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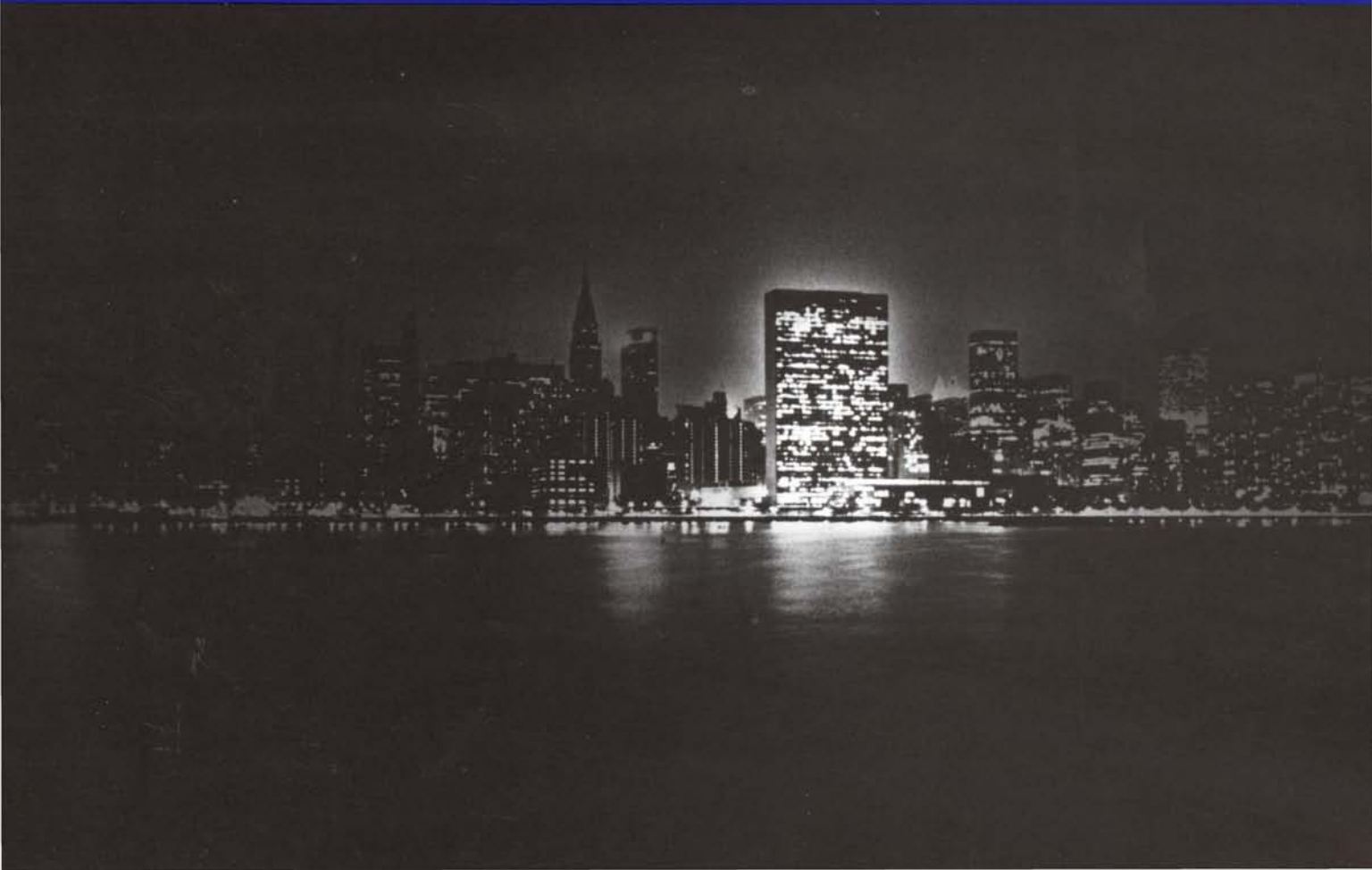
Executive Intelligence Review

April 30, 1993 • Vol. 20 No. 17

\$10.00

Russians report a cold fusion 'encore'
South Africa between vision and pragmatism
Masonic judge jails two to save Pike statue

**The BTU energy tax will
plunge U.S. into darkness**



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Annual subscription (United States): \$3,500.

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EIR News Service

P.O. Box 17390
Washington, D.C. 20041-0390

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EIR (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July, and the last week of December by EIR News Service Inc., 333½ Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010. For subscriptions: (703) 777-9451.

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Japan subscription sales: O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 3208-7821.

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Domestic subscriptions: 3 months—\$125, 6 months—\$225, 1 year—\$396, Single issue—\$10

Postmaster: Send all address changes to EIR, P.O. Box 17390, Washington, D.C. 20041-0390.

From the Editor

Have any of you noticed how environmentalism has become the State Religion of the United States? I refer to the Mother Earth cult also called “Gaia,” which permeates every aspect of our society’s culture, while the outlook of Christianity and Judaism is increasingly excluded by the courts and legislatures from even being expressed in debates about public policy,

One typical example: A local library near our editorial offices in northern Virginia displays posters designed—supposedly—to entice youngsters to read. One poster exalts the late Rachel Carson, who, as one of *EIR*’s contributing authors points out, is responsible for more deaths of children in this century than any other woman, because she helped bring about the ban on DDT, the chemical which had saved the lives of millions of children in developing countries from killer diseases like malaria. Next to it, a second poster promotes the “greatness” (sic) of Margaret Sanger, who launched the birth control movement in order to prevent the “unfit”—meaning the poor and the non-white—from reproducing. Sanger’s Nazi-like movement’s success, bolstered by the financial largesse of leading Anglo-American oligarchical families, is heading this nation and the whole planet into a demographic disaster. Posters commemorating these two women belong in a Holocaust Museum, not in a public library visited by impressionable children.

This issue contains some powerful ammunition against the new pantheon of pagan, environmentalist gods:

An exclusive report in *Economics* by Jonathan Tennenbaum describes the scientific and technological potentials of the Russian proposal for joint U.S.-Russian research in a “Strategic Defense Initiative” related area.

In the *Feature*, economics researcher Richard Freeman proves that one of the Clinton administration’s proposals, the BTU energy tax, will turn off the lights in what remains of our fragile and delapidated economy. Finally, in *Science and Technology*, read about a Russian contribution to the cold fusion revolution.

For technical reasons, we are meeting an early news deadline this week and publishing a 64-page issue rather than our usual 72 pages. The next *EIR* will bring an evaluation of the Waco, Texas tragedy, and discuss the degree to which the Anti-Defamation League and Cult Awareness Network must be held responsible.

Nora Hamerman

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Group of Seven offers Russia bogus aid package

by Marcia Merry

In the first emergency session of its kind, the foreign ministers and financial representatives of the Group of Seven (G-7) met April 14-15 in Tokyo, and announced a \$43 billion "aid" package for Russia. The leaders from the United States, Canada, Japan, Britain, France, Italy, and Germany also agreed to postpone a U.N. Security Council vote on imposing sanctions on Serbia until after the April 25 Russian political referendum. Both these actions were taken in the name of assisting President Boris Yeltsin to achieve "stability" in Russia. However, the net effect of the measures taken will actually be to increase the instability in Russia, and the warfare in the Balkans.

First, the \$43 billion aid package is a sham. Second, while President Yeltsin himself may have asked the G-7 to postpone the U.N. Security Council vote until after the Russian referendum, whatever happens that day, the Russian government will be no stronger than it is now, and meantime, the Serbian war proceeds with its hideous destruction.

Only a real economic development intervention in Russia and real assistance to Bosnia can contribute to the much-discussed "stability" in world economic and political affairs. The potential collaboration between the United States and Russia that was raised at the Clinton-Yeltsin April 3 Vancouver summit, for joint work in anti-missile defense, is the direction to follow.

Smoke and mirrors

The G-7 told Russia on April 15 that it was granting some \$43 billion in aid to help support Russia's embattled "reform" process. But the fine print reveals that the new program offers only more of the same lunatic "shock therapy" that has been implemented to date by the International Monetary Fund (IMF).

The \$43 billion total actually consists of \$28 billion worth of programs announced in Tokyo, piled on top of \$13 billion of previously announced programs, practically none of which are in fact aid. Here is what actually has been committed by the G-7:

- Fifteen billion dollars in debt "relief." Of the declared \$43 billion in aid, fully \$15 billion, or more than one-third, is to take the form of "debt relief"—a more polite word for a moratorium on payments to western creditors (principally Germany) of Russia's estimated \$80 billion in foreign hard-currency debt. As one leading London-based Russia analyst put it, "This is merely acknowledging the status quo, because Russia anyway is not paying this debt."

- Thirteen billion dollars in aid tied to the IMF and World Bank. Of this amount, \$3 billion is from a new IMF program billed as help for countries moving to a market economy. However, the same old IMF deadly conditionalities will apply, which, under Russia's current "shock therapy" program, have wreaked havoc in the domestic economy and brought the country since January 1992 into a state of hyperinflation.

Part of the remaining \$10 billion of this \$13 billion is World Bank loans for various purposes, but contingent on austerity, and part is concessions to private western interests. The World Bank is "offering" to cooperate with countries to back their respective export credit agencies, so that they will guarantee loans for specific projects in Russia. One example is for Russian oil and gas to be developed under specifications that will benefit western oil companies and banks—in other words, looting.

- Some \$4.1 billion in IMF "stand-by" credits are offered, but only on condition of the implementation of "a comprehensive macroeconomic stabilization program."

Again, killer conditionalities.

- Three billion dollars in IMF “transformation” funds, of which only \$1.5 billion is to be given to Russia up front.

- Six billion dollars for the IMF’s long-promised “ruble stabilization fund,” provided Russia agrees to follow strict IMF demands for budget reduction and price increases, guaranteeing further domestic economic chaos.

- Four and a half billion dollars in loans from the World Bank, conditional on “structural reform,” for the oil sector—the part of the package especially favored by private western traders.

- Ten billion dollars in aid from G-7 member-nations, in the form of promises of state trade credits to guarantee export to Russia of such items as U.S. grains or Japanese machinery. At best, these credits aid the national sectors of the nations originating the goods; at worst, the credits line the pockets of the giant commodities houses such as Archer Daniels Midland or Cargill, and amount to government-backed subsidy of these cartel companies.

In short, Russia’s Boris Yeltsin has a package of empty promises and further foolish G-7 insistence on IMF conditionalities.

‘Just a lot of zeroes’

Even Russian economics official Boris Fyodorov, the former employee of the World Bank who represented Russia in Tokyo at the G-7 meeting, came back and said that there is “not much in it for us . . . just people playing around with a lot of zeroes.”

The IMF “shock therapy” policies to date in Russia, and in all other parts of the former Soviet sphere, have led to the political fracturing now under way. Without a reversal of the austerity policies, there can be no political stability, and no war-avoidance. This is the real issue, which is being avoided in all discussion about the April 25 Russian referendum.

“Non-Important Russian Referendum,” is how the Swiss daily *Neue Zürcher Zeitung* covered the issue on April 20. The article stressed that the referendum, taken so seriously in the West, will, in and of itself, decide nothing concerning the country’s political crisis. Citing the polls, the Swiss paper noted that it could be expected that Yeltsin will receive a majority of the votes cast, and thus will proclaim himself the “winner.” However, he will receive far short of the support of 50% of all registered voters, and the opposition will use this to declare him the “loser.”

Leading figures in Russia, such as Parliament Speaker Ruslan Khasbulatov, are also emphasizing that the referendum will decide nothing. The *Neue Zürcher Zeitung* observes that it was Khasbulatov and the Congress of People’s Deputies who made the referendum irrelevant by pushing through a clause requiring support of 50% of all registered voters for a valid “yes” vote on each question.

Indeed, Russian Vice President Aleksandr Rutskoy charged on April 16 in an 80-minute address before the Rus-

sian Supreme Soviet, which was carried live on Russian television, preempting all previously scheduled programming, that economic “shock therapy” has brought about the full-scale criminalization of Russian politics and economic life. “The people of Russia were robbed twice last year: once because of shock therapy and the liberalization of prices, and once because of those sums of money and resources which, without any consent, were sent abroad,” Rutskoy charged.

Shock therapy has criminalized economy

He said that those responsible for the economic reforms of the Yeltsin government were to blame for the wave of organized crime: “This is a direct consequence of shock therapy. Organized crime controls up to 40% of the Gross National Product. The mafia groups are planning to use all of the funds which western countries propose to invest in Russia. . . . The organized crime system which is growing up in Russia is not only trying to take over the entire economy, but also the entire political life.”

Rutskoy singled out six individuals in the Yeltsin team for responsibility for this: Yegor Gaidar, former prime minister and architect of the IMF “shock therapy” policies; former presidential aide Gennady Burbulis; deputy prime ministers Vladimir Shumeiko and Aleksandr Shokhin; Anatoly Chubais, deputy prime minister in charge of privatization; and information czar Mikhail Poltoranin. According to Rutskoy, “These people are interested in maintaining the course of reforms which contribute to their pockets and to the pockets of black-marketeers. I am sure criminal acts are being committed behind the President’s back. [These Yeltsin aides] are doing their best to win the referendum. Only then can they hope to hide their crimes, to finally legalize the shadow economy.” He further stated that these individuals had “intervened and messed up the creation of those bodies which were supposed to be cracking down on corruption, and had allowed operations on the border of legality to take place.”

Rutskoy’s charges seemed to cohere with the aims expressed in an article by former U.S. Director of Central Intelligence William Colby published in *New Perspectives Quarterly*, the journal of Chicago commodity speculator Richard Dennis, in which Colby promoted the postwar success of the cigarette black market in Italy as a model for Russia. “Russia finds itself in the same stage as Italy then, now the pack of Marlboros has replaced the Lucky Strike. The black market is expanding but will become a market calling forth around 50,000 small traders. These in turn will promote the creation of wholesalers and producers who will be needed to supply them.” The post-1945 Italian black market was run by Camorra and Mafia clans under the control of U.S. intelligence and Meyer Lansky partner Charles “Lucky” Luciano. German customs and police officials unanimously assert that the cigarette smugglers overrunning eastern Europe and Germany will be the main narcotics traffickers in the next years.

Russia's new SDI offer heralds scientific and strategic revolution

by Jonathan Tennenbaum

Leading western experts in strategic and military affairs privately admit they were caught completely offguard by reports of an official Russian proposal to the United States for joint development of a "global system of anti-missile defense" incorporating revolutionary "plasma weaponry." The surprise was so great that editors of the West's so-called free press, with one exception, decided not to publish a single word concerning the lead item on the front page of *Izvestia*, April 2, announcing the Russian offer.

The *Izvestia* article describes a proposed plan for a full-scale test of Russian plasma weapon technology, to be carried out jointly by the two countries. The article emphasizes that the relevant technology already exists, and has advanced beyond the laboratory stage to field tests. According to the proposal, the Russians would transport the components of their plasma weapon on an aircraft carrier and other ships to the American SDI testing area at the Kwajelein Atoll in the Pacific Ocean. There, full-scale tests would be conducted against missiles launched from either the United States or Russia. According to a Russian scientist quoted by *Izvestia*, plasma weapons would be devastatingly effective against missiles, warheads, and aircraft moving through the atmosphere.

Initial reports confirm that the offer described in *Izvestia* was actually presented to President Clinton by President Boris Yeltsin at the Vancouver summit. The *Izvestia* text is also known to have been dictated to *Izvestia* from the highest levels of the Russian military-industrial complex. Coming exactly ten years and ten days after President Reagan's announcement of what became the Strategic Defense Initiative, the Russians' offer represents a 180-degree shift in their official attitude toward the SDI, and potentially a far-reaching revolution in relations between the two military-scientific superpowers.

Voices have already begun to be heard, dismissing the proposal as an "April Fool's joke," as a "fishing expedition" to gain information about advanced western military research, or merely an attempt by starving Russian scientists to procure funds for their laboratories. But experts who have followed extensive Soviet research in the relevant areas of technology since the 1950s, emphasize that the offer is scientifically credible and should absolutely be taken seriously. The "plasmoid weapon" described in the April 2 *Izvestia* article clearly belongs to the first-generation beam weapon

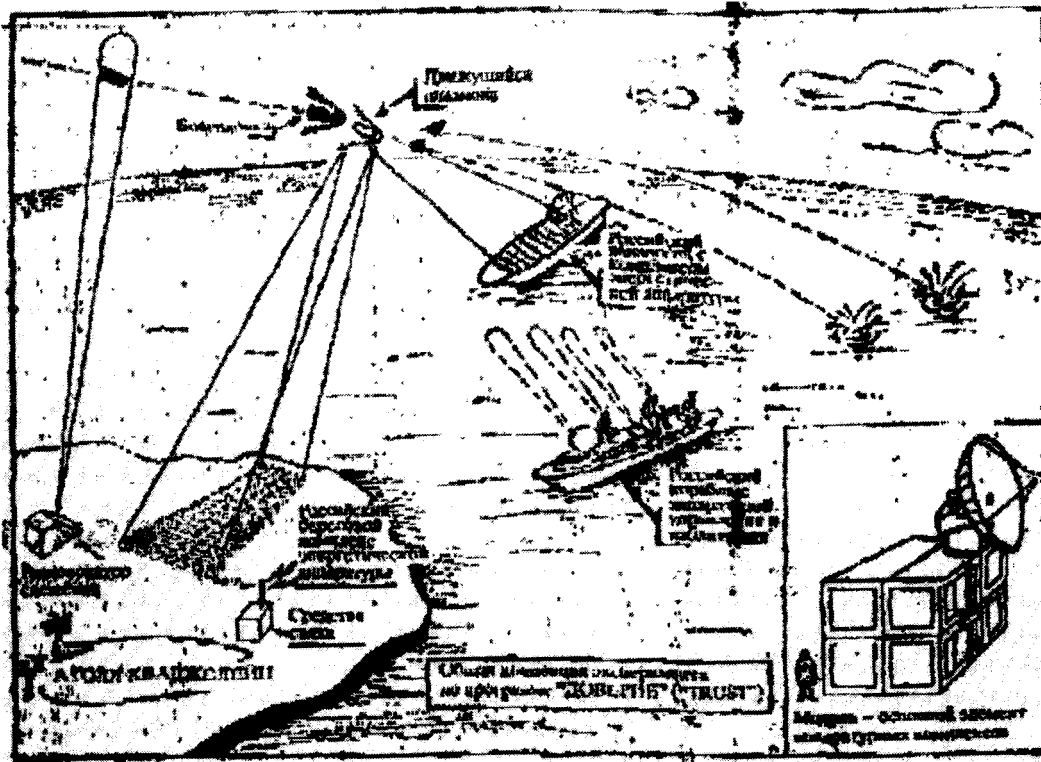
defense system known to constitute a crucial element of the Soviet war-winning strategy known as the "Ogarkov Plan," and originally projected to be completed in the late 1980s or early 1990s. Although the *Izvestia* announcement implies that some important breakthroughs have been accomplished by Russian scientists, key technological components of the plasma weapon have repeatedly been identified in western literature. Furthermore, Soviet work in several of the relevant research areas had been acknowledged to be considerably ahead of the West for some time.

In February 1988, for example, *Executive Intelligence Review* published a special report entitled "Electromagnetic-Effect Weapons: The Technology and the Strategic Implications," describing and documenting crucial aspects of the capability now revealed by the Russians themselves in the April 2 *Izvestia* article. The same capability had been the subject of a long series of conferences and seminars held all over western Europe and in the United States in 1987-88. These included events in Munich, Paris, and Rome at which *EIR* founder Lyndon LaRouche predicted a revolution in war-fighting based on nonlinear effects of electromagnetic pulses. LaRouche and *EIR* pointed at that time to Soviet breakthroughs in the generation and propagation of high-power microwaves—a crucial aspect of the plasma weapon described in *Izvestia*.

How the Russian plasma weapon works

It is important to emphasize that the plasma weapon described in *Izvestia* is only one of many possible weapons which could be put together on essentially the same technological basis. The heart of the capability is the means for generating an entity known as a "plasmoid" at any selected location in the atmosphere, by means of high-power microwave pulses emitted from a so-called phased array. The proposed experiment would involve an application of this technology for a ground-based terminal defense system, i.e., a system designed to destroy warheads in the last phase of their trajectory, as they descend through the atmosphere toward their targets. The same system would also provide a defense against aircraft.

In the diagram included in the *Izvestia* article we see two phased arrays: one installed on the deck of an aircraft carrier, the other on the Kwajelein Atoll. These arrays consist of a large number of individual modules, each several meters



The diagram printed in *Izvestia* on April 2, showing two phased arrays.

in diameter (see drawing in lower right-hand corner). Each module contains accumulator banks for storage and concentration of electrical energy, microwave generators, and an antenna element. The modules are arranged in a regular geometrical array and connected together with power sources and a complex electronic control system which "shapes" the total wave-form emitted by the system in space and time.

Electronically controlled arrays of antenna-elements, known as "phased arrays," are a well-known technology in the West. Phased arrays are used for advanced radar systems capable of tracking many objects simultaneously. Electronic control of antenna-elements, shifting the relative phases of emission by those elements, makes it possible for an array without moving parts to generate highly directional beams and to change the direction and focus of those beams nearly instantaneously. Furthermore, a technique known as "synthetic aperture" permits such an array to simulate the effect of a single gigantic lens in the focussing of microwave energy.

In the mid-1980s the United States repeatedly complained of Soviet construction of very large phased array radars which violated the terms of the 1972 Anti-Ballistic Missile Treaty. Such radars, the U.S. alleged, had no plausible purpose but to provide precise tracking information for a territorial anti-missile defense system, forbidden by the 1972 Treaty. At the same time, however, concern was voiced in some western quarters, that the big arrays might be *more* than simply radars, i.e. tracking devices. What would happen, if instead of the relatively low emission power employed for tracking, such phased arrays were connected to gyrotrons and other devices generating microwave pulses of up to a

billion watts? At the very least, the resulting microwave weapon might knock out sensitive guidance systems and other electronic components of missiles and warheads. Subsequently, America's Lawrence Livermore Laboratory initiated a series of laboratory tests of the effects of ultra-high-power microwave pulses on military hardware.

Izvestia describes exactly this sort of feared combination of phased arrays and high-power microwave generators, but with an additional feature based on advanced work in the domain of atmospheric and plasma physics. In *Izvestia's* figure we see the high-power beams from the phased arrays focussed not mainly on the target itself, but rather on a region in the atmosphere directly ahead of the target. In that region the focussed microwave energy ionizes the air, causing a type of "structured" electrical discharge, known as a "plasmoid," to be created. The plasmoid in turn creates a massive disturbance of the air flow around the target object, causing it to divert from its path and to break up under the influence of huge aerodynamic and mechanical forces.

To understand this type of effect of a plasmoid-caused atmospheric disturbance, one must bear in mind the tremendous energy which a ballistic missile warhead carries upon re-entering the atmosphere. The survival of the warhead and its ability to hit precisely a chosen target depend on achieving a stable, predictable aerodynamic behavior during re-entry at hypersonic speeds. For related reasons, meteors and other non-stabilized objects invariably break up and are partially or fully burned when they fall to Earth from space. *Izvestia's* diagram specifies that the plasmoid is created in a state of motion, generating shock waves and other effects which de-

stabilize the target's aerodynamic configuration. At sufficiently high energy-densities, collision with a plasmoid could presumably destroy the target directly.

Background information on plasmoids

"Plasma" is a general term for an electrically conductive state of matter generated from a gas, for example, under the action of extreme heat, radiation or powerful electromagnetic fields. The term "plasmoid" refers to the fact, that under certain conditions a plasma can develop a self-contained, self-stabilizing structure based on the magnetic and other effects of internal configurations of electric currents within the plasma. This property of plasmas was discovered in the 1950s in early experiments in controlled nuclear fusion, and is crucial to some of the most promising schemes for advanced fusion reactors. Plasmoid structures have been proposed as the possible explanation for the strange and elusive phenomena of "ball lightning," which have been the subject of much scientific controversy, partly because of possible military applications. In July 1982, an *EIR Special Report* on "Beam Weapons: The Science to Prevent Nuclear War" included the following information on plasmoids and "plasma beam weapons":

The Soviet Union . . . has had a major research program in plasmoids since the middle 1950s when the first plasmoids were produced at Lawrence Livermore Laboratory in California. A review of Soviet research on ball lightning lists literally hundreds of experimental projects devoted to the subject. The Soviet research in this area has been well funded and has attracted the highest levels of Soviet scientific interest, including P. Kapitsa, the Soviet Nobel laureate. Recent intelligence reports indicate that the Soviet Union is now conducting large-scale propagation experiments involving the generation of high energy plasma beams. The appearance at regular intervals of a high frequency radio signature typical of plasmoid experiments has been interpreted by European intelligence agencies as striking confirmation of the practical application of the long-term Soviet interest in plasma beams.

The author of this article attended the 1978 Nobel Prize lecture by Pyotr Kapitsa, in the course of which the Soviet scientist described experiments on the generation of plasmoid-like structures by high-power microwaves. Since then, research has progressed a long way. As the *Izvestia* article emphasizes, Russian scientists have led the world in the relevant area of plasma dynamics. We would add to this their mastery of the complex interaction among plasma, electromagnetic radiation, and particle beams—an area where the "civilian" science and technology of controlled nuclear fusion intersects that of anti-missile beam weaponry, and one of the highest priority areas for Soviet research since the 1950s. It is the combination of plasma physics together

with mastery of the principles and technology of ultra-high-power microwave generation and propagation, together with advances in suitable electronic control and processing techniques, which provide the basis for the new plasma weapon.

High-power microwave generators

From the mid-1970s on, Russian laboratories have taken the world lead in development of technology for generation of high-power microwave pulses. The famous "gyrotron," which utilizes a relativistic electron beam to generate such pulses, was invented and perfected in the Soviet Union. Following 1975, western observers noted a curious decline in the number of publications in this domain, indicating that a major portion of research had gone "underground" into secret military programs. The 1988 *EIR* special report noted:

The Russian program to develop high peak power radio-frequency (and microwave) has involved scientists active in Russia's strategic defense program: Leonid Rudakov of the Kurchatov Atomic Energy Institute (who specializes in intense relativistic electron beams), A. A. Rukhadze and Y. A. Vinogradov of the Lebedev Physics Institute (who specialize in plasma electronics and X-ray lasers), and many others. A useful review of Russian work on radio-frequency devices is RAND Corp. Report R-3377, "Soviet Development of Gyrotrons" by Simon Kassel (May 1986). . . . How did it happen that the Russians developed high peak power gyrotrons that at some frequencies operate efficiently at peak powers three orders of magnitude greater than in the West? . . . The high peak power machines have no application to the area of interest in gyrotrons in the West (heating of magnetically confined plasmas). . . . The United States didn't start a serious program in high peak power short-pulse gyrotrons until 1984.

Besides gyrotrons, Russian laboratories produced many other important technologies in the domain of pulsed microwave generators, high-current electron beam generators, and pulsed power systems relevant to strategic defense. From a technological point of view, the plasma weapon described in *Izvestia* is based on a "favorite" area of Russian leadership and expertise.

Focussing and propagation problems

Several features of the diagram and short explanation provided by *Izvestia* will surely lead to interesting speculations among specialists in the West, at least until more detailed information is supplied. For example, the "moving plasmoid" shown in front of the target (a warhead) looks like a mirror image of the target itself. Is this achieved by an ingenious analog/digital data-processing technique, similar in effect to the "phase conjugation" methods pioneered by the Russians in laser optics? This technique might fulfill

the function of an otherwise extremely difficult computer analysis of the wave-form scattered back from the target and (possibly from the developing plasmoid), in order to precalculate, in real time, the complex effects of the atmospheric conditions and interactions on the propagation of the microwave pulses. The *Izvestia* article merely indicates that “it becomes possible for the first time to combine in a single complex, the system for radar tracking and the system for electronic delivery to the target, with the speed of light, of the means of destruction—the plasmoid.”

Related to this is another problem, often cited by western experts: how to deliver the large energy required to generate a localized plasma in the atmosphere, without dissipating most of that energy in heating and ionization of the air between the emitting array and the target area? An antenna emitting powerful microwaves will tend already to heat the air in its immediate vicinity. There are a number of ways known in principle for how to counteract this problem, but it is difficult to surmise from the short *Izvestia* article what specific solution the Russian scientists have found and perfected.

Based on known areas of concentration of Soviet fundamental and applied research, it is nearly certain that the chosen solution involves exploiting the nonlinear characteristics of propagation of powerful, “soliton-like” pulses in the atmospheric medium. In simplified terms, a “soliton” is a wave which transforms the medium as it propagates, in such a way as to self-focus its energy in a single, stable pulse which resists any disturbance. A rapid series or “packet” of such solitons might be emitted in such a way, that the solitons “condense” into a giant pulse only in the desired target region, without dissipating in the intervening medium. The corresponding area of fundamental research, which goes back to Bernhard Riemann’s 1859 paper on acoustical shock waves, and its implications for so-called “isentropic compression,” has long been a specialty of the most advanced Soviet research. It is key to advanced nuclear weapons design, to laser- and particle-beam fusion, and many other areas, including future industrial applications of beam technology and energy-dense plasmas.

Independently of this, western experts have long pointed to unique Russian expertise in radio and radar propagation in the Earth’s atmosphere—an area intersecting some far-reaching problems of geophysics. Over decades, bizarre radio-frequency signals have repeatedly been monitored from the Soviet Union, including emissions from huge transmitters whose purpose has never been clarified. Speculation was often voiced concerning Soviet development of exotic weapons capable of modifying the Earth’s ionosphere over large areas, and/or causing “over the horizon” disruption of telecommunications and computer systems, and perhaps even biological effects. Whatever the explanation, it is clear that the Soviet experiments involved areas of expertise which are broadly relevant to the newly revealed plasma weapon capability.

Will Russia help revive America’s SDI?

The pioneering breakthroughs embodied in Russia’s plasma weapon contrast rather favorably with the sluggish performance of America’s Strategic Defense Initiative—whose most promising areas of research have been crippled by the combined effects of savage budget cuts and “dirty tricks” from the SDI’s enemies inside and outside the United States. Indeed, the most revolutionary areas of “new physical principles” which were the focus of Lyndon LaRouche’s original design of the SDI policy initially adopted by Reagan in March 1983, came under strong attack, were soon cut back and finally virtually phased out, especially during the Bush administration. Symptomatic is the collapse in spending on “directed-energy” systems—including laser, particle-beam, microwave, and plasma weapons—which were initially the core of the SDI program, in favor of the relatively Stone Age technology of the so-called “smart rocks” (precision-guided anti-missile warheads based on advanced sensors and ultra-compact microcomputers). LaRouche emphasized that the latter sort of system could never provide the kind of global defense necessary to shift away from the doctrine of “Mutually Assured Destruction”—the original mission of the SDI.

The process of destruction of the SDI was of course inseparably connected with the persecution of LaRouche himself, leading eventually to LaRouche’s frame-up and final imprisonment, at the demand of the Soviet leadership, in January 1989. This underlines the irony of the present juncture. For, it was LaRouche himself who originated the idea of offering joint development of SDI technology to the Soviet Union, and who personally presented that offer on behalf of the U.S. government, in confidential “back-channel” discussions with Soviet representatives in the course of 1982. At that time the Soviets vigorously rejected the idea, on the grounds that a U.S. crash program of anti-missile technology based on “new physical principles” would cause the West to jump far ahead in economic and technological power. The Soviets opted to try to suppress the U.S. SDI by any means possible—while at the same time pressing ahead with their own, first-generation beam defense system!

Already back in 1982, LaRouche advised the Soviets that a common development of SDI provided the unique opportunity for solving the most devastating problems of the Soviet economy. Provided that the SDI effort were organized in accordance with LaRouche’s parameters for economic policy, the “spill-over” effects of SDI technology into the civilian economies of the United States and Russia would pay back the investment in beam weapons many times over. LaRouche warned that a Soviet refusal of the U.S. offer for joint development would make a collapse of Warsaw Pact economies during the ensuing approximately five years, virtually certain. That is exactly what happened! A decade after their initial, vigorous rejection of LaRouche’s proposals, the Russians now seem to have understood his point.

Meanwhile, the virtual dismantling of the U.S. SDI under the influence of George Bush and his friends guaranteed the

Senior Russian official confirms SDI proposal

Speaking in Rome on April 20 at the Assembly of the Western European Union conference on the subject, "Anti-missile Defense for Europe," Dr. Leonid Fituni, director of the Center for Strategic and Global Studies of the Russian Academy of Sciences in Moscow, stated: "Joint testing of a plasma weapon may be the first joint anti-missile program between the United States and Russia, as discussed during the Vancouver summit between Presidents Yeltsin and Clinton. The joint project called 'Trust' is based on plasmoids created by microwaves and optical laser-generating systems."

Dr. Fituni was asked by *EIR*'s correspondent to expand on his comments in his speech on the "plasmoid weapons" project. He responded that he could confirm that the matter was discussed between Presidents Clinton and Yeltsin. It was not yet a formal proposal and there was not yet a decision on it, he specified. He believed that it was in a state of stalemate and that there was opposition to it, perhaps also in the United States where there might be fear of competition.

The plasmoid project, he underlined, was designed to be Russia's secret answer to the U.S. Strategic Defense Initiative. You will remember, the Russian official continued in his public remarks, that the Russians said that there will be an unconventional response to the SDI. Russia's topmost secret research institutes were involved in it. He affirmed strongly that against this plasmoid design, there was no technologically possible countermeasure foreseeable. He said that there were also discussions in progress on the GPALs system, and that while everyone may assert publicly that the ABM Treaty was valid, it could be discounted in reality. The "Trust" project could become a major point on the agenda between the United States and Russia, Fituni added.

On the same day, Russian Science and Technology Minister Boris Saltykov also confirmed in Washington, where he was speaking on a forum on Russian science at Georgetown University, that the SDI joint-research proposal was discussed at the Vancouver summit. In answer to a question from *EIR*'s reporter, he stressed that the Russians are ahead in some areas in lasers and directed energy projects, citing work at Arzamas and at the Ogninsk Physics Institute where lasers are being used with nuclear energy to create a pulsed neutron reaction. "There is already collaboration on some projects apart from the military technology," he said.

downward slide of the U.S. economy into this century's worst depression. The only way out of the economic and political catastrophe now gripping both East and West is to combine a revival of LaRouche's original SDI policy, as a joint effort with Russia and other nations of the former Soviet Union, with a massive, global program of basic infrastructure development centered on the European "Productive Triangle." This means particularly: high-speed rail and magnetic levitation transport systems, "second-generation" nuclear energy, development of water infrastructure and communications, together with a complete reconstruction of health and education systems according to the requirements of the 21st century.

In this context, infrastructure and SDI development complement each other: On the one side, massive development of infrastructure provides the "transmission belt" for propagating the waves of new technologies, created in an all-out SDI effort, through the advanced machine-tool sectors into the entire economy; on the other hand, the effect of these new technologies is to greatly cheapen the *relative* cost of production for infrastructural and related capital goods. Thereby, as LaRouche emphasized, "we can spend all day long on SDI technology, and become richer all the time."

The science and technology behind the Russians' plasma weapon provides an excellent illustration of how this will

work. For example, microwave-driven plasmoids promise to become a crucial "working medium" for the production of new and old materials in tomorrow's industry. In the United States, a prototype plasma reduction using a plasmoid-like structure has been tested, which produces high-quality steel and other metals by direct reduction in a fraction of a second. A single unit the size of a garage would have the throughput of a present-day blast furnace! Such furnaces operate at temperatures of 10,000°C or more in a highly nonequilibrium, energy-dense regime which will make it possible to produce entirely new types of exotic materials. Using highly structured plasmoids permits us to run a material efficiently through a rapid series of phase changes, including "shock" heating and cooling and exposure to various radiation regimes. Plasmoid furnaces promise also to become the most efficient means for processing various forms of waste into useful materials. However, in order to exploit these advantages, we have to go to a much higher intensity of energy consumption in industry. That, in turn, is a question of infrastructure!

Will the Russian proposal for joint development of plasma weapons and a global defense system, turn the tide of history and revive LaRouche's original policies for peace and economic recovery? It is too early to tell, but *Izvestia*'s announcement is surely a step in the right direction.

The LaRouche SDI economic policy versus Phil Gramm's 'Brand X'

What follows is excerpted from the weekly radio broadcast "EIR Talks with Lyndon LaRouche" for April 8 and April 14. The interviewer is Melvin Klenetsky. If readers are interested in having their local radio station broadcast these interviews, they or their stations can contact Frank Bell at (703) 777-9451. The first part of the excerpt is from April 8.

EIR: Mr. LaRouche, we have been discussing your negotiations on the Strategic Defense Initiative that took place back in the 1980s and the new "SDI" offer by Boris Yeltsin. Why should Bill Clinton accept this offer?

LaRouche: Let's take a look at something, skip ahead to the big breaking news in the United States this week. We have an old adversary of mine, I must say a very dangerous idiot—and I use the term idiot in a qualified sense—Sen. Phil Gramm [R] of Texas.

Gramm started out as a university professor in, shall we call it, "Brand X" economics, the type that he preaches at the top of his voice to this day. He became a Democratic representative in the House of Representatives, and then he became a "boll weevil" Democrat; and then he completed his transformation into a Republican and became a senator as a reward for jumping ship to the Republican Party.

Gramm is obsessed with the triumphant sound of his own incompetence. He insists that deregulation, radical free trade, radical monetarism, and so forth and so on, is the cure for everything: It is real snake medicine.

Now, the problem for the United States, and for our allies as well, is that if we continue to apply Dr.-Professor-Senator Gramm's snake-oil medicine to eastern Europe and the former Soviet Union in the form of International Monetary Fund [IMF] conditionalities, in the form of Jeffrey Sachs's snake-oil medicine from Harvard, and so forth, we are very soon going to come to the point that the former Soviet Union will emerge in the form of a Russian empire—not a communist system but a Russian system. It will not be making direct thermonuclear war against us, though it will have the capability virtually to do so. . . .

In Washington, as Secretary of State Warren Christopher has indicated, this Russian conflict is at the center of a whole host of conflicts globally, including our domestic economy

policy. If we can reverse, hopefully, the disaster which was brought upon us by the idiocy of Margaret Thatcher and the lunacy of George Bush, who took the greatest opportunity for peace and gave us a crisis instead, we can get out of this mess.

To do that, we have to utilize scientific and technological progress, an investment boom based on that, to get the U.S. economy and other economies moving again. This economic policy, which is being used to wreck Russia and eastern Europe, has already wrecked the United States economy; and people like Phil Gramm, who are opposing even the petty, token policy of job stimulation which President Clinton has put forward, are the flies in the ointment.

We have to get this crowd out of the way; we have to get the Thatcherites out of the way, and get back to traditional American emphasis on scientific and technological progress and investment along those lines. This Russian offer can be a kind of stimulant, a catalyst, which *eliminates* the danger of a renewed conflict between West and East, and which, at the same time, as an intellectual and scientific stimulant, will help to push us in the direction that Phil Gramm wants to prevent us from going. . . .

EIR: Clinton is in a big fight now with Phil Gramm over the \$16 billion job stimulus program. What would you say about that policy? Is it adequate? Is more needed? Clinton at this point is running into massive opposition.

LaRouche: It is only a token program. But it is a foot in the door, which utilizes heavy pressure from constituency groups to get some jobs going.

We had Robert Reich, who is now secretary of labor, who has indicated that if we do not see some job increases to match the fairy tale of recovery which has been coming out of Wall Street, then we are going to have to take some action. And Clinton is taking very modest, token action, putting his toe in the water, so to speak, to get a kind of jobs program going.

That is all right. By no means is it enough. We are way, way, far from anything that will actually turn the situation around. But the interesting thing is to look at how pitiful the Clinton program is, in terms of a need, and to see that at this

point fanatics like Phil Gramm realize that this is a toe in the water, and that if they do not stop it now, that this is going to build up and we are going to have an actual major job-creating program—real jobs—not the kind of phony sandwich-flipping jobs at minimum wages on which some people are trying to support families and can't. But a real recovery will be in the works, and that Gramm does not want. . . .

From EIR Talks with Lyndon LaRouche, April 14.

EIR: What are the implications in terms of strategic matters between the United States and the former Soviet Union, between the former Soviet Union and western Europe, between the different nuclear republics in the former Soviet Union, should your policy be adopted?

LaRouche: . . . The more fundamental strategic issue is not a military one, in the ordinary sense, but is rather an economic one. . . .

The problem is, that as of today, the eastern European economies are generally *down to a level of 30%* of the agricultural and industrial potential they had in 1989. And in the former Soviet Union, we have a similar condition, not quite as drastic, but nonetheless strategically decisive.

This economic issue, with its social and its political-social implications, is the major strategic issue. As long as the United States continues to support what is called free market, shock therapy, IMF conditionalities, and the kind of central banking which the Federal Reserve still demands, we are headed toward a potential war.

So these fools in Washington and elsewhere have got to get off it and get back to reality. Unless they give up the idiocy of shock therapy and free market and so forth that they launched in 1990, they are going to drive the Russians into a mood. There is now in Russia a great lethargy; this lethargy is a precursor of a *massive rage*. Once that erupts, the strategic situation, in its present form, becomes uncontrollable, at least from the standpoint of being able to do anything good. . . .

EIR: Mr. LaRouche, you gave an incredible statistic, that eastern Europe is operating at 30% of its industrial and agricultural capacity. What are the alternatives, or, as you put it very, very clearly, what is the only rational approach that can be taken in terms of policy toward this part of the world?

LaRouche: Two things have to be understood and one thing must be emphasized, because very few people in the world, including in government or among so-called professors in universities, have any understanding whatsoever of the basic principle of history.

Some people, of course, remember geometry—some people who are old enough, actually had a course in geometry in junior high school or high school. They remember that they started with Euclidean axioms and postulates, and they could derive, with aid of construction, every theorem in Euclidean geometry by starting with those axioms and postu-

lates; and every theorem developed was perfectly consistent with those axioms and postulates. And thus the axioms and postulates *predetermined* what kinds of theorems you could develop.

If you changed the axioms or postulates in part, as some people also remember, such as changing the so-called parallel postulate, you would get a different geometry with different theorems as possibilities, and a different overall result.

In history, it is the same thing. The superiority of western civilization is not based on some specific fixed doctrine, because we have had many changes, as many of us know who studied anything of history in the past 550 years. We have had bad changes, we have had changes for the better.

For example, the United States, originally, was one of those changes for the better. We have a Constitution which is unprecedented in that period—the original federal Constitution of the United States, toward which we no longer show much respect, but it was a very good Constitution. It was original.

But it came under a certain set of axioms, which were adopted in the middle of the 15th century. Look at the population curve, look at the income figures for various parts of the world, and wherever these axioms were introduced after being developed in western Europe, they have resulted in a bettering of the potential for existence of the individual, the family, and of the potential for individual freedom.

Instead of thinking about details of what *policy* will work, you have to think of what kind of *axioms of policymaking* must be adopted to bring nations with different structures to agreement on a set of policies which, even though the implementation may be different from one country to another, the principles are the same and therefore the various theorems that different nations adopt will be compatible.

Now, in economics, the basic principle is this.

Actual net profit, that is *profit from labor*, comes *only* from technological progress. That is, by increasing productivity through technological progress, we *increase* what people produce over and above what they require to consume to be able to produce at that level; and that margin of difference is the source of physical profit for society as a whole.

So if you employ enough people using the right technology, they can improve their standard of living, and that factor of improvement is the profit which, presumably, they reinvest in further improvements.

That is the principle of scientific and technological progress; and from about 1440 A.D. until about 1966, that was the prevailing axiomatic policy of the United States and of western Europe.

It was also the policy of developing nations which wished access to the right to have the same kind of economic policy for themselves. People were talking about equality, parity, equal opportunity for developing nations, and what they meant was that they wanted the right to technological progress. . . .

FOIA documents show farmers and government systematically defrauded

by Brian Lantz

Over the last six months, *EIR* has published extensive, first-hand accounts by farmers of instances of mishandling and outright fraud in the matter of farm debt in the heart of the farm belt (North Dakota, South Dakota, Nebraska, and Iowa) over the last 15 years. During the 1992 presidential campaign, Rev. James Bevel, the vice presidential running mate of Lyndon LaRouche, initiated a post-election campaign to take the results of citizens' hearings to state legislatures and Congress in order to right the wrongs as rapidly as possible. As Bevel put it, "to restore government, of, by, and for the people." An extensive dossier of fraud in the farm belt called "The Goodloe Report," named after retired Washington State Supreme Court Justice William Goodloe who presided over citizen hearings in the Dakotas in December 1992, is now in circulation.

Now, this writer has recently obtained documentation through Freedom of Information Act (FOIA) requests, showing that for the past few years, the pattern of malfeasance and fraud was clear to any U.S. Department of Agriculture official and any congressman who wanted to bother to look at the evidence. The FOIA material in hand makes clear how the USDA has known for years that financial institutions, and others, have been systematically defrauding the Farmers Home Administration (FmHA) loan programs.

Audit reports by the Office of Inspector General (OIG) and investigation reports of the USDA Farm Loan programs detail the hushed-up findings by the OIG of nationwide abuse and fraud. The document numbers of these audit and investigation reports are readily available—especially to Congress.

Organized crime involved

Such extensive documentation, even without the benefit of the recent state legislative hearings and our coverage of them, shows that the basis for a federal investigation of criminal conspiracy involving national officials of the USDA, FmHA, and private financial institutions and individuals was there all along. Moreover, what is alarming in the pattern of farm loan fraud is the prominence of such organized crime figures as Minneapolis-based Carl Pohlad and the involvement of such foreign interests as the Netherlands-based Rabobank. These outfits have systematically cashed in on federally guaranteed farm loans, while farmers went bankrupt.

To top it off, in late 1992, congressional hearings on farm credit also compiled relevant testimony. Witnesses came forward from the FmHA with reports of instances of fraud all the way from Virginia to the Southwest.

The following is a summary of our FOIA information. The picture emerges of a U.S. Department of Agriculture operating outside the law, willfully committed top-down to liquidating the American family farmer through aiding private financial institutions and others. Not only has the Office of Inspector General had much of the picture, but, apparently, so did the U.S. Congress.

The FmHA is the largest direct lending institution in the federal government, almost entirely concentrated in the farm areas of the nation. The FmHA makes farm, housing, community program, and rural development loans to individuals and entities who cannot obtain credit elsewhere. As of June 30, 1992, some 1 million borrowers owed FmHA over \$46 billion. In addition, FmHA had guaranteed \$1.3 billion in loans made by private lenders to 13,000 borrowers. Despite the antiseptic, regulators' phraseology which sounds like the bank regulator reports from the early 1980s on the already out-of-control Texas savings and loan fiasco, the Office of Inspector General's reports show that the FmHA is being raided. And the USDA has let it happen.

In the S&L disaster, it was government action which openly exacerbated the problem, with the 1982 congressional deregulation of the banking system. Then it was the government, including the regulatory agencies, that let the S&L bubble grow until the taxpayer was dragged in to take the hit. Later it was found that the raiders included organized crime-connected "developers," Wall Street junk bond operators, the CIA, and mega-financial institutions.

OIG reports fraud

Each department of the federal government has an Office of Inspector General with responsibility to audit the activities of the department. The semiannual reports of the Office of Inspector General of the USDA to the U.S. Congress have oh-so-quietly recorded for over two years a growing national scandal:

- The OIG-USDA "Semiannual Report to Congress for Fiscal Year 1991—Second Half," released in October 1991,

includes a subsection entitled "Debt-Restructuring Procedures Do Not Control Losses From Farmer Program Guaranteed Loans." A pattern of fraud is presented thus:

"For example, in one state the borrower's repayment ability was determined using a 15-year repayment term even though the lender could offer only a six-year term. Thus, the borrower appeared able to afford the payments when in fact he could not."

Desperate farm families were drawn into taking these loans; they defaulted, and were then forced from their farms. The bank, or "third party noteholder," was repaid by the FmHA, and someone walked away with the farm as well.

- The executive summary of the "Semiannual Report to Congress for Fiscal Year 1992—First Half," released April 30, 1992, reports:

"Losses from FmHA-guaranteed loans are increasing partly because lenders are passing on to FmHA the risk of loss from older, unstable loans. About 79% of the \$10 million in loans we reviewed were used by lenders to *refinance debts held by their own customers* who were already in financial jeopardy" (emphasis in original).

- A "nationwide" pattern of fraud was admitted in the same OIG report of April 30, 1992:

"We performed a nationwide review to analyze the causes of losses on Farmer Program guaranteed loans. In FY 1990, FmHA paid about 600 claims totaling \$26 million to lenders. . . .

"Lenders used FmHA guaranteed loans to refinance farm loans previously made to customers who were already in financial jeopardy. By doing this, the lenders avoided losses on their existing loans and passed the risk on to FmHA. . . .

"Lenders inflated appraised values of real estate security, which led to significant losses. FmHA did not require lenders to obtain independent appraisals of security at loan origination."

- The OIG "Semiannual Report to Congress for Fiscal Year 1992—Second Half," released Oct. 27, 1992, reports that the FmHA loan guarantee program took up to *three years* to repurchase guarantee notes from third-party noteholders (banks), subsidizing these financial institutions with interest payments for years after the farmer had defaulted on his FmHA guaranteed loan. The OIG reports that the FmHA could have saved millions by "placing demands on third-party noteholders," i.e., repurchased the FmHA guaranteed notes in a timely manner.

- The OIG had, in 1989, designated the Farmers Home Loan Programs a "high-risk area" that had a "high risk of vulnerability to fraud, waste, abuse or mismanagement."

Who benefits?

The OIG-USDA documents reviewed report additional patterns of fraud carried out by FmHA borrowers and guaranteed lenders, including housing developers.

In Virginia, an FmHA county supervisor and a county



Former Washington State Supreme Court Justice William Goodloe, whose hearings in North Dakota and South Dakota documented widespread fraud and abuse against farmers in government farm programs.

office assistant pled guilty to conspiring to make a rural housing loan to a fictitious borrower and converting the loan to their own use. The OIG reports evidence of corruption in multiple state and county organizations of FmHA. This latter pattern is heavily corroborated by the documentation in the "Goodloe Report" showing fraud in North Dakota and South Dakota.

What the cited OIG reports summarize, based on their own audits and investigations, is that the FmHA loan and "restructuring" programs, and the FmHA loan guarantee program, have been helping someone besides farmers. As farmers reported subsequent to Judge Goodloe's hearings, Carl Pohlada is one such beneficiary.

Fraud reported to Senate hearing

The Senate Subcommittee on Agricultural Credit held hearings on Aug. 10 and Sept. 30, 1992 on Senate Bill 3119, proposed legislation to reorganize the appeals systems of the various USDA programs. Testimony was taken on cases of abuse. On the House side, Rep. Mike Espy (D-Miss.), since appointed head of the USDA by President Clinton, introduced parallel legislation to improve the appeal process.

While S. 3119 was at best another poor attempt to "fix" what congressmen admitted was a "broke" farm program, the hearings themselves revealed a great deal. First, that the FmHA and other USDA programs have been documented in congressional hearings to be engaged in massive violations of the civil rights of farmers nationwide. Second, that these USDA policies have been carried out top down, as deliberate policy, which was corroborated by the FOIA documents of the FmHA's own policy directives.

Among the witnesses was Karen Sorlie Russo, a California attorney with an extensive legal practice representing farm families. Russo testified about how *non*-farmers flock to feed at the FmHA trough, regardless of the prospect of bureaucratic problems that federal agencies pose.

"If the 'real' farmers are deterred by these hazardous bureaucratic wars, 'investors' are not. 'Investors,' by which I mean people or companies whose primary income is from something other than farming, continue to flock to the programs relatively unimpeded by any new laws or rules you or USDA come up with. After all, they can afford attorneys to structure their farm correctly. They can impress a bank or a cotton gin, who are usually willing to extend financing—after all, the bulk of an investors assets are not in the crop to be produced, making investors a far better credit risk than farmers."

Many witnesses raised the point again and again, that the USDA's "railroad" of family farmers has been systematic USDA policy for years. The so-called 1985, 1987, and 1991 reforms changed nothing fundamental.

In 1987, there was legislation to set up the National Appeal Staff (NAS), which was an appeals structure much touted by various and sundry "radical" farm groups such as PrairieFire Rural Action. But as testimony shows, this structure was toothless.

Only the appearance of due process was provided. Never conceived as a court of equity, the NAS system could not hold FmHA officials in contempt or otherwise enforce its own rulings. By the end of 1988, the USDA and FmHA Office of Administration was simply back to imposing its own dictates, ignoring existing statutes and regulations. In most cases, those policies coincided with those of the food cartel companies, from which many of the USDA's top officials were chosen.

The 1992 Senate hearings were held by Kent Conrad (D-N.D.) and Charles Grassley (R-Iowa). Testimony came from the General Accounting Office; former officials of the FmHA and "whistleblowers" from the NAS; farm organizations including the National Farmers Union, American Agriculture Movement, National Farm Organization, and the Wheat Growers; attorneys with experience in representing family farmers; and others.

Damning testimony

What follows are summaries of some of the testimony taken during the 1992 hearings on S. 3911.

Pamela M. Dillion, former director of the NAS of the FmHA, testified that she was hounded from office within months of taking the newly created program. The NAS came into being in May 1988, to provide farmers with a means to appeal adverse actions by FmHA. Most farmers represent themselves in these hearings—the appeals process being set up to avoid attorney's fees which most farmers can't afford.

Dillion testified that systematic efforts by the administra-

tor of FmHA to erode the NAS, beginning no later than December 1988, included "active lack of support," "harassment and personal attacks" on NAS hearing officers, threatened termination, "intimidation," refusal to turn over official case documents, and administrator interventions to "set-aside" hearing officers' decisions and enforce foreclosures.

Dillion testified that the entire National Appeals Staff was removed from the "assessment review process after we uncovered numerous violations of regulations, including failure to give borrowers and applicants their appeal rights and failure to implement the appeal decisions." Dillion testified that these efforts, spearheaded by the FmHA's national administrator, were coordinated with county FmHA staff and state FmHA program directors to render the NAS impotent. As the OIG-USDA semiannual reports show, state and local FmHA officials have been implicated in lender fraud and abuse of FmHA loan programs, as the USDA and FmHA Office of Administration knew or should have known.

Wendell L. Fennel, an NAS hearing officer in Lubbock, Texas, testified to "outrageous" conduct of FmHA Office of Administration officials and state staff. Fennel reviewed selected cases. In one, a farmer is into his 16th or 17th appeal. The issues are denial of release of proceeds for essential farm operation expenses, or denial of a loan. Despite Fennel reversing the local FmHA officials and Fennel's decision being upheld by the NAS rehearing officer, the FmHA has continued to appeal the decision.

Fennel gave detailed testimony as to continued communications by the NAS director to override codified law and regulation. Such policy directives were presented as part of the testimony. Fennel testified that the NAS was now forcing hearing officers to "get on the bandwagon" or face dismissal. As Fennel testified, the real offense is to the "appellants [farmers] who have to be dragged through these appeals" again and again, otherwise known as keeping farmers "in the loop." At one point the FmHA stripped Fennel of his authority because he went to Congress with his evidence.

Fennel is an experienced NAS hearing officer serving the Southwest. NAS hearing officers do not deal with the request for FmHA guarantees on loans. That, and the matter of collecting on such loan guarantees, comes out after foreclosure, in court. The job of NAS hearing officers is to work to ensure that the farmer gets a fair shake and hopefully avoids bankruptcy. The problem is that the insanity of the farm system, expressed by the inability to get an honest, parity price return on investment, guarantees the farmer's bankruptcy.

Common types of abuse

Fennel and other NAS officers report the following common types of "fraud and abuse" carried out by FmHA county and state officials:

Stealing farmers' livelihood. The law prevents the release for sale of proceeds of crops for application to loans when the proceeds are required for operations or essential

Currency Rates

living expenses. However, FmHA officials, as a matter of record, have refused again and again to obey the law, seizing the proceeds from crops and applying the proceeds to outstanding loans. The farmer then must go into debt in the local community or fail to put in his crop. The farmer gets branded as having "bad credit" and the FmHA then refuses additional loans. The farmer is bankrupted.

Bleeding the farmer to death. As a matter of record, FmHA agents have systematically engaged in delaying the processing of loan applications. By delaying the loan past prime planting season, including the use of the NAS appeal process to this end (normally 60-90 days), the farmer is denied his loan. Most farmers, of course, don't have sufficient capital to cover these basic expenses otherwise.

Stealing from the elderly. In attempting to collect on defaulted FMHA farm loans, the FmHA has carried out its own euthanasia program. Legally, agents of FmHA can go after "non-exempt assets," those defined as not necessary or non-essential for living expenses. In one case, FmHA officials illegally grabbed a widow's \$20,000 certificate of deposit, even though that was her only wealth, aside from a meager social security check.

The farmer—an unprotected species

Karen Sorlie Russo also testified at length to a similar pattern of abuse of farmers by the Agricultural Stabilization and Conservation Service (ASCS) as well as FmHA. Her testimony made the point that the heinous USDA policies dovetail with the environmentalist agenda of the USDA:

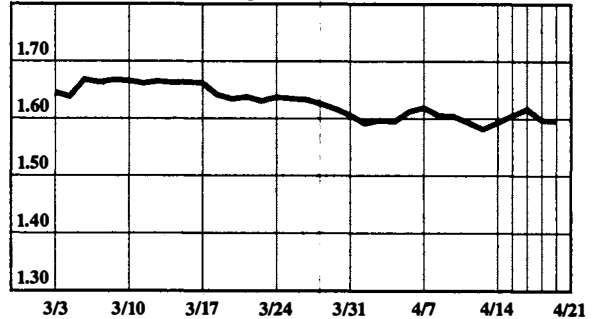
"How can a farmer be forced to appeal the same issue to FmHA's National Appeals Staff, over and over and over, win every appeal, and still be faced with the same FmHA program staff denial? . . .

"By the time either of these agencies get through dealing with a farmer, he is likely to be bankrupt or close to it. If the only opportunity for redress is federal court, then participating farmers are the last unprotected species around. . . .

"As far as ASCS is concerned, by denying 'relief' to virtually every farmer who appeals to the Washington level, the agency is able to play interesting and self-serving games with their budget. In depriving the appellant of the government payment, the benefit of the bargain the farmer contracted for, and by simultaneously delaying the appeal so that the government still gets what it wanted—the land set aside, the production decreased—a very neat package of 'savings' results. Not honorable savings, of course, but extractions of capital from those least able to afford it. Like the crooked salesmen who sell 'retirement homes' on property that happens to be under water, or the financial sharks who sell worthless 'investment' packages to the elderly, the ASCS promises a payment. But once the government has what it wants, they cry, 'Gotcha!' to a specified number of farmers a year, and refuse to pay. This kind of fiscal conservatism we don't need."

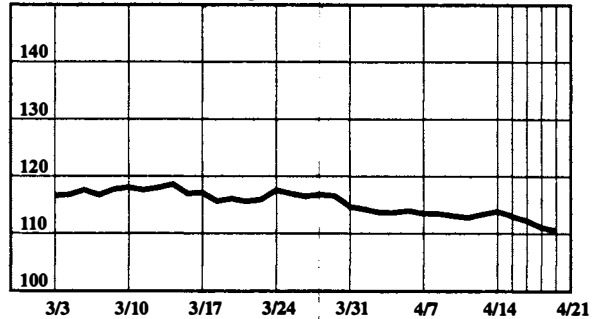
The dollar in deutschemarks

New York late afternoon fixing



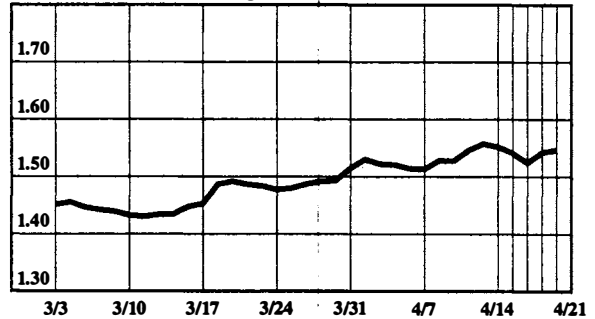
The dollar in yen

New York late afternoon fixing



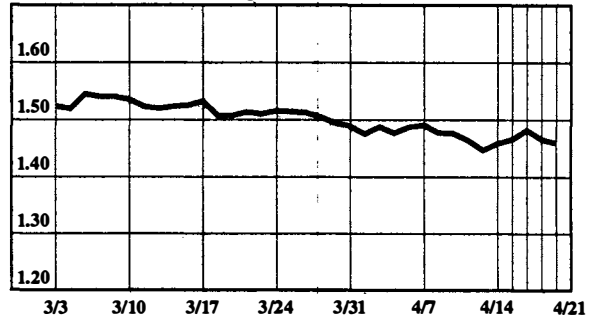
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Bailout money goes to maintain bubble

The money for the savings and loan bailout is actually going to save the banks and support the financial bubble.

In testimony before the House Banking Committee on March 16, Treasury Secretary Lloyd Bentsen asked Congress to approve an additional \$45 billion to deal with bankrupt savings and loan institutions. Bentsen repeated his request the next day to the Senate Banking Committee.

"There has been a lot of confusion about this program," Bentsen told the senators. "It has been labeled a 'bail-out.' That is dead wrong. . . . Not a dollar has gone to 'bail out' bankrupt S&Ls or to pay off their shareholders."

Bentsen was telling only part of the truth: The so-called S&L bailout is not a bailout of the S&L system, but of the banking system and the financial speculators.

The speculative frenzy which destroyed the S&Ls began in 1982, with the passage of the Garn-St Germain Depository Institutions Act. Prior to Garn-St Germain, S&Ls were restricted to making mostly home mortgage loans. By throwing out these restrictions, Garn-St Germain opened the floodgates, and the speculators rushed in.

The fast-buck artists began investing in all sorts of speculative activity, from real estate to junk bonds. As the bubble grew, these thrifts made huge apparent profits, prompting other thrifts to get into the act. But these profits were illusory, and by the late 1980s, the high-flying thrifts were beginning to crash and burn.

Having served their purpose by pumping up the real estate and junk bond markets for half a decade, these looted thrifts were then taken over by

the government, in what has become known as the "S&L bailout."

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 (Firrea—the so-called S&L bailout law) was not, as Bentsen correctly noted, designed to rescue the thrifts. Its purpose was to transfer the best assets of the S&Ls, and their \$1.2 trillion in deposits, to the big commercial banks and their allies, while sticking the U.S. taxpayer with the losses.

"You're going to see a real buying spree by commercial banks of S&Ls over the next few years," thrift analyst Bert Ely warned in July 1989.

By June 1990, less than a year after the signing of Firrea, the newly created Resolution Trust Corp. had sold 110 failed thrifts. Eighty-one of them had been bought by banks. NCNB Texas, the bank created when NCNB Corp. of Charlotte, North Carolina bought the remains of the failed First RepublicBank Corp. of Dallas, purchased 18 of those thrifts, boosting its assets by \$7 billion to \$33 billion, making it twice as large as its nearest Texas competitor.

NCNB went on to acquire the ailing C&S/Sovran, transforming itself into NationsBank, the fourth largest bank in the United States, and a prime example of the effects of Firrea.

By May 1992, ten of what had been the 25 largest thrifts in the country five years earlier—including Financial Corp. of America, Crossland Savings and Goldome—were out of business or under government control. Those 10 thrifts once held 40% of the assets of the top 25. During that five-year period, the number of U.S.

thrifts fell by 30%.

Between the passage of Firrea and mid-1992, commercial banks acquired some \$171 billion in thrift deposits. Were all those deposits to have been put into a new bank, that institution would have the largest deposit base of any bank in the country. By comparison, at the end of 1992, Citicorp had \$144 billion in deposits, BankAmerica had \$138 billion, Chemical had \$94 billion, and NationsBank had \$83 billion.

Firrea also reintroduced lending restrictions and tougher capital standards for thrifts, forcing them to sell assets in order to raise their equity capital-to-assets ratio. The effect of this was to force thrifts to sell their best assets, while keeping their worst. Commercial banks and investors financed by commercial banks bought many of these assets at fire-sale prices, transferring even more of the S&L's wealth to the banks.

From its August 1989 inception through February 1993, according to Bentsen's Senate testimony, the Resolution Trust Corp. had seized 737 S&Ls, closing 654 of them and placing another 83 in conservatorship, where they remain open under government control. During that period, the RTC seized \$438 billion of assets and sold or collected \$337 billion.

That's more than twice the size of Citicorp in seized assets, and more than BankAmerica and Chemical Banking combined, in sold or collected assets.

The remaining \$101 billion, Bentsen said, "consists substantially of the hardest-to-sell land and real property, and non-performing mortgages."

Thus far, the government has spent more than \$275 billion, before interest, on the S&L component of the bank bailout, and that figure will exceed \$320 billion if the additional \$45 billion is obtained.

Business Briefs

Economic Policy

Papua New Guinea resists IMF diktat

"The International Monetary Fund is not always right; we will make our own decisions," Papua New Guinea Deputy Prime Minister and Finance Minister Sir Julius Chan told a business conference in Brisbane, Australia the week of April 12. "Experience in other developing countries tells me that when it comes to dealing with your own, you determine your own policy according to your own needs."

The minister was reacting to an IMF call on the government of Australia's western neighbor not to take further equity in mines or oil fields. The confidential IMF report, revealed in the Australian *Financial Review* earlier in the week, said investors could be forced to renegotiate by the ultimate threat of nationalization. The April 15 *Financial Review* backed the IMF position in an editorial headlined, "Papua New Guinea Needs to Heed the IMF's Advice."

On the government's decision to take a 50% stake of the \$1.25 billion Lihir gold project should the present owners, RTZ, Plc (80%) and Niugini Mining, Ltd., fail to find a third partner in four weeks, the minister acknowledged that "maybe" the government was ignoring the advice of the IMF.

Energy

Iran ratifies nuclear deals with Russia, China

The Iranian Parliament ratified separate agreements with Russia and China on nuclear cooperation for peaceful purposes on April 14, Iran's IRNA news agency reported. The agreements relate to Iran's planned purchase of nuclear power stations from Russia and China and cover other aspects like research.

The 12-point pact states that neither side should pass on results of joint research to third parties without the written permission of its partner.

The deal with Russia, inherited from the Soviet Union, was signed by President Ali

Akbar Hashemi Rafsanjani when he visited Moscow in 1989.

China said in February that it had agreed to sell Iran two 300-megawatt reactors. Iran's atomic energy chief Reza Amrollahi said in September that Teheran was also discussing the purchase of two 440-megawatt reactors from Russia, according to Reuters.

Russia

Cohen: 'shock therapy' fueling anti-Americanism

Harvard University-architected "shock therapy" policies are feeding a mood of anti-American backlash in the Russian population, Prof. Stephen F. Cohen of the Center for Russian Studies of Princeton University, warned in an interview with the French daily *Le Monde* on April 14.

Cohen, who supports increasing aid to Russia, said, "I would hope that this aid would be more generalized and less conditional. Until now, it has been too dogmatic. . . . Now, more and more Russians say to each other that they expect nothing from the West . . . and America primarily, is going to feel the first backlash effects of this disappointment. For many people who have seen their savings disappear brutally and who have suddenly fallen below the poverty level . . . the United States is, from here on, associated with the effects of the shock therapy which has been inflicted on them at the beginning of the reform process, and of which they are the first to suffer the effects."

Cohen warned that the United States should not continue to link Yeltsin the person with the "process of reform," since it is Yeltsin's economic policies which have failed.

The United States must not "dictate" conditions to Russia, Cohen said, referring "to all the financiers who have advised the Russian authorities on remedies that have no relation with the complexity of the situation, or, better yet, to the economists from international banks." *Le Monde* asked, "Or Harvard?" Cohen said, "Yes, they too are responsible. The worst is that, in spite of the gravity of the situation on the ground, certain experts support, from a distance, a more severe shock therapy."

He singled out Clinton adviser Michael Mandelbaum of Johns Hopkins University, who recently proposed a "Polish solution" for Russia. "This would be a terrible mistake," Cohen said, "the problem of shock therapy is that it is making, very fast, one victim of note: democracy."

Infrastructure

Southeast Asian road link proposed

The transport ministers of Vietnam, Laos, and Thailand will meet in Hanoi in late April to finalize a plan to build a road linking the three countries, the Hanoi Voice of Vietnam reported on March 25. The ministers are to decide which possible roads already approved are most suitable.

A spokesman for the consultant company working on the project said that the three countries have to talk about how to share the responsibility as well as finding funds. But she was confident that work on the road will begin in early 1994 and take no longer than two years to complete.

Biological Holocaust

Cryptosporidium may occur anywhere

The presence of cryptosporidium, the bacterium that caused an outbreak of disease in Milwaukee, Wisconsin in early April, is now relatively common in surface water around the United States, and any place where water systems around the country fail in their filtration or are otherwise cut back, a similar outbreak could occur, experts say.

Dr. Herbert DuPont, an infectious disease expert at the University of Texas Medical School in Houston, told the April 14 *Houston Chronicle* that cryptosporidium occurs at low levels in many water systems and the problem is that researchers have not yet established what levels of the organism is necessary to infect individuals or cause an outbreak. The En-

Briefly

vironmental Protection Agency (EPA) has funded a study by DuPont in which volunteers are exposed to different levels of cryptosporidium in order to establish what the threshold level is which will cause infection.

DuPont said the organism was first identified in 1976 in a three-year-old child. Healthy adults infected with cryptosporidium experience about 10 days of ordinary diarrhea, cramps, and pain. "It hits toddlers and AIDS patients hardest," he said.

The first known outbreak of diarrhea caused by cryptosporidium in a filtered water system occurred in 1987 in Carrollton, Georgia, where 13,000 people were affected. The Atlanta, Georgia Centers for Disease Control reported at the time that the organism is highly resistant to chlorine, and ordinary techniques for disinfecting water did not work. That outbreak was triggered by the removal of some water-filtering equipment. The water seemed to meet all EPA standards at the time. Obviously, with the breakdown and disrepair of infrastructure, many communities could experience outbreaks.

Asia

Laos wants Thailand in joint energy project

Laos would like the Thai government, though the Electricity Generating Authority of Thailand (EGAT), to become a co-investor in the gigantic Nam Theun hydroelectric project in the central region, the *Bangkok Post* reported on March 26. The Laotian government has discussed the possibility of undertaking the project, estimated to cost over \$1 billion, with private sector firms from a number of countries including Thailand, Australia, and in Scandinavia.

The project would be carried out in stages with an ultimate generating capacity of 810 megawatts. The overall project, situated directly opposite Nakhon Phanom in Thailand, is planned to be completed in the year 2000.

Laotian Vice Minister of Industry Khammon Phonkeo said that the desire to have Thailand's EGAT become a co-investor is based on the assumption that the entire electricity output from the planned large-scale powerhouse will

be exported to Thailand, as will the electricity from other large-scale hydroelectric projects in Laos planned by Vientiane. This objective is generally agreed to by Thailand, which aims to boost the imports of power from its two neighboring countries (Malaysia and Laos) to meet its fast-growing power demand.

The Thai and Laotian governments are due to conclude an agreement under which Thailand would essentially be committed to import 1,000-1,500 MW from Laos in the future.

A memorandum of understanding to this effect which was signed on March 29, will provide Laos with a guaranteed market for the electricity which will be produced from a half-dozen or so large-scale hydroelectric projects upon which Laos plans to embark during this decade. The combined generating capacity of those projects is more than 2,500 MW, far exceeding Laos' own consumption which now peaks at 60 MW. Exports of electricity from these hydroelectric projects are intended to become the top foreign exchange earner for this land-locked state.

Africa

Zambia denounces IMF for 'undue interference'

The government of Zambia denounced International Monetary Fund demands for deep budget cuts as "undue interference" in its internal affairs, in an official reply over the Easter weekend to IMF recommendations that the Zambians scrap their defense budget in order to meet conditions for potential IMF bridge loans.

The government of Zambia, which has been engaged in a long and fruitless struggle with the Fund's experts, decided to draw a line now and tell the IMF that there are limits which its experts should respect.

The Zambian move comes two weeks after harsh denunciations of the IMF by the government of Kenya (see *EIR*, April 9, pp. 4-6). Fears among monetarists that more Black African governments are expected to adopt the new hard line against the IMF has been reported in the London *Observer* and other press.

● **CHINA** will order more wide-body Boeing jet planes, Reuters reported April 14. The order could top the \$800 million order placed in early April for 20 Boeing 737s and a 757. China also purchased \$300 million in goods from Chrysler, Ford, and GM, and analysts believe they are intended to influence Bill Clinton's impending decision on extending China's Most Favored Nation trading status.

● **AIDS-HIV** infects a "frighteningly huge proportion" of organ donors in Paris, France Transplant announced in mid-April. Some 2.3% of all Paris organ donors have been found to be infected.

● **THE U.N.** said April 15 that it will help restructure and privatize Vietnam's state firms, Reuters reported. The U.N. Development Program claims at least one-third of about 12,000 state enterprises are not viable, and will "restructure and clear their overdue debt, and close the ones that are bankrupt or have no hope of turning a profit."

● **THE VATICAN'S** Pontifical Council for the Family "is expected to publish the first church document explicitly devoted to the issue of population," the monthly *Catholic World Report* reported April 15. An adviser who worked on the draft of the document told the magazine that the Church "will reject the idea that the world is dangerously overpopulated."

● **ARAB LEAGUE** members have decided unanimously to extend urgent assistance to Iraq to help it overcome the scarcity of medicines and medical supplies it is suffering as a result of the U.N. embargo, the Jordanian paper *Al-Ray* reported on April 7.

● **IRAN** devalued the rial against the dollar by 7% on April 14, a day after it declared the currency convertible. It was the second devaluation in less than a month, and followed the slump of the rial on the open market to nearly 20% below its official value on April 11.

Russian cold fusion effort utilizes solid electrolyte

After the success of Fleischmann and Pons, the Russians may have come up with an "encore," according to the weekly of the Ural Bureau of the Russian Academy of Sciences. Carol White reports.

At the Third International Conference on Cold Fusion, held in Nagoya, Japan Oct. 21-25, 1992, Russian scientists reported upon some sensational results, which if corroborated, would imply a leap ahead to practical applications. One researcher, Dr. Yan R. Kucherov, reported on an experiment which he claimed has been repeated 1,000 times, and which he said produced 500% excess power. It is induced in a vacuum chamber, using a thin palladium foil and a gas discharge method of loading; he found a large increase in helium-4 concentration, and detected radiation as well. He believes that his method is an example of cold fission rather than cold fusion.

Another Russian experimental group has pioneered in the development of an entirely new cold fusion material, a tungsten bronze single crystal.

This experiment was reported by Kabir Kaliyev at the Third International Cold Fusion Conference. A crucial feature of the material, is that the tungsten bronze lattices have channels perpendicular to the crystal surface. By evacuating sodium from the original tungsten bronze material, it then becomes possible to gas load these channels with deuterium. Within only ten minutes of loading there is a high neutron flux, and the emission of radiation, along with high excess heat. This experiment, like Kucherov's, is claimed to be highly repeatable.

We are printing a translation of an article in the section

"Science of the Urals," which appeared in October 1992, in the weekly newspaper of the Ural Bureau of the Russian Academy of Sciences, headlined "Cold Fusion: Encore of a Sensation." It was given to me by the Russian scientists when I was at Nagoya, and is of interest to our readers, both for its description of the experiment, and also for the commentary on the general situation of Russian science. The editors would like to acknowledge the help of translators Denise Henderson and Rachel Douglas.

Only for specialists in the humanities

It would seem that, while raising the prices for energy sources, the government of Russia has set no price at all for one of them, and it's the most promising one. The enterprising Japanese are scooping it up from us practically for free. What is it? The water of Lake Baikal, which is rich in deuterium.

But let us not despair. The ocean is a gigantic, practically inexhaustible reservoir of this natural fuel. The deuterium component of natural hydrogen is 0.015%. The energy from the merging of deuterium nuclei is ecologically the cleanest source of energy. This is widely known and understood by all. Until now we have obtained energy by breaking bonds established by nature. And when things are broken, burnt, or split—obviously there remain fragments, soot, and dirt, some of it radioactive. In the 21st century (which is not so

far off), we will finally stop destroying things in order to get warm. And then, on the one hand, we will solve the problem of fuel resources for energy, and, on the other, the problem of waste.

All that is required for this is to achieve the necessary rate for the reaction in which the deuterium nuclei merge. The traditional path is heating. But up to very high temperatures. The kind of temperatures which to obtain one must, for example, explode an atomic bomb. There is another, peaceful path—the gigantic accelerators known as Tokamaks. According to the most optimistic prognosis, electric power stations based on this principle will come on line in the 2050s-2060s and will be so powerful that they will present us with a new rebus—the problem of energy transport.

But after the announcement made in 1989 by Fleischmann and Pons, about the achievements of cold nuclear fusion in a very simple experiment involving the electrochemical saturation of palladium by deuterium, voices rang out around the world, excitedly and gladly affirming: “It exists! There exists yet another path—unexpected, impossibly paradoxical, and, at the same time, the salvation of mankind!”

What does “cold fusion” mean? It means: The fusion of deuterium nuclei takes place, when a number of relatively easily reproducible parameters are observed, at room temperature, without any epic-scale fundamental research equipment, right there on the table, one could say.

How possible does this look to be? Picture it. Knowing perfectly well, that water in a tea-kettle, if it is placed on ice, will not boil, you and I order a tea-kettle made not of normal metal, but, for example, of bronze. We paint the ice green and for good measure we introduce a constant electrical current from the battery of a pocket flashlight. Having done all this, we repeat the experiment—and the water boils. Is there something to be surprised about? But if we announce to the whole world, that this is not a clever trick, but a unique scientific experiment, opening up serious prospects for boiling water at temperatures close to 0° Celsius; then there’s also something to be indignant about.

Yet after the sensation Fleischmann and Pons caused, in hundreds of laboratories thousands of hotheads began the hunt for cold fusion. And the wider public, thanks to the talkative press, experienced a moment of euphoria, which swiftly turned into a disappointed and wry smile.

The problem is, that all the experiments, both those that were conducted in a set-up analogous to the Fleischmann-Pons variant and those done with non-electrochemical methods of hydrogenation (dehydrogenation), were distinguished by the same abominable features: scandalous lack of reproducibility and by failure of the effects significantly to exceed the background or the threshold for a measurable result. (In the idiotic example with the tea-kettle, the latter case can be represented as a pair of

accidental bubbles instead of boiling.)

The lightning of the sensations blazed up and went out. Several stubborn scientists still made their way along the path it illuminated. But they had to make their way under a hail of mockery, accusations of ignorance, charlatanry and pseudoscience.

It was most probably with particular joy and deep (remember the 1970s) satisfaction that the representatives of the so-called “tokomafia” buried the reckless idea. These workers on hot nuclear fusion, of course, were far from euphoric. In their eyes, at the least admission of the fantastic possibility of cold fusion, their billions of state subsidies would start to melt one after another. Of course we are talking only about the situation in the U.S.A. Let the American newspapers report on the “tokomafia” in our country.

But the alarm of the thermonuclear scientists turned out to be (or seemed to be?) false. In May 1991, the executive director of the American Physics Society Dr. Robert Park from the pages of the *Washington Post* sounded the following impressive retreat:

“The cold fusion story was not so much a story of bad science, as general human weaknesses like zeal, ambition, vanity. . . . Without a doubt, among the cold fusion researchers there are true believers just as there are sincere scientists who believe in psychokinesis, flying saucers, the creation of the world, and so forth. A degree in science is not an inoculation against stupidity and falseness.”

Of course, the honorable executive director was not alone in having such an estimation of the “cold fusioners,” but note that, having obeyed the wish to slander them, he himself then carried out a sort of cold fusion, ascribing to the same enthusiasm—error, zeal, ambition, sincerity, stupidity and falsehood all at the same time! Simply fantastic!

Fortunately, such weaknesses (having long since ceased being universal, it seems) as work for the soul, above plans and for nothing; the ability to pay the machinist out of one’s own pocket, for finishing on time a detail, indispensable for an experiment; the ability at times to do without complicated equipment in solving difficult problems; and other such qualities have not yet disappeared in Russia. Moreover, and especially surprising—they have not disappeared among the colleagues of the Ural Bureau of the Russian Academy of Sciences!

And it has been done! No, we’ll put it without this biblical categorical tone: and, it would seem, it has been done.

The 70-year-old Jean-Pierre Vigier (true, he doesn’t look more than 50, despite his having taken part in the Resistance and in the Vietnam War and on the side of the Vietnamese, at that, against the American aggressors), the famous Jean-Pierre Vigier, who worked with Joliot-Curie and Louis de Broglie, heard about the experiments at our Institute of Electrochemistry, on his stops on his way back home from Donetsk at Yekaterinburg and doesn’t regret it. He is present at an experiment, one of the last in a series of more than 100,

all of which, every single one, had affirmative results. He observes the effect with his own eyes . . . and jumps with delight, like a boy!

Only for natural scientists

What did happen? What, in fact, occurred?

Instead of an answer—here are the theses from the report of Academician A.N. Baraboshkin and Doctor of Chemical Sciences K.A. Kaliyev, delivered Oct. 5, 1992, at a session of the Presidium of the Ural Bureau of the Russian Academy of Sciences. But first, one more name must be mentioned—that of L.D. Gudrin, chief engineer at an optics factory (in Yekaterinburg), whom Kabir Kaliyev presented to us as his equal colleague, and even, to a significant degree, the initiator of the works, which have already today yielded a convincing result.

In our opinion, it is precisely the utilization of solid matter, especially in a monocrystalline state, that makes it possible to create the conditions for cold fusion to occur:

- to lower the Coulomb barrier (screening of heavy atoms by electrons);
- to accumulate energy;
- to use part of the energy of the reactions wherein deuterium nuclei merge for bringing about subsequent acts of fusion.

So far, all materials used in cold fusion experiments are substances of deuterium/metal systems. They all possess mixed ion-electron conductivity (with the latter predominant), i.e., (from the standpoint of electrochemistry) they are solid electrolytes with mixed conductivity.

Tungsten oxide bronzes (TOBs) are also solid electrolytes with mixed (cation-electron) conductivity. In these substances, a stable sub-lattice is formed by the octahedrons of WO_6 , while cations of alkali metals (hydrogen) are displaced into the empty spaces between octahedrons. These spaces form channels, along which the cations can move. Electron conductivity in TOBs is lower than in metal-hydrogen systems. Since we have developed ways to obtain monocrystals of TOBs and their electrochemical interaction with hydrogen electrolytes has been studied, TOBs were used in the cold fusion experiments.

A monocrystal of sodium TOB was subjected to anode treatment in a vacuum while being heated, after which it was cooled and put in contact with gaseous deuterium. Neutron production and change in the temperature of the crystal were measured. For comparison, analogous experiments were conducted with light hydrogen.

By the end of 1991 the level of qualitative reproduc-

What are tungsten bronzes?

The tungsten bronzes are a very interesting, but little appreciated, family of materials. They are not related to bronze, an alloy of copper and tin, except in coloration. However, the structure of tungsten bronzes are similar to the high-temperature copper oxide superconductors. In fact, the tungsten bronzes were the first oxide superconductors and were the focus of extensive research 10-15 years ago. But by the early 1980s, most of this work had been set aside in favor of other pursuits.

The tungsten bronzes are a group of compounds made up of tungsten trioxide, WO_3 , and an alkali metal, such as sodium (Na), potassium (K), rubidium (Rb), or cesium (Cs). The general chemical form is M_xWO_3 , where $M=Na, K, Rb, \text{ or } Cs$, and $0 < x < 1$. The color of these compounds varies with composition, at $x=0.93$ the color is a bronzelike golden-yellow, hence the name; at $x=0.32$ the color is a blue-violet. For this reason tungsten bronzes are used as pigments in dyes and paints.

The variation in composition also affects the structure of the compound. Imagine a cube with a tungsten atom at each corner, an oxygen atom in the middle of each edge and an atom of an alkali metal in the center of the cube. However, in a tungsten bronze there is not an atom at the center of every cube. When $x < 1$, only a certain fraction of the cubes will contain an alkali atom. If x is large, close to 1, the structure of the crystal lattice will be cubic. As

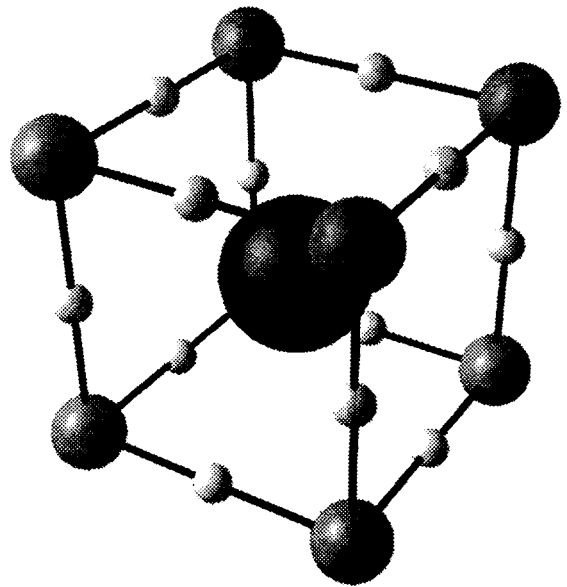
ibility was reached, i.e., to achieve neutron production that was statistically significant in excess of the background in the case of deuterium and the absence of this effect for hydrogen. Moreover the effect was correlated (with a precision of up to one minute) from the moment the deuterium was loaded. More than 100 experiments were conducted with affirmative results, which were also observed in the case of repeated utilization of the same crystal. In particular, in the last six experiments on one monocrystal, the output of neutrons in 2 minutes averaged 640 ± 240 at the loading and 560 ± 240 at the subsequent evacuation. In the control experiment, using a highly sensitive neutron detector, provided by the physics department of the Lugansk Machine-Building Institute, a neutron flow of $36,000 \pm 13,000$ was recorded in the course of 1 minute.

x decreases, and fewer of the cubes are filled, the structure changes. At about $x < 0.3$, or with less than 30% of the cubes full, the structure becomes hexagonal, with atoms arranged in hexagonal plates.

The cubic arrangement described above with an atom in the center of a cube is typical for perovskites, a group of ceramic materials with a variety of interesting electrical properties. The high-temperature superconductors are among these. In the cubic phase, tungsten bronzes are metallic and conduct electricity. However, in the hexagonal phase, they become superconducting. William Moulton, at Florida State University in Tallahassee, has done a lot of work with potassium, rubidium and cesium tungsten bronze superconductors. Dr. Moulton points out that these compounds have large anisotropy, much like the high-temperature superconductors; that is, there are differences in properties depending on the direction of measurement in the crystal. The best of these, a rubidium bronze, had a transition temperature, the temperature at which a material becomes superconducting, of about 6°K.

Iowa State University in Ames was another center for tungsten bronze research. There, Douglas Finnemore studied the effects of pressure on the transition temperature of potassium tungsten bronze. The object was to enhance the interaction between electrons and the lattice vibrations, or phonons. However, these tungsten bronzes were still superconductive at only 4°K.

Howard Shanks, also at Iowa State, was able to produce sodium tungsten bronze compounds that were superconductors at as high as 10°K. Part of his success was due to techniques he developed to grow large crystals of this material, some as large as 3 inches. Dr. Shanks finds it ironic, in light of today's superconductor research, that



one of the reasons why work on tungsten bronze was dropped was because so many saw no future in oxide superconductors.

Other work at Iowa State has included using sodium tungsten bronze as a coating for one of the electrodes in a fuel cell that used hydrogen and oxygen as fuel to produce electricity. The test cell that was built ran for about a year. Another application that was investigated was using tungsten compounds for hydrogen storage. It was found that for H_xWO_3 with $x < 0.5$ hydrogen could move in and out of the material with ease. Some of this work was also done in Germany.—*Mark Wilsey*

After extensive discussion, many questions, doubts, and wishes, the chairman summed up. Academician G.A. Mesyats is not among the hotheads drawn into the race for cold fusion. His opinion on this matter, although it was expressed, of course, in more logical formulations, until quite recently was practically identical with the opinion of Dr. Park. But this time, he, too, surrendered, since a fact obtained by experimentation is something that in science—and, probably not also in science—can break any personal opinion, no matter how indisputable it seemed or how many respected authorities shared it.

Gennadi Andreyevich also was present in the laboratory at the moment, when the counter gave the neutron flow and now, at the presidium, he raised serious doubts about whether one of the participants in the experiments had a concealed source of hidden neutrons in his pocket. There

were no suicides! And consequently, one could proceed to the congratulations.

Of course, much remains unclear. First of all, the mechanism of the process has not been studied, although it was successfully modelled and a result was recorded. Great work is before us. The experiment is to be tested in other laboratories, and, probably, in many countries. Experts in nuclear fusion must give it an appraisal. But without a doubt this is a major discovery, and if it is cold fusion, it is the opening of an era.

“Experiment—is the criterion for truth,” Kabir Kaliyev in a conversation with us aptly cited Francis Bacon.

“And the means to temper it is a long and expensive practice?” we supplement the well-known formula.

“No, if we procrastinate, and if, as before, there is no money, we will simply be outstripped. We will not manage

without serious financing. There must be research on the mechanism involving specialists, not those who will work for nothing, but real experts in each field. We need nuclear physicists, both theoreticians, and experimentalists, and electrophysicists. True, this should belong to the whole world. . . .”

“That’s how it is,” again we allow ourselves a small supplemental remark. “But perhaps, this neutron flow will awaken the government and the Supreme Soviet which are sleeping and dreaming of the future prosperity of Russia, but in their waking hours finance the academy’s science “according to taxes received”?”

Today Kabir Kaliyev affirms that he and his colleagues already are on the verge of solving the problem of controlling an open process. He says that, although no one believes it, in two to three years, they will have made a compact reactor. And then it will begin. . . .

For everyone, including children and youths

And now several words in the spirit of Jules Verne, in the spirit of the boldest, most giddy science fiction being brought to life before our eyes.

We obtain, according to estimates made by engineer L.D. Gudrin already in 1989, a surprisingly small 10-kilowatt source of energy which runs on a battery, comparable to pocket flashlight batteries, on 100 ml of heavy water for three years without interruption. Its cost is 270 rubles in 1989 prices. Every consumer of energy, including each of us in our apartments, acquires total autonomy. Electrical transmission lines will be sent off for scrap metal. Electric power stations of all types will be dismantled. Automobiles will run for years without exhaust and refuelling. Electric locomotives without wires will pull trains. The dreams of D.I. Mendeleev will come true: We will cease “burning assignats [currency],” i.e., the barbaric burning of oil and gas by which, of course, we will improve the condition of the atmosphere and all the whole environment. Global changes will come to pass in world economics and politics. The so-called developing countries, at last, will achieve the level of developed countries. Mankind will unite on the road of creativity and progress.

But perhaps it will not be that way. Why not fantasize with a negative sign? Will the military yet have their say? How about neutron guns, absolutely silent and with splendid sighting qualities—they fire without any recoil?

Kabir Akhtemovich and I are already sorry that we are giving Baikal heavy water to the Japanese for free. What if the 21st century becomes a century of struggle for control over the reserves of this water on a worldwide scale?

But, no, this would be too stupid. Is there really not enough for everyone?

But no small amount of stupidity in history followed along like a stinking, smoky train, behind brilliant explosions of the intellect. So let us live, and we shall see.

The presidium applauded, but so far, only sitting down.

How ‘big science’ stifles discovery

by Giuliano Preparata

Dr. Preparata is a particle physicist from Italy. Subheads have been added.

On March 10 and 11, two hundred journalists and scientists attended a meeting sponsored by the Alessandro Volta Center, on Communication in Science. The topics under discussion were alleged frauds by a number of people, such as David Baltimore, the former president of Rockefeller University. The greatest fraud of all, the veritable inquisition against cold fusion scientists, was not a subject of discussion until I brought it up during the question period.

One of the featured speakers at the conference was the Englishman John Maddox, who edits *Nature* magazine. He kept his entire presentation on the subject of the today-very-much-in-style (who knows for what reason) scientific frauds, and indicated the ethical-scientific problems which his magazine is called on daily to resolve; but during the public question period, John Maddox was confronted by this writer about an exemplary episode that involved the function of one of today’s important scientific institution, namely, *Nature* magazine. Is not the failure of *Nature* magazine to cover any of the positive evidence relating to the phenomena known as cold fusion, a scientific fraud?

My question was related to that chapter of contemporary research which has been given the name of “cold fusion.” The reader will certainly know about the hard and hot polemics that have sprung up around this fascinating field of research, but perhaps not everyone will know that at the source of the discrediting of cold fusion, are the unfounded and false accusations, which were, in particular, published immediately in *Nature*, which was not the treatment accorded to the discoverers of cold fusion, Fleischmann and Pons.

Nature featured a refutation of the experiment by a group from the prestigious University of California, Caltech, who were and remain extremely negative with respect to the reality of the phenomena reported by the two electro-chemists from Utah. However, a detailed analysis of the data reported in the Caltech article, a year and a half later, by a group of experts, revealed the presence of grave errors which, were they to be corrected, might render the experiments of Caltech quite completely compatible with those of Fleischmann and Pons.

One year ago, Melvin H. Miles, a reputable electro-chemist from the U.S. Navy laboratories in China Lake,

Calif., sent a letter (of which I have a copy) to *Nature* magazine, in which this analysis was reported carefully and objectively. Without valid reasons, Maddox refused to publish Miles's letter. When I confronted him with the bias this evidenced in the editorial policy of his magazine, Maddox claimed in public that he did not remember the details of the incident. No need to underline the extreme gravity of such a fact. The reader of good will has some reflecting to do.

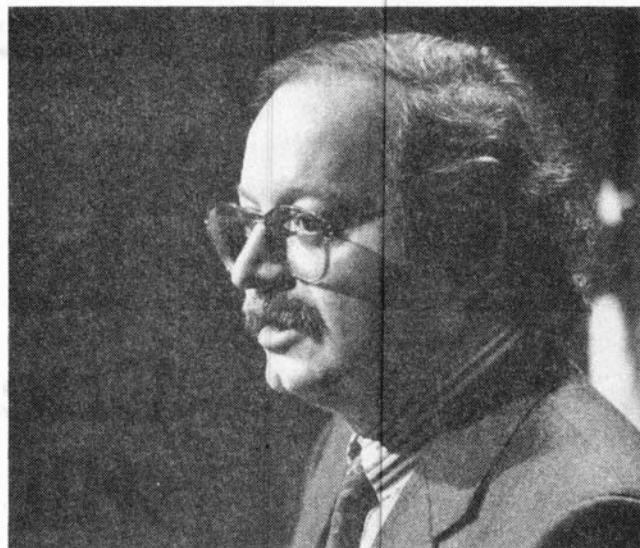
The Aristotelians' weapon

For me the present situation in which cold fusion is blacked out by most of the scientific press, and not discussed at major conferences, is reminiscent of the situation which Galileo faced. Now that the rehabilitation of Galileo by the Roman Church is in progress, this should serve as a lesson to today's Aristotelians, who are trying to repeat the admitted past blunders of the Church, with far less excuse. Today there are no more bonfires nor excommunications: The global village of science knows only one sanction, silence.

Among many aspects of scientific communication that were debated at the Volta Center conference, the one that is most pertinent to my discourse is communication among scientists. This channel of communication among scientists whose research effort is based upon quite a singular method which mixes meticulous observations, with the presentation of these results in a mathematical form, which demands a debilitating logico-mathematical style of argumentation, is, as is known, directed by the big scientific magazines. These include *Nature* and *Science*, as well as the more specialized journals, such as the *Physical Review*, the *Nuovo Cimento*, the *Astrophysical Journal*, etc.

For a scientist to have access to these magazines is absolutely indispensable to him or her, since—in addition lengthening the list of essential publications for his career (chair, financing, recognition, etc.)—an article published in these journals inserts him, at least in principle, in the planetary circuit of science. It is for this reason that the rejection of an article on one's own research, or the publication, without a chance for rebuttal, of an article unfavorable to one's own work, represents enormous damage, not only to the credibility of the scientist, but even to the possibility of realizing his capacities for making his talents useful, and in the final analysis, to contribute to our collective knowledge.

Thus the editorial policies of these magazines (often conducted behind the shield of a group of referees who are comfortably anonymous and often are chosen by capricious criteria), can have the function of controlling the direction of research. Such an ability to select a line of research to be followed in the entire world (which becomes thus the global village of science), affords the oligarchy of science, who operate at the vertices of the different institutions, a power of conditioning the progress of scientific thought similar to that which, at the time of Galileo, controlled the Congregation of the Index.



Giuliano Preparata

Yet there are differences, which might very well give us some hope: The global village can play nasty tricks upon the oligarchs in power, who are often induced by vanity to exit from their comfortable rooms which are well-protected by push-buttons. It seems to me that that is what happened to the very powerful director of the magazine, *Nature*, the Englishman John Maddox, against whom I intervened at the conference mentioned above.

In a recent article (*Il Giornale*, Dec. 28, 1992), I discussed the debate still under way about Galileo, and his rehabilitation by the Roman Church, which has offered me an occasion for comparing the science of that time, with that of today. I concluded in *Il Giornale*, that with the rise of the monopoly of "big science," the thrust of the Galilean revolution has been in effect exhausted, and that the monopoly exercised by the scientific oligarchy has given us a structure of large scientific institutions similar to those which the vanguard led by Galileo was fighting, in a battle which he lost; and which cost Italy, at least for a couple of centuries, a loss in its battle for intellectual freedom.

At that time I was reproved by some friends for not having explained clearly enough in which way "liberal" science of today might, even distantly, be a cousin of the dogmatism of the Counter-Reformation and the Inquisition (which brought Giordano Bruno to the stake, the long imprisonment of Tommaso Campanella, and the humiliating retraction of Galileo Galilei). For that reason among others, I was happy to have the occasion afforded by the recent round-table meeting on scientific communication to be more specific about the recent situation and my thoughts on how those who control science today seek to prevent those people, that is, who in modern society have the job of making advances in our knowledge of natural phenomena, from extorting nature's secrets, and, in the metaphor of Heraclitus, stripping away her veil.

Energy BTU tax will plunge U.S. into darkness

by Richard Freeman

From chemical production to steelmaking, from aluminum production to oil refining, from truck and rail traffic to airline travel, the energy BTU tax, announced by President William Clinton on Feb. 17, will cut energy consumption by 1-5%, and production potentially by a corresponding amount. It will slash 350-500,000 jobs from the U.S. economy, almost all of them in the goods-producing sector, while sparing the paper economy. It will cause a "de-energization" of America.

The tax will intensify the economic depression in America, caused by cancerous debt and speculative policies that have sucked real wealth out of the economy. For the last 30 years, the economy has been in economic and financial decay, and during the last 20 years, starting with the oil hoax of 1973-75, energy growth in the economy has been non-existent.

But a hard core of environmentalist fanatics and monetarist looters, centered around the office of Vice President Albert Gore, has set an agenda which led President Clinton to propose the energy BTU tax as one of the key elements shaping the U.S. economy and energy policy over the next decade or two, as well as making it the second largest revenue source for the U.S. government. Outside of the industry associations that will be most directly affected, there has been little opposition to the proposed measure. Unless such opposition soon materializes, the tax, which was adopted preliminarily during the last two weeks of March by both houses of Congress as part of the budget resolution package, will soon be the law of the land.

This report will look at the catastrophic effects that will result from the energy BTU tax. It will examine its background, first appearing as a proposed "carbon-based fuel tax" emerging from the rationale of the "greenhouse effect/global warming" hoax. It will then examine the tax's second-level effects, as it mixes in with the rotted understructure of a U.S. economy that has undergone 25 years of what former Federal Reserve chairman Paul Volcker called "controlled disintegration." It will show how the BTU tax will produce a non-linear unraveling of the



Shipping through the Port of Houston, Texas. Barge transport is the cheapest way to carry long-haul bulk goods, but the BTU energy tax will bankrupt many barge operators, industry spokesmen say.

economy. It will look at the additional costs the tax will bring on top of the nearly \$200 billion a year that environmentalist laws and policies already drain from the economy. Finally, it will prove that none of this has to happen; that with a rational energy policy, flowing from the policy package proposed by economist Lyndon LaRouche, America could be quadrupling its energy consumption by the year 2030, preparatory to and as part of the plan for the colonization of Mars.

This report will also look at the question of energy, not as some random interaction of particles producing friction and heat, as understood by Sir Isaac Newton, but as a directed flow, part of an economy moving ever upwards, negentropically, toward greater levels of perfection and development, in which man fulfills the injunction of the Book of Genesis to be fruitful and multiply, to subdue nature and extend man's dominion over it.

The selection of energy as a vulnerable point of attack is extremely important. Today, each American consumes 320.9 million BTUs of energy in a year. This is the energy equivalent of the combustion-processing of 2,324 barrels of oil, or 29,603 pounds of coal annually. Since the year 1800, energy consumption per American has tripled, and when the fuels that heat the home are omitted, *energy consumption per citizen has increased 500 times*. This energy per capita has nonetheless fallen during the last 20 years. Through the development of the heat-powered machine, over the last 200 years, man has revolutionized his existence. He has organized the raw throughput of energy to do work more effi-

ciently, extracting a greater output per industrial operative per unit of energy input, while also increasing the total flow of energy into the physical economic goods-producing process. Man's increase of energy correlates with and drives forward the development of civilization and the peopling of the Earth. Since the end of the Pleistocene Age 1 million years ago, man's increase in per capita kilocalorie consumption has increased population from a few thousand beings, living in primitive conditions and foraging for food, to the 5.4 billion souls living in the world today.

The energy BTU tax is not only the height of irresponsibility, it represents the height of desperation by the malthusian enemies of man, typified by Britain's Prince Philip and former World Bank president Robert McNamara, to stop that upward thrust of civilization. Instead, they would institute a civilization that rejects the Judeo-Christian concept of God, and replace it with a satanic worship of the earth-goddess, Gaia. They would replace modern technology, such as nuclear fission and the promise of fusion, with costly, ugly, and inefficient solar panels and tinker-toy windmill farms that not only kill unsuspecting birds, but represent a step backward of from 500 to 3,000 years in man's development, by resorting to energy forms of such primitive energy flux-density.

The mechanism of the energy BTU tax

The BTU tax will tax the British Thermal Unit heat content of energy. A British Thermal Unit is the amount of energy that is required to raise the temperature of one pound



Vice President Albert Gore is at the core of the "green" grouping in the administration, which led Clinton to propose the disastrous BTU tax as one of the key elements shaping U.S. energy policy. Gore is shown here on Capitol Hill in 1991. Greeting him is Norman Augustine, a representative of the aerospace industry—one of the sectors which will be devastated by the new tax.

of water by one degree Fahrenheit. The tax starts as a 25.7¢ tax per 1 million BTUs contained within coal, oil, gas, nuclear, and hydroelectric power. In addition, under the proposal, oil is assessed a second supplemental tax of 34.2¢, bringing the total tax on oil to 59.9¢ per million BTUs.

The tax translates into a \$5.57 price increase per ton of coal, which now costs \$21.46 per short ton. Likewise, it translates into a \$3.47 price increase per barrel of crude oil, which now costs \$16.50 per barrel, and a \$0.26 price increase per 1,000 cubic feet of natural gas, which now costs \$2.11 per 1,000 cubic feet. The prices quoted are all the raw, unprocessed cost of the fossil fuel energy source. The price increase on nuclear works on a formula that taxes nuclear essentially on the amount of heat output nuclear generates, calculated on the standard thermal efficiency-conversion ratios of power plants. The tax comes out to a 26% increase in the price of coal, 21% for oil, and 12% for natural gas. Thus, it is an energy sales tax, applied on the production use side, of 12-26%.

However, the reader is warned: This is the bare minimum price increase that will occur, for two reasons. First, the economic consulting firm that helped the Clinton administration design and conduct economic model test-runs for the energy BTU tax, the Cambridge, Massachusetts-based Data Resources, Inc., is predicting substantial inflation-adjusted price increases for fossil fuels. These are separate from the price increase effect of the energy BTU tax. The DRI consulting service, which is closely tied to British geopolitical

circles, is predicting that the price increase of basic fossil fuels by the year 1997 is the following: oil, 41%; coal, 8%; and natural gas, 14%. Combine that with the increase generated by the energy BTU tax itself, and one has 62%, 34%, and 26% increases for oil, coal, and natural gas, respectively.

Second, the moment that Americans succumb to the energy BTU tax, the proponents of the tax will start devising ways to institute the much harsher carbon-based fuel tax. That tax would place a tax on coal of \$55-500 per metric ton, which is just slightly less for the smaller short ton of coal. Such a price increase of 200-2,000%, with comparable, though smaller increases in oil and natural gas, are what America is looking at, if it knuckles under to the energy BTU tax. The consequences will be beyond belief. An August 1992 study by the Brookings Institution of Washington, D.C. entitled "The Global Costs of Policies to Reduce Greenhouse Gas Emissions," ran a simulated economic model scenario, using a "moderate" carbon-based fuel tax, which predicted that by the year 2011, *American coal production would plummet by 50%, and the production of oil and gas by 10%*. The proponents of this tax may wait a few years before pushing it, it is so extreme.

Not that the energy BTU tax will do that much less damage. The energy BTU tax will be phased in over three years, in one-third increments starting July 1, 1994, and be fully applied by the third year. The fully implemented tax revenue take will be \$33 billion annually. It will potentially drain a stunning \$297 billion from the economy over the first 10

years. According to its authors, because it is a punitive tax and will reduce energy consumption, there will be less to tax, and revenues may fall some.

Furthermore, the handling of the pivotal question of nuclear power not only exposes the tax proponents' feigned concern about the environment, but is a devastating critique of the entire energy BTU tax. The tax is supposed to be applied to reduce CO₂ emissions. But who in his right mind would put a tax on nuclear energy, *which produces no carbon*, if he wanted to increase the number and output of energy sources that *do not emit carbon*? The environmentalists claim that nuclear power plants are unsafe. But in one week, more people die in the "environmentalist" hangouts in Hollywood from drug overdoses, than have died from the effects of nuclear power in all of American history.

First-level effects

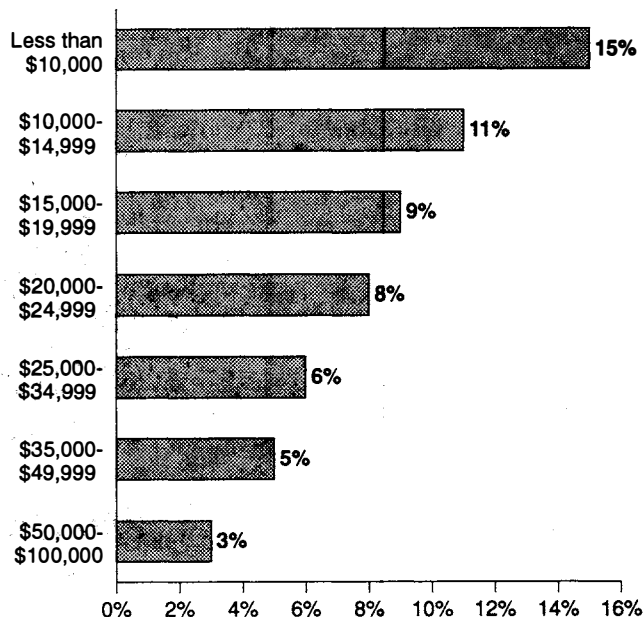
The panorama of the first-level destruction that the energy BTU tax will bring extends into every part of the real economy. Financial services, real estate, insurance, and the speculative side of the economy will be virtually untouched, while 350-500,000 jobs, mostly in goods-production, will be axed, turning America deeper into a post-industrial society. Manufacturing production, in some sectors, will fall 1-5% initially over three to five years.

Keep in mind, that with the continuation of the Federal Reserve dictatorship over the U.S. economy, and the deregulated state of the monetary markets, the tax will mix with other deadly policies, intensifying the combined, cumulative destructive effect of all such policies. By itself, the tax will smash almost any growth plan or vision that President Bill Clinton may otherwise have for the economy.

At a Feb. 24 hearing of the Senate Energy and Natural Resources Committee, Sen. Mark Hatfield (R-Ore.) reported that the Pacific Northwest has for the last seven years, along with California, experienced a drought. Since the Pacific Northwest depends heavily on hydropower, energy prices have been pushed up. "So [what] we're talking about right now," Hatfield said, "is up to a 15% increase in energy rates this year before the energy tax. You already have a layoff of 28,000 from Boeing. You have an aluminum industry [layoff] of 10,500. . . . The economy of the Northwest would collapse. . . . We would be devastated."

At the same hearing, Sen. Richard Shelby (D-Ala.) stated, "A study done by Data Resources asserted that a BTU tax that would raise \$10 billion annually would cost the United States 300,000 jobs. President Clinton's proposal will raise revenues at possibly three times that annual rate—so all you have to do is multiply" to calculate the number of jobs lost. Shelby stated, "There can be no doubt that this tax will affect the price of manufactured goods through increased electrical and transportation costs all over America." As for Alabama, Shelby said, "68% of the entire state's electricity generation is from coal."

FIGURE 1
Estimated energy expenditures
(percent of personal income)



Source: Energy Information Administration, *Studies of Energy Taxes*, U.S. Department of Energy, Washington, D.C. (April 1991).

To the extent that the tax is passed through from industry to households, or is part of the residential energy bill, it hits working and lower-income families five times harder than upper-income families. Lower-income families will now be pushed to the wall. **Figure 1** shows "Estimated Energy Expenditure as a Percentage of Income." It was released in April 1991 by the Energy Information Administration of the Department of Energy. A family that earns less than \$10,000 per year spends 15% of its income on energy. The costs are non-deferrable, i.e., the family must pay the fuel bill, or buy gasoline for the car, if it is necessary to drive to work. Such a family already pays nearly half of its income for food and shelter; now its energy bill will go up. To counter this, the whiz kids at the newly created National Economic Council of the White House have stated that the President is pumping some credits into the economy for the poor which will offset the income-depressing features of the energy BTU tax. Yet, some of these credits are for programs such as food stamps, which are really to blunt the impact of the depression in general, not to stop the effects of the BTU tax.

Agriculture and industry hit hard

Let us look at the effect of the energy BTU tax on some of the major economic sectors, from agriculture, to heavy manufacturing, to transport infrastructure.

- **Agriculture.** According to a secret working paper in

circulation at a branch of the U.S. government, 7% of the costs of agriculture go for energy. Agriculture will be pummeled at every end, from the cost of electricity; to fuel for the tractor; to the cost of water, which requires pumping; to the cost of energy-intense fertilizer, which is not supposed to be taxed by the energy BTU tax, but some of whose inputs are taxed at an earlier stage of production.

In the April issue of the *Farm Bureau News* in Virginia, state Farm Bureau Vice President C. Wayne Ashworth reported that, nationally, farmers stand to lose \$1 billion. The American Farm Bureau has estimated that the increased costs imposed on a farm of 430 acres of corn are "more than the average Virginia farmer can afford to stay in business." Farmers are already battling the banks and the environmentalists who are attempting to forcibly convert millions of acres of farmland to wetlands, i.e., wastelands. As well, environmentalists in California are withdrawing 8 billion gallons of water yearly from farm use in order to "preserve" endangered species, and across the country are attempting to ban vital pesticides and fumigants, escalating the costs of farming onto which the energy tax is now added.

● **Manufacturing.** The cost of energy (purchased fuel and electricity) as a percentage of all manufacturing costs (labor and materials), on average, can be anywhere from 2.5-6%, depending on who is making the estimate. Energy is less than 1% of the cost of operations for some manufacturing sectors, while for others it is a staggering 10-20% of costs.

● **Chemical industry.** The energy BTU tax will take \$1.2 billion per year from the chemical industry. An economy cannot exist without chemicals; from industrial chemicals, to fertilizer for agriculture, to medicine. The chemical industry is very energy-intensive: Energy costs are equal to 10% of the chemical industry's output. In 1992, chemical manufacturers consumed an amazing 5.69 quadrillion BTUs (a quadrillion equals a million million), which is 7% of all energy consumed by the United States. The chemical industry consumed 1.93 trillion cubic feet of natural gas, or 34% of all natural gas consumed by manufacturing. It consumed 119 billion kilowatt-hours (kwh) of electricity, or 17% of all electricity consumed by manufacturing.

Half of the chemical industry's energy use will not be taxed: that portion that goes into feedstocks, mainly crude oil and natural gas products. But the other half will be taxed: the power and electricity consumed in the course of production. The chemical industry's 1992 energy bill totaled \$22.6 billion. The energy BTU tax will add a whopping \$1.2 billion per year to those costs.

Moreover, 10,000 chemical industry jobs will be slashed, according to predictions of the Chemical Manufacturers Association. The actual number could go much higher. Chemical workers earn \$623 per week, or 33% more than the average manufacturing employee, and thus contribute more in taxes. The chemical industry is the nation's biggest export

sector, larger than agriculture. In 1992, it produced a trade surplus of \$16.2 billion. Its exported products will be taxed in the United States, competing at a disadvantage with chemical products of other countries, whose host country will not tax them. The states in which the chemical industry is concentrated that will be hit hardest are California, Illinois, Michigan, Louisiana, New Jersey, Texas, North Carolina, and Ohio.

● **Aluminum industry.** The energy BTU tax will pile on a huge 5-10% increase to the aluminum industry's cost of doing business. Aluminum is a vital, lightweight metal, extracted from bauxite ore, used in everything from the skin of airplanes to food and beverage cans. A Prudential Securities analyst put energy use at 28% of the average U.S. aluminum production cost. The aluminum industry is the nation's largest industrial user of electricity per ton of output. The aluminum industry in the Pacific Northwest consumes huge amounts of hydropower, but in other parts of the nation it relies heavily upon coal. In the Pacific Northwest, the industry has already suffered plant closings and 10,000 layoffs. At the Intalco Aluminum plant in Ferndale, Washington, plant officials estimate that the BTU tax would increase electricity costs by \$10 million, adding 11% to the cost of production.

● **Oil refining.** Forty percent of all energy used in America is from petroleum; most of it has to be refined to be utilizable, and the tax could bankrupt this critical industry. On every barrel of oil they refine, oil refiners make about \$1 in profit. The energy BTU tax will add \$3.47 to the cost of a barrel of oil. This would wipe out the oil refiner's profit, and plunge the company into loss, unless the cost is passed on. In many parts of the country, it will be nearly impossible to pass the full tax on, because, as John Hall, the chairman of Ashland Oil Co., the nation's largest independent oil refiner based in Ashland, Kentucky, states, "The markets aren't any good right now." The industry may go through another ratchet of plant closings, particularly of independents in the oil patch of Louisiana, Oklahoma, and Texas.

● **Primary metals.** This industry includes the production of copper, nickel, lead, but above all, iron and steelmaking. From ancient times, when iron was produced in caves in the sides of mountains, with manually operated billows built into the side of the mountain, aiding the natural drafts of air passing through the caves and thus increasing the heat-intensity of the fires, to the Bessemer steel process, to the basic oxygen process, iron and steelmaking has advanced as a result of the increase of the heat-intensity that could be concentrated inside the furnace itself. It is the immense increase of the energy concentrated per cross-sectional volume of furnace where heat is being applied, per unit of time, which represents the concept of *energy-flux density*. The process of increase of energy-flux density in this and other forms represents the history of *breakthroughs in heat-powered machines*. Lower that machine below a certain energy-flux density, and it does not function in a modern and efficient way. Today, production has regressed.

The primary metals industry consumed 39 million tons of coal in 1988, primarily for use in the coking process, where carbon is reinvigorated back into iron, which is indispensable in the iron and steelmaking process. The steel industry also consumes 21% of all the electricity used in the manufacturing sector, making it the biggest absolute manufacturing consumer of electricity (150 billion kwh). The energy BTU tax will add \$5.57 to the price of a short ton of coal. This will add an annual \$217 million to the bill of primary metals-making, principally steel. Can the steel industry handle it? Such a tax is a bad joke. Laden with the huge costs of smokestack scrubbers to remove sulfur pollutants, and heavily indebted otherwise, much of the steel industry has been hemorrhaging red ink on its balance sheet.

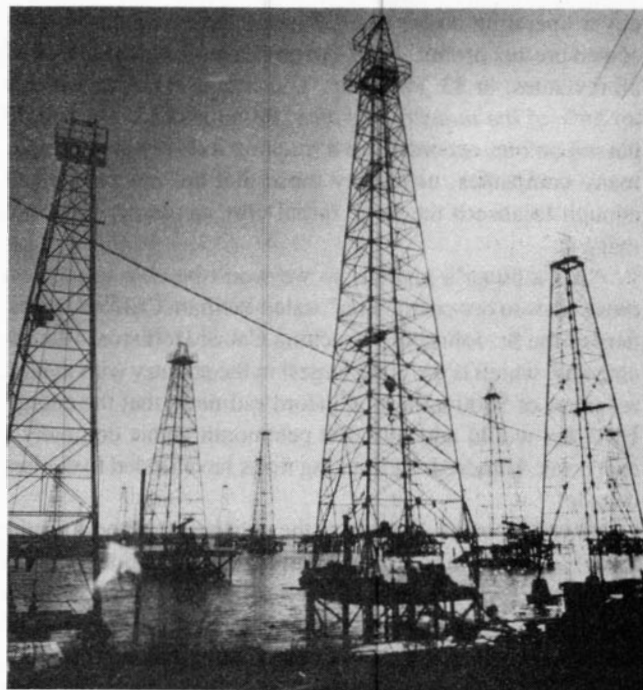
Consider the effect of insane policies toward the steel industry already. Annual production of raw steel has plummeted from a high of 160 million tons in the mid-1970s to 95 million tons last year, a loss to the nation of 41%. The energy BTU tax will wreck the internal functioning of the industry, razing to the ground even more vital capacity. The areas that will be hurt are California and the steel belt of the Midwest, encompassing the states of Pennsylvania, Ohio, Illinois, Michigan, and Indiana.

Transportation infrastructure

The Clinton administration's vision of expanded transportation infrastructure will be smashed.

- **Airlines.** The airline industry accounts for 72% of all non-auto commercial passenger travel in America. Under the energy BTU tax proposal, the average price of jet fuel and gasoline will rise by approximately 8¢ per gallon. In 1992, the airline industry consumed 15 billion gallons of jet fuel. The tax will represent, at minimum, an increased expenditure of \$1.2 billion. However, on March 30, an Air Transport Association spokesman pointed out two developments. First, in 1990, the Congress increased the excise tax on airline tickets from 8¢ to 10¢ paid on the value of the ticket, as a tax on the industry specifically geared to reduce consumption of jet fuel. That tax cost the airline industry \$1 billion. The industry now expects Congress to rescind that earlier 1990 tax. On the other hand, the industry expects that oil refiners will pass on the energy tax more lightly to industries that can switch from oil to other fuels, but more heavily to industries, such as airlines, that can only use oil-based fuels. The airline industry thus expects to pay closer to \$1.4-2.1 billion for the energy BTU tax. While the airline industry will be relieved of the previous 1990 increase in its excise tax, the BTU tax must still be paid out of operating revenues.

The industry will attempt to pass the cost on to the consumer, which the administration has stated it wants the industry to do, but it may not be able to do so. A spokesman for the industry said that since 1988 there has been a "saucer-shaped recovery," a euphemistic way of saying that the country has not come out of the depression. In 1988, the industry



Oil rigs on the Texas-Louisiana coast. The energy BTU tax will add \$3.47 to the cost of a barrel of oil, wiping out the oil refiner's profits, or passing the increase along to the consumer.

carried 454.6 million passengers; in 1992, it carried 459 million passengers. That is, no growth in four years. Higher costs will further discourage airline travel. "If the economy doesn't grow, and we cannot pass the cost on to customers, we're going to have to eat the cost ourselves," said the industry spokesman. In the last three years, the airline industry lost \$6 billion. Three major airlines have been liquidated in the last three years: Eastern, Pan American, and Midway; others are in bankruptcy.

- **Personal automobile travel.** Individual automobiles consume approximately 45 billion gallons of fuel per year, mostly gasoline. The energy BTU tax of 8¢ per gallon will add an extra \$3.6 billion to that cost.

- **Trucking, barge traffic, and railroads.** This hits the heart of American transport infrastructure. Trucking, barge, and rail account for 78% of the domestic intercity ton-miles hauled in the United States: rail, 37%; trucking, 25%; and barge traffic, 16%.

Fuel is approximately 16% of the operating cost of the nation's trucking companies. According to a spokesman for the American Trucking Association, the trucking industry bought 36 billion gallons of gasoline and diesel fuel last year. The energy BTU tax is an approximately 8¢ increase for the price of gasoline and diesel fuel. That will cost the trucking industry a staggering \$2.88 billion, or perhaps slightly less. To put that into perspective, in 1991, the latest year for which figures are available, the trucking industry registered \$283 billion in revenues. Some 97.14% of those revenues went to

cover operating costs, and 2.86% of those revenues represented pre-tax profits. After-tax profits represented 1.18% of all revenues, or \$3.34 billion. The energy BTU tax *will eat up 86% of the industry's profits*. Some of the costs will be passed on but, according to a trucking industry spokesman, many companies, especially those that are not capitalized enough to absorb the large initial cost increases, "will not make it."

"It's a buyer's market, so we won't be able to pass on those costs to our customers," stated William Clifford, president of the St. Johnsbury Trucking Co. of Holliston, Massachusetts, which is the tenth largest in the country with annual revenues of \$300 million. Clifford estimates that the energy BTU tax would add \$90,000 per month to his company's fuel costs. Hundreds of trucking firms have folded in the last decade.

Barge transport represents the cheapest method to carry long-haul bulk traffic. Barges haul 16% of the nation's freight ton-miles. They are especially efficient along the enormous Mississippi River system, which extends from the Gulf of Mexico to the Great Lakes, linking many industrial arteries in the U.S. industrial heartland. The barge industry has been targeted not only with the energy BTU tax, but a users fee, which combined would be larger than the industry's annual \$200 million profit (see *EIR*, April 9, p. 23). It appears that the Congress will knock back some of the "free enterprise" user fee monstrosity. But energy is 45% of the barge industry's operating costs, and the BTU tax will bankrupt many barge operators, according to an industry spokesman.

Some 6% of the costs of the railroads are for energy. When fully implemented, the energy BTU tax will annually add \$44 million to the costs of the Burlington Northern Railroad, \$45 million to the costs of the Union Pacific, and \$24 million to the costs of the Norfolk Southern.

Environmentalist excuses

The environmentalists are caught in their own lie. They cannot deny that the energy BTU tax will do damage, nor that the tax will reduce energy consumption. But they cannot tell that to the public; they say that the damage will be "moderate," and give two excuses. Unfortunately, many in the Clinton administration believe them. First, the environmentalists say that if 10% of an industry's costs are energy, then only that portion of its costs is affected. A 30% price increase in energy that constitutes only 10% of an industry's overall costs represents only a 3% overall final product price increase. Second, they say, the price increases will be passed on by industry to the final end-user, the consumer. The magical concept of "price elasticity" is invoked.

Both excuses miss the mark. First, the energy BTU tax will not only directly raise the energy bill for a company, but it will increase every other cost as well, from the cost of transporting the goods to and from the factory, to the price of non-energy raw materials which have been processed by energy,

to the cost of purchased capital goods, which embody energy, and so forth. The price increases are passed up and down the production chain. As a percentage, the price increase of the energy portion of a company's bills will be larger than the increase associated with these secondary items.

Second, in a depression, costs cannot be passed on. This shows up even in the demand-side model that the proponents of the tax employ (which model is inherently flawed). What if the final end-user, the consumer, cannot afford to make purchases, whose prices have been raised by the energy BTU tax, because wages have fallen relative to inflation and because of widespread wage-slashing in industry? The maker of final end-products tells the maker of intermediate or primary products that it cannot afford the higher cost of their goods. It cuts back its orders, causing a cutback in orders and layoffs all along the production chain. Worse, although the Keynesians can't conceptualize this, price increases in primary capital goods products' costs fundamentally distort those industries, even before one reaches the final stage of the consumer.

Program for genocide

Aside from the revenues involved, the environmentalists justify the energy BTU tax as needed to stop "global warming," allegedly caused by the pollution of fossil-based fuels. But their real goal is population reduction on a scale which would exceed the genocide of Adolf Hitler.

Publicly, the environmentalists are screeching about the "greenhouse effect," but they don't know what they are talking about. The greenhouse effect refers to the capacity of certain "greenhouse trace gases" and water droplets, concentrated in the troposphere (the volume of the atmosphere up to 8-9 miles above the Earth), to let in some of the heat/energy directed from the Sun to the Earth's proximate surface, while opaquely blocking other parts of that energy from reaching the Earth's surface. These greenhouse gases also trap and re-radiate downward radiant energy generated upward from the Earth, including by man's activities. *This greenhouse effect is one of the pre-conditions for all life on our planet.* Moreover, one of the greenhouse gases most singled out by the environmentalists, carbon dioxide (CO₂), is indispensable for photosynthesis of plants, which leads to the greening of the Earth and the production of oxygen, which sustains man.

The environmentalists dishonestly argue that man's use of energy, his burning of fossil-fuels which contain carbon, has produced such an *overabundance* of CO₂ and other greenhouse gases associated with man's industrial activity, such as methane (NH₄) and nitrous oxide, cause too much heat to be trapped in the troposphere and radiated back to Earth. They shout that the earth will die a heat death, the polar ice caps will melt, and a searing heat will scorch man's crops, his cities, and all life. Indeed, were that scenario true, then during the last 100 years of industrialization, the temperature of the Earth's proximate surface would have had, by the theory's premises, to rise by 2-4° C (3.6-7.2° F), with most

of that temperature increase occurring since World War II. But it has increased a net 0.5° C (about 1° F), with most of that net increase accomplished before World War II. The scenario is a deliberate lie.

The hard-core environmentalists do not believe the global warming hoax themselves. In the 1970s, when the Earth's temperature appeared to have been cooling for the preceding 15 years, the environmentalists warned that man's industrialization and "pollution" were causing the Earth to freeze, which they called "global cooling." In 1971, a book was published, *Global Ecology: Readings Toward a Rational Strategy*, which featured the following bold assertion: "The continued rapid cooling of the Earth since World War II is also in accord with the global air pollution associated with industrialization, mechanization, urbanization, and an exploding population" (emphasis added).

The co-editor of the volume was Paul Ehrlich, a biologist from Stanford University, who today rails about global warming. The conception underlying such global cooling/warming scenarios is genocide. Ehrlich coolly and methodically states in his most notorious book, *The Population Bomb*, the grisly thesis that drives forward every environmentalist theorem, including the energy tax: "A cancer is an uncontrolled multiplication of cells; the population explosion is an uncontrolled multiplication of people. . . . We must shift our efforts from the treatment of the symptoms to the cutting out of the cancer. The operation will demand many brutal and heartless decisions" (emphasis added).

Ehrlich has demanded that the population of the globe be reduced by several billion, and that the population of the United States be reduced to 135 million people. Currently, the population of the United States is 256 million. This is the explicit genocidal rationale behind the energy BTU tax.

A second or third price shock

The disastrous effects described above are based on price increases, triggered by the energy BTU tax, of 26% for coal, 21% for oil, and 12% for natural gas. But that will be only the first round of energy price increases. The price of energy is scheduled to skyrocket much higher.

As reported above, Data Resources, Inc. is predicting real price increases above the rate of inflation and quite apart from the effect of the energy BTU tax. DRI is predicting that by 1997, real oil prices will rise by 41%, coal prices by 8%, and natural gas prices by 14%. If those projections come to pass, then, combined with the quantifiable effects of the energy BTU tax, the price of oil, coal, and natural gas will rise by a staggering 62%, 34%, and 26%, respectively, intensifying the destruction of the economy.

Second, the environmentalists' real preference is for a carbon-fuel tax, for which the energy BTU tax is just a foot in the door. Instead of taxing the energy BTU content, the carbon-based fuel tax would tax the carbon weight of the various fossil fuels. The price increase would be astronomi-

cal: 200-2,000% above the current price of coal. As reported earlier, a Brookings Institution study of the effects of moderate levels of carbon-fuel taxes predicted a meltdown of the economy. By the year 2011, the level of coal production in America would plunge by 50%, and oil and natural gas output would decline by 10% each. The energy-starved economy would disintegrate.

All the major environmentalist groups are signed onto this carbon-based tax. The World Wide Fund for Nature of Britain's Prince Philip attempted to coordinate a stampede behind the tax with the 1990 publication of its book *Carbon Emission Control Strategies*. In 1991, the Department of Energy published a 600-page, two-volume work called *Limiting Net Greenhouse Gas Emissions*, which promotes the tax. The World Resources Institute (WRI) produced an August 1992 report on "The Right Climate for Carbon Taxes: Creating Economic Incentives to Protect the Atmosphere." The genocidalist Robert McNamara, who as president of the World Bank in the 1970s said that the major threat to the world was population growth, is on the WRI board.

Setting tax policy

Shortly after President Clinton announced the energy BTU tax, Roger Dower, one of the co-authors of the WRI report, gleefully confided, "The energy BTU tax is not the carbon fuel tax. Nonetheless, this starts restructuring [of the economy]. This is the first time in American history that environmentalist concerns have been used to set tax policy."

Two weeks before the energy BTU tax was announced on Feb. 17, eleven environmentalist groups held a private meeting with President Clinton and his staff. The environmentalists are working through a strong faction of green-thinkers whom the financial interests who control the Democratic Party placed into the Clinton administration. They are led by Vice President Gore, whose best-selling book *Earth in the Balance: Ecology and the Human Spirit* champions every environmentalist scheme which will lead to deindustrialization. Gore's former top assistant when he was senator, Kathleen McGinty, now heads the White House Office on Environmental Policy, which is the old Council on Environmental Quality. But the new office has been given broad new powers: McGinty sits on the National Security Council as well as the newly created National Economic Council. Other top greens include Interior Secretary Bruce Babbitt; Thomas Lovejoy, the chief science adviser to the Interior Department; Environmental Protection Agency head Carol Browner; Energy Secretary Hazel O'Leary; and White House Science Adviser John Gibbons, a former energy conservation director for the Carter administration. Both Robert Rubin, the head of the National Economic Council, and Roger Altman, the number-two man at the Treasury Department, helped shape the energy BTU tax.

The enviro-fascist advocates of the energy BTU tax state that the price of energy must become exorbitant, in order for

another of their pet schemes to work—shifting the economy to “environmentally sound, non-polluting” energy sources, such as biomass, solar reflectors, and windmills. Now, these energy sources are not “price competitive” with conventional fossil fuels. A 1993 study by the Electric Power Research Institute of Palo Alto, California reported that the price of fuel in the future, expressed in a price per barrel of petroleum equivalent, would have to reach at minimum \$79 and up to \$140 per barrel, for the crackpot alternative energy sources to become “price competitive.” This price is an astounding 4.5-8.5 times greater than the current price of a barrel of crude petroleum, which is \$16.50. This indicates the stratospheric level that prices will be pushed to. In the meantime, conventional energy sources will be shut down, with nothing on the horizon to replace them. This is a deliberate policy of energy starvation and wrecking of the economy.

However, the prospect gets even worse, and brings us to the second level of destruction of the energy BTU tax. The energy BTU tax will be folded in upon 30 years of depression in the real physical economy and on top of a burgeoning financial crisis which has slashed cash reserves for many companies to zero. It will produce a non-linear collapse of the sort which no one in or out of the Clinton administration or the Congress has even a glimmer of.

What is energy?

Once an economy is plunged below a critical threshold—through a *permanent lowering* of the ratio of energy input into the physical economy, as well as a downward ratchet in the energy-flux density in the internal ordering of machines—it passes a point of no return.

The environmentalists, while talking about energy, nature, and the economy, have no understanding of any of them. The environmentalist notion of energy is the flawed notion of Sir Isaac Newton and James Clerk Maxwell: *entropy*, an increased statistical random motion of particles, producing interactive friction and heat. Such an entropic conception assumes that the universe is winding down, heading toward greater and greater disorder. This is the conception of energy taught on college campuses today.

But economist Lyndon LaRouche has successfully demonstrated that the universe is not winding down at all. Indeed, the Creator is organizing the universe *negentropically*, that is, it proceeds transfinitely, toward greater self-organization, greater order, and toward higher and higher levels of growth and development. This growth is consistent with the geometrical ordering of the Golden Section. On Earth, God’s highest creature, man, is the instrument for the further negentropic self-development of the universe. In this view, energy is not an increase in randomness, nor is it a fixed substance as such. The same lump of coal will yield different levels of energy, depending on how the economy has been organized through science to utilize that coal.

Energy’s principal use is that it sustains life and allows

man to do work. It is a transformation and upshifting of nature, especially associated with the tuning of the electromagnetic spectrum. As man advances his economy, he organizes a greater throughput of energy flows. But past a certain point, great gobs of energy that are not highly organized are simply wasteful. Man organizes energy negentropically to achieve greater energy efficiency—a machine, for the same energy input, yields a greater product output, per industrial operative.

This principle is exemplified in the evolution of the steam turbine at the central station power plant, the major source for electricity generation. The first central station to provide electric lighting service was Thomas Edison’s Pearl Street Station in New York City in 1882. It provided power for 1,284 direct current lamps of 61 candle-power, approximating a 72 kilowatt total load. Similar plants followed in other cities, but the thermal efficiency of the initial power plants was in the range of 1%. That means that for one unit of energy output, in the highly concentrated form of electricity, 100 units of energy input were needed. Turbine design improved. Higher temperature and higher pressure were built into the turbine. By 1915, the thermal efficiency rose to 10%. Further improvements in turbine design, including reheat cycles and so forth, increased the thermal efficiency. Today, it is 32-34% for most turbines. Were magnetohydrodynamic (MHD) plasma technology adopted, things would improve again. In an MHD converter design that can be applied to today’s coal-fired plants, the process produces an ionized gas, which when passed through a magnetic field generates electricity. It produces almost no pollution. It operates at a 60% thermal efficiency.

Such increases in energy-intensity and energy-efficiency of the economy correlate with and lead to an increase in the *relative potential population density*. This is the capacity for man to support per square kilometer, through man-altered increased fecundity of the soil and improved technology of the manufacturing process, an increased density of population, in which each person is of an improved quality over preceding generations. LaRouche’s concept of relative potential population density is the fundamental metric by which the health of an economy is measured. Man’s ability to realize this potential sets man over and above the beasts.

The development of the U.S. economy reflects this principle of energy. During its upward sweep when it developed, the economy abided by the Creator’s principle of energy. But especially since 1973, when the economy plunged, it violated this principle.

Table 1 shows the level of energy throughput and the size of the population in America starting in the year 1800. The energy level is expressed in two parts, fuel wood consumed, which played a very big part and was the dominant form of energy consumed in the economy during its early formation, and all other energy.

Notice two developments from Table 1. First, the in-

TABLE 1

Leap in energy consumption as U.S. economy grew

Year	Total energy consumed (trillion BTUs)	Population (millions)	Energy per capita (million BTUs)	Fuel wood consumed (trillion BTUs)	Other energy consumed (trillion BTUs)
1800	N.A.	5.297	N.A.	N.A.	3
1850	2,359	23.261	101.4	2,138	219
1880	5,001	50.262	99.5	2,851	2,150
1900	9,347	76.094	122.8	2,015	7,332
1910	16,026	92.407	173.4	1,765	14,261
1920	20,617	106.461	193.7	1,610	19,007
1930	22,958	123.188	183.4	1,455	21,503
1940	24,349	132.122	184.3	1,358	22,991
1945	31,316	139.928	224.9	1,261	30,055

Source: U.S. Department of Commerce, *Historical Statistics of the United States, Colonial Times to 1970*

crease in energy per capita, from the level of 101.4 million BTUs per person in 1850 to 224.9 million BTUs per person 95 years later in 1945. This doubling reflects the growth in man's mastery over nature. Second, the growth of the energy that is not fuel wood. In man's earliest period, man consumed a tremendous amount of wood; as the economy industrialized, that fuel wood figured less prominently. By 1880, the amount of fuel wood consumed still exceeded the energy from all other sources, which at that time was principally bituminous coal and Pennsylvania anthracite coal, with a smattering of petroleum. But as the gigantic industrialization of the United States begun by the Lincoln economic reforms of 1861-65 took over, by 1900, non-fuel wood sources of energy were 3.5 times the level of fuel wood consumed. The industrial character of the American economy was firmly shaped. In the 45-year period between 1900 and 1945, the non-fuel wood portion of America's energy supply, representing coal, oil, natural gas, and hydropower, increased fourfold. Another way of stating this, is that comparing the non-fuel wood BTU level of the economy in 1800 and 1945, the 1945 level is greater by four orders of magnitude, 30.1 quadrillion BTUs consumed in 1945, versus just 3 trillion BTUs consumed in 1800. Further comparing the non-fuel wood BTU level of the economy, between 1800 and the present, *energy consumption per citizen has increased 500 times.*

In a subsequent study to appear in *EIR*, Christopher White will present a detailed analysis of this process, as part of a larger study of the transformation of the entire American economy from colonial times.

For the post-World War II period, we now look at the link between energy and the economy in two slices, 1949-73, and 1973 to the present. This is displayed in **Tables 2** and **3**. For the whole economy, in the 24-year period between 1949 and 1973, when the first oil hoax began, the total

TABLE 2

The growth of energy consumption, 1949-73

Sector	1949 (quads of BTUs)	1973 (quads of BTUs)	1949-73 increase (%)	Compounded annual increase (%)
Entire economy	30.46	74.28	144%	3.78%
Residential and commercial	8.21	24.14	194	4.59
Industrial	14.26	31.53	142	3.75
Transportation	7.99	18.60	133	3.58
Electric utilities	4.36	19.85	355	6.51

Source: Department of Energy, *Annual Energy Review, 1988*.

amount of energy consumed by the whole economy rose dramatically, from 30.46 quadrillion BTUs in 1949 to 74.28 quadrillion BTUs in 1973, an increase of 2.44 times or a healthy 3.78% per year rate of increase on a compounded annualized basis. The performance of all the sectors of the economy—industrial, transport, etc.—are shown. During this period, despite several real problems, the economy, led by higher levels of energy growth, especially the marvelously concentrated form of electricity, registered real physical growth. Nuclear power entered the scene, lowering the cost of electricity throughout the 1950s and 1960s. The electrification of farms and rural areas was completed, and significant infrastructure building occurred, including most of the interstate highway system.

(In this and subsequent tables, there is double-counting with respect to the fuel consumed by the electric utilities sector. The amount of fuel, measured in BTUs, is accounted first in the electric utilities sector, and then the amount of fuel,

TABLE 3

Energy starvation of the U.S. economy, 1973-92

Sector	1973 (quads of BTUs)	1992 (quads of BTUs)	1973-92 increase (%)	Compounded annual increase (%)
Entire economy	74.28	82.16	11%	0.53%
Residential and commercial	24.14	29.58	23	1.08
Industrial	31.53	30.23	-4	-0.21
Transportation	18.60	22.82	23	1.08
Electric utilities	19.85	29.88	51	2.18

Sources: Department of Energy, *Annual Energy Review, 1988*; *Monthly Energy Review*; Data Resources, Incorporated.

measured in BTUs, that is consumed to produce electric utility-generated electricity for each of the residential and commercial, industrial, and transportation sectors is accounted a second time within each of those sectors.)

Non-linear effects

The policies of destroying the economy started after the assassination of President John F. Kennedy in 1963, and the introduction by President Lyndon B. Johnson of the policies that turned America away from energy-intensive, capital-intensive, and power-intensive development of the real economy, toward becoming a post-industrial junk heap. In a way, the increase of energy throughput in the period 1963-73 slowed down, but could not halt, the rate of collapse of the U.S. real physical economy.

In the post-1973 period, the collapse accelerated. Though there are many causes, two stand out—energy-environmentalist, and monetary-economic. Under the first set of causes are the environmentalist restrictions and the two oil hoaxes, which combined raised the price of petroleum 10 times. The first oil hoax, organized by the British, occurred in 1973-75, and the second oil hoax in 1978-79. At the same time, in the financial realm, Federal Reserve Board chairman Paul Volcker, acting for Anglo-American financial interests, began in October 1979, continuously raising interest rates until they reached 21.5% by February 1980, collapsing production. Interest rates remained at a double-digit level for over a decade. In 1981, the banking system was deregulated. First junk bonds, and then the financial derivatives market, both ideal for laundering drug money, proliferated.

It is when the energy BTU tax is viewed in the context of the “de-energization” of the economy during the 1973-92 period, that its effects can be fully gauged. By itself, it would be very harsh. But an economy is in some respects analogous to a human being. If tuberculosis strikes someone, it can be

very harmful in its own right; but let it strike someone who has AIDS, and it will almost certainly kill that person. The last 20 years have so thoroughly distorted and corrupted the energy relations within the U.S. economy, that it is like someone with AIDS. And the energy BTU tax is like tuberculosis.

But, it is worse when one adds in the financial, monetary, and economic considerations. Firms have been asset-stripped and looted, not only by junk-bond speculators and dealers in financial derivatives, but by the buildup of cancerous debt levels that have been financed since the late 1970s at very high interest rates. The business sector of the economy has over \$5 trillion in debt. The interest-cover ratio, the percentage that interest payments on debt represents of the total cash flow of a business, stands at 16%: Some 16¢ of each \$1 of cash flow goes to pay interest. Cost increases associated with the BTU tax, hitting manufacturing, cannot be absorbed.

In addition, the energy-intensity threshold needed to keep manufacturing operating at the level required, is broached by the energy BTU tax, and here too, the economy has been operating at such a low level that the company simply devolves.

Tables 3, 4, and 5 show how the economy was de-energized over the 1973-92 period: Table 3 shows the collapse of energy in the industrial sector of 4% in this period, as businesses simply closed. Today, for example, steel production is 41% lower than in the mid-1970s, machine tool production is 32% lower, and so forth. Though there has been some secular energy “conservation” in industry, these figures cannot mask the fact that energy consumption fell because heavy “smokestack” industry, the backbone of any economy, began boarding up and disappearing.

Energy consumed by electricity production did increase, which was a useful development, but it was offset by two considerations. First, the level of growth is much, much less than in the 1949-73 period. Second, much of the electricity went into the residential and, especially, the commercial sector, which was the one sector of the economy to grow substantially. According to U.S. government figures, America now has 4 million commercial buildings. Although each enterprise does not consume as much energy as a manufacturing enterprise, the sheer gargantuan proportions of the white-collar administrative side of the economy, which inhabits the commercial buildings, accounted for whatever increase of energy throughput occurred in the economy in 1973-92.

But total energy consumption stagnated.

The problems of the 1973-92 period emerge in stark relief when compared with the 1949-73 period. As Table 4 shows, the level of energy growth in the earlier period, in each sector of the economy, was at least a compounded annual growth of 3.78% per year. That figure was not even approached in the later period. Taking the energy consumption of the economy as a whole, the yearly compounded growth of ener-

TABLE 4

The periods 1949-73 and 1973-92 compared: growth versus disaster

	Period I 1949-73 compounded annual rate of change of BTU growth (%)	Period II 1973-92 compounded annual rate of change of BTU growth (%)	Period I as a multiple of Period II (I divided by II)
Entire economy	3.78	0.53	7.1
Residential and commercial	4.59	1.08	4.3
Industrial	3.75	-0.21	1
Transportation	3.58	1.08	3.3
Electric utilities	6.51	2.18	3.0

1. Values are not comparable.

Sources: Department of Energy, *Annual Energy Review, 1988; Monthly Energy Review*.

TABLE 5

Energy consumption for entire U.S. economy, per capita and per household

Year	Entire economy energy consumed (quad BTUs)	Population (millions)	Number of households (millions)	Energy per capita (million BTUs)	Energy per household (million BTUs)
1949	30.36	149.3	42.1	203.3	721.1
1973	74.28	211.4	68.3	351.4	1,087.6
1992	82.16	256.0	95.7	320.9	858.6

Source: Department of Energy, *Annual Energy Review, 1988; Monthly Energy Review*; Data Resources, Incorporated.

gy consumption of the period 1949-73 was an astounding seven times greater than the yearly rate of 1973-92.

If one looks at the economy on a per capita basis, the story is even more stark (see Table 5). Between 1949 and 1973, energy consumption per capita rose by 73%. Between 1973 and 1992, it fell 9%. This gets at the population control policy. If the energy level of the economy is the same, and the population rises, each person consumes less energy, meaning that he or she has less power, as an industrial operative, over the process of altering nature. Man's lawful mastery of the world is diminished. What will be the result? Just as with the outcome of the parallel reduction of the standard of living of the average family household during this period, the family will reduce the number of children raised, because there are fewer resources, including energy, available to it.

Now, what happens when the energy BTU tax slashes energy consumption? The birth rate will be cut even more steeply, and soon the death rate will overtake the birth rate, which has been the malthusian intent of people such as Paul Ehrlich and the environmentalists all along.

Finally, within the residential sector, which essentially represents the energy consumed to heat and cool one's home and run appliances, the level of energy consumption has

fallen dramatically. From a level of 215.6 million BTUs per household in 1973, it fell to 173.5 million BTUs per household in 1992. Thus, in 1992, each household consumed 20% less energy than it did in 1973. Some of this is accounted for by energy-saving appliances, but most of it results from a lower standard of living—people using less heat in their houses in the winter, and so forth.

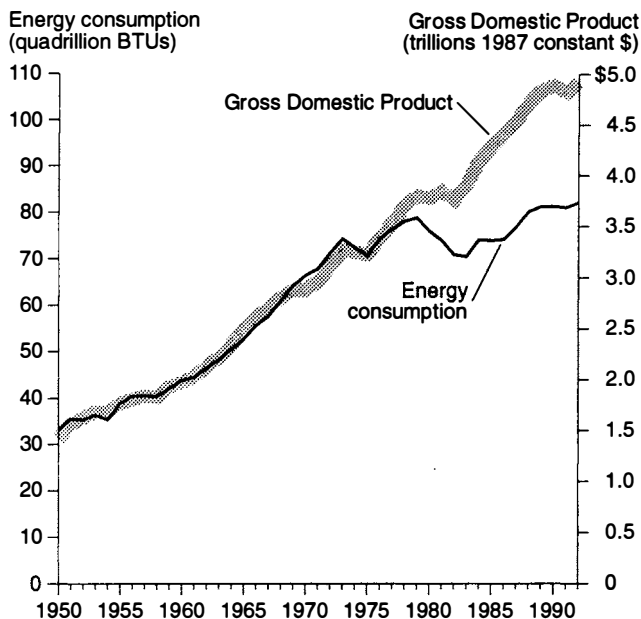
If the American people tolerate the fascist mentality that imposed the energy BTU tax, they will within a few years be suffering under the carbon-based fuel tax, and energy price increases will increase exponentially.

'Energy delinkage' lunacy

The environmentalist movement attempts to portray the undeniable lowered level of energy consumption of the economy as something good. Joined by the whorish economics profession, the environmentalists argue that the lowered level of energy throughput proves that the U.S. economy has become more energy-efficient. How? The dollar value of Gross National Product, the nominalist accounting system which measures the dollar value of all final sales transactions in the U.S. economy, has gone up. The environmentalists call this "the energy delinkage of the economy" (see **Figure 2**).

FIGURE 2

The so-called delinkage between energy and the economy



Sources: Department of Energy, *Annual Energy Review, 1988*; *Monthly Energy Review*; Department of Commerce, Bureau of Economic Analysis.

Yet during 1973-92, the economy's level of new home construction, steel production, and machine tool production, just to name three industries, have each fallen by greater than 30%. What grew? The parasitical "information society"—the production of computers; banking, real estate, and insurance services; gambling casinos and whorehouses; drug sales laundered through "legitimate enterprises," and so forth. A steel plant consumes 10 times the energy per employee as a commodities brokerage firm; each information society enterprise, aside from heating and lighting, does not consume much energy. Yet, lo and behold, aggregately, the information society has accounted for almost the total gain in energy consumption in the economy in the last 20 years.

But the enviro-fascists have concluded, and many senators, congressmen, and White House advisers agree, that the United States should be "restructured" further away from steel production and other heavy industry. This is a prescription for suicide, as the physical economy crumbles.

Environmentalist nightmares

Since the 1970s, the environmentalists have been engaged in effectively blocking the construction of even one new nuclear power plant, banning DDT and chlorofluorocarbons, reverting developed farmland back to wetlands-wastelands, and other activities which choke the economy.

In addition to the two oil hoaxes and the Volcker interest

rate shock, there has also been 25 years of environmentalist policy, which has enervated the economy to the point that the energy BTU tax will finish it off. This constitutes the second layer of weakening of the economy which must be taken into account when considering the effect of the energy BTU tax. These environmentalist restrictions and laws, enacted beginning 1968-74, constitute a nightmarish set of costs and physical constraints. Like a set of creeping vines, they entwined themselves around the real economy, suffocating it.

On April 22, 1970, the environmentalist movement celebrated Earth Day, a nationwide pagan festival reminiscent of the most decadent days of Rome. Mother Earth, the great whore of Babylon, expressed in other cultures as the evil Cybil, Ishtar, or Astarte, was celebrated in cities across the country. By this time, the Ford Foundation, under the leadership of the chairman of the board of the Eastern liberal establishment, McGeorge Bundy, had set up many of the groups that became the environmentalist movement, such as the Environmental Defense Fund, started in 1970 with Ford Foundation seed money. Today, the environmentalist movement, both in terms of contributions and in grants and government monies it directly controls, has an annual revenue flow of \$6 billion. That is bigger than the national product of more than 15 nations in the world.

Between 1968 and 1974, the malthusian financiers and oligarchic families that created and control the environmentalist movement, working through Congress, accomplished the following:

- in 1970, passage of the Clean Air Act;
- in 1972, passage of the Clean Water Act;
- in 1972, the banning of DDT;
- in 1973, passage of the Endangered Species Act.

These actions occurred at the same time as the financiers were rigging the 1973-75 oil hoax.

Up through 1990, the Environmental Protection Agency had estimated that compliance with the Clean Water Act and the Clean Air Act cost the economy \$91 billion per year. Then, in the spring of 1990, the Congress passed a stringent addition to the Clean Air Act which raised the cost by another \$60 billion, bringing the total cost to \$150 billion per year. The 1990 Clean Air Act additions banned or severely restricted a host of industrial processes. Already, smokestack industries must apply costly scrubbers, in one of the most inefficient wastes of industrial capital known to man.

Other legislation is being used with similar military precision. In October 1992, Congress passed and President Bush signed into law a \$2.4 billion omnibus water act whose provisions will force drastic changes in the way federal agencies operate federal dams and reservoirs in the West, especially in California. Some 800,000 acre-feet of water (2.6 billion gallons) are being taken from farmers to protect fish and set up wildlife refuges. It also set up a water marketing system that will raise the water rate on the remaining water the

farmers get and force "conservation" rationing. This in the midst of a seven-year drought in California.

The Endangered Species Act (ESA) protects thousands of so-called species, most of which are members of redundant thriving species, but with different coloration or spot patterns. About 65% of the protected species are insects, some of which are disease-transmitting. There are 296 protected snails, 90 in Alabama alone. The ESA has removed from lumber cutting an area in the Pacific Northwest which is the size of Massachusetts and Rhode Island combined, to provide a mating area refuge for 2,000 spotted owls. Currently, to "protect" a blind salamander, the ESA is being utilized in such a way that 60% of the drinking water of San Antonio, one of the 15 largest cities in America, could be removed by 1994.

In 1987, a number of nations agreed to the Montreal Protocol, which banned the production of chlorofluorocarbons by the year 2000. CFCs are used in the heating and air conditioning-refrigeration chain. In a followup meeting to the Montreal gathering on Nov. 17-25, 1992 in Copenhagen, 52 nations signed a protocol which calls for:

- a ban on CFCs by the end of 1995, instead of the year 2000;
- fire-extinguishing halons to be banned by the end of 1993;
- methyl chloroform, used in dry cleaning, to be banned by 1996, instead of 2005;
- carbon tetrachloride, to be banned by 1995, instead of the year 2000.

The ban on CFCs will cost the economy \$135 billion, plus as many as several tens of millions of lives in the Third World, where refrigeration of food is necessary for survival.

The environmentalist movement is besieging several key components of the economy. One flank is attacking the water supply; another is attacking chemicals and fertilizers, and hence food production; another goes after the food-preservation chain; another in attempting to close down energy production. The costs of the environmentalist movement has reached monstrous proportions. Now add on an increase in the price of energy.

A rational energy policy

Currently, America is being asked to think in 40-year time-frames to formulate energy policy. The National Energy Strategy, formulated in 1990 by the Department of Energy, works from such a 40-year perspective. What if, in the next 40 years, America returned to the levels of energy development that characterized the country during periods of its growth? The United States would junk the environmentalist policy of energy starvation.

If U.S. energy consumption grew at the compounded annualized growth rate of the period 1949-73, that is, a growth rate of 3.78% which America has already demonstrated it can achieve, what would happen? By the year 2030,

U.S. energy consumption would rise from 82.156 quadrillion BTUs in 1992, to 336.479 quadrillion BTUs, *a more than fourfold increase*. The U.S. population would increase during this period to over 600 million. That can't happen! screeches the environmentalist. "Where would we get that much energy, what industries would consume that much energy, and wouldn't the planet die from pollution?"

There are a whole range of new technologies on the edge of development. Lyndon LaRouche has identified four areas on the frontiers of science that are ripe for a scientific revolution: work in fusion plasmas, coherent energy beams, optical spectroscopy, and matter-antimatter reactions. There are five technologies that within 40 years could, in conjunction with other appropriate economic measures—such as federalizing the Federal Reserve System, to break the bankers' dictatorship over the United States and provide credit for needed economic investments—transform every major industry in America, and solve every major problem on Earth. These technologies include:

1) **Magnetically levitated trains.** These are trains with "no wheels," and therefore drastically reduced friction, which travel at cruising speeds of 250-350 miles per hour, working on the principles of magnetic repulsion or attraction. It is more efficient to travel between Washington, D.C. and Boston on a maglev train than on a plane. Maglev trains are powered by electricity, emitting no CO₂, no methane, no nitrous oxide.

2) **Nuclear fission power.** America should be mass producing 1 megawatt (1,000 kilowatt) nuclear power plants at the rate of 20-30 new plants per year for domestic energy consumption alone. Deserts would be greened, through river diversion and water desalination powered by nuclear power.

3) **Hydrogen-powered cars.** Powered by hydrogen power cells, these cars emit no polluting wastes.

4) **Magnetohydrodynamic plasma technology.** In the basic MHD conversion design system, coal or another fossil fuel is burned at between 4-5,000° F, producing an ionized gas which, when passed through a magnetic field, produces electricity. Coal is the source for 54% of all electricity generation in America. Operating in the U.S. now are 798 coal-fired steam electric power plants of capacities greater than 100 megawatts. If these plants were to be retrofitted with MHD converters, and new plants built with them, they would produce at a thermal efficiency of 60%, as against the present 34% efficiency of coal-fired plants. MHD eliminates 99% of atmospheric pollutants.

5) **Fusion power development.** Fusion's principal energy source is deuterium, an isotope of hydrogen, which comes from ordinary seawater. Fusion's energy-flux density is about 11 orders of magnitude greater than fossil fuels.

By the year 2030, applying LaRouche's approach, America would support a population of over 600 million people, pollution would be slashed, and the colonization of Mars would be a reality.

U.N. paves the way for Serbian takeover of Bosnia

by Konstantin George

United Nations "peacekeeping" forces in Bosnia reached new depths of infamy, as Serbian forces captured the eastern Bosnian town of Srebrenica on April 16 after a year-long siege, and set to work implementing their hideous "ethnic cleansing" policy.

The U.N. commander in Bosnia, Gen. Philippe Morillon, left Srebrenica on March 27, under the direct orders of U.N. Secretary General Boutros Boutros-Ghali, who told him that he had "no authority" to try to save Srebrenica. General Morillon himself is no hero, having been declared *persona non grata* by the Bosnian government, for allowing the Serbs to murder Bosnian Deputy Prime Minister Hakiya Turajlic on Jan. 8, while Turajlic was travelling in a convoy under U.N. protection. The U.N. troops allowed Serbian assassins to open the door of the armored personnel carrier in which the Bosnian leader was riding, and to shoot him in cold blood.

Two days after the fall of Srebrenica, General Morillon joined Bosnian Serb leader Radovan Karadzic and other Serb war criminals at a banquet in the Serb-held town of Pale, cheerfully marking the celebration of Orthodox Easter. Morillon and Gen. Lars-Eric Wahlgren, another U.N. commander, sat at the dais along with Karadzic, Karadzic's wife, and Serb commander Gen. Ratko Mladic. "Under portraits of Serbian kings, waiters brought trays of sijjovovica, a plum brandy," reported the *New York Times*. "Between toasts of 'Christ is risen,' people talked of war and destruction."

While the generals drank brandy, the chief activity of the United Nations forces was "to help arrange and administer the surrender and evacuation of Srebrenica," reported the British Broadcasting Corp. on April 17. In other words, to help the Serbs deport or kill all Muslims. The mandate of the U.N. contingent of Canadian forces entering Srebrenica is "to take possession of the Bosnians' weapons in line with the ultima-

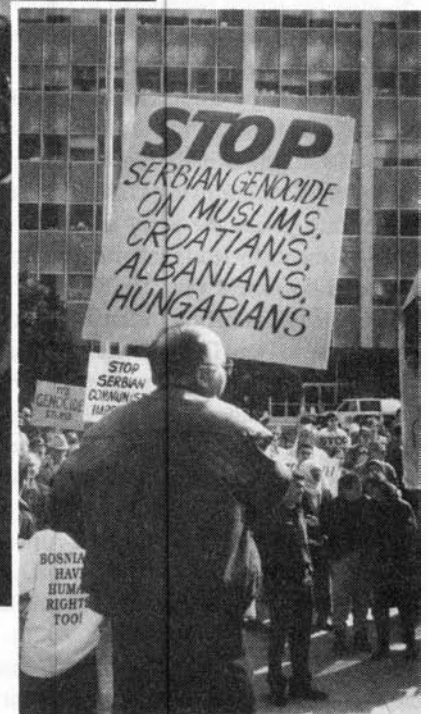
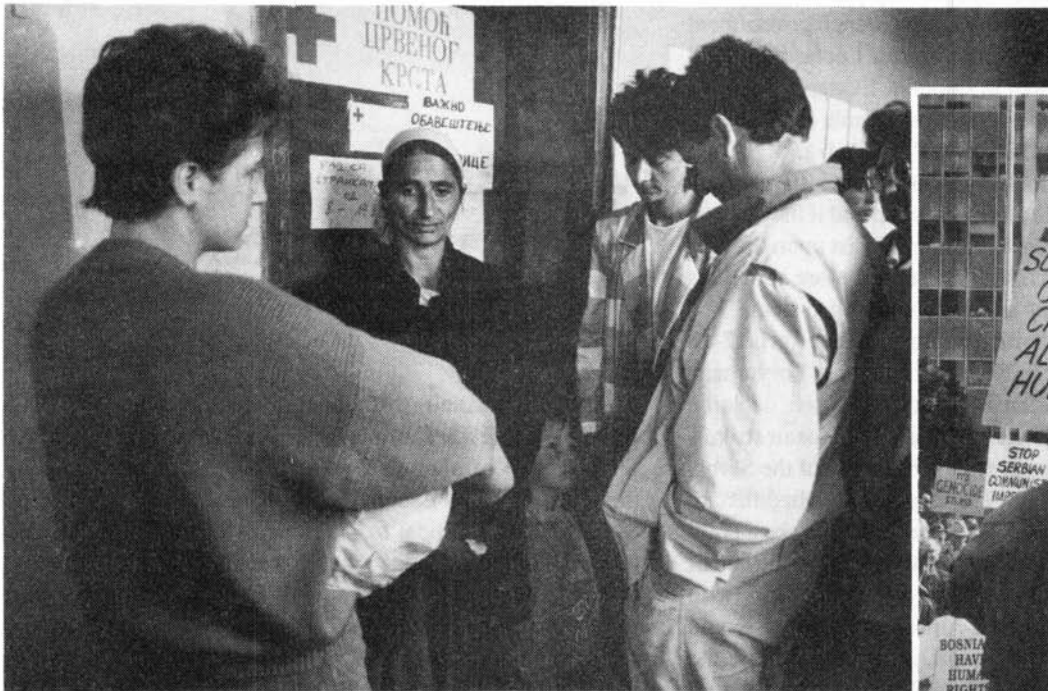
tum of the Serbs" that they be disarmed. The Canadian forces were stopped twice by Bosnian Serb militias, and denied entry to the town. BBC's correspondent commented that the intent of this was apparently "to humiliate the U.N. still further, to drag them in the dust, and to impose more conditions on the U.N. to make sure that the U.N. has agreed to do nothing more than to arrange the Bosnians' surrender and to make sure that the Bosnian militias give up their weapons."

Serbs in final offensive

Going into April, the Serbians had two remaining military-territorial objectives to seize. First, was to eliminate the Bosnian-held Srebrenica pocket in northeast Bosnia, near Bosnia's border with Serbia, and second, after taking Srebrenica, to use the Serbian forces freed from that offensive to launch a drive against Bosnian positions in northern Bosnia, to clear a corridor connecting Serbia with its conquests in central and western Bosnia, and all the occupied regions in Croatia (western Slavonia, Banija, Krajina, the remaining Dalmatian hinterlands), minus eastern Slavonia, which is adjacent to Serbia.

The U.N.-brokered capitulation of Srebrenica, with the disarming of the Muslim defenders, directly served these Serbian war aims. No sooner did Srebrenica capitulate, than the freed Serbian forces were immediately moved into an offensive directed against the Bosnian-held towns of Maglaj and Olovo. The elimination of the Bosnian military presence in the Srebrenica pocket secured the rear of the Serbian drive to clear the corridor.

Maglaj and Olovo hold the key to Serbia securing one of two possible variants of its last major ground objective, namely securing a usable road in the highly vulnerable land corridor linking Serbia with its conquests in central and west-



Refugees from Bosnia-Herzegovina at a food and health aid center in Croatia. Inset: A recent demonstration in San Francisco by several different groups targets Serbian war crimes.

ern Bosnia, as well as with all the occupied regions in Croatia. The offensive also aims to widen the currently very narrow corridor, to place it outside Croatian and Bosnian artillery range. The original Serbian goal of opening the paved road in the corridor running near the Sava River, has never succeeded, as the Serbs have been unable to take the bastions held by Croatian forces blocking this route. They are now “going for broke” against the more weakly held Bosnian positions astride the second route through the corridor.

Next target: Tuzla

The U.N.-brokered deal for Srebrenica has not alleviated the suffering of the Muslims in northeast Bosnia. Rather, through the mass evacuation of the 50-60,000 Bosnian civilians trapped in Srebrenica to the town of Tuzla, some 70 kilometers to the northwest, it has immensely compounded and exacerbated the plight of the Bosnian Muslims. Tuzla, already swollen with war refugees, cannot cope with the new flood, which would bring its civilian population to about 200,000.

Formally speaking, Tuzla is not surrounded. Its link to the main Bosnian lines is through a very narrow Bosnian-held corridor, with a very poor dirt road. A year of Serbian attacks has failed to take Tuzla. But now, barring drastic combined ground and air action to supply the city, Tuzla threatens to become a new Srebrenica, the scene of mass starvation, on a scale surpassing that which transpired in eastern Bosnia during the winter.

NATO has begun air drops to supply Tuzla, but air drops alone cannot sustain 200,000 civilians. Tuzla has a major airport, which is held by the Bosnians, but an air lift has been ruled out, under the absurd argument that the Serbs would shell the airport. Perhaps they would, but a few days of heavy air strikes would do wonders in this regard.

Ground supply is currently impossible because the faction of Croatian Bosnians led by Mate Boban, which is seeking a de facto partition of Bosnia, has blocked the roads leading to Tuzla. This blockage did not come out of the blue, and was essential to the Serbian military calculations for their April offensives. At the beginning of April, Boban telegraphed the isolation of Tuzla by issuing an ultimatum to the Bosnian Muslims, demanding that they leave the three cantons of Bosnia-Herzegovina accorded to the Croats under the infamous Vance-Owen plan, giving a deadline of April 15. On April 15, the heaviest fighting ever erupted between Croats and Muslims throughout central Bosnia and in the Mostar region of Herzegovina. The fighting was still raging through April 20, with no end in sight, and well over 200 killed on both sides.

Too little, too late?

Will the United States act, and launch the kind of air strikes against Serbian military positions that could still stop the war? Certainly no U.S. military policy can have any chance of success if Washington insists on clearing matters first with Britain

and France. The latest position of the new French government was clearly expressed by Defense Minister Léotard on April 20, after his return from talks in London. Léotard spoke out against lifting the arms embargo against Bosnia and Croatia, and ruled out air strikes as "ridiculous" and "absurd."

The British position is to delay air strikes as long as possible, and thus make them meaningless when and if they occur. Beyond that, the British, like the French, insist upon the precondition of withdrawing U.N. forces first, before air strikes begin, thus giving the Serbs an "early warning system."

Statements by leading British figures over the April 17-18 weekend document this. Sir Nicholas Bronsor, Tory chairman of the Parliament's Defense Select Committee, declared in response to Lord David Owen's qualified call for air strikes: "Lord Owen is not right to call for the bombing of the Serbs. It is not a one-sided conflict. The Croats and Muslims are also guilty of ethnic cleansing. However there may be a point where we have to change tack, but that would mean the end of humanitarian aid. It would have to be a joint decision, with everyone going in, following the Americans. But we would have to withdraw troops first [meaning, among others, the British troops assigned to the U.N. in Bosnia], as they would be slaughtered."

Bonsor's "fight" with Owen has less to it than initially meets the eye. He demanded that before any air strikes, the Russians would have to agree to such a course of action. Owen, after his well-publicized call for air strikes, sang a similar tune: "We have to be thinking in terms of going to the Security Council [meaning an agreement with Russia and France] and taking the necessary measures to pressure them [the Serbs] and that would include military measures, and I think these measures would be the interdiction of supply lines."

U.S. policy must be a combination of air strikes now against vital Serbian targets, combined with a broader strategy that could easily neutralize the often-cited "Russian problem" that supposedly stands in the way of doing anything serious against Serbia. Clinton must accept the Russian proposal for American-Russian anti-missile defense cooperation, put forward by President Yeltsin at the Vancouver summit on April 3-4. By committing America to support Russia's, and indeed America's own, most vital strategic interests in this way, he can readily get Russian agreement to help stop Serbia. Compared to the prospects of mutually rewarding strategic defense and high-technology cooperation with America, Serbia counts for little in Russian strategic thinking. For Bosnia, however, time has all but run out.

As a postscript, another Russian initiative ought to be endorsed immediately by President Clinton, with a proviso. This is the proposal of Russian Foreign Minister Andrei Kozirev for all U.N. Security Council foreign ministers plus leading European foreign ministers to meet in either Sarajevo or Srebrenica to work out a solution. The proviso is that the ministers not be permitted to leave Sarajevo or Srebrenica until that solution is reached.

Wiesenthal defends Serbian crimes

by Mark Burdman

Austria's renowned "Nazi-hunter" Simon Wiesenthal has seen his better days. In 1988, Wiesenthal had taken the positive step of signing a policy statement, distributed by the Club of Life, denouncing the present-day practice of euthanasia as identical to the policies of the Nazis. He did this with full knowledge that he was endorsing an initiative of Helga Zepp-LaRouche, wife of Lyndon LaRouche, who were then being anathemized throughout the world by the Anti-Defamation League of B'nai B'rith (ADL). During the late 1980s, Wiesenthal had frequently criticized the U.S. Justice Department and World Jewish Congress witchhunt against former Austrian President Kurt Waldheim. He also appeared to distance himself from some of the campaigns of the institute bearing his name in California, which targeted eastern European-origin octogenarians living in the United States, Britain, and other countries who were accused, often on the basis of evidence provided by the Soviet authorities, of Nazi war crimes.

But now, for reasons that are not clear, Wiesenthal has thrown his weight behind a campaign of certain Russians, the Israelis, and their friends in the ADL to justify the crimes of the Serbs. He is also echoing Russian propaganda vis-à-vis the Baltics and Ukraine, as if to justify a Russian strategic move against these nations.

With his pro-Serbian views, Wiesenthal has aligned himself with a faction within Jewish organizations typified by California's Herb Brin, whose ADL-mouthpiece *Southwest Jewish Heritage* weekly has become an open advocate of the Serbian cause. Brin has traveled to Belgrade to propagandize for Serbian dictator Slobodan Milosevic. At the same time, Wiesenthal is in public opposition to an important counter-current among Jewish spokesmen, exemplified by those who have drawn the parallel between the current slaughter of the Bosnians and what was done to the Jews by the Nazis. The sole remaining commander of the Jewish Warsaw Ghetto uprising against the Nazis, Dr. Marek Edelman, declared on April 18, on the 50th anniversary commemoration in Poland of the launching of that resistance: "There is mass extermination taking place in Bosnia, and Europe is behaving in a similar way as it did vis-à-vis the ghetto fighters. . . . Sadly, the Holocaust did not stop with the ghetto. It goes on."

Wiesenthal spoke out on the Serbia question in an April 1 interview with the Italian daily *Corriere della Sera*. It was on that very day that a Bosnian government suit was introduced before the International Court of Justice in The Hague, charging the Serbs with genocide. Wiesenthal told *Corriere* that it would be impossible to hold a Nuremberg-style tribunal for crimes committed in former Yugoslavia, because “from a military point of view, this is a civil war,” and because if there are Serbian war criminals, there are also Croatian war criminals, as well as Bosnians who have committed atrocities.

Big lies

The interview was headlined with a quote from Wiesenthal denouncing the “fascist Ustashe” ostensibly ruling in Croatia today, “Ustashe” being a reference to the Nazi-backed regime which ruled Croatia in the 1941-45 period. The repeated “Big Lie” in the interview was to make a simplistic and historically absurd equivalence between the early 1940s and today, to the effect that “Croats were fascists then and now,” “Germans were Nazis then and now,” *ad nauseam*.

Wiesenthal aligned himself with the British-authored “Germany is the Fourth Reich” propaganda, saying that it was a “very big mistake for the whole world” that Croatia and Slovenia were recognized as early as they were, but that “that was pushed by Germany and Austria.” Asked, “If Serbia is a Bolshevik state, is Croatia to be defined as a fascist state?” Wiesenthal responded: “Exactly. It is enough to read the anti-Semitic writings of President Franjo Tudjman to be convinced of that. Is it not the case that Israel has refused to have diplomatic relations with Croatia? There is no Israeli embassy in Zagreb. It is also the case that Germany, Austria, and the Vatican were the first to recognize the independence of Croatia. . . . I am worried that Croatia will transform itself into a satellite of Germany, like the Serbs today depend again on Russia.” Yet he demurred from the characterization of Serbia as “Bolshevik,” insisting that one can not expect a state that has been communist, to become “in one shot, democratic.”

Wiesenthal even argued that the Serbs, not the Croats nor Bosnians nor Kosova Albanians, were the first victims of the breakup of Yugoslavia: “We know of the crimes of the Serbs in Bosnia. But we forget that the first refugees of the war were Serbs; 40,000 were forced to leave Croatia, when on Dec. 22, 1990 this country decided to proclaim that the Serbs were an ethnic minority. This shows that the Croats were the first, before the Serbs, to evince an exaggerated nationalism. . . . The synagogues and Orthodox churches [in Croatia] were set on fire, a Jewish cemetery was profaned.”

This is pure falsification. All experts on the Balkans know that the origin of the conflict, in its contemporary manifestation, was in 1981, when the Serbs initiated a brutal crackdown against Albanians in Kosova, thereby signaling their

aggressive intentions toward other groups. By 1986, the coming breakup of Yugoslavia and the Serbian war of aggression became foregone conclusions to insiders in then-Yugoslavia, when the Serbian Academy of Arts and Sciences released a policy document, authored by its chief ideologue Dobrica Cosic (today President of rump “Yugoslavia”) recommending that the Serbian elites drop their Titoist-Bolshevik commitments, and instead promote a “Greater Serbia” ideology. It was Cosic and his Serbian Academy colleagues who sponsored the rise to power of Milosevic, whose Greater Serbia ravings in the late 1980s sent the message to Croats, Bosnians, Kosovans, etc., that coexistence with Serbia was becoming impossible. Once the dynamics toward a split became far advanced by mid-1990, it was the *Serbian* militias in Croatia under the late Jovan Raskovic, rather than the Croats, who began to commit atrocities.

These elementary facts would all be known to a well-informed Austrian like Simon Wiesenthal, especially as the Serbian elites’ ideology and propaganda since the early 1980s has been justifiably likened to that of the Nazis. So why does he propagate such lies?

Wiesenthal compounded this painful pattern with an interview with the Russian weekly *New Times*. In its April 1993 edition, the magazine featured an interview with “the well-known hunter for Nazis, [who] talks about the situation in the Baltic states and Ukraine.” Wiesenthal talked about only those aspects that the Russians want publicized now. Journalist Anatoly Kovrigin asked, “Dr. Wiesenthal, I’m aware that you are deeply concerned about the fact that the upsurge of nationalism in the Baltic states and Ukraine resulted in rehabilitation of Nazi criminals. What activities do you undertake in this connection?” Wiesenthal jumped on the leading question, complaining about Lithuanian authorities’ refusal to cooperate with him in tracking down alleged Nazi collaborators.

Later, Wiesenthal was asked another leading question, “Why has rehabilitation of the criminal past become possible in the Baltic states?” He responded: “This is one of the manifestations of nationalist tendencies in the three Baltic states. . . . Generally speaking, I’m worried by the clear outburst of racism and fascism on the territory of the former U.S.S.R.”

Wiesenthal self-righteously proclaimed that he would refuse to visit Kiev, capital of Ukraine, because “I can’t afford taking part in falsifying history.”

Such statements should not be seen in a “Jewish” context of professed hatred for Nazi crimes. Rather, they should be seen as part of a growing trend among certain western influentials, to “signal” that a Russian revanchist push into these parts of the former Soviet Union would be tolerated, as a response to what the Russians are claiming are “violations of rights of ethnic Russians” living there. Wiesenthal, in this sense, is only one of several prominent individuals who are playing with fire in the Baltics and Ukraine. But that hardly excuses Wiesenthal, who should know better.

Italy: a plebiscite against the state

by Leonardo Servadio

Months and months of scandals in Italy aimed at the corrupt political class, and in favor of institutional “change,” came to a climax on April 18, when a voter referendum passed by an overwhelming majority. Of the eight questions on the ballot, the one considered the most important will lead to a majority system (“winner take all”) for deciding elections to the Senate, instead of the proportional system that has been in place since the founding of the republic after World War II.

The change to a majority system in the Senate will have the effect of delivering the industrialized North to Umberto Bossi’s Northern League, a new party which claims that northern Italians are ethnically different from southern Italians, and is expected to begin splitting the nation into three separate entities—de facto if not de jure. The project has high-level international sponsors, notably the Freemasons.

The result of this referendum was inevitable. Never has the credibility of Italian political institutions fallen so low. When the Italian state and political system were struck by an avalanche of terrorism in the late 1970s, the institutions emerged strengthened, at least in the eyes of the Italians, since they proved able to resist the armed assault.

That was when Christian Democratic President Aldo Moro was kidnapped and murdered in early 1978, by the Red Brigades terrorist group. Moro had been attempting to organize a governing alliance between the wing of the dominant Christian Democracy (DC) that was trying to distance itself from Washington and the wing of the Communist Party (PCI) seeking independence from Moscow. The European Labor Party (POE), associated with the political movement of Lyndon LaRouche, marched through the streets of Milan and Rome with banners that read: “Kissinger Kidnapped Aldo Moro.” In fact, former U.S. Secretary of State Henry Kissinger was active in efforts to destabilize Italy, and the evidence linking his activities to the kidnapping came out in court during the trial of Moro’s assassins.

Undermining the idea of the state

The scandals which originated in the widespread corruption that dominated the 1980s (the years in which a cynical consumerism took over, and Italy was transformed from a

center of an ancient culture and industrial society into the prime purveyor of “fashion” to the world’s oligarchs and yuppies), have wiped out the idea that the state is an instrument for the defense of the weak.

It is possible that the voters in the April 18 referendum did not realize it, since all the pre-referendum publicity focused on the first question, majority election to the Senate; but in three of the other eight questions, they voted against the idea of a centralized state. These questions involved the abolition of three ministries: State Holdings, Tourism, and Agriculture. Now, the jurisdiction of these ministries will be turned over to Italy’s 20 regions. In other words, the administration is beginning to be decentralized.

This closely follows the path projected by Northern League chief Bossi, who in past years had already declared that there should be direct elections, according to the majority system, for a central political administration, which should be reduced in its authority, with a wider role for the regional governments. In other words, a stronger central role for foreign and military policy, but all the rest, particularly economic policy, should be decided locally by the regions. The results of the referendum go exactly in that direction.

Decentralized economic policy

The plan seems purely utopian: How can there be a national foreign policy or military policy, if economic policy is decentralized? Yet, calls for such a policy have multiplied in recent years. For example, in a recent book by Paul Kennedy, *Preparing for the Twenty-First Century* (New York: Random House, 1993), one of the central theses is that the role of the state should change, because the prevailing economic entities are the “multinationals,” capable of operating in any nation, and of changing to another nation at any moment they deem it profitable (see *EIR*, March 5, p. 47).

In the 1970s, it was more or less clear to the Italian people that this way of thinking was to be rejected. Now, it has been implicitly accepted, and the country is getting ready to place itself into the hands of the multinational empires. This resembles the way the ancient Byzantine Empire and other oriental despotisms ruled through local satraps and “ethnarchs,” who exacted tribute and slaves on behalf of the central authorities, while allowing a measure of local autonomy on the level of economic and social decisions, which merely served to divide the various subject peoples further and keep them from ever contesting the imperial power.

Not by chance, the day after the referendum, a delegation from Moody’s Investors Service was expected in Rome, to consult with many top authorities of the state and the government. Moody’s was coming to verify whether Italy is moving in the way it dictated, when it started the process of devaluation of the lira.

The referendum was supposed to be the maximum expression of democracy; but what has all this to do with democracy?

New evidence shows Inter-American Dialogue threat to Ibero-America

The following memorandum was issued by EIR's Ibero-American desk on April 20, and is being circulated throughout the continent. For additional reference, see "Inter-American Dialogue 'Sharpens Dagger' Against National Sovereignty" (EIR, Jan. 8, 1993).

I. Introduction

New information has come to light confirming *EIR's* earlier warnings that the Inter-American Dialogue constitutes a grave threat to national sovereignty and security in Ibero-America. The Dialogue, ostensibly a private group of Western Hemisphere bankers, policymakers, and politicians, has been found to deploy an extensive network of "non-governmental organizations" (NGOs) which defend terrorists and, in their own words, seek to eradicate "the very concept of national identity and national culture" from the Americas.

The Dialogue continues to exercise undue influence over Clinton administration policymaking toward Ibero-America, holding four cabinet-level posts and other key positions. This is one of the most striking cases of policy-holdover from the Bush administration, as it was the same Inter-American Dialogue which dominated policymaking towards Ibero-America under Bush—a point noted recently, and favorably, by the Brazilian Ambassador to the United States, Rubens Ricupero. Furthermore, the Dialogue has placed a number of current and past Dialogue members in key positions in various Ibero-American governments as well. The latest Dialogue newsletter brazenly reports that these individuals are "on loan" from the Dialogue to their respective governments—which raises the question of where their real loyalties lie.

As outlined in the December 1992 report of the Dialogue, "Convergence and Community: The Americas in 1993," the overall goal of the Dialogue is to impose upon the Western Hemisphere a new order based on limited sovereignty, the radical free trade of neo-liberal economics, and demilitarization of the Ibero-American countries.

II. The Dialogue and Americas Watch

Peter D. Bell, named permanent co-chairman of the Inter-American Dialogue on March 11, 1993, is also chairman of Americas Watch, a division of Human Rights Watch, on whose executive committee Bell also serves.

Americas Watch is one of the leading "human rights" NGOs operating in the region. In the case of Peru, Americas

Watch has functioned as a de facto support group for the Shining Path terrorists, focusing its campaigns against the Peruvian government and military and their war to defeat terrorism.

In April, Bell's Americas Watch issued the most open piece of pro-Shining Path propaganda yet: a report which charges that human rights violations became "significantly worse" last year in Peru and that Shining Path's military capabilities were "undiminished" by the capture of hundreds of top Shining Path leaders—both bald lies. The much-publicized report alleges that the arrest and trials of Shining Path's known front-groups of doctors and lawyers, such as Socorro Popular (People's Aid) and the Association of Democratic Lawyers, are violations of human rights, and declares that members of these known Shining Path associations are "neutrals" in the war. The report even includes Shining Path chief Abimael Guzmán in its list of "Individuals Unfairly Prosecuted"—supposedly because he was tried by a military court. On these and similar grounds, Americas Watch demands that the U.S. government continue to restrict international credit to Peru, and maintain diplomatic pressure.

The government of Thailand recently accused Asia Watch, another division of Bell's Human Rights Watch, of being run by the U.S. Central Intelligence Agency. On March 30, the head of the Thai government delegation to the Inter-Governmental Asian Regional Meeting for the Second World Conference on Human Rights, former Foreign Minister Thanat Khoman, charged that Asia Watch is "actually [a] front for the CIA," which uses "human rights as a means to extract and extort economic or political concessions" for the industrialized countries.

III. The U.S. National Security Council and the NGOs

Richard Feinberg, U.S. National Security Council director for Latin American affairs, is playing a central role coordinating Dialogue policy with the NGO structure in the Americas. Feinberg was president of the Dialogue before being named to the NSC at the end of January 1993. When he was appointed to the post, Dialogue chairman Peter Bell stated, "Richard's leadership infused the Dialogue with new energy and visibility—both in Washington and Latin America. I know of no one better suited to help shape U.S. policy toward Latin America in the coming period."

Barely a month after assuming office at the NSC, Fein-



Rigoberta Menchú, Nobel Peace Prize winner identified by Lyndon LaRouche as "the woman from hell."

berg met with representatives from the NGOs which deal with Ibero-America for a private off-the-record briefing. The briefing was sponsored by the D.C. Liaison Committee on Latin America, a group established by the Dialogue with the express purpose of "build[ing] stronger bridges between the NGO community and the U.S. government."

In the meeting, Feinberg stressed the "strategic importance" of NGO-U.S. government coordination. U.S. government strategy toward Peru, Haiti, and Nicaragua, and the North American Free Trade Agreement were discussed. According to the Dialogue's report, all participants agreed on the importance of "multilateralism and a rethinking of the Organization of the American States" to strengthen the latter's intervention capabilities in the region.

IV. The Dialogue foments ethnic conflict

The Dialogue has opened a new flank in its war against sovereignty. In February 1993, the Dialogue set up a new special project entitled "Ethnic Divisions and the Consolidation of Democracy in the Americas." Heading the project is Dialogue staff member Donna Lee Van Cott, a specialist in "ethnic conflict." Serving on the advisory committee for the project are leaders of several "indigenous peoples" NGOs, the World Bank, the Inter-American Development Bank, the Inter-American Foundation, and the Organization of American States. Van Cott toured Colombia and Ecuador in the first two weeks of March developing material for the project.

The Dialogue announced that the goal of the project is "to stimulate a debate among the peoples of the hemisphere on the relationship between governments and indigenous peoples," and that it plans to issue a report of "practical policy recommendations" on ethnic conflict at a later date.

The true goal of the project, however, extends far beyond merely "stimulating a debate." On Nov. 4, 1992, the *Christian Science Monitor* published an article by project director

Van Cott which championed the so-called indigenous movement as a means to splinter the nation-states of Ibero-America and eradicate "the very concept of national identity and national culture." The article was dedicated to Guatemalan terrorist spokesman and Nobel Peace Prize winner Rigoberta Menchú.

Van Cott wrote: "In virtually every country in Latin America, indigenous cultures are challenging the legitimacy of nation-states that exercise dominion over their ancestral territory. They challenge not just the state's disposition of their lands, languages, resources, and heritage, but the very concept of national identity and national culture. . . . In Bolivia and Ecuador, federations of Indian peoples have challenged the legitimacy of the Hispanicized state, demanding that their governments acknowledge the local autonomy and cultural separateness of the indigenous peoples. As these nations and others in Latin America struggle to consolidate recent democratic gains, they must also address the indigenous groups' assertion of a variety of nationalisms, an assertion that requires a more tolerant and pluralistic model of democracy."

V. Who's who

The Dialogue is not simply a group of influentials. In addition to its strong presence in the Clinton administration, the April 1993 issue of the Dialogue's Washington newsletter reports on the "Latin American members currently 'on loan' to their governments":

- Argentine Defense Minister Oscar Camilión;
- Brazilian Foreign Minister Fernando Henrique Cardoso;
- Chilean Finance Minister Alejandro Foxley;
- Colombian Trade Minister Juan Manuel Santos;
- Mexican Ambassador to Cuba Beatriz Paredes Rangel; and
- Mexican Ambassador to Spain Jesús Silva Herzog.

Ishaq Khan seizes control in Pakistan

by Ramtanu Maitra

On April 18, after months of power struggle between the President and the prime minister, Army troops surrounded the state-controlled radio and television stations, and an hour later President Ghulam Ishaq Khan dismissed the Nawaz Sharif government and dissolved the duly elected National Assembly. A three-member caretaker cabinet headed by Balkh Sher Mazari has been named, and it is expected that the cabinet will be expanded soon. In this action, as in his earlier dismissal of the elected Benazir Bhutto government, the Pakistani President exercised the power acquired through the Eighth Amendment of the Constitution, a legacy of military dictator Zia ul-Haq.

The crisis that led to the dissolution of the National Assembly and sacking of the Sharif government, a repeat of the Aug. 8, 1990 sacking of the Bhutto government, had reached the flashpoint on April 17, when Prime Minister Nawaz Sharif, in a national broadcast, pointed to the "dirty conspiracies" hatched against him, leaving no one in doubt who he thought was the mastermind. Following that broadcast, Ishaq Khan, head of Pakistan's powerful bureaucracy, sought the Army's approval and the opposition leader Miss Bhutto's support before making the proclamation. Miss Bhutto, with the likely approval of the United States, flew from London on April 17 to meet with the President, giving support to the final move against Nawaz Sharif.

New elections scheduled

Since then, the President has announced that fresh elections to reconstitute the National Assembly will be held on July 14, within the three-month period stipulated by the Eighth Amendment, even as the Speaker of the dissolved National Assembly, Gohar Ayub Khan, has challenged the dissolution in the High Court, calling it *mala fide* and *ultra vires* (in bad faith and beyond the President's legal authority).

The dissolution of the Nawaz government came a week after the prime minister, prompted by complaints from Gulf emirates, had moved to arrest Arabs who were in the Northwest Frontier Province of Pakistan without a valid visa. Allegedly, Arabs who had come to Pakistan to fight with the Afghani mujahideen against the Soviet Union had not gone back to their home countries, and now represent a terrorist, drug-infested force with ties to Iranian and Egyptian terrorism.

There is also evidence that Nawaz Sharif, in contrast to either President Ishaq Khan or the Pakistani Inter-Services Intelligence (ISI), had wanted to cooperate with India to track down criminal elements who had allegedly carried out the March 12 serial bombing in Bombay that killed over 300 people, and who had then fled to Pakistan.

On April 8, Nawaz Sharif announced a task force to investigate and arrest suspects in the Bombay bombing, and also proclaimed his policy to round up alleged Islamic militants.

The Pakistani ISI reports to Ishaq Khan, not the prime minister, and is believed to be complicit in the Bombay bombings. Observers in New Delhi now fear that Nawaz's removal will pave the way for a policy of unhindered provocations against India.

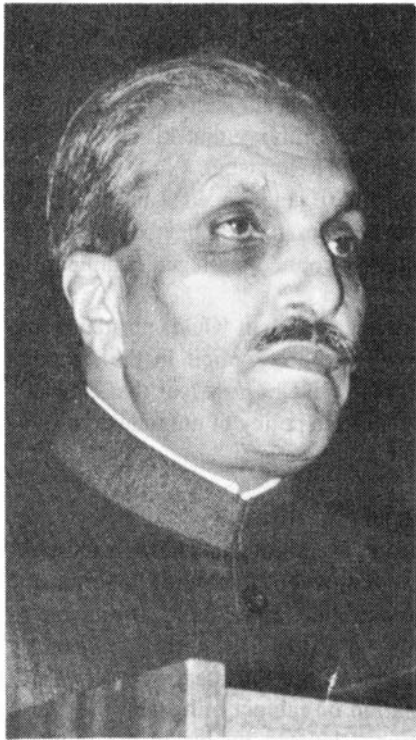
Another execution in the offing?

In his dissolution order, President Ishaq Khan listed eight different charges for the removal of the Sharif government. Among them were: mass resignations of the opposition members from the Assembly—a gift handed to the President by Benazir Bhutto, the leader of the Pakistani People's Party (PPP)—and the resignation of cabinet ministers; the "false and malicious allegations" leveled by the prime minister against the President; misadministration, nepotism, and corruption in the federal government; and the reign of terror against the opposition. Nawaz was also accused of misuse of the resources and agencies of the government for personal gain, causing "massive wastage and dissipation of public funds and assets at the cost of the national exchequer . . . resulting in increased deficit financing indebtedness."

But the most significant of the allegations came from Begum Nuzhat Nawaz, widow of the late Chief of Army Staff, Gen. Asif Nawaz Janjua, who died suddenly of a heart attack while jogging on Jan. 8, but whose death one medical report says was the result of slow poisoning. Nuzhat Nawaz told reporters that her husband had been poisoned. Citing Janjua's widow's charge, Ishaq Khan's charge sheet against the government says that the allegations "indicate that the highest functionaries of the federal government have been subverting the authority of the Armed Forces and the machinery of the government and the Constitution itself."

Ironically, it is Ishaq Khan who most profited from the early exit of Army chief Janjua. The President replaced Janjua with Gen. Abdul Waheed Kakkar, superseding a number of senior generals. With little independent base, Kakkar, it is believed, will be content to remain in the President's orbit.

If Nawaz Sharif continues to exhibit belligerence, it is likely that the President will pursue the case vigorously until someone close to Nawaz Sharif, or even Nawaz Sharif himself, is hanged for the alleged crime. The Pakistani establishment has already hanged one prime minister, the late Zulfikar Ali Bhutto, and has the colluded power to repeat the same scenario.



Left, the late military dictator Zia ul-Haq, whose Eighth Amendment to the Constitution allowed Pakistani President Ghulam Ishaq Khan the power to dismiss the government. Center, Benazir Bhutto, the former premier sacked in a similar move in 1990, supported the ouster of her successor, Prime Minister Nawaz Sharif (right).

The real issue

The core problem with Nawaz Sharif's ouster is the Eighth Amendment bill, passed in 1985 by Zia ul-Haq ostensibly to concentrate executive power. The amendment, which consists of 100 clauses, results in a system revolving around an indirectly elected President, not answerable to any parliamentary forum, who is permitted to remove governments and to dissolve the National Assembly and provincial assemblies at will.

In March, Prime Minister Nawaz had announced in the Senate, the Upper House of the National Assembly, that the Eighth Amendment needed revision. The opposition People's Democratic Alliance, dominated by the Pakistani People's Party, first agreed to support the prime minister, but then backed out. Although Sharif then also backed down, it was too late—he had become by that time a target of the President's wrath.

Ishaq Khan, the senior most civil servant in Pakistan, has made many inroads into the military, and because of his wide-ranging actual power, garnered over two decades of close proximity to the highest echelons, he is the most powerful conduit for foreign powers dealing with Pakistan. He is also the country's chief negotiator with the International Monetary Fund and World Bank.

By contrast, Nawaz Sharif, an industrialist, is a Johnny-come-lately to Pakistani politics. A complete outsider to the

Pakistani establishment who was handpicked by Zia ul-Haq, Nawaz was tolerated because of his organizing capabilities and willingness to challenge the established, yet despised by the establishment, Pakistani People's Party.

There are indications now that Ishaq Khan is fully prepared to bring Pakistan back fully to the establishment circles. His selection for caretaker prime minister is Balk Sher Mazari, a Baluch landlord who is based in Dera Ghazi Khan in south Punjab, and whose real estate spans three provinces—Punjab, Northwest Frontier Province, and Baluchistan. Not known for his political skills and handpicked by Zia ul-haq for the Senate, Mazari belongs to the Mazari tribe, which claims its origin in Syria and the southern Caspian Sea.

The caretaker cabinet has two other members, both of them landlords of immense wealth, one each from the PPP and the ruling IJI.

Besides assuring that the Pakistani Muslim League, the major party of the IJI, is not represented by anyone who is hostile to the Eighth Amendment, the President will also want to see closely fought elections in which no party could come in with a sweeping majority. A divided house is easier to control and does not raise the threat of a parliamentary coup leading to the nullification of the Eighth Amendment, which is not likely to figure as an issue in the election campaign itself.

South Africa at the crossroads between vision and pragmatism

by Uwe Friecke

The murder of the chairman of the South African Communist Party, Chris Hani, on April 10, and the ensuing escalation of violence at protest demonstrations of followers of the African National Congress (ANC) throughout the country, shows clearly what a powderkeg South Africa is, despite the negotiations of the government, the ANC, the Inkatha, and other parties. There is a danger that the maelstrom of violence will nullify all efforts for a peaceful transition to a non-racist constitution in South Africa. Unless far-sighted political leaders appear now with a vision for a new South Africa that attacks the most important political injustices of the apartheid system, the murder of Hani could be the beginning of a nightmare which informed political observers in South Africa have warned about since the beginning of this year—civil war between black and white, as well as escalation of the latent warfare between various groupings within the black population. South Africa could become a further tragic example on the African continent of how a country, in the wake of the call for democracy, first becomes ungovernable, and then finally degenerates into uncontrollable disintegration.

The supposed murderer, Janusz Walus, is a member of the Afrikaan Resistance Movement (AWB) and the Afrikaan National Socialist Movement (ANS), whose leader, Koos Vermeulen, is a leader of the world apartheid movement, which will foot the bill for Walus's legal defense. This alone already indicates that the murderer did not act alone, but was deployed for this murder as an extreme right-wing, politically motivated agent of secret service circles as a part of a comprehensive destabilization campaign against South Africa.

The murdered Chris Hani belonged to the hard core of ANC leaders who, as longtime members of the Politburo of the Communist Party (SACP), did not abandon their communist convictions after the fall of Gorbachov and the disappearance of the Soviet Union. For many years, Hani was the protégé of the white chairman of the SACP, Joe Slovo, whom he eventually replaced as chairman in 1991. Hani established his name especially as the leader of the militaristic wing of the ANC, Umkhonto we Sizwe. He was one of the few who survived the first military operation of the ANC in 1967 in the north of Rhodesia (now Zimbabwe), the so-called Wankie

Operation. In 1983, he led the ANC brigade in Angola against UNITA. In February 1984, he was successful in breaking up the revolt of the Umkhonto we Sizwe against the ANC leadership in Angola. He made his reputation especially among the radicalized youth of the townships, although on the other hand, his role in the management of the infamous ANC prison camps in Zambia, Angola, and Tanzania was never revealed. Also, it may be a *post facto* myth that Hani, who stems from the school of the hard-core Stalinist Slovo, was the key person in the integration of the township youths into the negotiation process. To be sure, over the last few weeks Hani had spoken out clearly for a negotiated solution, and had avoided repeating his previous threats to resume the armed conflict—threats which had made him into the most prominent bogeyman figure to the whites—but this in no way gave him the stature to convincingly present a vision for a new South Africa.

Hani embodied the worsening dilemma confronting the ANC leadership. Just as during the exile period, convinced communists now exert the dominating influence on the ANC's 25-member National Executive Committee. For example, it was ironically a paper written by the SACP's longtime chairman Joe Slovo, titled "Strategic Perspectives," that at the end of last year brought the ANC's position close to that of South African President Frederik De Klerk. With its acceptance of this paper, the ANC renounced its short-term goal of becoming a majority party, and agreed to the concept of a division of power within a government of national unity for a transition period up to the year 2000. Of course, the longer the negotiations for a dissolution of the apartheid constitution get drawn out, the more evident the danger becomes that formal and procedural questions will prevent any progress, while social tensions increase along with economic and political conflicts.

On the decisive questions of ensuring a just economic future for South Africa, the confirmed communists can find no practicable answer. For that reason, the greatest challenge for the ANC consists in freeing itself from the dominance of communist traditions, and again taking up the ideals which helped bring the ANC into existence in 1912.

Multiparty negotiations resumed

The political leaders of 26 parties, governments, and organizations resumed multiparty negotiations on April 1, picking up the pieces after the failure last year of constitutional negotiations in the framework of the Convention for a Democratic South Africa (Codesa). The new forum has still not given itself a name, and so far has only established a structure for negotiations on four levels. Participants in the meeting, in addition to the ANC, included the Communist Party, the ruling National Party, the Inkatha Freedom Party, the Conservative Party, and the Pan-African Congress (PAC). This new forum for negotiations is supposed to open the way for general elections and the adoption of a new constitution. According to the ideas of the ANC and the government—which the other parties are far from accepting—a transitional executive council is to be formed at mid-year. At the end of the year, the present tricameral parliament will pass a transitional constitution that will lead to the first non-racial elections and the creation of a constitutional assembly in the spring of 1994. Out of these elections, a coalition government of national unity will emerge, in which all the parties who can win a certain minimum number of seats will participate. This coalition government is to govern until the year 2000, and will then be dissolved after new elections by a majority government.

It is extremely questionable whether this method, whereby the De Klerk government and the ANC with its chairman Nelson Mandela are seeking to establish themselves as the “principal actors” in the process of change in South Africa, will be able to handle the situation in the country. In particular, the communist leadership of the ANC can scarcely claim to automatically represent the majority of the 30 million blacks. Further attempts by De Klerk and the ANC-SACP leadership to preset the path to change in their own direction, cannot help but increase the tensions with the other participants.

World depression strikes in South Africa

South Africa's economic situation is the real Achilles' heel of the process of change in the country. It is already characterized by a dangerously high level of unemployment. Since 1989, some 250,000 jobs have been lost. In the formal economy, 57% of the population capable of working were employed at the end of 1992, and in the informal sector, 20%. That gives an average unemployment of more than 20%. Unemployment is relatively much higher among the black population than among the white, and is especially devastating in the townships, where there is generally no prospect of meaningful employment for the radicalized youth. So far, no initiative has been taken in the context of the multiparty negotiations, to put the all-important economic future of South Africa onto the agenda. On the contrary, Finance Minister Derek Keys, who used to be manager of the second largest mining company Gencor, has just commissioned the drafting of a plan for the “structural adjustment”

of the economy, which through extensive deregulation and liberalization of South Africa into a cheap labor pool, will sooner or later destroy the economy's highly qualified technological potential and will wreck the development of its internal market.

South Africa is running the risk of committing the oft-repeated blunder of seeking a political solution to its problems without at the same time seeking a clear programmatic perspective for its economic development. The key to mastering South Africa's internal problems lies in the strategic role that the country's industrial and technological potential would play in the development of the entire African continent. For that, it will require a great plan, especially for construction of infrastructure, the development of modern agriculture, and the industrialization of sub-Saharan Africa; and the economy of a new South Africa must be a leading participant. Such an economic perspective would create the stability needed to solve the political constitutional problems.

The murder of Hani bears the signature of those who, for geopolitical reasons, are working to destabilize South Africa, at the same time as two other key countries for Africa, Kenya and Nigeria, are plunging into ungovernability. If this destabilization strategy succeeds, the African continent will be deprived of any chances for development for many years to come. It is time that responsible South African leaders take a stand on these fundamental strategic dangers and challenges.

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Will U.S. occupy Haiti under U.N. auspices?

by Valerie Rush

By threatening to send troops to Haiti to impose a Pol Pot-style Marxist dictator in the presidency there, President Bill Clinton is stupidly embracing one of the Bush administration's worst foreign policy disasters. Tiny Haiti is already an inspiration to nationalist forces on the continent trying to defend their sovereignty from the supranational interventions of entities like the United Nations and its non-governmental organizations (NGOs). The deployment of American troops to the black island-nation, which has not forgotten its 19-year occupation by U.S. Marines earlier in this century, could touch off an explosion of unpredictable consequences.

Before Haiti's military overthrew President Jean-Bertrand Aristide, a terrorist priest, in September 1991, frenzied Jacobin mobs were being deployed with presidential blessing to "necklace" (burn alive) Aristide's political enemies, and bloody civil war was imminent. Aristide's ouster gave Haiti a chance to cool down and take a different direction. And yet, instead of giving that impoverished nation economic and political backing to stand on its own two feet, the Project Democracy forces inside the Bush administration offered full protection to the ousted Aristide and instigated a punishing economic embargo against the Haitian nation, enforced through the Organization of American States and the United Nations.

No 'quick and easy' victory

In the forefront of the Project Democracy networks in Washington which have been most outspoken in defending Aristide and promoting a hard line against Haiti is the Inter-American Dialogue (IAD), whose former chairman Richard Feinberg is now Bill Clinton's Latin American adviser on the National Security Council. While Clinton fumbles around looking for a "quick and easy" foreign policy success to hang from his belt, Feinberg and other IAD "loans" to the administration are dangling before his eyes the prospect of a "democratic" Haiti—enforced by U.S. troops.

The U.S. military mission would be small, to begin with. The idea is to send fewer than 100, the majority of them non-combat engineers, medical personnel, lawyers, and so forth. Combat troops would accompany them "merely to provide

security." Although Clinton administration officials imply that the mission would be a "humanitarian gesture" to assist in reconstructing the ravaged country, it is also openly acknowledged that having a U.S. security team in place is both Aristide's demand *and* a prerequisite for reinstating Aristide back into the presidency.

The *New York Times* admits that the presence of U.S. soldiers would "reinforce the demand of United Nations mediators here that there be no new delays in reaching a solution." The *Times* quotes one Haitian, "There is a long tradition here of taking the Pentagon very seriously. The mention of the American military, even if no one breathes the word 'intervene,' takes this thing to a whole other level."

Target the institutions

The real intent of any Project Democracy deployment into Haiti is to dismantle the military, one of the country's few surviving institutions which, with all its flaws, is intent on preserving national sovereignty. Under the rubric of "retraining" and "professionalization," U.S. and U.N. advisers would import the Salvadoran model, complete with an "independent" Truth Commission to investigate so-called atrocities, assign blame, and demand purges. The *New York Times* reports that the U.S.-U.N. plan is that "ordinary [Haitian] soldiers will either be eligible for retraining in the Army *under international supervision*, or induction into a civilian police force" (emphasis added).

In addition to a takedown of the Haitian military, U.S.-U.N. advisers would be involved in other "reshaping" activities in Haiti, such as "improving the courts and justice system, safeguarding press freedom and professionalizing the police." In El Salvador, every national institution is being given over to the supranational oversight of the United Nations, which has weighted all of its so-called "reforms" in favor of the FMLN insurgents. What Aristide's "necklacing" experts could do from behind a civilian police badge or judge's bench is too chilling to contemplate.

Washington and U.N. mediator Dante Caputo have presented Haiti with enough ultimatums to bludgeon a dozen countries into submission to their "democracy" agenda, and yet the Haitian military rulers will not be cowed. According to Caputo, Haitian Gen. Raoul Cedras kept him waiting for three days before rejecting the latest U.N. ultimatum. Said the miffed Caputo, "Some very bad things were said."

In the period just before the U.S. occupation of Haiti in 1915, President Woodrow Wilson's Secretary of State William Jennings Bryan received a briefing on the state of affairs in Haiti, which had become the world's first black republic following a heroic war with France over a century earlier. Bryan's insightful comment? "Dear me. Think of it. Niggers speaking French!" One wonders if Bill Clinton has learned anything from history, or will he be conned by such advisers as this into picking up the "Big Stick" against Haiti once again.

Peru rebuffs Panama's blackmail

The U.S.-installed drug regime has now turned its ire against political prisoners and women.

The Supreme Court of Peru rejected a request from the U.S.-installed drug-banking government of Panama, for the extradition of Carlos Wittgreen, and ordered his release from prison. Wittgreen, a friend of Panama's Gen. Manuel Noriega, who is now a prisoner of war of the United States, had been in jail since Feb. 8, while the Peruvian court considered the Panamanians' demand to hand him over.

In its April 7 ruling, the high court said that the Panamanians had not presented any evidence to back up the charge that Wittgreen was behind the 1989 torching of the yacht *Casimiro II*, belonging to Gabriel Lewis Galindo, the Panamanian drug-money-laundering banker who ran Project Democracy's "Civic Crusade" against Noriega from Washington. The yacht's security guard, Félix Augusto Vásquez, died during the incident.

It was the second time since Wittgreen took up residence in Peru, following the U.S. invasion of Panama, that the Peruvians have rebuffed demands to hand him over to the Panamanians, in exchange for restoring diplomatic relations. Peru was believed to be particularly vulnerable to the Panamanian blackmail, because of its precarious economic situation, which is largely due to the economic warfare being waged against it by the same Project Democracy apparatus that organized the invasion of Panama.

In fact, while the Panamanian regime spawned by Project Democracy was pressuring Peruvian President Alberto Fujimori to hand over Wittgreen, inside Peru, the operatives of

Americas Watch, the Inter-American Dialogue, and other arms of Project Democracy, were using the case to go after Fujimori for allegedly violating Wittgreen's rights.

The sudden concern for Wittgreen's fate by the self-proclaimed "human rights" lobby did not fool anyone, least of all Wittgreen himself, who said he would formally ask the Fujimori government to grant him asylum in Peru. "Despite everything, its people and its representative institutions have treated me with affection," he said. Wittgreen said he did not feel any resentment toward the Peruvian government for the two months he spent imprisoned. "This was an extradition process and things had to run their course. The Peruvian system of justice did what it had to do," he said. "The problem lies with some in the Panamanian regime who have unleashed an unrelenting political persecution against me."

The Panamanian regime of Guillermo "Honeybuns" Endara, a drug-money-laundering banker, vowed to pursue the case on which it has already expended thousands of dollars. Asked by a reporter if the money could not be used instead to alleviate the problems of the over 50% of Panama's population living below the poverty line, Foreign Minister Julio Linares said it could not. Linares, who had been bragging for weeks that Wittgreen would be handed over this time, has gone on a rug-chewing fit since the ruling.

The ruling "is an absurdity, based on lies, and dishonors the court," Linares said during a Panamanian congressional hearing on April 14. He ac-

cused the Peruvian justices of being prejudiced, and "not upholding the truth," and threatened that "this absurd ruling is another element to further stagnate relations between the two countries." The next day, Linares lost his cool when a TV interviewer asked him about problems facing the country, such as the Group of Eight refusal to readmit Panama to full membership. "I will only talk about the Wittgreen case, nothing else," said Linares, as he picked up his papers and walked out of the studio.

The regime has launched a campaign of intimidation to prevent the National Legislature from passing a law granting amnesty to the scores of civilians and officers of the former Panamanian Defense Forces officers taken prisoner by the U.S. invading forces, who are still languishing in Endara's jails, and as many as 35,000 others who are being politically persecuted, many of whom have sought exile or gone underground. On April 14, John Hogger, a government-employed medical doctor, so intimidated a woman who was lobbying for passage of the amnesty, that she died of a stroke. Dr. Hogger resisted giving first aid to the woman, Josefina Dennis de Torres, 57. "She shouldn't have been out demonstrating in her condition," he said.

The same day, *La Estrella de Panamá* reported that representatives of the Panamanian Union of Persecuted Journalists held the first of several meetings with foreign diplomatic representatives in Panama. The journalists, led by Julio Ortega, said that since the invasion, they have been subjected to trumped-up judicial processes that do not seek to establish the truth, but just to intimidate. . . . This constitutes a flagrant violation of human rights and a violent attack against freedom of speech and freedom of the press."

Old monetarists are no lesser evil

Smelling a crisis among the elites, former Chancellor Schmidt reenters the stage, but offers no solutions.

The German political class is deceiving itself and is not telling the people the truth. I don't just mean the government, but all the political parties. The quality of the politicians—not only in Germany, though—has declined significantly over the past decades. What is lacking are people that are used to handling great challenges.”

That harsh verdict came in an April 6, 1992 interview by former German Chancellor Helmut Schmidt, who particularly charged Chancellor Helmut Kohl with “holding onto an illusionary economic optimism.” In a series of recent public statements, Schmidt has revived that polemic, demanding of Kohl that he tell the nation about the “necessity” of austerity and sacrifice, of “blood, sweat, and tears.”

The economic crisis, plus endless scandals involving politicians from all parties, have created a situation grave enough to raise concern about the future of this state. Schmidt correctly identifies the elites' apparent inability to rise to the occasion, but he himself has nothing to offer in the way of a solution.

The economic policy of Chancellor Kohl is so bad, that it should be an easy job for Schmidt's opposition Social Democrats (SPD) to reap the fruits of the government's big loss of voter confidence, 15 months before the next scheduled national parliamentary elections.

What do the voters want? With no elections for the next 12 months, it is hard to say for sure. Yet the municipal elections in the state of Hesse on March 7, which might indicate the mood of German voters more generally, turned out to be a real disaster for

the Social Democrats. The SPD suffered losses of almost 10%, and 30% of the voters didn't even go to the polls—unprecedented in postwar Germany.

On a national scale, the results of the Hesse elections translate into a stalemate, with both government and opposition now rated at about 25-30% of the vote. This means that even if they joined for a “Grand Coalition” after the next elections, the two largest parties together probably wouldn't have a clear majority in the Parliament.

Many voters in Germany have little confidence in the ability and commitment of the established parties to deal with the economic depression, and see no real political alternative at this moment. Hence, more Germans will stay away from the polls in protest.

But among the elites, there are still illusions about the best way to deal with the crisis.

Schmidt, a Social Democrat now at odds with his own party, rightly observed in an interview with the daily *Bildzeitung* on April 5, 1993 that none of the current leaders of the SPD has any expertise in either economics or statecraft. Schmidt has made a comeback into the public debates on policies in Germany after an absence of nearly 10 years.

In media interviews, speeches, and at political gatherings that give him an occasion to address the present crisis, Schmidt is campaigning for a policy of “brutal but honest truth” on the economic situation, and for drastic austerity and monetary discipline. He

is ostensibly trying to define elements of a new SPD party platform, which, given Schmidt's widely accepted image as a “world economic expert,” would be binding on whoever is the SPD's candidate for the 1994 elections.

It must be said that Schmidt, while appearing to be an incisive and outspoken analyst of the crisis, has major flaws in his analysis, and is drawing the wrong conclusions. He always omits mention of the fact that his own SPD-led government imposed U.S. Federal Reserve Chairman Paul Volcker's policy of high interest rates in Germany in late 1979, which played an instrumental role in the accumulation of a staggering public debt now totalling 1.4 trillion deutschemarks—for which Schmidt unjustly blames the Kohl government.

Another legacy from Schmidt, is the Kohl government's strict refusal to talk about debt moratoria. When he was chancellor, Schmidt vehemently opposed any cancellation of the debt, whether at home or for the developing sector. Further, Kohl's emphasis on enforced fiscal and social austerity follows outlines largely worked out under Chancellor Schmidt before 1982.

As far as the Social Democrats' 1994 campaign platform is concerned, Schmidt recommends that it be co-authored by such SPD-connected monetarists as Karl Otto Poehl, the former chairman of the German central bank, who has always been a proponent of tight-money policies.

Running with a “Schmidt-style” platform against Kohl, would therefore be a political blunder by the SPD. But it is uncertain whether enough voters would buy that hoax, for the SPD to secure an election victory in 1994. It certainly can't work if Schmidt stays in the background and keeps pushing as candidates those young SPD leaders whose incompetence he himself has attacked.

Talk of legalizing drugs in Colombia

Narco-terror escalates while the government's favorite presidential candidates push drug legalization.

The murderous remnants of Pablo Escobar's Medellín Cartel have Colombia in the grip of escalating narco-terrorism, while the ruling elites, exemplified by President César Gaviria, continue to play the negotiating game with the nation's worst criminals. Simultaneously, Gaviria's favored candidates for next year's presidential elections are shamelessly urging drug legalization as the answer to both narco-terrorism and the drug trade.

On April 15, a massive car bomb exploded in a crowded shopping mall in the commercial center of Bogotá, killing at least 12 and injuring another 200. Like earlier bombings this year, which have claimed 40 lives and wounded more than 400, the fugitive Escobar is believed to have ordered this latest act of terrorism to try to force the government into granting him a general amnesty.

The Gaviria government, while condemning the bombing, still refuses to rule out the possibility that Escobar may win a negotiated "surrender" deal with the government. In fact, it is currently conducting sentence-reduction negotiations with Escobar's brother and other Medellín Cartel prisoners, which could lead to their release from jail and their conversion into "capitalist entrepreneurs" within a short period of time.

Ironically, it was Escobar's personal lawyer, Guido Parra, the self-proclaimed "intellectual author" of government legislation that paved the way for banning extradition and for

Pablo Escobar's short-lived surrender in 1991, who was just assassinated by the vigilante PEPES terror squad. According to a message found by the bullet-riddled bodies of Parra and his teenage son in Medellín, the PEPES action was allegedly in retaliation for the Bogotá bombing. PEPES also claimed responsibility for fire-bombing several cartel ranches and a posh but abandoned discotheque said to be cartel property.

The Gaviria government issued a statement repudiating the PEPES actions, and offering a large cash reward for their capture—a studied effort to be even-handed with their earlier reward offers for Escobar's capture. But the government is in fact doing less than nothing to stop the drug mafia. Rather, they are shamelessly readying the country for the ultimate surrender of drug legalization, by promoting two Liberal Party candidates who have endorsed such a direction.

Ernesto Sámper Pizano, a minister in Gaviria's cabinet before taking up the ambassador's post in Spain, has just returned to the country to launch his campaign. Colombia's leading lobbyist for drug legalization for nearly two decades, Sámper wrote an article for the Spanish magazine *Cambio-16* just before his departure from that country, in which he urged the legalization of all narcotic drugs.

Another Gaviria favorite is his former Government Minister Humberto de la Calle, who just resigned from that post to begin his campaign. De la Calle brazenly used the forum

of the ruling Liberal Party's March convention to urge drug legalization, while also calling for a halt to the war on drug trafficking. "It is time for humanity to pause and reflect" on this fight, which he insisted "has been largely ineffective."

These treasonous policies are not without opposition, however. At that same Liberal Party convention, Gaviria was attacked for his policy of appeasement toward the drug cartels, and for his embrace of free market economics as promoted by the International Monetary Fund. Former Justice Minister Enrique Parejo González, one of the few surviving heroes of the country's anti-drug war, told the convention that Gaviria had betrayed Liberal ideals by adopting foreign-inspired economic schemes such as privatization of the state sector, which "are stripping Colombians of their ownership of companies which are the fruit of their labor."

Parejo also charged Gaviria with responsibility for Pablo Escobar's 1992 "escape" from a "jail" of his own construction: "We will never tire of demanding justice in this case! This government has contributed, like no other, to intensifying the process of corruption in the country." Unfortunately, Parejo has exposed his own weak flank, in advocating "peace negotiations" with the country's narco-terrorist guerrilla forces. It was this same blindness on the part of former President Virgilio Barco which led to a negotiated amnesty for the M-19 narco-terrorists who, once legalized, put "peace talks" with the *traffickers* on the country's political agenda.

Another former minister and presidential candidate, Carlos Lemos Simmonds, attacks Gaviria, but as an advocate of government shrinkage, he cannot be expected to break with the privatization and free trade lunacy now dominating the nation.

Is Brazil on the Yugoslav path?

Continued imposition of economic austerity policies is fanning the flames of separatism and disintegration.

On April 15, Brazilian Justice Minister Mauricio Correa called a sudden press conference to release a strongly worded statement denouncing the existence of "foreign" plans to dismember the Brazilian nation, by exploiting separatist movements. The result, he warned, could be Brazil's descent into the horrors of former Yugoslavia.

What they are trying to do to the Brazilian nation, said the minister, is "shatter it, break it, provoke its split. . . . Reducing Brazil to little pieces, taking it apart, confusing it with a Yugoslavia that never was and to whose artificial nature it could never be compared, as if the country were a patchwork quilt, is an abuse, a ruse, a cruel fallacy, and mocks those who died for a free fatherland."

At the same time, the Army minister confirmed that the Armed Forces were on "alert" status because of the growing strength of the separatist movements that are proliferating in southern Brazil.

These concerns are not exaggerated in the slightest. Ever since Brazil (under the economic austerity policies of former President Fernando Collor de Mello) entered into a critical phase of the economic depression it has suffered for nearly a decade, the demand for a new Federal Pact has circulated among the political and business classes. The argument is that financing and political representation among Brazil's states is unequal, and that if these inequalities were to vanish, economic recovery would occur as if by magic. The truth is that, even in the best of cases, such an approach would

only distribute the budgetary crumbs a bit more equally.

This view, however, is now visible even among the powerful business circles of São Paulo, as reflected in the April 14 editorial of the newspaper *Gazeta Mercantil*. Under the suggestive title "São Paulo Grows Less and Pays More," the editorial urges a new and more equitable Federal Pact.

Justice Minister Correa was answering this when he said, "There will always be work to do, since regional inequalities cannot be reduced merely to geographic inequalities, but also . . . to income distribution, access to cultural goods, to health services."

Although efforts to orchestrate separatist movements in Brazil's south go back to the past century, with the feverish activities of the masonic networks which Giuseppe Mazzini commanded in Rio Grande do Sur, the person who has introduced the debate over a "new federalism" into Brazil's influential circles is Prof. Aspacia Camargo, together with the ultra-liberal grouping of the Getulio Vargas Foundation, headed by Citibank banker and former minister Mario Henrique Simonsen.

In November 1991, the foundation held a seminar entitled "The New Federalism," which was attended not only by monetarists, but also by representatives of a number of sectors of the economy. The radicalism that permeated the seminar was so marked that even some of those attending criticized the arguments presented as "secessionist terrorism." The previous October, Profes-

sor Camargo had written several articles for the national press which openly argued the line of the international bankers, namely, that Brazil must put aside its aspirations for renewed growth through great national development projects.

Brazil, she wrote, will not in the future be able to have "national development projects," but only regional ones. "As a sign of the times, smaller units in the best style of 'small is beautiful' is what works. The northeastern [state of] Ceara, with its own resources, is the best example" of this.

The possibility that Brazil could fragment into separate regions is real enough, but the roots of this threat are to be found in the free-market economic policies which continue to be applied. It is only in this sense that a comparison can be made to the threatened disintegration of Russia and to the disintegration of Yugoslavia, under the economic tutelage of Harvard's Prof. Jeffrey Sachs.

Sachs arrived in Brazil proposing adoption of the same plan he had urged on Poland and Russia. The example of Poland, he stated, "would be the ideal path; the cost of high unemployment caused by withdrawal of subsidies to unviable industries and through the trade opening, was successfully overcome."

If there is any lesson Brazil can learn from the crises of post-communist eastern Europe, it is that its territorial stability and integrity are directly tied to stopping cold the radical free-market "shock therapy" imposed by the former Bush administration. Such insane privatization schemes as the ones Finance Minister Eliseu Rezende wants to carry out against even the giant energy and telecommunications companies, which have always served as a factor of national unity, will only guarantee that the threat of separatism will grow.

International Intelligence

Serbian journal admits murder of Albanians

The Serbian daily *Jedinstvo* admits that the former Yugoslav State Security assassinated prominent Albanian activists who operated abroad, according to the April 8 *Kosova Daily Report*, published by the Kosova Information Center. *Jedinstvo* is published in the Kosova capital of Pristina. Author Marko Lopushina claims to have obtained material from official sources of the former Yugoslav State Security, attesting to the fact that a number of important Albanian activists resident in Germany and elsewhere in Europe were systematically liquidated.

Lopushina, who claims to be close to Serbian military and police circles, cites such cases as that of Enver Hadri, who had founded the Committee for Human Rights in Kosova and who was active in lobbying the European Parliament on Kosova's behalf, and who was assassinated in Brussels on Feb. 25, 1990.

Writes the *Daily Report*: "This is the first time that the Serbian side admits the liquidation of Albanian intellectuals and political activists who never preached violence. . . . Albanians of Kosova knew all the time that behind the assassination stood the former Yugoslav Security. Serbia too finally admits this, and thus the way for the prosecution of the criminals is open, although Albanians are well aware of the fact that no one in Serbia ever answers for the crimes against them."

Thais fear escalation in Cambodian war

Thai troops on the eastern border with Cambodia have been reinforced, it was announced on April 17. "We have anticipated that there will be no peace soon in Cambodia and expected there might be fighting," said Gen. Visit Arthkhomeongs, chief of joint staff forces at Thailand's Supreme Command Headquarters. "If there will be fighting, we want to see it contained inside Cambodia," Visit told a news conference.

The move occurred as the Khmer Rouge guerrillas cut off the city of Siem Reap, north of the capital Phnom Penh, just hours after the guerrillas' political leadership left Phnom Penh. The withdrawal from Phnom Penh amounts to a formal withdrawal from the United Nations "peace process."

The guerrillas blew up a major bridge connecting the province of Kompong Thom from the capital, the second time they have destroyed this bridge. Siem Reap, with 60,000 inhabitants, is very important to Cambodians, because it is the site of the 12th-century Angkor temples. A U.N. observer, Maj. Roustan Saliakov, said that the Khmer Rouge "has enough forces in Siem Reap to hold it for at least a few hours. They have troops all the way round the city. Their plan might be to enter and blow up some buildings to demonstrate their power."

Indonesian Foreign Minister Ali Alatas, one of the guarantors of the Cambodia peace accord, said that the Khmer Rouge withdrawal from Phnom Penh was a "serious development." U.N. workers have been ordered out of the two most troubled provinces of Kompong Thom and Siem Reap. Japan and Australia have both said they would consider withdrawing their U.N. contingents from Cambodia in the event of an all-out attack by the Khmer Rouge.

Vet sees Warsaw ghetto yesterday, Bosnia today

The sole surviving Jewish commander of Warsaw Ghetto resistance fighters, Dr. Marek Edelman, likened what is being done to the Bosnians to what the Nazis did earlier to the Jews, not only in terms of the atrocities being committed, but also because of the western countries' refusal to act to stop genocide from occurring.

In a dramatic intervention at the April 18 commemoration in Poland of the 50th anniversary of the Warsaw Ghetto uprising, Dr. Marek Edelman stated: "Sadly, the Holocaust did not end with the Ghetto. It continues. . . . In Bosnia, there is mass extermination, and Europe is behaving similarly as it did earlier, vis-à-vis the Ghetto fighters.

. . . If this anniversary is to have meaning, it must be a meaning for the future." Edelman stated ironically, that the only apparent difference between what is happening to the Bosnians and what was done to the Jews, is that the "Yugoslavs" appear to lack the "chemists and physicists" who could ensure that the Bosnians are "annihilated very cheaply and in a very short period of time."

Edelman's comments were highlighted in Germany's *Die Welt*, *Frankfurter Allgemeine Zeitung*, and Mainz *Allgemeine Zeitung*, as well as in France's *Le Monde* on April 18. His statements cut through the line being peddled by the Anti-Defamation League and its co-thinkers defending Serbian atrocities and claiming that the Holocaust only pertains to the Jews.

French Schiller Institute President Jacques Cheminade interviewed Dr. Edelman, who was then still a practicing cardiologist, in Lodz on Aug. 29, 1990. In that interview, which appeared in *EIR*'s Oct. 19, 1990 issue, Dr. Edelman debunked the ADL line that there was an upsurge of anti-Semitism in Poland.

Turkey will ratify pact with Azerbaijan

Turkey's Parliament will soon ratify an agreement signed with Azerbaijan last November containing a mutual defense clause, Foreign Ministry spokesman Volkan Vural said on April 15. The cooperation and solidarity accord would give Turkey a legal basis to help Azerbaijan in its war with Armenia.

"The agreement is very comprehensive. Within its framework, all assistance to Azerbaijan will continue with enhanced legitimacy," Vural told a news conference. "Turkey will have the power and means to give all support and help to Azerbaijan within its resources."

Asked if Turkey was already providing arms or other military aid to the Baku government, Vural said, "I do not want to go into details of the aid at this stage."

While these military ties were being strengthened, however, Turkish Deputy

Prime Minister Erdal Inonu on April 15 rejected the idea that Turkey would unilaterally intervene to protect Azerbaijan. "Why does Turkey not do this itself?" he asked. "Sorry, but Turkey has no such duty. . . . If Turkey does this alone, the world will reject it."

Kazakh leader wants to form CIS 'nucleus'

Kazakhstan's President Nursultan Nazarbayev said on April 17 that he envisaged seven states forming a nucleus for closer cooperation within the 10-member Community of Independent States. He named those that have ratified the CIS founding statutes: Russia, Kazakhstan, Belarus, Uzbekistan, Armenia, Kyrgyzstan, and Tajikistan.

Nazarbayev said that examples of closer cooperation could be the removal of customs barriers by May 15, or the creation of a single currency zone by May 20.

Russian President Boris Yeltsin told the meeting of top CIS leaders in Minsk, Belarus, that states such as Ukraine, Moldova, and Turkmenistan, which have failed to sign the proposed CIS statutes, would be shut out from cooperation. "Let's call a spade a spade," he said. "He who does not sign the statutes will in effect remain outside the main channel of cooperation within the Community framework, with all the consequences that stem from that."

Azerbaijan dropped out of the CIS last year, reducing the membership from 11 to 10.

Ukrainian President Leonid Kravchuk ruled out his country's participation in a military union. Military union is also opposed by Belarus.

Briton says West should abandon Bosnia

The West should recognize the "fact" of Greater Serbia, and sacrifice the "phantom state" of Bosnia to the greater interest of bolstering the Boris Yeltsin regime in Rus-

sia, wrote Britain's Geoffrey Lee Williams, of the University of Cambridge's Center for International Studies, in the London *Times* on April 17.

Williams warns that adoption of the policy line recently espoused by former Prime Minister Margaret Thatcher, for action against Serbia, "would inevitably put the United States and Russia on a collision course. Crudely put, does Boris Yeltsin matter more to the West than the fate of a phantom state?"

Williams goes on: "Greater Serbia is now a fact. To put the vanquished Muslims before the wider interests of the West would be foolish in the extreme. It is therefore a vital Western interest to avoid undermining Mr. Yeltsin in the forthcoming referendum. . . . There is no ideological justification for military intervention—NATO or U.N.—beyond humanitarian help."

Non-aligned want U.N. action against Serbia

The non-aligned nations on the United Nations Security Council are pressing for a vote to tighten sanctions against Serbia, despite objections from Moscow and Washington. If they succeed, Russia, a permanent member, might be forced to veto the sanctions. Russia has not used its veto since 1984, always preferring to work things out informally with the other "perm five" members.

In what Reuters calls "a rare show of solidarity against the big powers," the non-aligned states asserted that delaying the vote sends the wrong political signal to the world and the Serbs.

The Security Council delayed a scheduled vote on April 12 at the request of Russia, in an effort to bolster the chances of Russian President Boris Yeltsin in the April 25 referendum. The Security Council vote is now scheduled for April 26.

U.S. Ambassador Madeleine Albright was said to be talking to the non-aligned group on the Council—Pakistan, Djibouti, Morocco, Venezuela, and Cape Verde—as well as other nations, to pressure them to change their minds.

Briefly

● **ISRAELI TROOPS** prevented Greek Orthodox Palestinians from entering Jerusalem on April 15 to celebrate the liturgy of the Last Supper. Two Arab priests led 30 worshippers in prayer at a checkpoint separating the West Bank from Jerusalem, after soldiers told them only people with permits could enter. The worshippers were dispersed by the Army.

● **JAPAN'S** new foreign minister, Kabun Muto, announced on April 13 that his country will no longer link aid to Russia with the settlement of the ownership of the Kurile Islands, which were taken by the Soviet Union at the end of World War II. The policy shift comes in the wake of the announcement that Russian President Boris Yeltsin would visit Japan before the Group of Seven summit in July.

● **RUSSIA** is expected to launch a proposal for a new Balkans "peace conference," as the result of talks in Moscow between Russian Foreign Minister Andrei Kozyrev and Radovan Karadzic, the leader of the Bosnian Serbs. The plan reportedly endorses all the new conquests made by the Serbs since Cyrus Vance and Lord David Owen presented their "peace" plan, including officially delivering all of eastern Bosnia to the Serbs.

● **TURKISH** President Turgut Özal died suddenly on April 17, having just returned home from a diplomatic tour of Turkish-speaking nations in Central Asia, during which he threatened to take stronger military and related measures against Armenia, in its war against Azerbaijan. Özal, 65, had been suffering from heart and blood pressure problems.

● **FOR THE FIRST TIME** since World War II, a joint Russian-U.S. military training exercise was held on Russian soil, the week of April 19. Cargo planes and helicopters from the U.S. Air Force Air Mobility Command and the Alaskan Air National Guard joined Russian Air Force units in Arctic search-and-rescue training operations in Siberia, centered at the Russian air base at Tiksi.

Masonic judge jails two to save Albert Pike statue

by the Editors

On April 19, Judge Royce Lamberth of the U.S. District Court in Washington, D.C. sentenced civil rights activist Rev. James Bevel and historian Anton Chaitkin to seven days in jail each for “statue climbing” at the site of the statue of Ku Klux Klan founder Albert Pike, located at Judiciary Square in Washington, D.C. The jailings—ordered by a judge who himself as a youth had been inducted into an “Albert Pike” freemasonic lodge, but who refused to recuse himself on those grounds—occurred only three days after the National Conference of Black Mayors, by unanimous voice vote, adopted a resolution calling for the removal of the statue, since public support “should not be given to the memory of one who espoused beliefs and attitudes that are perverse to the principles of our nation.”

Albert Pike was chief judicial officer and founder of the Ku Klux Klan. His statue is maintained by the National Park Service at public expense. Reverend Bevel, the former director of Non-Violent Direct Action for Martin Luther King, Jr. and the former vice-presidential running mate of Lyndon H. LaRouche, has been leading the fight, nationally and internationally, to remove the Pike statue from Judiciary Square in the nation’s capital. Historian Anton Chaitkin, author of *Treason in America* and co-author of *George Bush: The Unauthorized Biography*, has documented in numerous articles the unbroken line of philosophical and family connections stretching between the instigators of the slaveholders’ rebellion against Lincoln’s United States, and the modern-day advocates of gnostic satanism, drug-trafficking, euthanasia, and genocide, such as the Scottish Rite Freemasons and its outgrowth, the Anti-Defamation League of B’nai B’rith.

Until recently, the Anti-Defamation League had tried to hide behind its claim that it was a civil rights group. But the ADL’s blatant defense of KKK founder Albert Pike, plus the

latest revelations of illegal ADL espionage activities against black civil rights leaders on behalf of the South African and other governments, has so undermined its credibility, that Scottish Rite Freemasonry is now being forced to defend its racist principles in its own name.

Discovery motions quashed

During the pre-trial motions in the “statue-climbing” case, in which Reverend Bevel and Anton Chaitkin acted as their own attorneys, Judge Lamberth, despite his acknowledged membership in the Albert Pike Lodge of the Masonic Order of DeMolay in San Antonio, Texas, refused to withdraw himself from the trial, claiming that since then he has left the Masons. Following this, Judge Lamberth quashed every defense motion for pre-trial discovery, and quashed all subpoenas for testimony and documents that would have proven the improper purpose of what clearly was a selective prosecution of Chaitkin and Bevel.

The defendants had subpoenaed officials of the ADL, the Scottish Rite of Freemasonry, the Cult Awareness Network (CAN), and numerous officials of the National Park Service which effected the arrests, to testify. “We have the right to know if there is a secret clique operating against the constitutional rights of the people and the citizenry,” defendant Chaitkin argued. “If we don’t know who is prosecuting this case, this would be farcical.”

Representatives of those subpoenaed, present in the courtroom, all moved to quash the defense’s discovery motions. Attorney Mark Rasch (a participant in several cases against political prisoner Lyndon LaRouche and his associates) represented the ADL in support of the motion to quash. Also present in the courtroom was Charles S. Iversen, Sovereign Grand Inspector General of the District of Columbia’s Scottish Rite Freemasons, Southern Jurisdiction, who like-

wise presented a motion to quash the defense's motion for discovery.

Bevel and Chaitkin presented videotaped evidence and witnesses substantiating that on several occasions prior to their arrests, many individuals had regularly and repeatedly stood on the base of the statue, as they had, during demonstrations which have been held every Friday noon over the past few months.

Judge Lamberth then heard testimony of two government witnesses, the two officers of the Park Police SWAT team that had conducted the arrests. Their testimony clearly indicated that such actions represented no threat to their own or the public's safety, nor represented a threat to the statue. Nonetheless, the judge found both Bevel and Chaitkin guilty of a violation of the federal ordinance. In so doing, Judge Lamberth rejected all evidence of the First Amendment character of the campaign Bevel and Chaitkin have led to have this symbol of freemasonic and Confederate control in America removed. Arguing that such an act was "civil disobedience, in having yourselves arrested to advance your political cause"—which both the defendants had strenuously argued was not their intent, nor the real issue in the case—Lamberth sentenced the two to seven days in the District of Columbia jail. Both refused to allow the judge to exercise the option to stay execution of their sentences pending appeal.

Chaitkin, upon hearing the verdict, told the court: "It's amazing that a man who swore allegiance to a white racist secret society would not recuse himself from this case. . . . You're going to have to face the consequences of this disgusting decision!"

ADL drubbed in court

During the pre-trial motions, Chaitkin took the opportunity to put on the court record the dirty role of the ADL in singling him and Reverend Bevel out for persecution. ADL attorney Mark Rasch opened the door to Chaitkin, by claiming that the defense subpoenas to ADL leaders should be quashed because they would violate the constitutional rights of the ADL, "a political organization, a defender of human rights."

Chaitkin, exposed this sham by documenting the evidence of the ADL's real purpose as a criminal enterprise of spies and thugs. Noting that on the very day subpoenas in this case were served on the ADL in Washington, San Francisco District Attorney investigators were raiding the ADL's offices in that city and Los Angeles as part of an ongoing criminal investigation of ADL activity, Chaitkin exposed ADL spying operations on thousands of individuals and hundreds of organizations, including LaRouche and his associates. He pointed out that describing the ADL as a "defender of human rights is pure hypocrisy," given their sale of information on the NAACP and other black organizations in the U.S. to the South African government.

Chaitkin further documented the ADL's history of activi-

ty in illegal actions against LaRouche, pointedly noting the role of Rasch and of ADL Washington "Fact Finding Division" head Mira Lansky Boland in various "Get LaRouche" prosecutions, and in the conspiracy to kidnap LaRouche associate Lewis du Pont Smith. In the context of this longstanding illegal activity and animus toward the political movement of the defendants, Chaitkin pointed to the ADL's direct contact with Washington, D.C. City Council members to slander LaRouche and to block the passage of an anti-Pike statue resolution that was pending before that body late last year.

Lamberth later also denied a motion for dismissal on the grounds of selective prosecution, arguing that although it was true that others had also "climbed the statue" but had not been prosecuted, the defendants nevertheless had been unable to present any evidence of improper conduct or purpose. But as both Chaitkin and Bevel noted in their closing statements, that inability had been ensured by the judge's own rulings, denying the very discovery and testimony that would have allowed them to prove such improper conduct.

'Pull down Pike, and Stop the Serbs!'

One consequence of the jailings will certainly be an avalanche of demands for the obscene statue to be pulled down.

At the National Conference of Black Mayors held in New York City on April 14-18, a resolution calling on President Clinton to dismantle the statue was submitted by Mayor William M. Branch of Forkland, Alabama. In his letter to the Resolutions Committee, Mayor Branch noted that similar resolutions had been adopted in various cities in the U.S., including New Orleans, Birmingham, Ala., Newark, and Buffalo. Since Mayor Branch could not be present at the Resolutions Committee meeting, Portia McCaskill made the presentation on behalf of the Schiller Institute, the *New Federalist* newspaper, and the international civil rights movement.

The text of the adopted resolution was as follows:

"WHEREAS a memorial statue dedicated to Albert Pike stands in Washington, D.C. on public grounds supported and maintained by public funds; and

"WHEREAS Albert Pike has been identified in the historic literatures of the day as the Founder and Chief Judiciary Officer of the Ku Klux Klan after the Civil War; and

"WHEREAS such support should not be given to the memory of one who espoused beliefs and attitudes that are perverse to the principles of our Nation.

"NOW, THEREFORE, BE IT RESOLVED that the National Conference of Black Mayors calls upon the President of the United States and the U.S. Congress to remove the statue of Albert Pike now standing in Washington, D.C."

In addition, going beyond its usual self-imposed limits to domestic matters only, the conference unanimously adopted a resolution calling upon the President and the U.S. Congress to take effective action to prevent Serbia from continuing its genocide against the populations of Croatia and Bosnia-Herzegovina.

New ADL revelations added to freedom bid

On April 19, political prisoner Lyndon H. LaRouche, Jr. filed a motion before the Fourth U.S. Circuit Court of Appeals (Virginia) in his bid for freedom, first filed in January 1992, accompanied by six volumes of new evidence proving his innocence.

The latest filing in Richmond, Virginia asks that the court take "judicial notice" of sensational new material which further proves LaRouche's complete innocence. The new material, all of which government prosecutors John Markham, Kent Robinson, and Mark Rasch suppressed from LaRouche's defense team despite repeated discovery requests in these very same target areas, covers the following material:

1) U.S. government agent Don Moore admits on a secretly taped conversation that the Anti-Defamation League of B'nai B'rith (ADL), now caught in a national spy scandal for its infiltration of police departments on behalf of Israel and South Africa, was an integral part of the LaRouche prosecution team. Moore's own vulgar tongue admits on an Aug. 19, 1992 tape: "I've never used the FBI, I use the f**kin' ADL."

In another taped conversation, Moore states that he used Mira Lansky Boland of the ADL Fact-Finding Division as a cut-out or factotum allowing him to maintain "deniability." Moore describes how he deliberately kept himself ignorant of the whereabouts of Larry Lucey, the Internal Revenue Service case agent, and Bryan Chitwood, the former *Loudoun Times-Mirror* reporter who slandered LaRouche at whim from 1985 to '88, so that he could deny knowledge of where they were. However, brags Moore, if he "needed to get anything to Bryan or to Larry, [he'd] always just call either Mira Boland or Doug Graham, who's the photographer."

The new LaRouche filing stresses that these admissions by Moore take on new significance in the context of the breaking ADL spy investigation coming to light in California. Members of LaRouche's political association have been notified that they are included in newly seized documents from the ADL's San Francisco office. Various California newspaper articles on the spy scandal are submitted to the court, including an April 9, 1993 *Los Angeles Times* report which names Lyndon LaRouche as one of the targets of the spying.

2) Other tape recorded statements by U.S. Deputy Mar-

shal Donald Moore, a key member of the prosecution team, disclose that the FBI maintained their illegal Cointelpro operations against the LaRouche movement at least through 1982. According to a Moore statement secretly recorded on July 7, 1992, "The FBI truly had f**ked with the LaRouche organization in, oh, what they called the Cointelpro program" through the early 1980s. He adds that when

prosecutor John Markham checked with the FBI, he found that they had done "one black bag job after another on these guys."

3) In other taped statements of Moore, Oliver North's Vietnam tentmate, he acknowledges that while he was a part of the investigation team he was involved in orchestrating the anti-LaRouche media campaign which followed the March 18, 1986 Illinois primary victory of two LaRouche Democrats. The negative media coverage had a severely adverse financial effect on the movement's ability to repay the very loans later at issue in LaRouche's Alexandria trial.

4) In another taped conversation, Moore was caught admitting that he illegally obtained the Social Security number of LaRouche for use in a federal tax investigation. Moore himself bluntly comments that this was "illegal as s**t."

5) Galen Kelly, the kidnapper and deprogrammer who worked with Don Moore since the beginning of the LaRouche investigation, disclosed in a Sept. 30, 1992 taped conversation that "deprogramming" creates "defectors" who would "immediately come over to the law enforcement community and tell all and cooperate," and would force the targeted organization "to spend a disproportionate amount of its time, personnel, and resources thwarting" the deprogrammers.

The Fourth Circuit Court of Appeals has not yet scheduled a date for oral argument between LaRouche's attorneys and the government on his bid for freedom based upon this growing library of exculpatory evidence.

Nor has the Appeals Court acted on the extraordinary Feb. 11, 1993 formal request by former U.S. Attorney General Ramsey Clark and Odin P. Anderson, lawyers for LaRouche, to appoint a "Special Master" to investigate and redress ongoing gross government misconduct in the case, based on the precedent of the appointment of a "Special Master" for fraud on the court in the John Demjanjuk case. The Special Master is required because of "multiple violations of the Constitution and laws," and uncorrected "gross governmental misconduct"—uncorrected "because the biased treatment of the trial judge has allowed it."



ADL Fact-Finding operative
Mira Lansky Boland

June Anderson, come home to 'bel canto'

As much as I thank the Washington Performing Arts Society for bringing my favorite soprano June Anderson to the Kennedy Center on March 24, her choice of programs hit me almost as a betrayal. Someone has to stand up and say it now: Miss Anderson, please stay with the *bel canto* repertoire.

Starting with a few Bellini and Rossini pieces doesn't help, when 85% of your program is music with no moral content or purpose whatsoever. Why waste that incredible voice (and musicality) on the vocal erotica of Franz Liszt, Henri Duparc, and Leonard Bernstein? Sure, their extreme difficulty gave you a chance to show your pianissimo and other technical skills. And sure, you concluded with the best performance of Rossini's "Bel Raggio" perhaps yet sung.

But that didn't make up for the torture of hearing those beautiful tones lavished on such lousy music for the preceding hour. You could probably make Brunhilde sound almost like music—but why bother?

A rough decade

I owe you a lot, June. Back in 1981, it was you who turned my husband, a confirmed ice hockey fan, into a true opera lover, with your wonderful *Lucia di Lammermoor* at the New York City Opera. Those Lucias are still burned into our memories as the best ones we've ever heard, and we've heard a few. We were so angry when the New York City Opera wouldn't give you the roles you deserved that my husband even marched up to New

York City Opera chairman Beverly Sills one night in 1983 or '84 and told her she was letting the voice of the century slip away.

We think it was outrageous that you were forced to spend the next 10 years in Europe flying from city to city, braving jet lag, insane schedules, and every cockamamie director who came along with some new-fangled production to make you trip while singing impossibly difficult *coloratura*. If the music world were sane, you'd have walked across the plaza from the New York City Opera to the Met without 10 years hard labor in the galleys.

But just because the music world is insane, doesn't mean you have to give in, especially now, when you may be one of the last real *bel canto* singers left on the face of this poor, tired, aching Earth. Okay, so the Met itself, which should have helped you 10 years ago, added insult to injury at your debut this year by strewing a dozen coffins across their *Lucia* set, the better to trip and strangle you with, my dear. Anyone would be angry after all you've been through, but please try not to let it get to you.

'Bel canto' and beauty

No one is saying that you have to stick to the same 10 Italian operas year in and year out. Want new material? There are two dozen operas by Schubert and Schumann, not to mention another two dozen by Haydn and Handel, which no one ever gets to hear. Champion those! Art songs? Certainly! But don't waste your time with French fluff and modern junk, when

there's no one left alive who can sing Schubert's hour-length song cycles, or the major cycles and wonderful songs of Schumann, Beethoven, and Brahms. You could do it!

The point is, there's a reason *bel canto* is beautiful, and it's not just because it's in Italian, or makes pretty noise. Those "German" composers mentioned above were *bel canto* composers, too. The famous "long line" of the *bel canto* voice carries the *intellectual content*, ideals, and convictions of mankind's greatest civilizations. Whether it's Mozart or Rossini, Schubert or Donizetti, Brahms or Verdi: The only reason they were able to produce such beautiful sounds, is that the inspiration came from their *minds*, from their love and hopes for humanity which, as St. Paul says in I Corinthians 13, is the only source of all real artistic creativity.

Remember the performance of Beethoven's Ninth you did in Berlin in 1989, when the Wall came down? In your heart you know that that's the necessary state of mind for real singing.

These men wrote music in short from "above the belt," which is why it sits so well in the head when you sing, as opposed to the cretins of the Lizst-Wagner school, who wrote from below the belt, so as not to leave a dry seat in the house. That's why it led ultimately to the "can belto" school of shouting.

Please sit down and have a good, long talk with Gaetano (Donizetti) and your other 19th-century friends, and try to work this out, won't you? Forget what most morons alive today have to say, and listen to what the best composers have told you, and you'll know that this is right.

National News

Italy 'mafia' sweep may net Michael Ledeen

Reports in mid-April have been circulating among intelligence sources in Europe that the Italian government has a "sealed secret indictment" against former U.S. official Michael Ledeen, because of his ostensible involvement in a complex of mafia-secret service-political activities. During the Iran weapons-for-hostages operations, Ledeen acted as a "facilitator" for the U.S. National Security Council, because of his intelligence contacts to Israel and Iran.

According to sources, the investigating magistrate in the case against former premier Giulio Andreotti recently visited the U.S., and received important information from mafia turncoat Tommaso Buscetta and others, implicating Ledeen in illegal activities. The Italian authorities, sources said, are "testing the waters with the U.S.," to see whether they make the indictment public. One source said, "Ledeen was in the middle of a lot of things, there's a lot of dirt on him, and other people could be dragged in."

Senior CIA official and Iran-Contra figure Duane "Dewey" Claridge is reportedly also on a potential indictment list. There are also some rumors that Alexander Haig could find himself in trouble, and that these tracks could lead to Henry Kissinger.

ADL's Herb Brin frantic over spying exposé

"Lyndon LaRouche, from his federal prison cell, must be gloating," begins a column in the April 15 *Houston Jewish Herald Voice* written by Anti-Defamation League agent Herb Brin. Brin just recently returned from Serbia, from where he was writing glowing propaganda in the *Herald* on behalf of Serbian butcher Slobodan Milosevic. Brin's venom comes after revelations by the San Francisco District Attorney showing that the ADL spied on tens of thousands of Americans, and gave information on them to the Israeli and South African governments.

Brin continued that LaRouche, Liberty

Lobby's Willis Carto, the Nation of Islam's Louis Farrakhan—"among a host of skinheads, pinkos and nuts—are dancing because San Francisco cops are on a vicious hunt to embarrass the Anti-Defamation League for doing what the ADL has always done and *must* do to serve mankind—after Hitler," Brin sputtered.

He attacked the "bastard decision" by the *Los Angeles Times* to play into the game of "the malicious hunt into the fact-finding efforts of the ADL." A *Times* correspondent was also one of the targets of ADL spying. But, Brin says, "surely the humanity-serving Jewish agency infiltrates hostile organizations to learn the facts."

Brin revealed that he joined the Nazis in 1939, to provide information to the ADL—although he did not say if he ever quit the Nazis. "Hardly a week passes that I don't supply Jewish defense material to David Lehrer, head of ADL in the region."

More interesting, Brin also let slip the following: "U.S. and Texas authorities have precise documentation (from ADL, of course) on the Branch Davidian cult in Waco and how it operated in the past."

Post discovers ozone hole can 'cure itself'

In a remarkable front-page article, the April 15 *Washington Post* breaks with its years of lying ozone hole coverage to announce that "After 2000, Outlook for the Ozone Layer Looks Good." The lengthy article documents that there is no real disaster and that the ozone layer will fix itself naturally. Author Boyce Rensberger wrote: "In fact, researchers say, the problem appears to be heading toward solution before they can find any solid evidence that serious harm was or is being done." Rensberger quotes some of the ozone-depletion theorists like Richard Stolarski of NASA's Goddard Space Flight Center plus Michael Oppenheimer of the Environmental Defense Fund to back up his point.

Ozone is a "renewable resource"; ozone levels vary from pole to pole; ultraviolet radiation reaching Earth has not increased; increases in skin cancer started long before CFCs came into use; and if you want to

know the worst-case projected effect, move 200 miles south, Rensberger said.

Although his long article implies that ozone hoaxsters like Albert Gore don't know what they are talking about, it did not deal with the deliberate lies and millions of dollars poured into the environmentalist groups to create this hoax, nor the lives that will be lost needlessly as a result of the Montreal Protocol ban on CFCs.

Psychiatrists condemn Serbian's Karadzic

The 38,000-member American Psychiatric Association formally condemned fellow psychiatrist Radovan Karadzic on April 15 for what they said was his betrayal of the humane purpose of psychiatry. Karadzic, the leader of the so-called Bosnian Serbs, "is accountable for the policy of ethnic cleansing, organized rape, mass murder, and the establishment of concentration camps," the board of trustees of the APA said in a statement. "His actions as a political leader constitute a profound betrayal of the deeply humane values of medicine and psychiatry. In condemning him, we affirm those values and join all persons of good will in defending the right to life and to freedom from oppression of all human beings anywhere."

Science adviser admits R&D being savaged

Speaking at an American Association for the Advancement of Science colloquium on April 15, John Gibbons, director of the President's Office of Science and Technology Policy, addressed the issue of the federal science budget.

While stating that the administration is putting an emphasis on research and development as a means to reduce the deficit and views technology as an engine for growth, he went on to describe the fiscal year 1994 budget process for federal R&D as "triage," with some programs being stretched out. He said that the budget for applied science was

increased 3%, while the budget for basic science would have no net gain, and that the National Science Foundation would get a \$300 million boost.

Miners appeal huge fine to Supreme Court

The United Mine Workers Union asked the U.S. Supreme Court to overturn \$52 million in civil contempt fines imposed on the union during a Virginia strike against Pittston Coal Company in 1989 early this month. The U.S. Supreme Court will decide in the summer whether to accept the case.

The UMW petition argues that the U.S.'s highest court should review the fines because they are excessive, constitutionally invalid, and criminal, rather than civil in nature. The UMW therefore should have been afforded all the protections of a criminal defendant, the union argues.

The Virginia Supreme Court upheld the constitutionality of the fines claiming it was enforcing "respect for the judiciary." The company and the union had agreed to drop the fines, as part of the settlement of a strike in which thousands were arrested for civil disobedience, but Virginia courts reimposed the huge fines and directed they be paid to the state and two counties.

Historian criticizes Holocaust museums

A leading German-Jewish historian criticized Washington's new Holocaust Museum and other such memorials as "an amputation of Judaism," in the April 15 issue of the German daily *Frankfurter Allgemeine Zeitung*. Michael Wolffsohn, history professor at the German Armed Forces University in Munich, said Holocaust museums were a "deeply un-Jewish" means to keep alive Jewish identity among a diaspora turning away from its religion. "Without the Holocaust, there is no Jewish identity—at least no Jewish identity for non-religious

Jews in the diaspora. That is the tragic reality of the Jewish people," he wrote. The Israeli-born historian argued that "The fixation on the Holocaust is a sign of the religious de-Judaization of Judaism by the Jews. . . ."

"This is a tragedy. In this way, Jewish identity is not established by positive self-determination and contemplation but through negative outside influences like anti-Semitism."

The U.S. Holocaust Memorial Museum opens in Washington, D.C. on April 26. The building, chartered by Congress 13 years ago, was built with \$168 million in private funds on federal land. When the museum was first proposed, numerous ethnic groups complained that other massacres should be included, but it was decreed that the term "Holocaust" could only apply to the killing of Jews in World War II. Subsequently, the museum's organizers did include a few scenes of the killing of non-Jewish populations by Nazis.

Innocent Virginian remains imprisoned

Walter T. Snyder, Jr., a Virginia inmate wrongly convicted of rape, who was shown to be innocent through DNA evidence two months ago, is still in jail, as of April 17. The only way Snyder can be released is by executive clemency, because Virginia prohibits the introduction of new evidence 21 days after sentencing. Gov. Doug Wilder has studied this case of a man already proven innocent for seven weeks, but has not yet decided to release him. Wilder's aide said, "It's not something you move swiftly through."

Snyder's lawyer, Peter Neufeld, said, "In many states Walter Snyder could have walked out of prison the next day if we had these results. Why should someone have to seek mercy from the governor when they're truly innocent?" Virginia's evidence rule arises, says Neufeld, from "the cynical belief that the social well-being requires final judgments—no more appeals—even if it means innocent people can continue to rot in jail or even go to the electric chair."

Briefly

● **THE PRESBYTERIAN** Church (U.S.A.) has declared "that as Christians we must seek redemption of evildoers and not their death, and that the use of the death penalty tends to brutalize the society that condones it," according to the April 18 *Richmond Times Dispatch* in Virginia.

● **THE THORNBURGH** Doctrine, which allows the U.S. to kidnap indicted non-U.S. citizens from foreign soil, is under review at the Department of Justice under orders from Attorney General Janet Reno. The doctrine was drawn up by Bush's Attorney General Richard Thornburgh in order to justify the invasion of Panama to bring Gen. Manuel Noriega into the United States in 1988.

● **MIAMI UNIVERSITY** of Ohio's student newspaper will drop the use of the name "Redskins" when referring to the school's sports teams, according to the *Cincinnati Enquirer* on April 9. "The term is inappropriate in the same way vulgarity is inappropriate," student paper editor Jennifer Cox said.

● **LOUIS FARRAKHAN**, spiritual leader of the Nation of Islam, performed the Violin Concerto of Felix Mendelssohn in Winston-Salem, North Carolina on April 17, at an event titled "Gateways: Classical Music and the Black Musician." Minister Farrakhan was trained in violin as a child by Leopold Auer. The performance contradicted labels of Farrakhan as an anti-Semite, as Mendelssohn was born into a famous Jewish family.

● **OLIVER NORTH'S** company Guardian Technologies International is being audited by Virginia tax officials, for allegedly failing to collect state sales tax. Sources familiar with the audit say that Guardian, which makes and markets bullet-proof vests, has been sending out invoices since the audit began to collect sales taxes that had not been billed. One invoice went to the Virginia Fraternal Order of Police, which had purchased 200 vests.

The U.S. must go nuclear

Despite some signs that the new U. S. administration is not, in fact, as green as might have been feared, the budget proposals include the extremely stupid decision to cut out all research on advanced nuclear reactors. This is to foreclose the possibility of any real economic recovery, because any uptick in industrial production will quickly reveal the precarious status of the U.S. energy grid. It also rules out a promising immediate area for clean and *safe* energy.

In place of nuclear energy, the Department of Energy plans to go with natural gas and energy-efficiency, which they say is the "public will." In other words, the DOE is giving complete credibility to the loud-mouthed environmentalist lobby. According to one DOE spokesman, the administration plans to use existing nuclear plants, but will not move to build any new ones, nor develop next-generation designs. This kind of thinking is turning what was once the world's leading economy into a technological backwater.

Among the nuclear technologies to be axed is the Integral Fast Reactor, a project at Argonne National Laboratory that is demonstrating how to eliminate nuclear waste by burning it as fuel. The IFR, which just began to burn high-level waste (actinides) in a three-year test, will have to shut down unless its funding is restored by Congress. The Japanese had pledged \$46 million to the research project, but this is not enough to keep it going. Also cut from the budget is the development of a modular high-temperature gas-cooled reactor, the space nuclear program, and other advanced reactor designs.

The DOE restructuring was announced in a six-page press release that is full of mumbo-jumbo green-speak. "We have an opportunity unsurpassed in American history to re-direct our nation's priorities and resources away from the policies of the past and toward building a vibrant economy capable of improving the living standards of the American people," Energy Secretary Hazel O'Leary stated.

Ironically, almost simultaneously—as part of the Clinton-Yeltsin summit—a joint Russian-American project was announced whose goal was the develop-

ment of a new nuclear reactor based on the modular high-temperature gas-cooled reactor. As announced on April 6 by the Russian Federation Ministry for Atomic Energy and General Atomics of San Diego, the new power-generating system, known as the Direct Cycle Gas Turbine Modular Helium Reactor, or GT-MHR, combines an advanced, helium-cooled nuclear reactor with a gas turbine power plant. This direct cycle gas turbine improves the 33% efficiency of conventional steam-turbine generation to 50% efficiency.

A memorandum of understanding signed in Russia on April 1 calls for setting up a joint venture company to design and construct a GT-MHR in Russia. The 50-50 partnership, according to a General Atomics announcement, will have "responsibility for completion of the GT-MHR development and testing, followed by fabrication, construction, and demonstration testing of the first module. A goal of the joint venture will be worldwide commercial sales of subsequent systems." The helium-cooled reactor offers "a very attractive opportunity to destroy weapons-grade plutonium made available by disarmament agreements, while simultaneously producing electricity."

The Russians and General Atomics expect agreements to be negotiated by the governments involved that would include a \$20 million a year contribution from the United States over five years for the development of a prototype. The Russian Federation Ministry for Atomic Energy will furnish the experimental facilities and related test hardware. The Russian helium-cooled reactor program had already developed advanced test facilities for many of the components necessary. Another major plus of the new system is that it can operate with either uranium or weapons-grade plutonium as its fuel.

This is obviously a very positive development, but why, we ask, should it not be extended to include all of the U.S. nuclear projects Clinton proposes to axe? *EIR* supports the effort by the magazine *21st Century Science & Technology*. Its Spring 1993 issue contains a postcard to President Clinton, urging him to reverse his decision to cut advanced nuclear R&D.

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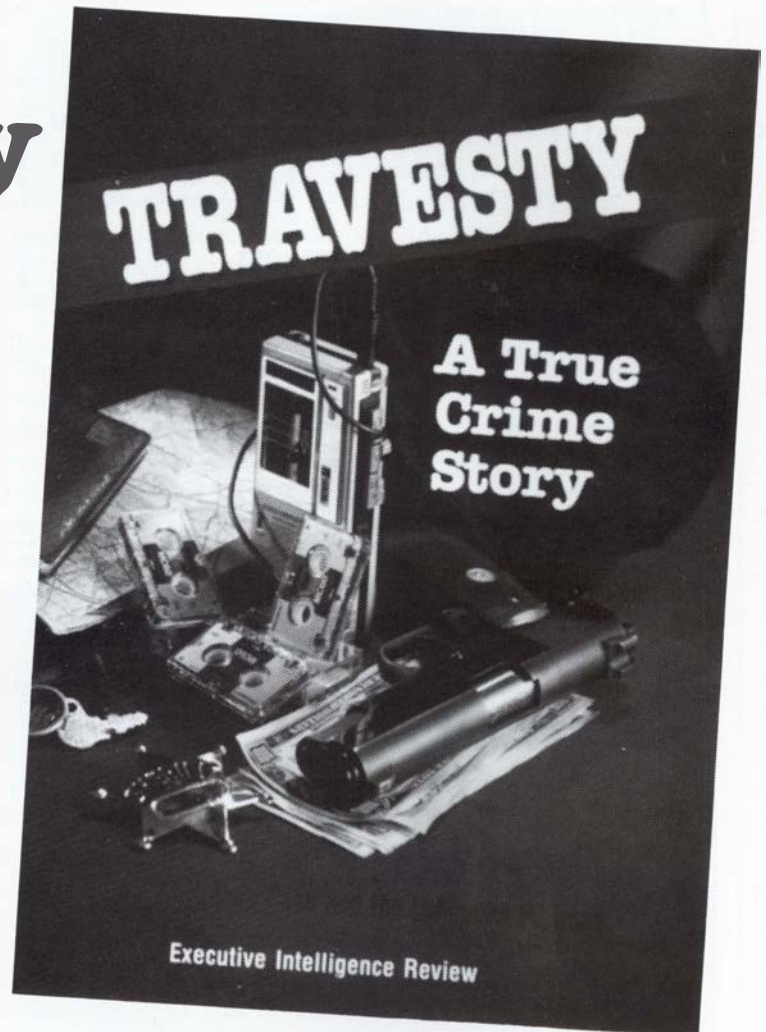
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