding section of the series, the petition describes the New York state prosecution of LaRouche associates, and the inhuman treatment of LaRouche and other defendants in prison.*

## 4. The New York 'LaRouche case'

In June 1986, three months after the election victory of two LaRouche associates in Illinois, the National chairman of the Democratic Party, Paul Kirk, traveled to New York State and held a press conference together with Governor Cuomo and U.S. Sen. Daniel Moynihan (D) and others, where they vowed to "stop LaRouche and his associates by any means necessary, legal or otherwise." One week later, New York Attorney General Robert Abrams began an investigation into allegedly fraudulent fundraising by LaRouche-affiliated companies. After almost one year, the Attorney General's office handed down an indictment consisting of over 100 counts against 16 collaborators of LaRouche and several companies.

One of the defendants, Mark Calney, was held for two weeks in a Los Angeles city jail, on a bail of \$500,000. The judge at the bail hearing said Calney merited such an extraordinary bail, because, as an associate of the international LaRouche movement, he was a danger to the community.

Ultimately, the charges against Calney and 11 other co-defendants were dropped. Four defendants, George Canning, Marielle Kronberg, Robert Primack, and Lynne Speed, plus three companies, Campaigner Publications, Inc., Caucus Distributors, Inc. (CDI), and New Benjamin Franklin House, were brought to trial for charges reduced to two coun-

ts each: conspiracy to commit fraud and scheme to defraud.

Before the trial started, the defendants were offered a plea bargain deal: to plead guilty to a misdemeanor in exchange for a non-jail sentence. They refused and insisted on a jury trial to prove their innocence.

During trial, by the prosecutors' objections and the rulings of trial Judge Steven Crane, the defendants were prevented from putting on a full defense:

- The defense subpoenaed Lawrence Kirwan, the former New York State chairman of the Democratic Party, who had participated in the aforementioned press conference, and Henry Kissinger, who was subpoenaed in support of the defense's contention that ongoing harassment initiated by Kissinger, among others, made it impossible for the LaRouche-related companies to stabilize financially and repay many of the loans. Judge Crane quashed both subpoenas on the grounds that they were "not relevant" to the case, in spite of a detailed affidavit showing sufficient nexus between activities of Henry Kissinger and the financial stability, including the ability to raise contributions and repay loans of the entities at issue in the New York prosecution.

- During the trial, large parts of the testimony by defense witnesses and defendants were struck, after the judge had virtually invited respective prosecution motions. This despite the testimony directly related to the beliefs and motivations regarding loan repayment or political harassment directed at the LaRouche movement. Crane granted the government's Motion *in limine* which prohibited Mark Fairchild from testifying about death threats he got after his victory in the March 1986 Democratic Party primary and about the simultaneous slander campaign.

All references to the government-initiated involuntary bankruptcy, which a federal judge has now ruled to have been illegal, were objected to by the prosecutor and referred to as "just another one of the laundry list of excuses."

The prosecution introduced an abundance of hearsay evidence and was allowed to make full use of witnesses such as Chase Manhattan economist Michael Hudson, who during trial committed perjury and contempt of court, in spite of which the judge refused to hold him in contempt. Hudson is intimately tied into years-long anti-LaRouche activities involving the FBI, other authorities, and private entities. He

had participated in a 1983 meeting which had the purpose of organizing a national media campaign against LaRouche to create a climate for criminal prosecutions and which also deliberated upon how a civil suit by Hudson, aimed at the 1984 LaRouche presidential campaign, could be utilized to prevent LaRouche from receiving federal matching funds.

### **FBI agent destroyed evidence**

When the defense demanded the release of documents that had been produced to the grand jury in Boston investigating the 1984 presidential campaign of Lyndon LaRouche and which were needed as exculpatory material in the New York trial, it turned out that the very FBI agent who was supposed to preserve these records for their owners had destroyed them! The facts of this outrageous occurrence are as follows:

U.S. Attorney William Weld's 1984 Boston grand jury had subpoenaed business records belonging to Caucus Distributors, Inc. (CDI), Campaigner Publications, and the Fusion Energy Foundation. Weld sought and won contempt fines in the amount of \$16 million against the companies for alleged failure to produce a tiny portion of the documents to the grand jury. It was these fines which were then used as the government's claim to bring the illegal involuntary bankruptcy action against the three entities in April 1987.

The government also used the documents in other cases than the Boston case, which ended in a mistrial in May 1988, and all charges were dropped in January 1989.

Then, although the government knew that other targeted individuals and entities were likely to need them in ongoing civil and criminal proceedings, the government destroyed the documents: After the documents had been requested by the defense team in the New York trial, the government had to admit, that on May 9, 1989, FBI agent Richard Egan had destroyed boxes of these same business records! Among the documents were thousands of checks issued to lenders which clearly represent important exculpatory information not only pertaining to the New York trial, because they show persistent efforts to repay debts, but also directly contradict every prosecutorial theory of "conspiracies to defraud lenders."

Egan destroyed the business records one day after he was present at a hearing on May 8, 1989, before Boston Federal Judge Robert Keeton, at which Keeton ordered that the checks and other documents in question be preserved to be turned back over to the entities to which they belonged. On Aug. 18, 1989, Egan testified in New York, that he had consulted with LaRouche prosecutor John Markham before he destroyed the documents. Markham denied this in a contradicting affidavit. In the course of the ensuing court proceedings about whether Egan and others should be held in contempt and how the government could remedy the damage created, another scandalous fact was revealed in a government affidavit: The government knew prior to the time Federal Judge Mazzone imposed \$16 million in contempt fines, that the fined entities had in fact produced the records at issue to William Weld's grand jury in

1985, the very records which Egan destroyed! After Egan's destruction of grand jury records had become an issue and the defense moved for sanctions and to hold Egan in contempt, the government was forced to disclose their inventory of the records which had been produced by the four entities. While the inventory shows the thousands and thousands of records produced, the more significant fact is that the inventory was created by then-paralegal assistant to Assistant U.S. Attorney John Markham, Mary Beth Downing, in 1986 in order to "facilitate the transfer of the case from" the first expired grand jury "to a second grand jury."

The second Boston grand jury began in June 1986. Judge Mazzone did not impose the \$16 million fines until February 1987. His contempt order was issued after the government continued to represent that the entities had not complied with grand jury subpoenas for records. It read: ". . . as of close of business on September 1, 1986, [they] have failed to comply. . . ." The government affidavit filed three years later, in September 1989, now shows the government lied to the court to obtain contempt fines and, in the end, the bankruptcy of three organizations.

Up to the date of this communication, Judge Keeton refused to hold Egan in contempt for the destruction of evidence under government custody and in violation of a judicial directive, or otherwise sanction the government. He also refused to grant an evidentiary hearing.

### **New York trial part of nationwide prosecution**

The New York trial was yet another confirmation of the fact, that this like any other "LaRouche case" was the outgrowth of a multi-agency, nationwide effort to eliminate the political movement created by Mr. LaRouche. As New York Prosecutor Dawn Cardi stated in a post-trial memorandum: "This case was in fact part of a multijurisdictional effort with the Department of Justice and the State of Virginia to prosecute Lyndon LaRouche and various members of his organizations. . . ."

This "multijurisdictional effort"—defense attorney Ramsey Clark captioned it the "Get LaRouche Task Force"—is also subject of post-trial Kastigar hearings required to ascertain whether the prosecution in New York used in any way, directly or indirectly, any testimony defendant Kronberg gave under subpoena and grant of immunity in the Alexandria federal grand jury or at the Alexandria federal trial of LaRouche and six co-defendants, which would have been illegal and a violation of her Fifth Amendment rights. The first witness at the Kastigar hearings that commenced on Jan. 8, was Virginia prosecutor John Russell, who occasionally had been present at the New York trial, when he "happened to be in town." First Russell claimed that his prosecution was not part of the federal task force. Only when confronted with a U.S. government document received by the defense under the Freedom of Information Act, which explicitly identified the Virginia State Police as part of the task force, he said,

well, the State Police worked in, around, and with the task force, but were not "part of" it!

### **Confused verdict**

During trial the defense team worked hard to introduce the truth about government financial warfare; lender witnesses confirmed that they were informed about risks, legal problems, and financial problems before they gave money; and in several cases their loans came due after the 1987 bankruptcy. Despite this and the scandalous revelations about government activities as described above, the trial ended with convictions for three defendants. On Aug. 31, 1989, the jury issued a "confused verdict," as observers commented: George Canning was acquitted on all counts, Marielle Kronberg and Lynne Speed were acquitted on the conspiracy count and convicted on the fraud count, Robert Primack was convicted on both counts.

Due to several post-trial motions filed by the defense regarding Bankruptcy Judge Bostetter's decision and other new evidence, sentencing was several times continued and has not yet occurred. Prosecutor Cardi for her part demanded in her sentencing memorandum the maximum sentence for Speed and Primack, four years in state prison.

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## **C. Violations of Articles 5 and 9 of the Universal Declaration of Human Rights**

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### **1. Arbitrary and cruel punishment of Lyndon LaRouche**

The prohibition of unusual and degrading punishment is one of the principles most deeply moored in the Western tradition of the rule of law. It is an outgrowth of this principle, that the punishment must not be out of proportion to the crime. Especially European jurists were above all dismayed by the fact that Mr. LaRouche, who is now 67 years old, was sentenced to 65 years imprisonment, redefined as concurrent sentences to be served over 15 years. This punishment appears especially harsh if one considers that it involves a matter of loans worth less than \$300,000.

On July 4, 1989, the U.S. Supreme Court denied a *habeas corpus* petition filed on June 2, 1989, by Philadelphia attorney Charles Bowser, requesting the justices to order the immediate release of LaRouche and six of his associates, on the grounds that the government had unlawfully assaulted the LaRouche movement with multiple political prosecutions over a period of more than a decade. The justices rejected without a word the Bowser petition's argument that "the acts for which petitioners have been investigated and prosecuted . . . were acts in the exercise of [their] rights of political association and political expression."

More than anything else, the prison conditions imposed on Mr. LaRouche, who has been in jail since Jan. 27, 1989, have documented the improper motives behind his prosecution. The following chronology of events during August through October 1989, shows that the mistreatment of the prisoner, which human rights spokesmen qualified as "torture," gave reason for grave concerns including for his life.

Chronology of events during the stay of Mr. LaRouche in the Federal Medical Center in Rochester, Minnesota:

July 18: Transportation from Federal Detention in Alexandria to Federal Medical Center in Rochester (FMC).

August 16: Mr. LaRouche reads on a bulletin that he has to work, beginning the following day, in the FMC kitchen from 7 a.m. to 4 p.m. with two ten-minute breaks, Monday through Friday.

August 17-31: Mr. LaRouche has to do heavy kitchen work including cleaning big pots. Because of the specific working conditions in conjunction with Mr. LaRouche's age, the category "heavy labor" is applicable according to visitors.

Under this work, Mr. LaRouche is coming out in a rash on both arms. He is then medically assigned to different kitchen work. Mr. LaRouche reports constant exhaustion and muscle pain.

August 31: Mr. LaRouche suffers an acute collapse at 11:30 a.m. with nausea, muscle pain, and loss of control of the muscles. He has to rest for almost one hour and is unable to work again afterwards. He reports to sick bay.

September 1: Mr. LaRouche's personal physician tries to call the responsible physician in FMC. He is told the physician is out until the next week. Mr. LaRouche says he needs immediate action on his work schedule, because he feels "at the end of his rope."

Sept. 4: Mr. LaRouche's physician arrives from Germany in Rochester, writes a letter to the FMC physician, in which he requests a medical consultation on the condition of his patient and to see his patient.

Sept. 6: Discussion with Mr. LaRouche's personal physician and two responsible physicians of the FMC.

Sept. 6: Medical examination, assignment to lighter work. Starting Sept. 8, Mr. LaRouche's working hours are 4 a.m. to 12 a.m., Monday through Friday.

Sept. 7: Mr. LaRouche's physician is allowed to see his patient for one hour, but he is not allowed to see any medical records or to do an examination.

Sept. 11: At 1 p.m. Mr. LaRouche is called to the clinic of FMC and told that later that week he will have a surgical procedure for the removal of two intestinal polyps. He is told that he will have a no-residue diet on Tuesday, and then will be on a liquid diet until the procedure.

Sept. 12: After working a full work shift from 4 a.m. to 12 noon. Mr. LaRouche begins receiving strong laxative medication at approximately 4 p.m. He only ingests egg whites, coffee, and water. Between 10 p.m. and 2 a.m. into the next morning he experiences bowel movements caused

by the medication.

Sept. 13: At approximately 2 a.m., Mr. LaRouche finally falls asleep. At 3:20 a.m. he is awakened to report to work. He has to do another full work shift from 4 a.m. to 12 noon. He only ingests coffee and water. Due to over-exhaustion he only sleeps sporadically on this night.

Sept. 14: At 3:20 a.m. Mr. LaRouche is awakened to the normal work shift to which he reports at 4 a.m. After working an entire shift, he is called to the clinic at FMC where he is informed that he will be brought to the Mayo Clinic, Rochester, for a "test" procedure. When Mr. LaRouche tells the guards that he is feeling too exhausted to undertake a surgical procedure, he is assured that this is only a test. Mr. LaRouche is taken now to the Mayo Clinic by two guards. After being interviewed by an assistant physician to the responsible internist at Mayo Clinic, he is given a pain killer (Demerol) intravenously. He falls asleep immediately and sleeps through the entire procedure. The surgical procedure lasts about one hour. After being in the recovery room for another hour, Mr. LaRouche is brought back to the FMC. He arrives there at 3:30 p.m. During the whole day he ingests only coffee, apple juice, and a bowl of jello. On this night he falls asleep of sheer exhaustion.

Sept. 15: At 3:20 a.m. Mr. LaRouche is awakened to go to work as normal. At 7 a.m. Mr. LaRouche reports to sick bay unable to work (reporting to sick bay cannot be done before 7 a.m.). He requests to see a doctor. Shortly after 9 a.m. when the doctor still has not come, LaRouche is called out to see a paralegal visitor on legal matters, leaving a message for the doctor. He is not seen by a doctor on this day. The next days, Saturday and Sunday, he mostly sleeps, due to exhaustion.

Sept. 15: Mr. LaRouche's personal physician sends an urgent communication to the FMC doctors protesting the improper preparation for the surgical procedure. The communication cannot be delivered before Sept. 18 (Monday). He requests an immediate discussion of the matters of his patient.

Sept. 18: Mr. LaRouche requests to meet with his case manager to file an oral complaint. He has a short discussion with a senior physician of FMC during which he says that his preparations were not done according to international medical standards. He has to work this day.

Sept. 19: Mr. LaRouche has a phone conversation with his personal doctor who is back in Rochester. The doctor does not receive any communication of the FMC doctors. After several requests phoned into the FMC, there is no answer from the FMC doctors. Contrary to Sept. 6, contact among the doctors cannot be established this time.

Sept. 20: Mr. LaRouche starts to undergo a series of medical examinations both in internal medicine and ophthalmology going on for several days.

Sept. 22: Mr. LaRouche reports to his personal doctor that he is totally exhausted.

Sept. 25: Mr. LaRouche reports he feels "lousy."

Sept. 27: Mr. LaRouche is put on indefinite idle till he sees a FMC doctor on Friday, Sept. 29, because he feels exhausted and suffers constant muscle pain.

Sept. 30: Mr. LaRouche sees his name on the work schedule board to go to work on Monday, Oct. 2.

Oct. 2: Mr. LaRouche is awakened as usual at 3:20 a.m. to go to work. At 7 a.m., he is seen by a supervisor who tells him that he is on idle since Sept. 27 for 14 days.

Oct. 10: Mr. LaRouche is told by his FMC doctor that he is on medically assigned idle for the next 30 days. In being off work, Mr. LaRouche reports an improved physical condition.

After another surgical procedure (eye operation) and subsequent idle, Mr. LaRouche has to do prison work under a different assignment from mid-January 1990 on. Already the forced labor imposed on Mr. LaRouche, who is well beyond the age of retirement, led to numerous protests from jurists, civil rights leaders, church representatives, and persons active in humanitarian organizations around the world. In response to complaints about the outrageous escalation of maltreatment during September, which were uttered by legislators, civil rights leaders, and members of medical and humanitarian groups, the director of the Federal Bureau of Prisons claimed in November 1989, that "Mr. LaRouche has not been subjected to mistreatment. The staff involved in his case has complied with professional and correctional standards that are consistent with humane and accepted practices." (!)

## **2. Solitary confinement and arbitrary punishment of Michael Billington**

During his trial in Roanoke, Michael Billington was detained at the Roanoke County jail beginning about Sept. 8, 1989. As stated above [in Part III—ed.], for reasons never explained, Billington was immediately placed in solitary confinement in a tiny cell for 24 hours a days. He was not allowed to make phone calls to anybody except his hostile attorney. He was also not allowed to see paralegals familiar with his case; from Sept. 30 on, any other paralegal was also prohibited from talking to him. Without any reason given, Billington was held in this solitary confinement until Dec. 21, 1989, that is for a total of almost three-and-a-half months.

Billington's sentence to a prison term of 77 years is believed by legal experts to be a record in the state of Virginia, which is not a liberal state at all, as well as in the United States, for this type of criminal allegation. At issue in the substantive charges in Billington's case is \$76,590 in unrepaid loans to political supporters of Lyndon LaRouche!

On Jan. 22, 1990, one hour after hearing about his appeal against the Alexandria conviction being rejected, Mr. Billington was taken in handcuffs from his dormitory in the Danbury, Connecticut prison, strip searched, and told he was being put in "The Hole," a segregated area of the Danbury prison designed for prisoners who are being punished. The guard did

not tell him the reasons for this treatment. The new place is a three-story cell block, where two prisoners share a space of six feet by ten feet, having only two bunks and a toilet.

At midnight on the same day, Mr. Billington was handed a paper saying that he was being reclassified, which is why he was relocated. On Jan. 24, he was visited by the lieutenant of the block, who confirmed that the warden had just received papers showing that Billington was sentenced to 77 years, and the warden didn't want him there, but in a higher-security prison. However, Billington had been sent to Danbury from a different prison as a reclassification already, because of his 77-year sentence. Until he is moved, he will have to remain in this punishment unit.

Prisoners in this unit are allowed one personal phone call every 30 days; calls to lawyers must be approved. They get three showers per week and are led to the shower in handcuffs. One hour per day they are allowed in an "outdoor recreation area," a 10x10 foot concrete space surrounded by barbed wire.

### **3. Arbitrary punishment of Rochelle Ascher**

The sentencing of Mrs. Rochelle Ascher to 86 years imprisonment by a Loudoun County jury is so much out of proportion, that European jurists informed about this judgment mostly reacted with disbelief. The court received numerous letters opposing the sentence, including letters by government witnesses.

On June 5, 1989, Judge Carleton Penn ordered that the 86-year sentence recommended by the jury has to be served by 10 years in prison for seven counts of conspiracy, plus, for the remaining two counts, in 10 years probation including restitution to lenders and the cost of the court case.

This, in effect, 20-year sentence is the longest ever imposed on a person with no criminal record.

A memorandum and other defense motions on sentencing filed with the trial court in Loudoun County, Virginia, drew comparisons with other criminal convictions in Virginia that included, for example, prison terms of 8-10 years for murdering a daughter, or 5-15 years for strangling a girlfriend. The average convictions for fraud in Virginia amount to no more than 29 months. The provisional state sentencing guidelines would have suggested 6 months in Mrs. Ascher's case.

On sentencing day, Judge Penn denied bail arguing Ascher was "willful" and "lacked remorse." She was arrested in the courtroom and two days later released, when the Virginia Appeals Court granted a \$50,000 bond and ruled that Judge Penn had abused his discretion. Repeatedly, the Commonwealth of Virginia attempted to get the court to order reimprisonment.

### **4. Arbitrary denial of parole**

On June 30, 1989, the Parole Commission decided in the case of Joyce Rubinstein, who was convicted in Alexandria Dec. 16, 1988 and jailed Jan. 27, 1989, together with six

others, that she will not be released after the average 12 months for a three-year sentence. The Parole Commission ordered that Mrs. Rubinstein has to serve at least 24 months of her 36-month sentence. In so deciding, the Parole Commission overruled at least one parole hearing officer and Rubinstein's case manager.

### **VI. MEANS OF REDRESS ATTEMPTED**

The appeal of the Alexandria verdicts has been denied as reported; appeals of all other convictions reported in this communication are pending with the specific practice regarding appeals in the state of Virginia to be noted. In the case of the contempt fines imposed on the political action committee National Democratic Policy Committee, all legal means have been exhausted as reported.

Section A of this communication explains, how the addressed widespread pattern of politically motivated judicial abuse in the United States falls under the responsibility of personalities, who either belong to the executive department or utilized their personal influence to cause the Department of Justice and other U.S. authorities to disrupt the legitimate activities of Mr. LaRouche and the political movement associated with him.

The highest government authority, the President of the United States of America, is undoubtedly aware of this situation. As proven by the response of the President's office to the urgent request for release of information, which is in the possession of the government and could prove the innocence of Lyndon LaRouche and his associates, neither President George Bush nor other government officials or agencies are willing to remedy these obvious violations of human rights.

It is therefore to be presumed that domestic remedies, though still being sought, will not yield positive results.

### **VII. PURPOSE OF THIS COMMUNICATION**

The purpose of this communication is to cause the Commission on Human Rights of the United Nations to decide on a thorough study of the situation addressed either by an ad hoc committee or an appointed special envoy, to declare that human rights have been violated by the described incidents, to help remedy the situation and to request appropriate compensation to the victims.

### **VIII. STATEMENT OF CONFIDENTIALITY**

The undersigned declare, that their names and authorship of this communication may be revealed in the appropriate manner.

### **IX. SIGNATURE AND DATE**

January 25, 1990  
Helga Zepp-LaRouche  
Ortrun Cramer

For the International Commission to Investigate Human Rights Violations



# A European view of the LaRouche trial

*A commentary by Prof. Dr. Kurt Ebert, of the Institute for Austrian and German Legal History at the University of Innsbruck, Austria.*

The criminal suit against Lyndon LaRouche in the United States has awakened considerable interest in Europe, particularly among jurists, following the publication of the extensive documentation *Railroad!*<sup>1</sup> The view unanimously expressed in the numerous opinions up to now by prominent European scholars and practitioners of law had been that the principle of a fair trial, and thus a fundamental human right, has been violated several times in the case at hand.



The well-known German professor of law, Friedrich August von der Heydte<sup>2</sup> went so far as to compare the case of the United States of America against LaRouche and his co-defendants with the infamous Dreyfus affair in the 1890s in France,<sup>3</sup> which has gone down in legal history as a classic example of a political trial.

## Concern with 'the global dimension'

The internationally respected law expert and former minister of justice of the Republic of Austria, Prof. Dr. Hans Richard Klecatsky,<sup>4</sup> together with the Salzburg jurist Prof. Dr. Waldstein, underscored particularly the global dimension of this American legal case, in a detailed and well-argued expertise, and emphasized, "that the legal questions raised by the appeal not only touch on important issues regarding the Constitution of the United States of America, but moreover on issues vital for the tradition of human rights and dignity in the civilized world."<sup>5</sup> It follows from this as a logical consequence, that "violations of that same Constitution therefore seriously undermine the progress of human rights in the world."<sup>6</sup> In this expertise, also undersigned by Prof. Dr. William Nieboer from Tilburg and by James R. Mann (Greenville) from the United States, Klecatsky and Waldstein particularly pointed up the authority of international law in domestic jurisprudence of the United States,

and specifically the right founded in international law to a fair trial, with particular regard to the principle of *ne bis in idem* ["not twice against the same"].<sup>7</sup> The cited authors did not neglect to mention the obvious "question of inhuman punishment," and added the observation that a 15-year prison sentence for the 66-year-old LaRouche would be seen in Europe as a life sentence.<sup>8</sup>

Another prominent jurist, Prof. Dr. Albert Bleckmann, director of the Institute for Public Law and Political Sciences at the University of Münster in the Federal Republic of Germany, likewise criticized in his exposé as *amicus curiae* [friend of the court] the violation of the principle of *ne bis in idem* as a "grave violation of the prohibition against double jeopardy,"<sup>9</sup> as well as the curtailment of the fundamental rights to defense of the defendants, the violation of the principle of impartiality of the court, and the violation of the principle of proportionality, in the sense, "that the punishment must not be out of proportion to the crime."<sup>10</sup> As Bleckmann argues in the latter context, jurists in continental Europe are dismayed particularly about the severity of the sentence against LaRouche, which appears to be "immoderately exaggerated" in relationship to the damage-value. Bleckmann's reference to the fact, that a Federal German court had imposed a sentence of maximally two years in such a case, and that even this would be considered severe, also indicates the incompatibility of the penalty imposed upon LaRouche with continental European standards, and in general with the principle anchored in Art. 3 of the European Convention on Human Rights, according to which "no one shall be subjected to . . . inhuman or degrading treatment of punishment."<sup>11</sup>

Among the prominent practitioners who have joined in the *amicus curiae* briefs on the appeal against the conviction of LaRouche in Virginia, attorneys Lennart Hane from Sweden and Maître Jacques Stul from France deserve special mention in this connection. Hane expressed his deep concern about the media campaign in the United States which preceded the trial against LaRouche, and expressed the general suspicion, that "it appears as though a whole series of impermissible measures took place in the *U.S. v. LaRouche et al.*

in Virginia, which did nothing else than let the 'storms of emotions' loose in a way that set aside important fundamental principles of criminal law."<sup>12</sup> With detailed references to a study published some years ago on witch trials in Sweden, Hane posed the provocative rhetorical question: "Is there any significant difference in such uses of well-selected 'special circumstantial evidence' in those witch trials of the 17th century, and the U.S. Government prosecutor's insisting, during sentencing proceedings of Jan. 27, 1989, page 27 in the transcript, on a harsher sentencing of the defendants because of (as the prosecution argued to the Judge), 'LaRouche's absolute inability to accept his responsibility for what took place [here], his absolute inability to show anything like remorse.' That is, the final statements by the defendants to the Court of their innocence, were taken by the prosecution as further justification for the prosecutor's desire to demand unprecedentedly harsh penalties."<sup>13</sup>

The already-cited French attorney Maître Jacques Stul devoted his attention chiefly to the violation of the principle of freedom of association of political movements, and expressed the view in this connection, that "the procedures used against Mr. LaRouche show all the characteristic signs of an attempt to annihilate a political movement."<sup>14</sup> In detail, Stul particularly remarked that "both the great size of the fine, and the reason given for its being imposed, strike a French lawyer both as something quite unheard-of, and as something which reveals a manifest intent to use the justice system for partisan political aims."<sup>15</sup>

In view of the spectacular escalation of this case, which culminated in the recent accusation of the American bankruptcy Judge Martin V.B. Bostetter, that the American government had acted "in bad faith," and perpetrated a "fraud on the court,"<sup>16</sup> Stul's criticism of the American government is certainly justified, that it were "quite paradoxical to blame a political movement for not repaying loans while the justice system itself seems to have done everything in its power to make repayment impossible. Through its operations against Mr. LaRouche's movement, the government itself appears to have willfully and knowingly prejudiced the interests of the lenders, and then to have turned around and tried to put the responsibility for this onto the shoulders of Mr. LaRouche."<sup>17</sup>

Here we add the observation that Maître Jacques Stul also considers the violation of the principle of a fair trial<sup>18</sup> to be a proven fact, which serves to round off the picture of that questionable trial atmosphere in which politically uncomfortable persons were sentenced to exorbitant prison terms, and in the process fundamental human rights were blatantly disregarded.

### Shock at rejection of the appeal

In view of the grave reservations of prominent European legal personalities from scholarly and practical life who have supported LaRouche's appeal with so-called *amicus curiae*

briefs, cursorily reviewed here, one should have looked forward to the appeal proceeding with a well-founded attitude of positive expectations. A nation which has written liberty and justice so prominently on its banner, in the face of such massive criticism and vehement protests from European human rights experts who are far from any American partisan political influence, ought to consider that practices of the incriminated sort as described here put at stake nothing less than the credibility of the United States of America as a nation under law and guarantor of human rights.

It was therefore with all the more dismay that the decision of the Court of Appeals was received on Jan. 22, 1990, which continued the path taken by the first court in Alexandria, that of the "railroad," obviously utterly unimpressed by the severe criticisms of this procedure. The extent of the argument confirming the verdict of the first court, which must be termed strikingly short and curt in view of the severity of the case, certainly does not help to remove the odium of unfair trial which weighs over this entire case. At best there were a number of points of complaint which yield an *in dubio* constellation, which, according to generally recognized principles of constitutional law, would have to have been decided *in favor* of the defendants. The charge that the jury was not impartial in Alexandria, the speed of the conduct of the trial there, as well as the suppression of exculpatory evidence in favor of the defendants are not removed in the argument of the Appellate Court; to the contrary, they are corroborated.

We may pick out merely as a detail, the argument on the point of "excessive sentence" as of particular significance for the basic attitude in violation of human rights diagnosed in this political trial, which reads laconically: "Fourth Circuit precedent holds that the Eighth Amendment's prohibition of cruel and unusual punishment . . . [does] not require a proportionality review of any sentence less than life imprisonment without possibility of parole."<sup>19</sup> Finally, the Appellate Court argues its decision that it does not intend to change the sentence of 15 years for LaRouche ordained by the first court with the pithy remark: "This court has consistently endorsed the view that a sentence fixed within the limits approved by Congress will not be reviewed on appeal in the absence of *extraordinary circumstances*."<sup>20</sup> In the view of the Appellate Court, this case is "normal," and not one of "extraordinary circumstances"!

### What recourse?

In the nations of the European Council, such a case would be continued at the supranational level at the European Court for Human Rights in Strasbourg, with a probability bordering on certainty, on account of the blatant violation of the principle of fair trial according to Art. 6 of the Human Rights Convention. LaRouche will not be able to appeal to the more or less analogous American Human Rights Convention of Nov. 22, 1969 with much success, which likewise foresees

Nov. 22, 1969 with much success, which likewise foresees the "Right to a Fair Trial" (Art. 8) and the "Right to Human Treatment" (Art. 5), and prohibits anyone from being subjected to "torture, cruel, inhuman, or degrading punishment or treatment." LaRouche cannot appeal to the Inter-American Court for Human Rights *rebus sic stantibus*, in existence since 1979 in San José in Costa Rica, since the United States does not appear among the 20 nations which have ratified the American Convention of Human Rights up to this time.<sup>21</sup> Thus the initially hypothetically formulated fear of Hans Richard Klecatsky may well become a certainty: "If defendants tried in a United States court are denied important rights for a fair trial by an impartial jury, this in turn constitutes a setback for the evolution of human rights in the entire world."<sup>22</sup>

It is deeply regrettable that the United States, through trials of this sort, as well as through executive measures in foreign countries without the agreement of the concerned nation (most recent example: Panama), not only violates elementary human rights, but also throws principles of classical international law overboard and thus promotes that devastating global development, instead of countering it, which the previously cited professor of international law Friedrich August Freiherr von der Heydte recently characterized with the observation, that "it is characteristic of a world power to be *legibus solutus*, particularly when the issue is the assertion of its interests beyond its own state borders."<sup>23</sup>

In view of such facts, European jurists also, who are still inclined to treat the United States historically as the paragon of the realization of internationally protected human rights, will have their attention increasingly drawn to the contradictory character of most recent developments, and to confront the Great Power with the fact, that it has not to date joined in the United Nations Human Rights treaties, and has not ratified the Convention for the Elimination of Racial Discrimination, nor the already-cited American Convention of Human Rights, nor other important agreements for the protection of human rights.<sup>24</sup>

## Notes

1. Commission to Investigate Human Rights Violations, Washington, D.C., 1989.
2. On him, see Körschner's *Deutscher Gelehrten-Kalender*, 15th edition, Berlin-New York 1987, p. 1795.
3. *Railroad!*, *loc. cit.*, pp. 202-208.
4. On him, see Körschner's *Deutscher Gelehrten-Kalender. loc. cit.*, p. 2264.
5. *Railroad!*, *loc. cit.*, p. 73 ff.
6. *Ibid.*, p. 74
7. *Ibid.*, p. 74 ff., 78 ff.
8. *Ibid.*, p. 92
9. *Ibid.*, p. 63
10. *Ibid.*, p. 68 ff.
11. EMRK, Nov. 4, 1950. Cf. also the analogous prescription in the American Convention of Human Rights, Art. 5 below, p. 5 ff.
12. *Railroad!*, *loc. cit.*, p. 96.
13. *Ibid.*, p. 101.
14. *Ibid.*, p. 108.

15. *Ibid.*, p. 109.

16. See *The Washington Times*, Dec. 4, 1989, p. F5.

17. *Railroad!*, *loc. cit.*, p. 109.

18. Stul stated in this connection: "I am very much struck by the fact that the judge in Alexandria accepted, at the outset of the trial, a government motion requesting that any evidence, documents or arguments demonstrating government surveillance or interference with Mr. LaRouche's activities be excluded from consideration by the Court. This deprived the defense of any means to prove good faith, and made it impossible to prove prosecutorial bias, as well as the violations against freedom of association which prevented Mr. LaRouche from repaying debts contracted by his supporters.

"This is made even more serious by the fact that in the Boston trial against Mr. LaRouche and his friends, Judge Keeton rejected a similar motion by the government, and ordered the government to produce documents in its possession dealing with Mr. LaRouche and his friends. In particular, I am informed that the Boston judge had ordered that the archives of the then Vice President of the United States, Mr. George Bush, be opened, as well as the archives of the FBI.

"The search of these and other archives established beyond a shadow of a doubt the fact that the government had constantly interfered in Mr. LaRouche's activities, even seeking to organize operations which would cause prejudice to Mr. LaRouche.

"One might perhaps be allowed to note in this context that a sharp polemic between Mr. LaRouche on the one hand, and the U.S. government—especially its then Vice President Mr. Bush—on the other hand, was very much in the public view, due to Mr. LaRouche's outspoken hostility to the Contra operation and to the arms sales to Iran. It is most remarkable that some of the self-same individuals involved in the dealings with Iran appear as persecutors of Mr. LaRouche in government documents made public during the Boston trial." (*Railroad!*, *loc. cit.*, p. 109. f.)

19. United States Court of Appeals for the Fourth Circuit, No. 89-5518, p. 43.

20. *Ibid.*, p. 44.

21. Cf. *Human Rights Law Journal*, Vol. 10, No. 1-2, 1989, p. 114.

22. *Railroad!*, *loc. cit.*, p. 73.

23. Cf. his essay, "Der bewaffnete Überfall der Vereinigten Staaten auf Panama. Eine völkerrechtliche Bewertung" ("The armed invasion of the United States in Panama. An evaluation from the standpoint of international law), in *Spuren und Motive*, Vol. 83/84 (1990), pp. 22-25, quote on page 24. Published in English in *EIR*, Feb. 2, 1990, under the title "The U.S. invasion of Panama: an evaluation from the standpoint of international law."

24. See the recent essay by Th. Buergenthal, "Entwicklungen in der Menschenrechtspolitik der USA," in *Europäische Grundrechte-Zeitschrift*, 16 (1989), pp. 149-157. In this study the author comes to the critical conclusion: "The progress which it has achieved domestically, however, still does not justify the United States's negative attitude toward the ratification of treaties on human rights. With its attitude, the United States has deliberately excluded itself from what is probably one of the most significant developments—a development in which people's urgent demands for a more human world are coming clearly to the fore. This attitude does harm to that development, in addition to being a sign of shameful arrogance on the part of one of the great democracies, which is letting the rest of the world know that it has nothing to gain from, and nothing to contribute to the system established by these treaties. It is also difficult to deny the uncomfortable impression of hypocrisy which arises when the United States institutes domestic laws aimed at ensuring the maintenance of international standards of human rights in other states, when the United States is not ready to ratify the treaties whose implementation is supposed to ensure the enforcement of those very same laws. Moreover, the United States is setting the worst conceivable example with its numerous reservations and declarations upon which it has made its ratification contingent. It is entirely understandable when reservations are brought up when they are appropriate on constitutional grounds; but it is entirely another matter, when reservations are brought up in order to ensure that the treaty in question will have no force over domestic law. And that is precisely the effect of the clauses concerning the federal states, and of the declaration qualifying a treaty as 'non self-executable.'"

The English version of this essay appears in *Human Rights Law Journal*, Vol. 9 (1988), pp. 141-162, under the title "The U.S. and international human rights." Cf. further Dens., "Menschenrechtsschutz im inter-amerikanischen System," in *Europäische Grundrechte-Zeitschrift*, 11 (1984), pp. 169-189.



## 'On the warpath' for the true performance of great music

*Laila Andersson-Palme has been a soloist with the Royal Opera House in Stockholm, Sweden since 1962. She is also an appointed singer of the Swedish Royal Court. Lately she has sung Fidelio in Washington and Montreal; Salome at the Metropolitan in New York City, in Rio de Janeiro, Montreal, and Graz; Tosca in Bern and Stockholm; and Abigail in Graz. She was interviewed by Åsa Narde on Nov. 6, 1989.*

Laila Andersson-Palme, her face beaming, opens the door to her warm and comfortable home, where candles light up the November darkness. There is always a lively air around her, but as she sits down for the interview, it is easy for her to become one with the art of singing which fills her everyday life. She is now at the peak of her career, and many international offers are awaiting her response.

### The issue of scientific tuning

We met because she, at an early stage, supported the call by the Schiller Institute for lowering the orchestra pitch by a quarter-tone to  $A=432$ , which the composer Giuseppe Verdi had proposed and successfully established in Italy. Less than half a month before the interview took place, we participated in a very exciting cultural conference in Munich, at which, among other things, the so-called Verdian tuning was discussed. Andersson-Palme starts to talk about the controversial issue around today's high tuning, which sometimes is even as high as 450 oscillations per second.

"I strongly oppose today's high tuning," she says. "I have been singing both at the Vienna and Berlin opera houses, and in Berlin I particularly reacted when I sang Brunhilde. I did not understand why my musculature did not obey me in the way I was used to. But later I learned that the tuning had been very high, and I assume this was the reason. You react like a seismograph on stage, you are so charged. That is felt, of course, in the throat. And besides that, Brunhilde is a heavy role. Something has to happen on this question. I am on the warpath!"

Does she want to go as far as Verdi, to  $A=432$ ? That would mean a lowering of today's standard  $A=440$ , by a quarter-tone.

"I would like to find a piano tuned to  $A=432$ , because then I could sit down and practice and really feel how it is. My own piano most likely is tuned to  $A=440$ . I am convinced that it has to be right with a lower tuning, that it must be very comfortable. Singers who have been accompanied by old instruments, which already are tuned lower, think that it simply is fantastic. I am just curious about how it would influence my throat."

Andersson-Palme offers peppermint tea. She is very careful about living in a healthy way, since she has a sensitive instrument which she always carries with her. I bring up the idea that the human body is created with exactly the same precision as the nature in which we live. Sportsmen are tempted to exert their bodies more than they are built for. Many of them are more or less always injured. It seems as if the same tendency is applicable in musical life. You tune too high in order to let musicians and singers show off with high tones. We ask ourselves, whether it is for the sake of high tones that we listen to music. One thing is clear, the human body is not built for this tension, and many singers repeatedly get nodes on their vocal cords, as well as other injuries.

Andersson-Palme is involved in understanding natural law. She tells how every year she is fascinated by the precision of nature, when, for example, trees burst into leaf. She mentions Leonardo da Vinci, who was thinking in that context. Why would there not be the same type of lawfulness in the human body, which we must take into consideration?

Conductors normally do not seem to respect the laws of nature. Orchestral instruments can be rebuilt and improved if they break; but it is much more difficult to do the same, when it comes to the art of singing. Or does the conductor just replace a used-up singer? Does the conductor have any understanding of the fact that high tuning of the orchestra destroys voices?

"Yes, I think that some have that understanding. But many of them have no understanding whatsoever of us singers. We, singers, can move mountains when our voices are in order. We can perform anything. But when a singer does not feel good, there are really no conductors who say, 'Take it easy.' Then you recognize the attitude of the conductors,

whether they understand or not, whether they have a heart or not. There are few conductors who really respect a singer, as a musician.”

In former days, at the time of Mozart and Beethoven and the great composers, it was common that they, as children, sang in a church choir. Maybe you would wish that today’s conductors should learn to master singing during their education?

“Yes, then they would get closer to singing from within, which you ought to master. I recognize it so well, if a pianist knows the instrument of the singer as he sits down to play an opera. If he does not know it, he plays without pausing. If he has mastered that art, he is able to follow the breathing. It is not a question of pausing for eternity when the singer has to breathe; it is a question of some thousandths of a second. I have also experienced fantastic conductors, who understand this. Frans-Paul Decker, for example, with whom I sang *Salome* in Montreal, is one of them. Sixten Ehrling is extraordinarily good in this. Hollreiser in Berlin is a fantastic conductor for singers. It is really very comfortable when a conductor masters and understands the art of singing. Then you never need to discuss it; you do not need to interrupt. You only need to say, ‘I need a little help here, a little bit quicker there,’ and they fix it. That is a great conductor. A great conductor simplifies the difficulties.”

On Oct. 15-16, the Private Academy for Humanist Studies sponsored a conference in Munich on the Verdi tuning. Laila Andersson-Palme participated in the conference, and I ask her about her impressions of it.

“I thought it was highly interesting to hear the tenor Miguel Baraldes sing examples from Verdi operas at both A=440 and A=432. It was an audible difference. When he sang in the lower tuning, his voice was darker, the transitional notes in the arias also were heard as lighter. I felt it liberating in my body. You were not as afraid. As a singer, I have a sort of fear around the passages that I know are difficult. It felt more relaxed.”

Lyndon LaRouche, who is a politician and the originator of the idea to lower the tuning to A=432, is unfortunately today sitting as a political prisoner in an American jail. What do you think about that?

“I think it would be nice to sing for LaRouche, and wonderful if this could take place without bars between us.”

### **A lifetime devoted to music**

Andersson-Palme is a dramatic soprano, but she started her career as a lyric coloratura. Therefore, she has been able to sing most of the lyric roles, including the Queen of the Night in *The Magic Flute*. I ask her how she has been able to develop her voice, and what about her singing technique? She jokingly says that it is of great importance that you be as relaxed as the lion in the MGM film, at the same time that you must maintain total concentration. Singing technique is important, but the way she reached the opera stage is at least

as fascinating. What spurred her to become an opera singer?

“I just knew that I wanted to become one, already in my early childhood. But I did not know anything about opera, since I never had seen any. I went into the forest and sang to the mushrooms and the flowers, which looked at me. I was ecstatic.”

Andersson-Palme grew up in Blekinge in the south of Sweden, and is the daughter of a carpenter. When she was seven years old, her mother and father bought her a piano. She relates that they suffered for years in order to pay for it. As a teenager, she worked as a housemaid. She worked at a household which put music in the center of family life. The children played the violin, they sang, and Laila played the piano, enjoying music with them in the afternoons. The mistress of the house soon discovered that Laila had a beautiful voice.

One day she read an advertisement in the newspaper, which offered singing lessons in the nearby town of Ronneby. A Romanian, Sylvia Mang-Borenberg, became Laila’s first singing teacher. She was really inspiring. Andersson-Palme explains that she had that wonderful feeling for culture which she had longed so much for, and now she could discuss poetry and all interesting aspects of art. After four years of studies, Sylvia Mang-Borenberg brought her pupil to the yearly exhibition for singing teachers in Stockholm. Laila won the competition splendidly, and thus achieved her first breakthrough. After that, she studied at a public high school in Brakne-Hoby. One day, the old King arrived to personally hand out scholarships. Laila got 3,000 crowns. In 1960, she was accepted as a student at the Royal Music High School, ranking number one among all the contestants. It was a tremendous event in her life. Her singing teachers in Stockholm were Ragnar Hultén and Isobel Gazal-Ohman, but she finally ended up with Hjordis Schymberg, who became her favorite teacher.

“Hjordis Schymberg taught me the craft. She knew everything about how to place the tongue and the larynx, how to pronounce, how to sing in the mask, the phrasing, and to look up the original composition. She made me aware of all of that. I am very, very grateful that I could study with her. She had studied a lot in Italy. She knew the great teachers and learned the Italian way of singing, and how you equalize the voice. She really is a craftsman in the art of singing. We also have a ‘fingering,’ just like the violinists have theirs; we singers have our fingering in the throat. But the difficult thing is that we never can show it.”

### **The moral role of opera**

When Andersson-Palme knows what is right about the art of singing, she is not afraid of waging a fight about it. She believes, among other things, that it is wrong that, on the Swedish opera stage, most of the time the operas are sung in Swedish, and not in the original language.

“A consensus has emerged here, after many debates, that



*Andersson-Palme on stage, as Tosca: "We singers have our 'fingering' in the throat."*

we preferably should sing everything in Swedish, but it has also varied depending upon which director we have had at the Stockholm Opera House. Personally, I have always been against translations, because so incredibly much gets lost, since they not always are musically thought through. It turns into a kind of eternal compromising. You have to add notes, subtract notes, the phrasing goes wrong, not to mention the sound, which becomes totally different, because you sing on totally different vowels. If you sing Italian opera and provide it with Swedish text, then it is almost impossible to make it as magnificent as the Italian, with glissandos as you should have. It is wrong, it turns into cement in the mouth. I always start out singing a role in the original language, so I do know the difference. Then it is easier for me to correct myself if I am forced to sing in another language. Operatic compositions are thoroughly considered by an author and a composer; they have worked together for years, struggled and made alterations until they have reached perfection, and then someone translates it, and sometimes without thinking; this I find wrong." (Just shortly after this interview was conducted, something revolutionary occurred at the Stockholm Opera House: A subtitle display was installed over the stage, and today most operas are sung in Italian.)

Friedrich Schiller has written a small essay about the stage which is well worth reading. He writes that the task of art is not only to entertain the audience, but that it has a higher purpose, namely to make people greater. Verdi wrote many of his operas for the liberation of Italy. Beethoven's opera *Fidelio* brings up the question of man's longing for freedom. It is very interesting that Giuseppe Verdi and Ludwig van Beethoven both were very much influenced by the thinking of Schiller.

Do you believe that the opera stage has an advantage over other forms of art in its capacity to ennoble men?

"I like what Schiller says. It is not only a question of entertaining, but also sometimes a question of curing human beings who have psychological problems. A medical doctor

might not always be in a position to help such a person, but many artists can assist that person to endure, in order to go on living and cure oneself; this, I have ample proof of.

"You look at a performance. You see different emotional encounters, and fortunately, when all singers sing well, and everything works, it has a very soothing effect. That is a task which we indeed have."

Andersson-Palme also has very clear opinions about how operas are to be performed, and this is not really too remarkable. When opera singers study their roles, they often learn the piece in the same careful way that a producer does. Producers often do not have the kind of musical insight which many opera singers naturally have. Why is it so common that producers put forth their own personal ideas, instead of following the intentions of the composer?

"They do not want to trust the music. That is the big problem. Instead, they have to invent all kinds of awkward things. To trust the music is, when you read it, to understand how it is composed, how it sounds, and how it is conceptualized. That is the way you have to get your ideas. If the piano reduction reads that the female singer should appear 'weak,' many producers would demand that she sing it laughingly. The composer had written, very carefully, 'weak.' It is as if you have to do the opposite. Then I always ask myself, why? And in such a situation, the singer clashes with the producer. Such clashes are common when a person does not trust the music. It is also very important that you work with the tempi intended by the composer.

"The problem with producers, is that they want everything to be as crazy as possible, as well as ugly and grotesque. It must not be beautiful. I think that that is a pity—very boring. I cannot stand having to view ugliness all the time. It is very stressful when they, for example, insist on directing a spotlight from above, in order to endlessly show the audience a face surrounded by darkness. The eyes just cannot stand it."

Andersson-Palme has a jolly and explosive spirit. You recognize that she wants to learn from life, and that her personality expresses an unspoken morality which has provided her with a stable platform in life.

What has your experience in life meant for your professional life as a singer?

"I have to thank my parents, because they have had a very high moral standard. They have taught me to have a conscience, to distinguish between right and wrong, and to be humble. In my professional life, I have lived according to these principles, and I have not done anything whatever in order to reach my goals. I have often restrained myself. I wanted to make an honest career. You do not reach the same level of fame this way; there are not as many circles around you, but you feel good inside, and I think that I have managed this very difficult balancing act. I know that I can end my professional career and say to myself: I made it in an honest way."

Since Andersson-Palme for years have been employed at the Royal Opera House in Stockholm, she sometimes also has to sing newly written operas, which from time to time demand a lot of patient work. I ask her what advice she would like to give to composers who want to write new operas, and whether she believes that it is destructive for the voice to sing modern music.

"They should learn how the instrument of a singer functions, that you do not write only to invent something. There are horrendous pieces, which only say 'plipp-plupp,' to and fro. Of course you can do such things, but I do not understand why I have to sacrifice my life for that.

"Yes, [it is destructive for the voice] if you only are allowed to sing modern works and you are not allowed to sing the classical repertoire in-between, to calm down your musculature. It takes longer for the voice to recover from modern compositions, and especially so since modern operas mix speaking, recitative, and singing. That wears out the voice more than if you only have recitative and singing, since your larynx then is positioned only for singing. But it is important to learn, and new operas are exciting. I ask for better transitions in the works of modern composers. They

should provide a springboard for the higher registers, so that the singer gets a chance to sing long notes, in order for the tone to reach out and vibrate, and thereby ensure that you do not only sing short notes. You have to recover. When you sing long notes, you regain your breathing. With short notes, you have a lot of 'bang-bang-bang' staccatos down in the stomach. Long notes caress the soul of the listener; short notes irritate more."

Do you believe that classical music has a role to play among people who are oppressed? I am thinking of the Chinese students, who played Beethoven's Ninth Symphony at Tiananmen Square. Do the oppressed people in the East need—

"Yes, much more. They love artists and they love opera. I can only speak of opera. I understand that it must be liberating to see something which brings hope, and to hear something beautiful when you are constantly oppressed, and you must struggle to get an apple or to find nice cloth material. I have only sung in the East once, in East Berlin. It was terrible, not because I got sick and could not sing a note, but because there was no flower shop. How could any leaders allow something as stupid as that?"

## Leading violinist to play concert for LaRouche

Noted violinist Norbert Brainin, founder and first violinist of the legendary Amadeus Quartet, in a statement on May 3 demanded the U.S. government act at once to free political prisoner Lyndon H. LaRouche, Jr. Announcing his plans to perform in concert in Mr. LaRouche's honor at the Lisner Auditorium of Washington, D.C. on June 6, Mr. Brainin released the following statement from his home near London:

"It is my deep-felt desire to express in this way—through a concert of classical music in the scientific tuning as laid down by Giuseppe Verdi—my friendship with Lyndon LaRouche, who, years ago, initiated the fight to restore this level of musical tuning.

"I know Lyndon LaRouche, who is currently being forced to suffer great injustice, as a gentle and learned man; as a poet, philosopher, extraordinary politician, and historian, as a man who is versed in literature and music. He has always fought for the idea, which I share, that great classical art, especially music, is the best way to

ennoble people and uplift their spirits, above all in times of great crisis, an idea which is being borne out again, as the recent events in Eastern Europe and now in Lithuania prove.

"I consider it a shame for the United States of America, a country which I love and whose Constitution, unrivaled in the world, I admire greatly, to be treating one of its most brilliant minds in such a fashion; and I hope that full justice will be granted Lyndon LaRouche immediately."

Mr. Brainin's June concert in Washington, sponsored by the Schiller Institute, will be the first purely instrumental concert in the United States for the C=256 movement, which has gained hundreds of prominent signators among musicians internationally. The Schiller Institute, headquartered in Laatz, F.R.G. and Washington, D.C., was founded by Mrs. Helga Zepp-LaRouche. Mr. Brainin has given several concerts for the lower classical pitch of C=256 for the Schiller Institute in Europe.

Besides fighting for artistic truth, Norbert Brainin, who because of his Jewish origin was forced to flee his native Vienna in 1938 and emigrate to England, where he began his career as one of the world's leading chamber musicians, is known for his support for human rights and freedom. Last December, he gave a free, all-Beethoven concert, sponsored by the Schiller Institute, in Berlin for East Germany's citizens, to honor the fall of the hated Berlin Wall.

# Bush reaffirms right to kidnap Mexicans

by Peter Rush

President George Bush reaffirmed April 28 the right of his government to take whatever actions necessary to prevent what he called "brutality towards our citizens" abroad, thus throwing down the gauntlet to Mexico to put up or shut up on the case of the kidnaping at U.S. instigation of Dr. Humberto Alvarez Machain from Guadalajara, Mexico, last month. Mexican officials, who have for several weeks verbally attacked the kidnaping as a violation of Mexican sovereignty, now appear to be in the process of folding their tents and hoping the issue will blow over.

At issue is the so-called Thornburgh Doctrine, promulgated by U.S. Attorney General Richard Thornburgh last fall and reaffirmed by the U.S. Supreme Court, which states that the U.S. arrogates to itself the right to use its military and intelligence forces, such as the Federal Bureau of Investigation, to arrest in foreign countries and abduct anyone whom the U.S. chooses, so long as the U.S. claims the person is wanted to stand trial for alleged crimes being tried in a U.S. court. The doctrine rides roughshod over principles of international law and national sovereignty accepted among nations for centuries, but has so far drawn little challenge from other nations.

In the case of Mexico, U.S. agents from the Drug Enforcement Administration, and also from the Central Intelligence Agency and FBI, have been operating for years inside Mexico in violation of Mexican law and sovereignty, with the tacit approval of the Mexican government. The Washington correspondent for the daily *El Financiero* reported April 26 that commandos from the U.S. Army's elite Delta Force unit have recently gone as far as 200 miles inside Mexico to conduct operations.

What distinguishes the present case is the brazenness with which the DEA involved itself in masterminding a kidnaping in a high-profile case, thus rubbing in the face of Mexico—a nation known to be very sensitive to violations of its sovereignty by the U.S.—the fact that the United States is openly contemptuous of that concern, and that it intends to make Mexico the second major "test case" of the Thornburgh Doctrine (the first case being that of Panama last December.)

If the Mexican government continues to back down in the face of the U.S. hardline defense of its actions, a very dangerous precedent will have been set for further U.S. actions in violation of the sovereignty of Mexico and of every

other nation in Ibero-America.

Bush defended the Thornburgh Doctrine on April 28 in an interview with the Mexican television network Televisa in Washington, just after a meeting between Bush and Thornburgh. The Mexican newspaper *Novedades* quotes Bush: "I understand how sensitive this is for Mexico. I will assure President Salinas de Gortari that the United States has no intention of violating the laws, and that it intends to respect them scrupulously." But he was quick to add that "What we cannot tolerate is brutality toward our citizens," making clear that the U.S. will do the same thing again any time it determines that an American citizen is being "brutalized" abroad.

The formulation is highly significant, since it was another case of alleged brutality, in which one American soldier was killed, and another soldier and his wife allegedly roughed up and verbally threatened by Panamanian soldiers, that served as the pretext for the U.S. invasion of Panama last December.

Bush also reaffirmed that "I can say that I have been assured that the DEA did not kidnap anybody and I don't have any reason to doubt it." This flies in the face of the overwhelming evidence that the DEA had been in prior contact with the abductors, and had promised them a sizable cash reward for delivering Dr. Alvarez, regardless of whether or not a DEA agent was specifically involved in the physical act of abduction. It is equally evident from the press in both Mexico and the United States, that Mexican officials, possibly including high Mexican officials, were also in on the deal.

## Mexico backs down

On April 29, the Mexican Foreign Ministry issued a very toughly-worded statement saying that the DEA would only be permitted to resume its undercover operations inside Mexico if the U.S. permitted an equal number of Mexican anti-drug agents to operate under parallel regulations inside the U.S.—a proposal clearly unacceptable to the United States.

But on May 2, Thornburgh told Mexican Attorney General Enrique Alvarez del Castillo in a face-to-face meeting that the kidnaping was actually initiated by "high-ranking Mexican police officers" who traveled to Los Angeles to volunteer to the DEA that they could deliver Dr. Alvarez Machain. After the meeting, Alvarez del Castillo issued the most conciliatory statement to come from a top Mexican official concerning the case in several weeks: "The difficulties we face with the United States should not interfere with a very broad relationship which is in the interest of both nations," he told a press conference after his meeting with Thornburgh.

Even before Bush's statement, according to the Mexican weekly *Proceso*, Javier Coello Trejo, who heads Mexico's anti-drug police, and Terence Burke, acting head of the DEA, at the close of an international anti-drug conference "came to an agreement not to speak any further of the [Alvarez] Machain case and of the presence of DEA agents in Mexico."



## Creating a drug smugglers' paradise

*The proposed U.S.-Panama free trade pact would create runaway sweatshops and undermine America's economy.*

**P**anamanian President Guillermo "Porky" Endara proposed a free-trade agreement on his first official visit to the United States on April 29. "Such an agreement would eliminate all tariffs and levies on Panamanian-U.S. trade, and would attract Japanese investors who would use Panama as a gateway to the United States," reported the April 25 *Washington Times*.

It would also destroy what little industry Panama has, complained Panama's Industrialist Association (SIP) in an April 30 statement. "Why give away our domestic market to the U.S., when they have not asked for it? That's what the proposed free-trade agreement means," said the SIP.

This is what the Trilateral Commission wants. Their recent report said that the starving nations of Ibero-America have to abandon mercantilism and adopt free-trade policies if they want any assistance from the U.S. It hailed Chile, Mexico, and Bolivia for having adopted "tough . . . structural reforms."

Bolivia adopted the nostrums prescribed by Harvard's Jeffrey Sachs after 1985, wiping out any productive economic activity. That left drugs as Bolivia's major generator of foreign exchange.

The Trilateral report also lauded David Rockefeller and Henry Kissinger's Caribbean Basin Initiative, which was explicitly designed to transform the nations of the region into Hong Kong-modeled free-enterprise sweatshops, and to use the in-bond sweatshops established in Mexico, known as *maquiladoras*, as the model for Ibero-America. These programs, the report claimed, "offer sub-

stantial prospects of enhancing trade and promoting reform, and most significantly, heighten U.S. competitiveness."

Quite the opposite. American industry is unable to compete with the cheap goods produced by the *maquiladoras*, which, with their slave-labor wages, also force American workers onto the soup lines. And more drugs will flood the U.S.

As for the Hong Kong model of free enterprise proposed by the Trilaterals, it should be recalled that the British acquired Hong Kong as a result of their Opium Wars with China in the 18th and 19th century. Ever since then, the Crown Colony has been a haven for drug smugglers and drug-money laundering.

The Bush administration has been pushing the Ibero-American nations to adopt this model. Last February, there were secret negotiations to bring Mexico into a free-trade pact under the so-called North American Common Market. In December, Argentina, whose economy was totally dollarized at that time, was also on the verge of surrendering its economic sovereignty. Political opposition in those countries forced the free-trade forces to adopt a lower profile, temporarily.

U.S.-occupied Panama, planners believe, provides a more agreeable climate for a Hong Kong-style smugglers' paradise. More than one-third of the labor force is unemployed, thanks to the invasion and the preceding 30 months of U.S. economic warfare. The country has no currency, save the U.S. dollar, and 80% of its GNP is generated by foreign enclaves such as United Brands and the off-

shore banking center—the latter created by the same Eastern Establishment that now maligns Gen. Manuel Noriega as a drug trafficker.

We followed "the recommendations made by large U.S. economic organizations," Noriega said in 1986. It was they, he said, who demanded the banking secrecy that provided the "umbrella" for drug trafficking "to spread and grow."

Initially, Bush was very enthusiastic about Panama's free trade plan. But by the time of Endara's visit, the administration had decided to postpone any decision.

Why the delay? Bush will have to sell the plan to Americans who are not sure they want to complete the destruction of their nation's industry. He may have decided to dump the Panamanian government, nominally headed by Endara. On May 1, there was a failed coup attempt in Panama against Endara, reportedly led by First Vice President Ricardo Arias Calderón. And these days nothing happens in Panama without the U.S.

The U.S. has been unable to sell Porky as a credible President. Reporters at a May 1 luncheon at the National Press Club in Washington were amazed to see the corpulent Endara stuffing himself like a pig at the trough while being introduced for a formal news conference. "Didn't his mother teach him table manners?" asked one reporter.

Endara told the press he considered "traditional notions of national sovereignty obsolete," and said he was willing to surrender Panama's economic sovereignty in exchange for what he called "a Greater American Economic Union."

Also on May 1, an estimated 15,000 workers—three times more than organizers had expected—marched to protest the invasion and Endara's U.S.-installed government.

## India is kept on Super 301 'hit list'

*No one here can figure out what America has to gain from this round of gunboat diplomacy.*

In the only official response so far to the U.S. move April 27, dropping Brazil and Japan from the Super 301 indictment and giving India a new ultimatum to enter negotiations by June 16 or else, Indian Commerce Minister Arun Nehru told the Parliament May 3 that India opposes the U.S. approach because it goes against multilaterally agreed commitments and processes, none of which cover investment or services.

The office of the U.S. Special Trade Representative indicted India one year ago for its foreign investment policies, and for the fact that the country's \$3 billion domestic insurance market is closed to foreigners. The USTR complained that the Indian government requires investment to be in one of the "core sectors" essential for the country's growth, and that it cohere with national development plans. The limitation on foreign equity holdings, the requirement for an export commitment, and the requirement for phased indigenization of manufacturing were singled out for U.S. censure.

At the time, the Indian government made clear that there would be no negotiations under threat—a stance from which it will not budge. The country's domestic economic policies are a matter of sovereign national interest and not subject to revision according to the whim of a foreign power, officials have explained repeatedly.

In a speech April 6 to the Indo-U.S. Joint Business Council (JBC) in Washington, D.C., previewing the latest ultimatum, USTR Carla Hills said India was "out of step" with what

the Bush administration takes to be a wave of free-market revivalism around the globe. Quoting Indian independence leader Mahatma Gandhi that "in an ideal state there would be no state, no political representatives," Hills told the government of India to "get out of the business of regulating commercial activity."

Hills's performance was headlined here as "Ms Carla Quotes the Mahatma, Waves the Crowbar Again." Indian reporters recorded the remarks of Indian businessmen leaving the meeting room when it was over. A rough translation of the more colorful Hindi original is: "What was that?!"

Mr. Nehru was more diplomatic in his written reply to a member of Parliament's query. The American approach showed a lack of appreciation of the socio-economic imperatives that guide policymaking in India, he said; it also reflected the philosophy of trade law in the U.S. that tends to use a country's access to its market to change that country's domestic policies. In plain English, it's blackmail.

India has absolutely no economic leverage on the United States. Its share of the U.S. trade deficit is a mere 0.8%, up from 0.4% last year when the indictment was made. But India could be made uncomfortable by U.S. retaliation, since its exports to the U.S. make up more than 20% of total exports.

Though few here expect the U.S. to push the matter that far, they are dismayed by the American moves. "We are amazed," said Hari Singh Singhanian, co-chairman of the JBC and a leading industrialist, "that the

U.S., which is so sensitive to liberal political and economic concepts, should seek to enforce a patterned relationship without regard to societal requirements and developmental goals of a democratic nation, which India indisputably is."

Indian officials and businessmen are surprised at the extent to which the American action ignores "realities"—from the basic facts of India's economy and economic policymaking, to the fact that the country has been consciously engaged in abolishing controls and "opening up" the economy for the past four years.

The commitment to this process, including a streamlining of foreign investment procedures, was reiterated on May 2 by Indian Prime Minister V.P. Singh in his inaugural address to the Asian Development Bank's annual meeting here. But Indian officials insist, as V.P. Singh also stated, that the policies toward foreign investment will be "selective."

American officials prate about the "economic boom" India is forsaking in refusing to throw open the doors to foreign investors. But as one acerbic commentary here noted, since when was the Japanese or German economic miracle based on foreign investment?

Not the least of the absurdities is that Super 301's unilateral threats and bullying are expressly outlawed by the General Agreement on Tariffs and Trade (GATT) regime the Bush administration is otherwise busy upholding.

It is perhaps no coincidence that India has led the developing nations in opposing the U.S. push in the ongoing Uruguay Round of negotiations to bring services into the GATT regime, on the grounds that such a move at this time would undermine already tenuous growth strategies in the developing nations.

## **WWF and Church: freemasonic trick?**

*After Prince Philip met the Pope, the World Wide Fund for Nature announced it has become a Vatican consultant.*

**T**he Italian section of the World Wide Fund for Nature (WWF) on April 10 put out a news release following a private audience granted by the Pope to Prince Philip of Britain, president of the WWF, stating that: "The WWF has become from today forward a consultant to the Catholic Church regarding programs for the conservation of nature." The release says that Prince Philip announced that "today's meeting sanctions the principle that the conservation of nature runs through the ethical and moral principles which belong to the religious traditions. In this, the WWF and the Catholic Church have begun a discussion destined to continue."

The fact that this news was unilaterally spread by the WWF and that it makes no reference to any joint communiqué suggests that we may be dealing with yet another attempt by malthusian, one-worldist freemasonic organizations, such as the WWF, to use ecology to coopt the Catholic Church and give greater credibility to their own schemes.

In fact the WWF, behind various campaigns of defending the natural habitat, is promoting the old project of the international financiers to reduce population globally, with all that this involves: contraception, abortion, euthanasia, limits to the development of Third World countries, and economic colonialism—policies which go against the stated moral positions of the Catholic Church.

WWF's president, Duke Philip of Edinburgh, is one of the British leaders of the Scottish Rite freemasonry, into which he was initiated as No. 1216. He makes no secret of the aims

of the organization he chairs. For example, on Aug. 8, 1988 he told the German Press Agency (DPA), "If I were reborn, I'd like to come back as a deadly virus, so as to contribute to solving the overpopulation problem."

Honorary vice president of the WWF is Dr. Luc Hoffman of the well-known pharmaceutical firm Hoffman-LaRoche, notoriously involved in producing and researching ever-more potent contraceptives. Ironically, in regard to their pretense of defending the environment, Hoffman-LaRoche owns the Seveso chemical plant, which emitted a cloud of toxic fumes in an infamous accident some years ago.

The international directors of the WWF include powerful figures unified not by any desire to save flora and fauna but by the goal of containing or reducing world population growth. They have included Prince Bernhard of the Netherlands, WWF founder and ex-president, and director of the Bilderberg Group; John London, ex-president of Royal Dutch Shell and Trilateral Commission member; Robert O. Anderson, honorary president of the Aspen Institute and owner of London *Observer* magazine; Thomas J. Watson, former IBM chairman; Prince Sadruddin Aga Khan, president of the Bellerive Foundation; and Maurice Strong, president of Petro/Canada and Club of Rome member.

In Italy the president of the WWF is Fulco Pratesi, an owner of vast tracts dedicated to big game hunting who then converted to defender of animals. Recently, Pratesi published a 100-page booklet called *Domestic Ecology*, where among other bizarre

proposals he includes using human cadavers to feed threatened species of predators. Pratesi says this would be a way to save the wood and zinc used for coffins. The Italian WWF chief cites the case of British ornithologist Micky Lindbergh, who committed suicide so that he could offer his body as a meal for vultures.

The vice president of WWF-Italy is Gianfranco Bologna, a protégé of the late malthusian Aurelio Peccei, who co-founded the Club of Rome. Bologna, on the occasion of the presentation of the 1989 Report of the United Nations on Population, stated that no one should worry about the fact that old people are dying, because the lowering of population could save the forests.

The WWF does not hide its pantheistic and Darwinist philosophical roots, also inimical to Catholic teachings: The Oct. 10, 1989 issue of its *Panda* magazine, runs a whole feature on the alleged harm to the environment caused by the prolific human species. They call for creation of a new morality: "Biological diversity can be guaranteed by a true act of freedom and altruism by man who must decide to self-limit his expansion to allow other living beings to coexist on Earth." How? In an apparent sop to Christian sensibilities, the WWF admits that "Abortion is a practice that raises moral problems," but "artificial conception can be a wise and dutiful decision. The fearless choice of a serious program of family planning on a world scale must be the essential condition for a real change in relations between man and nature, but this must make us get out of a wrong mentality on procreation."

The reasons why the WWF seeks Vatican backup are clear and evident. It is harder to understand why anyone in the Vatican would want to associate with the WWF freemasons.

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# International Intelligence

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## ***U.S. sees 'zero warning' for North Korean invasion***

U.S. intelligence officials have reduced the warning time for a North Korean invasion of South Korea from 48 hours to less than 24 hours, as a result of the slow but continuing buildup of North Korean troops close to the demilitarized zone (DMZ).

"We are advising a plan on zero warning time," an intelligence official is quoted by the April 25 *Washington Times*, noting that 70% of North Korea's 930,000-man ground force is on permanent war footing in bunkers and tunnels within 15-20 miles of the DMZ.

Some defense officials are concerned that the planned U.S. troop withdrawal pace may be too fast, says the *Times*.

Meanwhile, the United States, despite its repeated pledges to the contrary, unilaterally decided in January to close three air bases in South Korea, according to the South Korean news service Yonhap. It quoted a Defense Ministry official, who charged that after Seoul was informed of the decision, a statement was issued by both sides simultaneously to cover up the unilateral nature of the U.S. action.

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## ***Jerusalem Post praises 'Jewish gangsters'***

The April 20 issue of the *Jerusalem Post Magazine* featured on its cover, "Mobsters for Zion," and "Zionist Gangsters!" on the jump-page. The kicker read, "Back in the 1940s, a number of prominent American Jewish mobsters heeded the call to arm and finance the emerging State of Israel."

Author Robert A. Rockaway of Tel Aviv University's Department of Jewish History seemed to try, but could not conceal, his admiration for the likes of Meyer Lansky and Bugsy Segal, et al.

"Jewish gangsters quietly assisted in the struggle to create the State of Israel," he wrote. "Surprising as it may seem, these activities were not unique, but part of a tradition of American Jewish underworld figures defending their people in times of trouble.

... Although the activities of Jewish gangsters were an embarrassment, they could provide what respectable Jews could not: physical protection for the community and quick cash for an Israel struggling to survive. These men were not latter-day Robin Hoods and should not be glorified. Yet in their time they made a contribution to their people's survival."

Of the 1920s, he wrote, "Just as they succeeded in other areas of endeavor, so too did Jews achieve prominence in crime. . . . Despite their fears, many Jews harbored a grudging admiration for the gangster because he was a 'slugger' who went against the norms of conventional society without caring what *goyim* [non-Jews] thought."

Meyer Lansky, Rockaway reported, once told him, "I never got on my knees for any Christian."

The *Jerusalem Post* is owned by the Hollinger Corp., of which Henry Kissinger and Charles Bronfman, the latter of the famous Canadian bootlegging clan, are top figures.

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## ***Argentina's Menem scrubs missile project***

Argentine President Carlos Menem, in an effort to get the Bush administration to persuade the International Monetary Fund to resume dispensing funds to his country, has eliminated the Condor II missile program, a joint project with Egypt and Iraq. The United States, however, is demanding some guarantee that the halt is not just temporary.

In announcing the cancellation, Menem admitted that the main reason was the need to avoid conflict with Washington. Foreign Minister Domingo Cavallo assured the United States that cooperation with Egypt and Iraq is at an end, and offered to apply the technologies developed through the project to ecological problems and to share them with the United States.

Argentina has also offered to create a regional system of atomic energy safeguards which is tantamount to signing the Non-Proliferation Treaty the country has resisted signing for several decades.

At a meeting with Secretary of State James Baker, Cavallo said that Argentina wants help from the Bush administration in negotiations with the International Monetary Fund, the World Bank, and the private banks, which he said is key to Argentina's economic program.

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## ***Shamir accused of planning new settlements***

Parliament member Yossi Sarid has accused Prime Minister Yitzhak Shamir of planning at least 14 new settlements on Israeli-occupied Arab land. "I have details of 14 planned settlements. He may deny it, but I have the details," he said May 2.

In an interview the same week, Shamir said he regretted Israel could not afford massive Jewish settlement in the occupied West Bank and Gaza Strip. Sarid said right-wing and religious politicians claiming a biblical birthright to the occupied land would seek unbridled settlement now that Shamir was no longer constrained by sharing power with the Shimon Peres-led Labor Party.

There are now 70,000 Jews among the 1.75 million Palestinians in the occupied territories. Some 10,500 Soviet Jews arrived in Israel in April, following 7,300 in March, by far the largest immigration ever.

U.S.-Soviet deal-making has promised Israel 750,000 Soviet Jews, all of whom are to be settled in the West Bank.

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## ***Slovenia, Croatia move toward independence***

Yugoslavia's two western republics, Slovenia and Croatia, are preparing for full national sovereignty within months. The next Slovenian prime minister, Petar, a Christian Democrat, has announced a referendum on Slovenian independence within the next six months. Also, a special study was released in Ljubljana by the magazine *Nova Revija* on the costs and benefits of independence. The authors call for Slovenia to become an "independent part of Europe."

Another leading figure in the next Slov-

enian government, which will most likely be announced on May 4, Dr. Joze Pucnik, has called on the European Community to study integrating, one by one, those Yugoslav republics who ask for it. Dr. Pucnik led the opposition alliance DEMOS, which won the recent elections with 58% of the vote.

The future Slovenian government will include no communists. Christian Democrats and the Peasant Party united their forces to become the strongest party with 28% of the vote.

In Croatia, the staunchly pro-independence party of ex-General Tudjman has gained an unexpected two-thirds majority in the elections and will rule this republic alone after run-off elections on May 12. The first step towards independence, he announced, would be the creation of an independent Croatian news agency, to end dependence on Belgrade's Tanjug.

## **Kohl, Mitterrand urge Lithuanian restraint**

West German Chancellor Helmut Kohl and French President Mitterrand released a letter at a joint news conference in Paris April 26 which urged Lithuania to "suspend for a while the effects of the decisions" in its unilateral declaration of independence from the Soviet Union. The two leaders said Soviet leader Gorbachov had been advised of the contents of the letter in advance.

Both Kohl and Mitterrand, in separate statements, denied that there was any parallel between the treatment of Lithuania now and the sellout of Czechoslovakia to Hitler in 1938. "There is no comparison . . . with Munich. We are not on the verge of war. There is no conquering imperialism," Mitterrand said. Kohl added, "This is not the time for additional tensions; there must be discussions. We must use all means at our disposal to stabilize East Europe."

Vladas Dargis, editor of the *Lithuanian News* magazine and a leading Lithuanian spokesman in London, attacked the Franco-German government statement on Lithuania as "unbelievable," but added that "there has been a growing sequence of unbelievable

things" from the West. "There will be people starving and dying in the streets before they suspend the declaration of independence," he said.

The White House denied having any "advance knowledge" or "involvement." But the *Washington Post* published statements by White House and State Department officials that the "Franco-German move was 'encouraged' by the United States as one that 'would fall within our definition of finding a mechanism to create a process' of negotiation between Vilnius and Moscow."

## **'Goddess of Democracy' to dock at Taiwan**

The government in Taipei, Republic of China, said April 30 that it would not be cowed by threats from Beijing, and would allow the *Goddess of Democracy* dissident radio ship to dock on the island, Reuters reported. "I don't think it is necessary for our government to change its basic attitude because of repeated threats and warnings from the Chinese Communists," government spokesman Liao Cheng-hao told state radio.

The Red Chinese April 29 charged, "Taiwan authorities meddled in many ways in last year's anti-government rebellion in Beijing." A Xinhua news agency commentary claimed the Taiwan government was funding the French-owned ship, and said, "This constitutes an open provocation."

Sponsors said that for five days, the ship, while sailing toward Singapore, had failed to make radio contact. "We understand there is bad weather along their route and the currents are against them," said Christophe Nick, a reporter for the French magazine *Actuel*, one of the sponsors of the ship. "But we don't understand why the boat has not made contact and we are anxious about the people on board," Nick said.

Since sailing past Gibraltar into the Atlantic in April, the ship has been shadowed by Chinese trawlers. The organizers, however, "do not consider that the situation has reached a critical juncture," said a statement issued in Paris.

● **VENEZUELA'S** *Diario de Caracas* on April 26 republished as its lead editorial Scott Thompson's article in the Feb. 23, 1990 *EIR* dealing with Henry Kissinger's resignation from the President's Foreign Intelligence Advisory Board (PFIAB), and LaRouche associates' exposé of Kissinger, Lawrence Eagleburger, and Brent Scowcroft's conflicts of interest.

● **RED CHINA** faces a huge task in quelling "fierce" Muslim separatism in its Northwest frontier region, according to the April 26 *Xinjiang Daily*. Amudun Niyaz, Communist Party deputy secretary in Xinjiang, said rioting crushed by police last month in Baren, near the Silk Road town of Kashgar, was "not an isolated incident. . . . Our task henceforth is enormous."

● **NELSON MANDELA** and South African President F.W. de Klerk met for three days of talks May 2, in an attempt to clear the way for negotiations for blacks and whites sharing power. A statement issued after the opening session said the parties had agreed on "seven obstacles" to power-sharing, including security laws and violence in black townships.

● **A VENEZUELAN** military court in the state of San Cristobal ruled April 24 that 14 people killed by the Army over a year ago were guerrillas. Venezuelan gnostic and parliamentarian Walter Márquez had claimed the victims were innocent fishermen and helped protect two purported eyewitnesses to the shootings. The ruling found that the two were never at the scene of the crime.

● **THE MAGNAN-TRIO**, cellist Eliane Magnan, pianist Monica Ripamonti, and violinist Seth Taylor, performed in the Schumann House, in Zwickau, East Germany, on April 24, where composer Robert Schumann was born in 1810.

## 350,000 rally to defend sacredness of human life

by Linda Everett

Just as we witness the courageous battle for democracy and the dignity of man sweep through the nations of Eastern Europe, and now more quietly in China, hundreds of thousands of U.S. citizens have launched another civil rights battle—one that defends the innate right to life of each and every individual human being. Both movements are united in their fight to save civilization itself.

Over 350,000 Americans attested to this, when they poured into the nation's capital on April 28 to join in the Rally For Life. They came to deliver a powerful message to the nation's politicians: No longer shall we abide by the notion that human life is expendable, that every six seconds of every day, an unborn child is killed. No longer shall we watch as every year in this country more Americans are wiped out by abortion than all the Americans who lost their lives in the Revolutionary War, the Civil War, World War I, World War II, the Korean War, and the Vietnam War combined.

The national, political, and religious leaders of the pro-life movement gathered on the podium with the National Right to Life Committee (NRLC), which organized the event through its several dozen state affiliates. A petition, signed by about 1 million voters who oppose abortion on demand, was presented by Right to Life Committee Rep. Henry Hyde (R-Ill.). Hyde, referring to all those politicians who "personally oppose abortion," but who say they won't impose their views on others, retorted, "Well, somebody's morality is being imposed on 25 million babies."

Hyde introduced President Bush, who, despite the fact that his history of support for Planned Parenthood and population control is becoming better known by the hour, managed to mumble a few words to the crowd by telephone hookup about his "deeply held views on abortion-on-

demand."

But Mr. Bush's actual views are not so much deeply held, as they are deeply buried. He told the crowd that their presence on Washington, D.C.'s Mall "reminds us all in government . . . to preserve the sanctity and dignity of human life." But there exists a growing list of heinous activities by the President's own Justice Department to intimidate and destroy political individuals and organizations, such as Lyndon LaRouche, and Operation Rescue's Randall Terry, who have committed themselves to the defense of human life. Bush's sentiments rang all the more hollow when Rep. Chris Smith (R-N.J.) tore into another current Bush campaign, called "worship the environment," which has set a "new pretense for abortion—children as pollution." The environment, he said, "must not be allowed to diminish our respect for human life."

Vice President Dan Quayle told the gathering that in poll after poll, the great majority of Americans object to infants being aborted, for any reason, up to the time of birth. "No one can be proud that, here in our nation's capital, abortions outnumber live births. No one can be comfortable with the way minority children, especially black and Hispanic babies, are lost in greater proportion than others. And the loss of some 25 million children . . . to abortion since 1973 has been unspeakable."

Perhaps most eloquent was Sen. Gordon Humphrey (R-N.H.), who called up the profound memory of the civil rights march on Washington in 1963, and demanded that we continue the struggle. "We have truth on our side," he said. "The offspring of human beings are human beings, and that's the truth. Every abortion kills a human being. The truth is that abortion is the worst civil rights abuse in history. That is the

truth. . . . We cannot cease, and we will not cease [the fight] . . . because a lie cannot endure.

Among the other speakers was James C. Dobson, founder and president of Focus on the Family, which produces a nationally syndicated radio programs. Beverly LeHaye of the 600,000-member Concerned Women for America made the cogent point that the likes of Molly Yard, president of National Organization of Women, and Jane Fonda, do not represent the majority of women in America. Several representatives from the sports and entertainment industry pointed out that the reason more of them were not up on the podium is that Hollywood blacklists celebrities if they come out as pro-life.

### **Refuting the Death Lobby**

The Rally For Life, three times the size of the pro-abortion feminists' rally held last year, soundly refuted the argument propounded by the National Organization for Women and the National Abortion Rights Action League, that the pro-life movement is collapsing. The huge numbers showed that the commitment to stop the rampant killing is growing, despite the crazy pragmatic strategies employed by the leadership of the National Right to Life Committee in an effort to place further restrictions on state abortion laws, which has left the membership splintered. Besides scores of busloads of Catholic parishioners from across the country, there with contingents of the Methodists for Life, Presbyterians Pro-Life, the National Association of Evangelicals, the Christian Action Council, the Orthodox Church of America, the Baptists for Life, Lutherans for Life, American Baptists for Life, the National Organization of Episcopalians for Life, and the National Association of Evangelicals.

Although thousands of organizations, families, and individuals from 50 states overflowed the Washington Memorial Park onto the grounds of the Ellipse and Reflecting Pool, and even stretched toward the Lincoln Memorial, the pro-abortion lobby and media did their best to conceal the fact that this rally was one of the largest and most significant in the city's history. The media also continued their own lie that pro-lifers are interested only in fetuses, not people on welfare or the homeless. (When was the last time anyone saw Planned Parenthood open a soup kitchen, or arrange an adoption, or take in pregnant teens?)

The media deserved the philippic which John Cardinal O'Connor of New York delivered them on this issue. The Cardinal wondered out loud, just how much of what was said would be reported, explaining that in 1984 he had invited any pregnant woman, of any color, religion, or ethnic background who needed help to come to the Archdiocese of New York to receive free medical care, housing, and whatever she needed, along with assistance to keep her child or arrange an adoption. Despite his countless interviews with the press since 1984, in which he always mentioned his offer, the Cardinal said his pledge has never been covered. The Cardi-

nal again challenged the media to cover it—at which point hundreds of thousands roared, "Tell the truth!"

### **Call off Justice Department dogs**

Randall Terry, founder of Operation Rescue, addressed a gathering of over 500 the evening before the main rally. He said that his movement is not just fighting for the children, but for civilization and the nation. He argued that the current scale of mass murder through abortions presages the collapse of civilization, and vigorously attacked those who have decided to wait until the assault hits them personally. He quoted the famous statement of Martin Niemöller, a Protestant pastor who lived under Hitler. The quote frightened him, because it is what is happening right here in America today: "First, they came for the Communists, and I didn't speak up because I wasn't a Communist; then, they came for the Jews, and I didn't speak up, because I wasn't a Jew; then, they came for the trade unionists, and I didn't speak up, because I wasn't a trade unionist; then they came for the Catholics, and I didn't speak up, because I was a Protestant; then, they came for me, but by that time, there was no one left to speak up."

If we continue to let the current process continue, Terry said, we will live to see forced abortions in the United States—just as they have in China. In fact the ideology for forced abortion is already there through environmentalism, he said, pointing to the cultural change over the past 30 years: from "sex education," to pornography, the killing of handicapped infants, to discussing euthanasia, to promoting homosexuality, to the mockery of Christianity.

Some 150 people are currently imprisoned around the country because of police-state actions against Operation Rescue. Terry concluded with a vigorous attack on those who sit back and let the assault on life proceed—such as Neville Chamberlain, whom he described as the second most culpable man of Nazi Germany, because he retreated constantly and watched the Nazi takeover happen.

Following the rally, over 1,500 people attended another Operation Rescue meeting in Lafayette Park across from the White House. Terry again asked that pro-life congressmen be challenged to stop U.S. Attorney General Richard Thornburgh and the Justice Department's use of RICO (racketeering) laws against citizens whose only wish is to protect life, and called on President Bush to stop the brutality perpetrated against pro-lifers around the country.

George Grant, author of several books on Planned Parenthood's atrocities, told the crowd that George Bush wants to be known as the environmental President, to make the land safe for future generations. Grant observed that George Bush wants to be known as promoting 1,000 points of light, for calling on people to sacrifice to do good. "We ask: Do you mean it, Mr. Bush? If we are to do good, Bush, call off the dogs and allow us to do good." The rally ended when police dispersed a solid line of people kneeling in prayer from one end of the White House to the other.

# Austrian pro-lifers defend LaRouche

*Martin Humer, on behalf of the "European Citizens Initiatives for the Protection of Life and Human Dignity" of Austria, issued a call to a conference of Human Life International in Miami, Florida April 18-22, for political prisoner Lyndon LaRouche to be freed. Excerpts follow:*

. . . The American scientist of economics, philosopher, and politician Lyndon LaRouche (67) was sentenced on the 27th of January 1989 to 15 years imprisonment. . . . Mr. LaRouche has been under detention, first in Alexandria, Virginia, and since the 18th of July in Rochester, Minnesota. In fact, it is all a political question which was hidden behind charges of a "conspiracy to commit fraud."

Lyndon LaRouche, prominent founding member of the Club of Life, never broke any law. Since the foundation of the Club of Life he has been the only American politician who not only has supported the Club's objectives but has made them a fundamental part of his presidential election campaign (as a candidate for the Democratic Party). He has always uncompromisingly defended the principles of the Judeo-Christian civilization. Thus he took up battle against the "New Age," pornography, the rapid spread of satanic sects; against malthusian policies leading to the extinction of nations, policies promoted by international banks like the World Bank and the International Monetary Fund; and against every kind of totalitarianism. For many years he has supported the introduction of a new, just world economic order, as presented by the papal encyclicals *Populorum Progressio* and *Sollicitudo Rei Socialis*. This attitude earned him powerful enemies in the Soviet Union as well as in the Western Establishment who haven't hesitated in suppressing his warnings.

Some years ago a special "Get LaRouche" task force was formed by the FBI, CIA, and other U.S. administration groups, which, following the aspirations of Henry Kissinger and his group, has now fully succeeded in its attempt, through the sentence issued in Alexandria.

The first proceeding against Mr. LaRouche and his collaborators in Boston turned against the government. The trial had to be stopped because of a "lapse on the government's part." . . . But then the famous "summary court" interfered and Judge Albert V. Bryan composed a jury in less than two hours, excluded allusions to government misdoing in the hearing, and sped up the trial in such a manner that within two months all defendants were found guilty of all counts and were placed under detention on the 27th of January without being freed on bail.

The former U.S. Attorney General Ramsey Clark appealed this sentence on the 25th of May 1989. In a press report Mr. Clark said: "The American government has evidently violated the Constitution, when it condemned Mr. LaRouche, who was considered to be a political adversary, and finally arrested him," as the constitutional rights to a fair trial and an adequate defense were violated.

After the trial it turned out that the foreman of the jury, Buster Horton . . . acted as a contact for a secret service (an elite troop of 100 men). Oliver North, as well, is a member of this group.

It turned out that U.S. Attorney John Markham, who was the public prosecutor of both trials, was a member of a satanic sect from 1974 to 1980, the "Process Church of the Final Judgment," and acted as a lawyer for it. Charles Manson and David Berkowitz, the man responsible for the so-called Son of Sam murders in New York City, were also members of this sect during the [same] period.

Together with the petition for appeal, eight documents of notable lawyers of Europe and the U.S.A. . . . were submitted to the appellate court. These documents have been signed by about 860 American and European jurists, who considered the proceedings in the LaRouche case as a threat against the American constitutional state as a whole. This represents the largest such mobilization of the legal community in recent American history.

## Bush sitting on exculpatory documents

Despite this public outcry, on Jan. 22, 1990, a three-judge panel from the Fourth Circuit Court of Appeals in Richmond, Virginia, rejected unanimously the appeal of Lyndon LaRouche and six other defendants. Mr. LaRouche . . . stressed that President Bush continues to sit on a secret file containing evidence exculpatory for the defense. . . .

The Fourth Circuit considers justified the trial judge's ruling whereby he forbade the defense from showing how the United States government, by unlawfully forcing business firms associated with Mr. LaRouche into involuntary bankruptcy, had created precisely the inability to repay loans for which the government then turned around and indicted the accused. But at the time the Fourth Circuit opinion was written, the Court could scarcely have ignored the fact that Federal Bankruptcy Judge Bostetter, had, on Oct. 25, 1989, overturned the government's involuntary bankruptcy ruling, describing it as "in objective bad faith."

If a man, who has fought against the *Zeitgeist* [spirit of the times] is sacrificed to a "Gulag" Justice, which proceeds as the Soviet courts do and issues their sentences without any argumentation . . . then it will be impossible for the Club of Life and us to be silent. An imprisonment for a period of 15 years . . . goes against the common sense of justice.

We therefore ask for the verdict to be reversed. Out of a sense for justice we suppose (as far as we know the facts) that a verdict of not guilty would be only fair.



# Virginia judge follows ADL orders

by Bruce Director

On May 3, Virginia's 23rd Circuit Court in Roanoke concluded seven days of testimony in which many of the key players in the "Get LaRouche" task force testified to their close relationship with Mira Lansky Boland, the Washington, D.C. office director of the Fact Finding Division of the Anti-Defamation League, one of the most evil organizations in the United States today which has conspired for years to halt the spread of Lyndon LaRouche's economic and political policies. But despite overwhelming evidence that every step of the judicial frameup of LaRouche had been guided or influenced by the ADL, Circuit Judge Clifford R. Weckstein allowed Lansky Boland to evade a subpoena which he had issued only days before, thereby shutting down for the time being any further court exposure of the ADL's conspiratorial activities. The ruling is especially unsavory, considering that Weckstein had already been forced to reveal documentary evidence that he was personally polluted by the ADL.

The so-called "Kastigar hearing" was held in the case of Richard Welsh, the third of 16 LaRouche associates to be tried in Virginia on phony charges of violating a securities regulation which had been concocted well after their alleged "crimes" were committed. The pre-trial hearing was held because Welsh had earlier been forced to testify under a grant of immunity in the first prosecution of LaRouche in Boston, Massachusetts, and then again in a second trial which was staged in Alexandria, Virginia after the first one threatened to reveal the full extent of the political apparatus which was illegally seeking to put LaRouche out of action. Despite Welsh's immunity, the state of Virginia insisted on prosecuting him anyway; but in order to do so, it first had to concoct a legal fiction demonstrating that the indictment against him was not based on any of Welsh's own immunized testimony.

Weckstein claimed at the hearing that he would not be biased by his contacts with the ADL, but his rulings proved otherwise: In addition to vacating the subpoena of Lansky Boland, who was conveniently "on vacation" out of the country, he rejected defense motions that the charges against Welsh be dismissed on the grounds that the prosecution's evidence against Welsh is most clearly polluted with his immunized testimony.

Testimony at the hearing revealed that the prosecution of LaRouche and his associates is being conducted by one fully integrated conglomeration, comprised of the Department of

Justice, various state prosecutorial agencies, and the ADL. The ADL plays the critical role of transmitting information throughout the task force, disseminating inflammatory, prejudicial propaganda through the news media and integrating into the task force a network of private attorneys involved in civil actions against LaRouche and his associates.

## Mira Lansky Boland's conspiracy

Virginia State Police officer C.D. Bryant, who travels around the country harassing financial backers of LaRouche's political movement, testified that he has had a continuing relationship with Mira Lansky Boland ever since the time of LaRouche's trial in Alexandria in late 1988-early 1989. He stated that the two had exchanged information, and that on at least one occasion Bryant had gone to the ADL's Washington, D.C. office to meet someone whom Lansky Boland had been cultivating as a witness.

Virginia Assistant Attorney General John Russell, who is prosecuting the Virginia cases against LaRouche associates, testified to having numerous discussions with Lansky Boland. But Russell uncharacteristically claimed he couldn't remember the details of the conversations. However, he admitted that he had sought out Lansky Boland when he wanted documents to present at the sentencing hearing of LaRouche associate Donald Phau, who is now on bail appealing his 25-year sentence.

Department of Justice special prosecutor Mark Rasch, who prosecuted LaRouche in Boston and in Alexandria, said he had exchanged information with Lansky Boland since 1988. He also said he has a continuing social relationship with her.

Loudoun County, Virginia Deputy Sheriff Don Moore testified he has been in touch with Lansky Boland ever since 1985, when he was involved in stripping LaRouche's security guards of their county concealed weapons permits. Moore was with Lansky Boland during the civil case of *Yoder v. EIR et al.*, and both were on the prosecution witness list at a trial of three LaRouche associates in Ogle County, Illinois.

Moore testified that he had arranged for Galen Kelley, a "deprogrammer" with the ADL-linked American Family Foundation, to attend the sentencing hearing of LaRouche associate Michael Billington. It was at that hearing that Weckstein handed down his barbaric 77-year sentence to Billington.

Moore shocked the courtroom when he said that he had a problem because some of the elderly witnesses he contacted *had died the day after he met with them.*

Weckstein's ties to the ADL were revealed after Welsh filed a motion asking Weckstein to recuse himself for bias. At that hearing, Weckstein disclosed that he had had correspondence with the ADL's Virginia regional director Ira Gissen, in which Gissen offered Weckstein a bribe in the form of ADL support for the appointment of a Jewish judge to the Virginia Supreme Court.

# Budd Dwyer's blood is on Richard Thornburgh's hands

by Steve Komm and Jeff Steinberg

For the past year, a videotape has been circulating within the West Coast satanist scene, which purports to be a trilogy of occult filmmaker Kenneth Anger's greatest hits, including "Lucifer Rising," a literal video enactment of Aleister Crowley's black mass. At the end, the video abruptly shifts to live news film footage of a press conference in Harrisburg, Pennsylvania on Jan. 22, 1987, at which State Treasurer R. Budd Dwyer, the victim of a political frameup ordered by then-Governor Richard Thornburgh, took his own life in front of the press corps.

It is likely that the Dwyer suicide footage is included in the Anger video because the specter of an honest, respected political figure committing suicide before an audience of assembled media hounds is some kind of insiders' "joke" among certain satanic circles.

The Anger video segment blacked out the content of what Budd Dwyer told the assembled press that morning. Below are excerpts from the written text of that last statement. In a future issue, *EIR* will document the frameup that led to Budd Dwyer's tragic suicide:

"At long last I can speak out. I wanted to do this during the early stages of the CTA [Computer Technology Associates, the California company accused of having bribed Dwyer and other state officials to obtain lucrative contracts—ed.] matter, but I was told by advisers and attorneys to wait until the investigation was over. Then I was indicted and again wanted to speak out and was advised to wait until I was acquitted. But our legal system was orchestrated so that it did not work in my case and now more than ever my conscience dictates that I must speak out. . . .

"Our current legal system has let me down and cries out for reform so that other innocent people do not have to go through what my family and I have been through and will go through for the rest of their lives. . . .

"I started my professional career as a school teacher but a significant event occurred in my life in 1963 when I was selected as western Crawford County's Community Ambassador to Poland. Living under a Communist government made me realize for the first time the full extent of the freedoms and opportunities we have here in the United States. I resolved that I would work to preserve and improve our system and that is why I entered politics in 1964. . . .

"I was able to be elected Treasurer because the political system that was our forefathers' goal 210 years ago has developed and matured and continues to improve whereby virtually every election has a wider cross-section of society elected to public office. . . .

## U.S. gulag justice

"But I am here in this situation today because the . . . citizens of the United States have, instead of a justice system, a legal system that is very similar to the legal systems in nations around the world that our national leaders are fond of criticizing for denying human rights, legal process, and justice.

"I stand before you today as an absolute example that in 1987, in the United States of America our legal system can be used for political persecution and that innocent people are found guilty. . . . I had been very naïve. I had been raised to believe that if I obeyed the law and was a good citizen that I would never become entangled with our legal system.

"Then in February of 1984, another significant event occurred in my life. In conformity with Pennsylvania law, I refused to pay the travel voucher for Mrs. Dick Thornburgh's trip to Europe and Governor Thornburgh told Bob Asher and others that he would 'get Dwyer.' Thanks to you, the media, Governor Thornburgh has a very positive image but if his staff had ever let you get close to him you would have found a short temper and a vicious, vindictive personality. Governor Thornburgh's resolve to get me increased when 'Ginnygate' was followed by 'chauffeurgate' in March, April, and May of 1984 which was properly brought to my attention by reporter Wally Roche of the *Philadelphia Inquirer*. Then our recent governor began referring to me as 'the Fat F—k,' which can be attested to by several people. . . .

"And then the CTA investigation by the U.S. Attorney fell into their laps and they had the vehicle, that if steered skillfully would really 'get me.' As a Thornburgh friend and cabinet member said to his then-press secretary, '. . . the Fat F—k is going to get it now.'

"My major criticism of you and your colleagues in the Pennsylvania news media in regard to CTA has been your failure through fear, intimidation . . . to expose the close connection between Governor Thornburgh and Acting U.S.

Attorney James 'Jimmy' West. It is a matter of public record that West's first job after his judicial clerkship was to be hired by then-U.S. Attorney Dick Thornburgh as an Assistant U.S. Attorney in the Western District of Pennsylvania in August of 1974. It is also public information that West's second job was to be hired by then-Governor Thornburgh as a Pennsylvania Deputy Attorney General on April 2, 1979.

"Then after President Reagan took office in 1981, the Thornburgh group tried to take over the U.S. Attorney's office for the Middle District of Pennsylvania by having another two-time Thornburgh appointee, Henry Barr, appointed as U.S. Attorney. However, Barr was not recommended by the Merit Selection Committee and David Dart Queen was nominated and confirmed as U.S. Attorney.

"But Assistant U.S. Attorneys do not have to go through the Merit Selection Committee Process and in July of 1982, the Thornburgh group succeeded in having none other than James 'Jimmy' West named First Assistant U.S. Attorney for the Middle District of Pennsylvania. . . .

"When Queen departed for Washington in January of 1985, James 'Jimmy' West was named as the Acting U.S. Attorney by a 4-2 vote of the Federal Judges in the Middle District and Governor Thornburgh had his lackey in charge of the CTA investigation, and as we now know, my fate was sealed. . . .

"The position of U.S. Attorney, even on an 'Acting' basis, is one of the most powerful in our government. . . . The quality of the 'Justice' system in each of the 94 Federal Districts depends upon the honesty, objectivity, integrity, and personal goals and interests of the U.S. Attorney. . . .

"If evidence can't be developed it is fabricated by using the currently legal techniques of lies, deals, leaks, threats, immunity, harassment, rumors, abusing the plea bargain process and virtually every other technique used in authoritarian nations with the possible exception of physical torture. . . .

"In our case, the Acting U.S. Attorney, James West, went to the very limits of our very dubious laws to fabricate evidence and manipulate the trial arrangements so that he would have a biased 'House Judge' and a jury that was not familiar with accounting practices, state-of-the-art investment techniques, the value of computer software, and the political and governmental process, in other words, a jury, that was not composed of our peers.

"Regardless of their reason, our jury made a horrible mistake. They destroyed my 22-year career in public service and my life, and did indescribable damage to my family and many others. The jury delivered the final blow to what many have described as the greatest miscarriage of justice they have ever known. . . .

### **Thornburgh discredits our system of justice**

"The bottom line is that Governor Thornburgh, Acting U.S. Attorney James West, FBI Agents Donald Jordan and Ronald Brinkley, who 'worked' the case, Judge Malcolm

Muir and the jury have together totally discredited the American legal system in the hearts and minds of thousands of people who know that I am innocent. . . .

"Generally most people and specifically most elected officials do not like dealing with unpopular or unpleasant issues. They prefer to ignore problems that need to be addressed unless public pressure demands solution. Then, like water, they take the course of least resistance. I regret that many times during my legislative career I was an example of, rather than an exception to that principle. Of course if I had followed that principle as Treasurer and paid Ginny Thornburgh's European travel voucher and let the State Police continue to haul the Thornburgh graduate student to Massachusetts and the Thornburgh prep school student to Connecticut we wouldn't be here today. . . .

"I realize that you are news reporters and that I am just another piece of meat to you. But I hope that something that I've revealed today penetrates through the cynicism and callousness that is the stereotype of your profession and that some of you will help because it is the media that creates the public pressure to address the unpopular issues. . . .

"Judge Muir has already told the press that he felt 'invigorated' when we were found guilty and that he plans to imprison me as a 'deterrent' to other public officials. But it wouldn't be a deterrent because every public official who knows me knows that I am innocent. It wouldn't be a legitimate punishment because I've done nothing wrong. Since I'm a victim of political persecution my prison would simply be an American gulag. . . .

### **'Please tell my story'**

"I've repeatedly said that I'm not going to resign as State Treasurer. After many hours of thought and meditation I've made a decision that should not be an example to anyone else because it is unique to my situation. Last May I told you that after the trial, I would give you the story of the decade. To those of you who are shallow the events of this morning will be that story. But to those of you with depth and concern the real story will be what I hope and pray results from this morning—in the coming months and years—the development of a true justice system here in the United States. I'm going to die in office in an effort to ' . . . see if the shameful facts, spread out in all their shame, will not burn through our civic shamelessness and set fire to American pride.' Please tell my story . . . in every newspaper and magazine in the U.S. . . . Please make sure that the sacrifice of my life is not in vain."

At which point, Budd Dwyer took out a loaded revolver and took his life. Eighteen months later, Richard Thornburgh was sworn in as U.S. Attorney General. Today, James West is awaiting confirmation as the U.S. Attorney in Harrisburg. He, along with Thornburgh, was recently forced to recuse himself from an ongoing federal grand jury in which Henry Barr is being probed for cocaine use and trafficking.

# Gingrich bill is slave-labor scheme

by Kathleen Klenetsky

Along with mushrooming rates of joblessness, homelessness, and drug use, the economic depression gnawing at the United States is producing a frightening trend toward barbarism in law enforcement and judicial practice. Demands are rising for tougher penalties against offenders; legislation to make the death penalty mandatory for a widening range of criminal actions is on the rise on the state and federal levels, and the Supreme Court, via its recent rulings permitting the execution of the retarded and minors, is encouraging this trend.

Americans' frustration and anger over government failures to fight a real war on drugs is being used as a convenient pretext for implementing a host of new laws, smacking of police-state controls, that are being concocted to hold the lid down on the social explosions that will overtake the U.S. as the depression deepens.

Symptomatic is the National Drug and Crime Emergency Act (HR 4079), recently introduced into Congress by Rep. Newt Gingrich, the yuppie Georgia Republican who heads the "conservative New Age" outfit, the Conservative Opportunity Society, or COPS.

Co-sponsored by more than 50 Democratic and Republican congressmen, with many more expected to hop aboard over the next few months, the bill mandates Congress to declare a five-year national drug and crime emergency, under which, Gingrich hopes, untold numbers of Americans will be herded into prison, and turned into a gargantuan pool of slave-labor.

The bill calls for handing out a mandatory minimum five-year term to every person convicted in a federal court of a crime of violence against a person or a drug trafficking felony other than simple possession, with no chance of early release. The bill defines "violent crime" very broadly, to include crimes that have "as an element, the use, attempted use, or *threatened use* of physical force against the person or property of another; or that by its nature, involves a *substantial risk* that physical force against the person or property of another may be used in the course of committing the offense" (emphasis added).

Since U.S. prison facilities can barely accommodate those currently incarcerated, the bill proposes several measures to deal with the waves of new prisoners it will produce, including a provision that, during the five-year emergency,

the federal courts "shall not hold prison or jail crowding unconstitutional under the Eighth Amendment," unless "crowding itself is inflicting cruel and unusual punishment on individual prisoners."

It is beyond dispute that the overcrowding that is endemic in most of the country's prisons, especially those in urban areas, contributes to riots, homosexual abuse, the spread of AIDS, and other phenomena hardly conducive to rehabilitating prisoners. But Gingrich's call for suspending Eighth Amendment protections against such overcrowding can only exacerbate these problems.

In the event that jam-packing prisoners into existing facilities is insufficient, the bill proposes housing prisoners in tents, and converting military bases abandoned under the defense cost-cutting drive to prison facilities—a sickening variant on the "peace dividend."

## Back to the chain gang

But Gingrich's bill is not simply a blueprint for creating thousands upon thousands of new prisoners. It is also a slave-labor scheme, a 20th-century version of debtors' prison.

One entire section of the legislation is devoted to mandatory work requirements for prisoners. The bill mandates that all prisoners, except those who are 100% disabled, or who pose security or disciplinary risks, be put to work. Such labor "may include, but not be limited to (a) local public works projects and infrastructure repair; (b) construction of new prisons and other detention facilities; (c) prison industries; and (d) other appropriate labor."

The bill states that the U.S. Attorney General may "enter into contracts with private businesses for the use of inmate skills that may be of commercial use to such businesses," and also encourages "greater private sector participation in prison industries."

Prisoners' earnings would be used to pay for prison construction and operating expenses, or for payment of compensation judgments.

The legislation, and the mentality behind it, represent what is wrong with the U.S. government's approach to its domestic problems. Rather than attacking the drug traffic at its source, which would entail the politically "forbidden" decision to go after the bankers and other "men above suspicion" who launder the drug money and pocket much of the profit, the bill simply proposes to get as many small-time drug dealers and users off the streets and behind bars. The fact that this will not solve the larger problem, seems to be irrelevant to the bill's sponsors.

The same holds true for the economic factors behind the rise in criminal activity. Clearly, robbery and related crimes will continue to skyrocket, as more and more people find themselves without any means of supporting themselves and their families. But again, it's a lot easier for congressmen to play the anti-crime demagogue, than to take on a job of solving the country's underlying economic problems.

# The truth Sy Hersh couldn't find

by Carol White

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## **American Leviathan: Administrative Fascism under the Bush Regime**

EIR Nachrichtenagentur, Wiesbaden, 1990  
212 pages, paperbound, \$100

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On April 29, author Seymour M. Hersh was featured in the *New York Times* under the provocative headline, "Did They Protect Reagan?" Coming at a time when hostages are again in the headlines, this blow at the ex-President is timely, to say the least. Hersh harkens back to the original congressional investigation of the Iran-Contra scandal, attacking the committees' November 1987 report as a coverup. He particularly singles out joint committee chief counsel Arthur Liman for protecting President Reagan.

Liman admitted that he and his fellow members on the Iran-Contra investigative committees had been inhibited from vigorously pursuing the truth, because of President Reagan's reversal of his conviction that the Soviet Union is an evil empire. In other words, as long as President Reagan was willing to march down the track of appeasement to the Soviets, he would not be seriously threatened by findings of the committees. Although Hersh does not make the point, merely turning this statement around raises the strong possibility that President Reagan was *blackmailed* into reversing policy at the October 1986 Reykjavik summit. Was the President threatened that if he did not concede U.S. defense capabilities to the Soviets, he would face impeachment?

Hersh focuses on two explicit coverups: first, that the testimony of Chief Officer Yoeman Radzimski, who was in charge of routing top-secret documents to President Reagan through Poindexter, was suppressed because he claimed to have routed a document about the diversion of funds—a document which subsequently disappeared; and second, downplaying evidence about the diversion of funds to Israel, intended to pay for secret operations.

Mention of Israel in this connection is suggestive, since it comes at a time when the U.S. administration is engineering a policy shift away from Israel and Iraq, to embrace the terrorist states of Syria, Iran, and Libya. Release of the hostages—with the helpful intervention of the Soviets—has been key in this. These three countries, ironically enough, are still on the State Department's list of states which sponsor terrorism; yet

the administration is claiming that they were not involved with the "hostage-takers"—this to justify a payoff to Iran of money, cluster bombs, and other military supplies.

But while turning the heat on President Reagan and the House and Senate for refusing to pursue possible impeachment, Hersh's exposé strangely omits any hint that the cover-up also protected, and continues to protect, Vice President, and now President, George Bush.

## **Bush as 'intelligence czar'**

Readers who want to penetrate the truth about the coverup would be well advised to read *EIR's* Special Report on the affair.

On Dec. 4, 1981, President Reagan issued two Executive Orders, 12333 and 12334, which provided the basis for the creation of a special crisis management group, the Special Situations Group (SSG), which was led by then-Vice President Bush. The report details how, in fact, the vice president was the "crowned czar" of U.S. intelligence. While all of these facts are known, the congressional committees which investigated the Iran-Contra scandal chose not to explore them; nor does Sy Hersh do so at this time.

The *EIR* Special Report details a remarkable overlap between the operations of the "Get LaRouche" task force and the SSG and its extra-governmental offshoots. Indeed, under the Thornburgh Doctrine, which states that the United States is justified in trampling upon national sovereignty, the kind of covert dirty operations which were run against Lyndon LaRouche and which characterized the Iran-Contra affair are being flaunted openly. The unwarranted and illegal invasion of Panama is a case in point. This was an operation which President Reagan had refused to approve.

One overlap connecting LaRouche's enemies and the Iran-Contra gang, was the bizarre accusation that LaRouche's associates had been involved in the murder of Sweden's Prime Minister Olof Palme. This slander was featured in the Soviet press, and in an hour-long Soviet state documentary. Here, too, there is a trail to George Bush: Apparently, three days before the murder, a telegram was sent to a close collaborator of Bush, with the instructions, "Tell our good friend Bush that the Swedish tree will be felled."

*American Leviathan* deals extensively with George Bush's connections to the Iran-Contra affair, including the bombing of PanAm Flight 103 over Lockerbie, Scotland on Dec. 21, 1988. But its scope goes far beyond this, to document the claim that George Bush's administration is fascist in character. It includes a study of how the Thornburgh Doctrine has evolved—starting with the Panama invasion—along the lines of Teddy Roosevelt's Big Stick doctrine, and it also looks at Bush's China policy.

This book will be an extremely useful weapon in the hands of those who are concerned to effect a policy shift in the United States.

## House cuts \$24 billion from defense

In a narrow 218-208 vote, the House approved on May 1 the Democrats' \$1.2 trillion budget for fiscal year 1991 which cut \$24 billion out of defense spending requested by President Bush and tagged \$5.6 billion more onto domestic programs.

There was no Republican support for the bill. House Republican leaders had intended to offer the President's budget as an alternative, but backed off from doing so in order to avoid embarrassment. They also hesitated since Defense Secretary Richard Cheney had recommended substantial cuts in Bush's original proposals.

House Democrats ridiculed the Republicans for back-pedaling on their own President's proposal. House Majority Leader Rep. Thomas Foley (D-Wash.) called the decision "an abandonment as loud . . . as one could imagine." Rep. Marty Russo (D-Ill.) commented, "They can't take the heat of a vote in the clear daylight." More radical cuts were proposed by the Black Caucus, which wanted to redirect the added funds for support of social and domestic programs.

The Senate budget proposal which passed the Budget Committee on May 3 is even more draconian than that of the House. The Senate proposal plans to cut the deficit by \$43 billion, and sets a much lower figure on military spending. Office of Management and Budget director Richard Darman has been calling for negotiations with congressional leaders for some weeks, but Senate Budget Committee Chairman Sen. James Sasser (D-Tenn.) and other Democratic leaders insisted there was no basis for negotiations because positions are so polarized.

The realization, however, that the estimates on which all the budget pro-

posals have been predicated are wrong, has led to an agreement between the White House and congressional leaders to hold a summit to attempt to find a solution to this problem. Previous estimates were that \$36 billion in cuts were needed to reach the Gramm-Rudman target of \$64 billion. Estimates now are that an additional \$20 billion will be needed in order to reach the prescribed levels.

Rising interest rates and falling revenue projections are wreaking havoc with earlier estimates. The threat of a Gramm-Rudman sequester if the deficit targets are not met, now looms even larger.

## Senate threatens trade pact veto over Lithuania

In a 73-24 vote on May 1, the Senate amended a non-binding resolution to the Panama aid package, warning President Bush not to submit a U.S.-Soviet trade pact for approval unless Moscow lifted its economic embargo against Lithuania and entered negotiations on the republic's independence.

The resolution was sponsored by Sen. Alfonse D'Amato (R-N.Y.) who said he agreed with Lithuanian President Vytautas Landsbergis that Bush's decision to defer sanctions against the Soviets is tantamount to "another Munich." "What a terrible signal we send to the world," said D'Amato. "What a terrible signal we send to the Soviets." D'Amato added that implementation of a trade agreement "would constitute implicit support for Soviet activities in Lithuania" such as cutting delivery of oil and natural gas.

In a speech on the House floor on April 30, Rep. William Broomfield (R-Mich.) recommended that the United States withhold Most Favored

Nation status for the Soviets until they give independence to Lithuanian. "Nothing could be fairer," said Broomfield. "The Soviets cannot expect to use trade as a weapon and then expect America to use trade as a gift."

## Dems defend FDIC head against Bush criticism

Congressional Democrats reacted sharply against the Bush administration's blatant attempt to force L. William Seidman from his post as chairman of the Federal Deposit Insurance Corporation.

Seidman, who was appointed to take charge of the cleanup of the savings and loan institutions, may be axed by the administration and blamed for the failure of the S&Ls bailout. White House spokesman Marlin Fitzwater said May 2 that the White House wants someone who will launch "an aggressive program" to complete the cleanup. Seidman has repeatedly warned that the S&Ls cleanup will cost more than the White House was willing to admit, and has repeatedly demanded additional funds for the job.

Democrats were angry over the administration's attempts to use Seidman as a scapegoat. "The administration's efforts to clean up the savings and loan mess would be damaged severely by the departure of Bill Seidman," said House Banking Committee chairman Rep. Henry B. Gonzalez (D-Tex.). Senate Banking Committee chairman Sen. Donald Riegle (D-Mich.) said Seidman "has the experience and independence the country needs."

Some 23 House Democrats signed a letter written by Rep. Charles Schumer (D-N.Y.) warning that "Seidman's early departure may be

the result of his frustrations with the internal bickering, bureaucratic interference, and turf battles that have marked the first nine months of the thrift bailout effort."

"Chairman Seidman is not the problem," commented Rep. Bruce F. Vento (D-Minn.).

## **PAC campaign funding under attack**

Senate Republican leaders introduced on May 1 a campaign reform bill which would ban all political action committees from making contributions to federal candidates' election coffers. The so-called campaign reform bill would eliminate constituency input into the Congress.

The bill restricts out-of-state contributions from individuals, reducing them from \$1,000 to \$500 per candidate for each election. It prohibits members of Congress from supplementing their official office accounts with campaign funds, and bans them from sending taxpayer-financed "franked" mailings to constituents during election years. It would also prohibit tax-exempt organizations from engaging in any activity that would influence a federal election on behalf of a specific candidate.

The bill would mean a candidate would have to be rich to run for office. A money-bags candidate capable of financing his own campaign would have a significant advantage.

Costs of running a Senate race ballooned from \$1.1 billion in 1980 to \$3.7 billion in 1988. At the same time PAC contributions in the last 10 years have more than doubled as a percentage of total campaign receipts, from 11 to 23% according to Assistant Attorney General William Barr.

## **HUD official says Bush pressed for favors**

Dubois Gilliam, a former deputy assistant secretary of the Department of Housing and Urban Development, testified on May 2 that then-Vice President Bush used his influence to secure a deal for Hector Barreto, then president of the U.S. Hispanic Chamber of Commerce.

Barreto sought a HUD grant in 1985 for doing a feasibility study for a Hispanic trade center in Kansas City, Missouri. The project was not qualified under HUD Secretary Samuel Pierce Jr.'s discretionary fund for special projects, which Gilliam had communicated to Barreto. Gilliam said that he had received a call that afternoon from Pierce's assistant Deborah Gore Dean, saying Barreto had met with Bush and that "she had received a call from the vice president's staff asking about the grant and indicated her desire to try to help get the project funded."

Subsequently, Gilliam said, he persuaded a Kansas City assistant city manager to provide the grant from the city's Community Development Block Grant funds, provided by HUD, and in turn he arranged to have a special grant go to Kansas City to replace that money. Gilliam said he was unclear about the connection to Bush's office, but he said Dean had "indicated something . . . about Mr. Barreto going on the vice president's plane."

## **Soviet military buildup ongoing, says Burton**

In comments on the House floor on May 2, Rep. Dan Burton (R-Ind.) warned against any precipitous cuts in U.S. defense spending, and gave

figures showing that the Soviet military buildup has not slowed.

"The Soviets last year increased their defense spending by 17% of the GNP," said Burton. "The Soviets have not slowed down their shipbuilding program. In 1989, they added 7 guided missile destroyers, an aircraft carrier, and 9 more submarines, and 10 more are under production. The Soviets have increased SS-25 production from 125 to 220 in the last year. The Soviets have dramatically increased their bomber production. The Soviets increased T-80 tank production from 3,000 the year before last to 4,000 last year."

Burton urged his colleagues not "make the same mistakes which were made prior to World War II."

## **White House lobbies for increase in NASA budget**

President Bush and Vice President Dan Quayle met with congressional leaders on May 1 to push their 24% increase for the fiscal year 1991 NASA budget. According to Quayle, the head of every full committee and subcommittee that deals with the NASA budget was there.

In comments to the annual meeting of the American Institute of Aeronautics and Astronautics on May 1, Quayle indicated that there was a strong consensus that the full funding for NASA is a priority. The appropriations committees have threatened to cut the nearly \$15 billion request by about \$1 billion.

The recent budget resolution which passed the House on May 1 includes a five-year plan for NASA, which is \$9 billion less over that period than the planned expenditures by the White House.

# National News

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## Du Pont rebuffs proposal to halt Soviet trade

The proposal of Lewis du Pont Smith, a du Pont family heir, that the Du Pont Co. cease all trade with the Soviet Union until Moscow recognizes the sovereignty of Lithuania, was rejected in an April 25 letter from E.S. Wollard, Jr., chairman of the board of E.I. du Pont de Nemours, Co., Inc.

"Your resolution regarding the company's business relationship with the Soviet Union was discussed at our Board of Directors meeting this afternoon. It was determined that it would not be in the best interests of the company to pursue the action requested by your resolution," Wollard said. "On matters of foreign policy . . . Du Pont is guided by the letter and spirit of U.S. policies and laws."

Smith, who brought the resolution before the stockholders, said it was "sad" the company "by this action, has endorsed Gorbachov's continuing application of the Hitler-Stalin Pact." He said the company seemed to be following the line of *Izvestia* which denounced his proposal April 18.

The April 26 Wilmington, Delaware *News Journal* quoted Wollard stating: "We do not have a Du Pont foreign policy. We follow the policy of the U.S. State Department." The *News Journal* reported that, ironically, Wollard had told the stockholders that the company must be responsive to the public, especially in addressing environmental concerns.

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## Space is key to economy, says Quayle and NASA

"We will and must develop the space infrastructure-equivalent of the roads and bridges program, of the 20th century," Vice President Dan Quayle, who is heavily involved in getting the space budget through Congress, told the American Institute of Aeronautics and Astronautics meeting in Washington May 1.

"This nation has risen to the occasion before, building a road system costing \$2.5

trillion starting in the early part of this century. We begin now on the road system to the Solar System," he said.

Quayle, who heads the National Space Council, asked the AIAA industry members to help the administration convince Congress that investment in space is key for the nation's economic future.

Quayle drew on the example of the 15th century Chinese Ming dynasty which, after exploring the coast of Africa, made a political decision to end its age of exploration. "There are times," Quayle said, "when seemingly small decisions reverberate throughout centuries to come. Now is such a time."

NASA Deputy Administrator J.R. Thompson told the AIAA meeting that "servicing the national deficit is 15-equivalent NASA budgets, and it's 20 for the S&L bailout." "We must give future generations a chance to succeed, as well as to fail. . . . NASA is not the Department of Education of the government, but NASA is indeed an education agency," he said, noting that the agency currently has 162 programs in schools which touch about 6 million students and educators, and 30,000 teachers participate in NASA workshops.

Thompson expressed the hope that the Hubble Space Telescope might convince the likes of the *Wall Street Journal* that there is "more to economics than takeovers and junk bonds."

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## Bush needs an education, badly

The May issue of *Harper's* magazine included an exchange, taken from a White House transcript, between a high school student and President George Bush on the "education thing" last February.

**Question:** I loved your State of the Union Address on improving education. I was wondering, do you have any plans to get ideas internationally to improve education?

**The President:** Well, I'm going to kick that one right into the end zone of the secretary of education. But, yes, we have all—he travels a good deal, goes abroad. We have a lot of people in the department that does that. We're having an international—

this is not as much education as dealing with the environment—a big international conference coming up. And we get it all the time—exchange of ideas.

But I think we've got—we set out there—and I want to give credit to your Governor McWherter and to your former governor Lamar Alexander—we've gotten great ideas for a national goals program from—in this country—from the governors who were responding to, maybe, the principal of your high school, for heaven's sake.

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## ADL spying on Right to Life movement

The Anti-Defamation League, often referred to as the American Drug Lobby because of its defense of drug interests, has intensified its secret campaign to destroy the Right to Life movement, according to sources inside the ADL.

A team of ADL lawyers and analysts are reviewing videos and news coverage of the Right to Life march held in Washington, D.C. April 28 to identify "extremists" and "anti-Semites" alleged to have participated in the demonstration.

Another source revealed that the ADL has compiled dossiers on anti-abortion activists with particular attention to monitoring Operation Rescue members. Reportedly, the dossiers are being made available to law enforcement authorities.

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## GOPers use Goldwater ideology to push abortion

Republican Party conservatives and centrists are mounting a three-year campaign to reverse the anti-abortion party platform plank it adopted in 1980, including the formation of two abortion rights political action committees, the April 23 *New York Times* reported.

The effort is being couched in terms of "Barry Goldwater conservatism." The government "should stay out of our lives," said Ann Stone, a conservative fundraiser who is heading Republicans For Choice which



## Briefly

hopes to raise \$1.5-\$3 million. Roger Stone, longtime associate of GOP party chairman Lee Atwater who is advising the PAC, told the *Times*, "You can be pro-choice and respect life." Stone said most GOPers see the question as government interference into their private lives. "As far as I'm concerned, that's basic, Barry Goldwater conservatism."

Barry Goldwater has been for over a decade, a member of the board of sponsors of Planned Parenthood of central and northern Arizona. His wife, Peggy Goldwater, organized the Mothers' Health Clinic in 1937 which became a Planned Parenthood affiliate in 1942, and was the president of the board of Planned Parenthood several years between the 1940s and the 1960s.

### Steel institute takes EPA to court

The American Iron and Steel Institute has taken the Environmental Protection Agency to court, challenging the basis on which it has formulated its pollution standards. AISI has charged that the EPA air quality standards for smoke, dust, and soot are "arbitrary and capricious" and based on inadequate scientific data.

A U.S. Circuit Court of Appeals has rejected the AISI challenge, the April 28 *Washington Post* reported. But according to Mr. Steiner, an AISI vice president, the industry group will fight the ruling. The group had asked the court to delay its decision because the National Institutes of Health is probing charges that an author of some studies relied upon by the EPA suppressed evidence of errors in research.

The standards now being considered by the Congress, and passed by the Senate, would virtually shut down all of the nation's 50 or so coke ovens.

### Dems field a nobody against LaRouche

The Democratic Party has announced a primary candidate, who is seeking the party's

nomination at its May 12 convention in Virginia's 10th Congressional District against Lyndon LaRouche, who is running an independent Democratic campaign to oppose incumbent Rep. Frank Wolf (R).

MacKenzie Canter, a Northern Virginia lawyer, has announced he is seeking the nomination. Canter lost a bid to be the party nominee to oppose Wolf in 1988. Currently his campaign has only one campaign contribution, \$10,000 of his own money.

According to the press reports, Canter's campaign may have less than enthusiastic support from Democratic Party Poopers, so-named by LaRouche because of their support for Bush Republicans. His announcement was attended by only about a dozen people. Canter told the press that he intended to make his pro-abortion stance a big issue in the campaign. He also stated that he was concerned about the high rates of infant mortality in the United States.

### Virginia downplays spread of satanism

On Walpurgisnacht, the April 30 *Daily Telegraph* of London cited the Virginia Department of Criminal Justice as a key source for the claim that the problem of satanism has been vastly exaggerated in the United States.

In an article entitled, "Satanism Has U.S. Jumping at Ghosts," *Telegraph* science correspondent Adrian Berry cites a journal called *Sceptical Enquirer*, which, in its latest edition, charged that "ill-educated policemen" are contributing to the extravagant claims about the satanist threat. Berry says that a specialist in the Virginia Department of Criminal Justice has informed *Sceptical Enquirer* that too many rural policemen had strongly held Christian fundamentalist views, which included a belief in Satan. "Arguing with them is attacking their world-view. Satan becomes, to them, the ultimate crime-leader; the drug lord, the Mafia don," the unnamed source is quoted.

Berry claimed that there have been a "series of incidents which highlight a national wave of hysteria over satanic cults."

● **GEN. PAUL SCHERER** (ret.), the former head of the West German Military Intelligence Service, will present a strategic briefing on the current situation in the U.S.S.R. and Eastern Europe on May 16 at 10:30 a.m. at the National Press Club in Washington, D.C. "The real developments, verging on the catastrophic . . . can no longer be kept hidden or wished away," Scherer said.

● **ALANTIC RICHFIELD** stands to make billions of dollars from one Clean Air Act proposal which would require oxygen be added to gasoline. The most likely additive, as prices increase 15 to 20¢ per gallon, is methyl tertiary butyl ether (MTBE), and ARCO now controls 40% of the worldwide production of MTBE.

● **DEXTER LEHTINEN**, the U.S. Attorney in Miami, is being investigated by the Justice Department for allegedly covertly involving himself in the investigation of a potential political opponent of his wife, Rep. Ileana Ros-Lehtinen (R-Fla.), after recusing himself, the April 29 *Washington Post* reported. Jeb Bush managed Representative Lehtinen's campaign.

● **RESEARCHERS** from the Minneapolis, Minnesota Federal Reserve mooted separate regional currencies for the United States in a *Wall Street Journal* commentary April 26.

● **WILLIAM SAFIRE**, columnist for the *New York Times*, called the CIA-DIA misestimate of the Soviet economy an "intelligence fiasco" comparable to the "Bay of Pigs" on April 27. Safire revealed that in 1985, CIA head William Casey refused to form a "Team B" of outside experts to review CIA estimates.

● **THE AMERICAN** Civil Liberties Union will challenge in court an Alexandria, Virginia anti-loitering ordinance which a spokesman Victor Glasberg called "an incremental step toward a police state and siege mentality," the April 26 *Richmond Times-Dispatch* reported.

## Editorial

### *The lesson of Vietnam*

April 28 was the occasion of our commemoration of the end of the Vietnam War 15 years ago. It is better referred to as the Vietnam debacle: The United States suffered a humiliating defeat at communist hands, in a war which was in fact not necessary to be fought, had we only stuck to the policies formulated during World War II, of defending the independence of the region then known as Indochina from colonial rule. That was President Roosevelt's stated policy.

Instead, the United States capitulated to British policy, which was to defend its empire at all cost, and where that was no longer possible, to recolonize former colonies using financial methods of control in place of overt political ones.

Defense of the right of all nations to freedom was an implied commitment of the United States even before it was formally constituted as a nation; that principle followed from signing of the Declaration of Independence. The moral blindness of the United States today toward Lithuania, is yet another fallout from that disastrous postwar embrace of neo-colonialism.

The Vietnam War will be known to history as Henry Kissinger's War, although it was not he, but the crowd around McGeorge Bundy which was responsible for getting the United States into it in the first place. It will be known as Kissinger's War, because he is the man who made sure that we lost it. It's about time that the lesson of Vietnam were assimilated, and the United States freed itself once and for all of the policy influence of that evil madman.

Henry Kissinger was Nixon's National Security Adviser. Under his guidance, the war was not fought to be won, but was intended to be a bargaining chip to be played on the field of Cold War diplomacy. The lives of Vietnamese, of Americans, and others, were traded away for no good purpose, solely in order to create a favorable position for Henry Kissinger and his accomplices at the bargaining table.

The North Vietnamese regime had many problems, but early on, Ho Chi Minh had tried to gain U.S. support in his fight against the French. Only after he was refused, did he become a hard-line communist. It is a

particularly evil fact, that under Nixon, and to this day, the United States has even preferred to support the Chinese regime, over dealing fairly with the Vietnamese. Whatever the failures of the present Vietnam government, and the North Vietnamese predecessor regime, it was they, and not—sad to say—the United States who liberated the Cambodian people from the murderous control of Pol Pot's Khmer Rouge.

Pol Pot was backed by the Chinese, who fully supported his mass-slaughter policy, variously estimated to have resulted in the deaths of 1 to 3 million Cambodians, in a nation of 7 million. Pol Pot conducted the consummate version of the Chinese Cultural Revolution, sentencing to death all of the country's educated citizens, and many more besides, through his slave labor policies. This same Pol Pot regime is supported by the Chinese to this day; and because the combined pressure of the United States and Chinese is now forcing the Vietnamese to withdraw from Cambodia, we may see the return of these butchers to power.

Kissinger believes in playing power politics. He subscribes to a policy which dates back to the Congress of Vienna in 1815, when Austria and Great Britain combined to set up Russia as the "policeman of Europe." The Gorbymania of George Bush and Margaret Thatcher is an example of this same policy today. They would prefer to see Russia police Europe and China control Asia, rather than allow free rein to the republican resistance movement presently sweeping the world. They are Henry Kissinger's co-thinkers.

Yes, there is a lesson to be learned from the War: The United States was defeated because it followed Kissinger's policy. The present policy line of the U.S. and British governments will likewise lead to defeat. And unless these policies are changed and changed quickly, such a defeat will come not at the relatively humanitarian hands of the Vietnamese, but instead at the hands of the butchers of Tiananmen Square and the equally brutal regime in Moscow.

Defeat by the Vietnamese was humiliating. Defeat by the Russians and Chinese will mean the end of Western civilization.



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