

# DIR

IAIC ARCHIVE

Executive Intelligence Review

March 10, 1989 • Vol. 16 No. 11

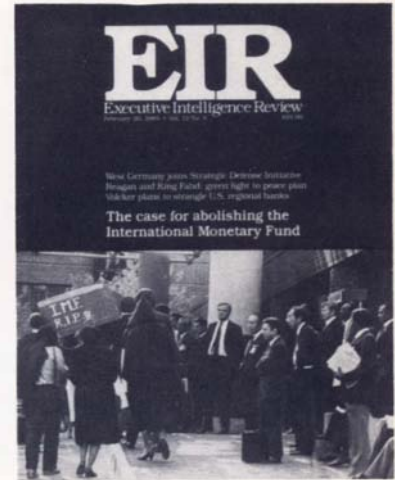
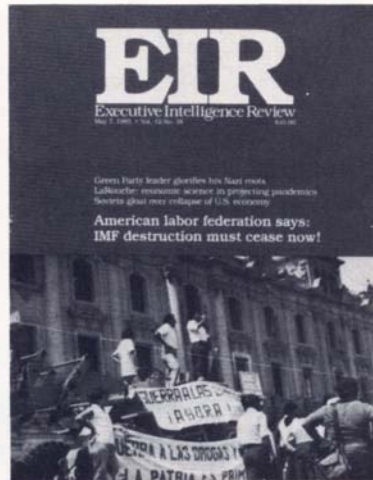
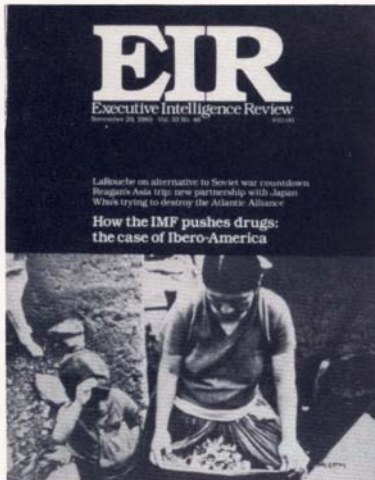
\$10.00

Tribunal exposes rise of fascist state in U.S.  
Venezuelan riots show debt bomb going off  
Khomeini sees 'convergence' with Gorbachov

**Bush role in Iran-Contragate:  
Is the coverup about to crack?**



# IMF Commits Crimes Worse Than Hitler's



What is the International Monetary Fund really? Who controls this supranational institution, whose power is greater than that of sovereign governments, and which imposes economic conditions on member states that lead to genocide worse than that for which Nazi war criminals were hanged at Nuremberg?

*Executive Intelligence Review (EIR)*, the weekly journal founded by U.S. economist and political figure Lyndon H. LaRouche, documents the murderous plans of this bankers' cartel, in the perpetrators' own words.

- **The IMF pushes drugs.** The Fund forces developing-sector countries to grow the most profitable cash crop of all: dope. In the words of an IMF specialist on Colombia: "From an economic viewpoint, marijuana is just a crop, like any other. It brings in foreign exchange, and provides income for the peasants."
- **The IMF demands "population control" as the prerequisite for credit.** As World Bank chief Robert McNamara put it, "devaluation is a population control policy." This is a *conscious* policy, aimed to reduce the non-white races.
- **The IMF promotes communist insurgency.** Said Fidel Castro, "The International Monetary Fund alone still inspires confidence in me. It is the IMF that will realize all my plans."

*EIR* provides the vital political and economic intelligence for patriots of all nations who seek to destroy the power of the IMF and kindred institutions. Under Mr. LaRouche's direction, it presents detailed recommendations on how to launch a global economic recovery, through Great Projects for high-technology-vectored development. It is the lifeline of a growing international political movement. You too can join!

To subscribe, or for further information, please write:

EIR News Service, P.O. Box 17390, Washington, D.C. 20041-0390, U.S.A.

EIR Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 164, 62 Wiesbaden, Federal Republic of Germany

For subscription rates, see inside back cover.

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editor: Nora Hamerman

Managing Editors: Vin Berg and Susan Welsh

Editorial Board: Warren Hamerman, Melvin

Klenetsky, Antony Papert, Uwe Parpart-Henke, Gerald Rose, Alan Salisbury, Edward Spannaus, Nancy Spannaus, Webster Tarpley, William Wertz, Carol White, Christopher White

Science and Technology: Carol White

Special Services: Richard Freeman

Book Editor: Janine Benton

Advertising Director: Marsha Freeman

Circulation Manager: Joseph Jennings

INTELLIGENCE DIRECTORS:

Africa: Mary Lalevé

Agriculture: Marcia Merry

Asia: Linda de Hoyos

Counterintelligence: Jeffrey Steinberg,

Paul Goldstein

Economics: Christopher White

European Economics: William Engdahl,

Laurent Murawiec

Ibero-America: Robyn Quijano, Dennis Small

Law: Edward Spannaus

Medicine: John Grauerholz, M.D.

Middle East: Thierry Lalevé

Soviet Union and Eastern Europe:

Rachel Douglas, Konstantin George

Special Projects: Mark Burdman

United States: Kathleen Klenetsky

INTERNATIONAL BUREAUS:

Bangkok: Pakdee and Sophie Tanapura

Bogotá: Javier Almarío

Bonn: George Gregory, Rainer Apel

Copenhagen: Poul Rasmussen

Houston: Harley Schlanger

Lima: Sara Maduëno

Mexico City: Hugo López Ochoa, Josefina Menéndez

Milan: Marco Fanini

New Delhi: Susan Maitra

Paris: Christine Bierre

Rio de Janeiro: Silvia Palacios

Rome: Leonardo Servadio, Stefania Sacchi

Stockholm: Michael Ericson

Washington, D.C.: William Jones

Wiesbaden: Göran Haglund

*EIR/Executive Intelligence Review (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July and last week of December by New Solidarity International Press Service P.O. Box 65178, Washington, DC 20035 (202) 457-8840*

**European Headquarters:** Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 166, D-6200 Wiesbaden, Federal Republic of Germany  
Tel: (06121) 8840. Executive Directors: Anno Hellenbroich, Michael Liebig

**In Denmark:** EIR, Rosenvaengets Alle 20, 2100 Copenhagen OE, Tel. (01) 42-15-00

**In Mexico:** EIR, Francisco Díaz Covarrubias 54 A-3 Colonia San Rafael, Mexico DF. Tel: 705-1295.

**Japan subscription sales:** O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 208-7821.

Copyright © 1987 New Solidarity International Press Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited. Second-class postage paid at Washington D.C., and at an additional mailing offices. 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.

# EIR

## From the Editor

One month ago, at the time of the great “coronation” of Socialist International darling Carlos Andrés Pérez as President of Venezuela, we presented a *Feature* article under the unflattering title, “Carlos Andrés Pérez peddles snake-oil for debt crisis.” We weren’t trying to win the Ugly Award for our covers, although when we followed up with a mug of Henry Kissinger, some of you might have been thinking that; but just trying to say that the Bush administration is being colossally stupid in bringing back the Rockefeller crowd and the Kissinger crowd and their protégés, such as “CAP,” as the Great Hope of American foreign policy.

Frankly, we had no idea that events would prove us correct as *fast* as they have. The issue you are holding in your hands is a kind of chronicle of the stupidity of the Bush administration, which is only slightly older than Venezuela’s CAP’s, and has fallen on its face only slightly less melodramatically:

Bush has lost the “CAP card” for imposing the idiotic notions of democracy that prevail in his circles and the CIA, on our southern neighbors, with the outbreak of rioting in Venezuela (see the lead articles in *Economics* and *International*). Bush’s Tower nomination is flunking in the Senate, with the added humiliation that that scoundrel Sam Nunn is getting away with murder against the Constitution.

Bush was also rebuffed in China, during his stopover in Beijing on his first big foreign tour.

And then, the “LaRouche Case” as our cover story (p. 58) shows, is a ticking time bomb for President George Bush and his administration.

In the *Feature*, you will read about individuals who have come forward to expose the rise of a fascist police state in the United States, at the recent Martin Luther King Tribunal meeting held near Washington, D.C.

I should warn you that if you read this magazine thoroughly, including most emphatically Lyndon LaRouche’s comments in the interview on p. 62, you will obtain an overview of the stupidity of prevailing U.S. policies in the world. And, given this knowledge, you will take on a responsibility for doing something about this stupidity—at the very least, acting to make sure that a lot more people start to read *EIR*, the leading antidote to stupidity.

Nora Hamerman



# EIR Contents

## Interviews

- 62 Lyndon H. LaRouche, Jr.**  
The jailed American statesman discusses the nonlinear process that has broken out in Venezuela, the Tower nomination, and his priorities for scientific research.

## Reviews

- 54 Satanism: When is an exposé just 'damage control'?**  
*Ritual Abuse: Canada's Most Infamous Trial on Child Abuse*, by Kevin Marron.
- 55 The making of popular myth**  
*Guts and Glory: The Rise and Fall of Oliver North*, by Ben Bradlee, Jr.
- 56 Trio offers 'Schubert on Schubert' on tape**  
A review of a release of audio cassettes, "Schubert: Works for Piano, Violin, and 'Cello," by the Golub/Kaplan/Carr Trio.

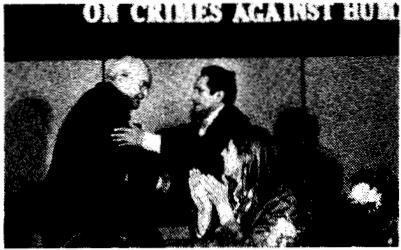
## Departments

- 48 From New Delhi**  
Bombay mafia dons Islamic garb.
- 49 Report from Bonn**  
Does Bush want the SPD back in power?
- 50 Report from Rome**  
Christian Democrats' new leadership.
- 51 Report from Rio**  
Bush wields debt-for-ecology threat.
- 72 Editorial**  
Butchers of Ibero-America.

## Economics

- 4 Debt crisis reaches the breaking point**  
Treasury Secretary Brady says the administration hasn't yet figured out its policy to deal with the Third World debt. They have a policy all right—Schachtian austerity. But it won't work.
- 6 Debt bomb set to blow up; hunger, disease spreading**
- 8 Kissinger Associates: trading with the enemy**  
Lawrence Eagleburger has a lot of explaining to do.
- 11 Kissinger runs interference for Mexican speculator Legorreta**
- 13 Unicef report covers for International Monetary Fund's genocidal austerity**  
By Nancy B. Spannaus, Democratic pre-candidate for U.S. Senate in Virginia.
- 15 Middle East water crisis worsens**
- 16 Currency Rates**
- 17 Agriculture**  
Uniform food for "Europe 1992."
- 18 Business Briefs**

**Feature**



International participants in the tribunal: (left to right) Gen. Friedrich Grunewald (ret.) of West Germany, Senator Jasmell Muñoz of Peru, and Renate Müller-DePaoli of West Germany.

**20 Tribunal exposes rise of fascist state in U.S.**

The Martin Luther King Tribunal on Crimes Against Humanity convened for its second conference.

**22 'Operation Florestan' will save LaRouche!**

Helga Zepp-LaRouche invokes the model of Beethoven's *Fidelio* in an appeal for a worldwide mobilization to free her husband.

**24 LaRouche from prison: New Dark Age looms**

**26 The judicial atrocities and abuses of power used to jail LaRouche**

**29 Political organizing is called 'conspiracy'**

**31 Secret government moves to impose an oligarchical legal system in U.S.**

**International**

**34 The IMF kills 1,000 in Venezuela to enforce debt**

After a helicopter tour over Caracas streets strewn with corpses, President Pérez told reporters, "We managed to get out of this relatively well."

**36 Moscow, capital of the Islamic world?**

Shevardnadze gets the red carpet treatment in Teheran, while Iranian dictator Khomeini sees convergences with Gorbachov.

**37 Civil war threat looms in Yugoslavia**

**39 In El Salvador, Bush administration backs terrorists against the Army**

**41 Argentina polarized over Army's role**

**42 Could Moscow be afraid of Israel?**

**43 Bronfman-Gorbachov deal helps anti-Semitic Pamyat**  
Documentation: From an interview with Pamyat's Dmitri Vasiliev.

**46 Behind the satanic orgy in Islamabad**

**52 International Intelligence**

**National**



From left: George Bush while Vice President; an image of the Ayatollah Khomeini, as portrayed in a street demonstration; Oliver North, now on trial for the Irangate debacle.

**58 LaRouche case could expose Bush-Irangate link**

The story of Bush's link to Irangate remains long on accusations and short on hard evidence—that is, until you follow the paper trail that exists with respect to Bush's office and the events which led to the jailing of Lyndon LaRouche.

**62 'If Bush wants to be bailed out, he had better come to me'**

A wide-ranging interview with Lyndon H. LaRouche, Jr.

**65 Trial of LaRouche associate Ascher evokes image of Nazi, Soviet justice**

The outrageous happenings in Judge Carleton Penn's court in Leesburg, Virginia.

**67 Eye on Washington**

Kissinger would "Finlandize" Europe.

**68 Congressional Closeup**

**70 National News**

## Debt crisis reaches the breaking point

by Chris White

Thursday, March 2, it turned out, was the day that Treasury Secretary Nicholas Brady chose to tell the American Bankers' Association conference that the administration has completed its review of the debt crisis. He went on to say that they haven't decided yet, which solutions are the ones to adopt.

The review of the debt situation was mandated under the Omnibus Trade Act, known as the new Smoot-Hawley Act, in honor of the measures which in the 1930s were held responsible for unleashing the trade war which was supposed to have plunged the world into depression. The new administration's debt review was undertaken, additionally, with the assistance of Brent Scowcroft's National Security Council staff, on the grounds that U.S. security interests are involved.

As usual with Bush administration reviews of anything, there is a certain conjuror's sleight of hand involved. Their debt policy, after all, happens to be well established. Its foundation is the Schachtian looting of the developed sector economies which has been standing U.S. policy since 1982, when Lyndon LaRouche's "Operation Juárez" hemispheric financial reorganization and economic recovery package was rejected by the Reagan administration in favor of the genocidal approach associated ever since with Henry Kissinger and his cronies like Brent Scowcroft.

Now, the point is fast being reached where that standing policy has to be junked, if a financial and economic debacle on a scale unparalleled in human history is to be avoided. Time is fast running out for the bankers and their representatives, like Brady et al., to get their minds in shape to assimilate workable solutions. And, since the one man in the world who does have the solutions worked out, and knows how to implement them, languishes in a Virginia jail, the

only policy on the U.S. agenda is the one they are actually implementing right now, and have been since 1982: namely, the blood and bayonets policy that's being rammed through in Venezuela. This is also the commitment which will ensure that the crisis now reaching a new breaking point turns into the biggest debacle mankind has yet been through, one from which the species may not recover.

This was emphasized by both Bush and Quayle, speaking on Friday, March 3, as markets were roiled by the news that President Carlos Andrés Pérez ("CAP") had announced the suspension of Venezuela's principal and interest payments, effective immediately, for an indefinite period. After much behind-the-scenes scrambling around, that statement was retracted, five or six hours after initial reports came out. The source of the retraction was the head of Venezuela's debt negotiation team in New York City. Venezuela, it seemed, needed commitments of about \$2 billion to avoid default, and was prepared to take the world to the financial brink to get those commitments.

Bush and Quayle, not surprisingly under the circumstances, launched into fulsome support for CAP, while the world trembled on the brink: Bush, in a call to CAP, hailed the "democratization" under way, offering U.S. economic aid; Quayle offered full support for the "necessary" austerity now being implemented in Venezuela. And, meanwhile, financial commitments were being drummed up from West Germany, Japan, Spain, and private banks to raise the funds to keep up appearances until the first tranche of Venezuela's new IMF package comes on line sometime in April.

Meanwhile, sources inside the country report that 3-5,000 have been killed in the last days of riots, looting, and street-fighting that Bush calls "democratization." Even while U.S. newspapers on March 3 were reporting quiet returning, bat-

ties were raging in three districts of Caracas in which heavy weaponry was being employed.

## U.S. interest rate hikes

Shocking as what has happened may be to some, the point is that what is going on in Venezuela is part of the process of economic collapse, and symptomatic of the reality that in the Third World, as well as Eastern Europe, the debt crisis manifestation of economic bankruptcy is reaching a new breaking point, which won't be subject to rational solution as long as LaRouche remains in jail. Like Venezuela, Argentina, Brazil, and Mexico are being brought rapidly to the breaking point.

Interest rate increases in the United States since the elections have put each of these economies, especially Argentina and Brazil, up against the wall, by encouraging the resumption of capital flight, forcing the devaluation of currencies, and promoting internal hyperinflationary tendencies. Before the developments in Venezuela, Brazil's President José Sarney had announced that his country lacked the currency reserves to make its March scheduled interest payments. Since then, Mexico's government has requested that the United States see its way to reducing the net capital outflow from Mexico by \$7 billion per annum. This was refused out of hand, prompting the resumption of discussion of the need for debt moratoria inside Mexico. Argentina, too, has been declared out of compliance with requirements imposed by the World Bank, at the moment that its internal anti-inflation plan has collapsed on the ruins of the economy.

Are we now to expect a succession of Friday afternoon crises, like the one of March 3, as each of these countries pushes the world financial system to the brink, to extract the promises which will only keep things going for a few more weeks? This would simply be to buy time for more of the vicious blood-letting that was unleashed in Venezuela this week in the name of "financial restructuring."

LaRouche's 1982 financial reorganization package was a set of economic recovery measures: a renegotiation of sovereign debt, to sort out what was performing and legitimate from what was not; the executive reorganization of banking, based on the extension of gold-backed treasury notes into the banking system, to save the bankers from the consequences of their own stupidity, and create the basis for new credit extension. The physical economic side of the process is the one the powers-that-be, together with their bureaucratic managers, refuse to address, except in the way a butcher does a side of beef with meat axe and handsaw.

Each of the countries concerned, including the deficit-ridden United States, is operating below the physical breakeven levels needed to sustain human existence. The once-powerful United States appears to bridge the gap with imports ripped out of the bodies of its trading partners, up to a level of about 25% of its internal consumption. The others are left to do without, and thus to die. LaRouche's financial reorgan-

ization proposals of 1982 were premised on the changes needed in economic policy to bring the country back to a pattern of growth based on meeting and surpassing physical breakeven costs. This way, no one has to die, capacity built up over decades doesn't have to be destroyed, and banking systems don't have to be reduced to wreckage. LaRouche's opponents of 1982, who also happen to represent the same combination responsible for his frame-up jailing now, insist that they know better.

They are about to find out what the consequences of such arrogance are. And not just as a result of what they have unleashed in Ibero-America.

The same kind of development is also under way in Eastern Europe: in Poland, where the government and the Solidarity trade union are negotiating to come together on a common basis vis-à-vis the West for debt relief, because anticipated hard currency earnings from exports this year will not cover more than half what is owed in debt service; in Hungary, where the same earnings crunch applies; and most explosive of all, in the Balkan cockpit, around what is unfolding in the Yugoslav province of Kosovo.

It is IMF-mediated imperial looting which has brought Yugoslavia to the boiling point, just as it has Venezuela. But here, of course, the point is that such policies also contain the seeds of world war, the more so when the centuries-old blood vendettas of the region are inflamed by genocidal austerity recipes. No more than Argentina, Brazil, Venezuela, Poland, or Hungary, can Yugoslavia generate the revenues which will permit continued servicing of its debt. The effort to do so has plunged the country into a crisis represented by 300% inflation rates and worse, tripling since last summer.

For each of these countries the minimal 3% increase, since this time last year, in the interest rates employed to calculate debt service, merely makes what was already impossible out of the question.

Paul Volcker, Helmut Schmidt, and others of their ilk have identified the March-April conjuncture as a likely time-frame for new financial shocks. The combination of U.S. interest-rate increases, threatened competitive interest-rate war among the world's principal central banks, and the beginning dissolution of the larger debtor nations, signal that the threshold is being reached for the destabilization of some portion of that outstanding \$20 trillion or so of unsupportable dollar indebtedness.

LaRouche warned that this was coming. He was right about it, and the others, from Bush and Kissinger on down—the crowd who put him in jail—were wrong. LaRouche was right about the problems, and right about the solutions that will work. And the rest, like dope addicts, insist on coming back, again and again, to the same old pile of junk. Their way ensures that the crises accumulating presently become the biggest debacle mankind has known. And pretty soon, the addicts are going to find that it's not just a debt crisis they have to deal with, but rather the question of war and peace.

# Debt bomb set to blow up; hunger, disease spreading

by Peter Rush

Developments in the last few weeks in Argentina and Brazil suggest that both countries are very close to blowing apart financially, with Mexico not far behind. The near future holds the promise of wild gyrations of interest rates, steep devaluations, skyrocketing inflation, banking system collapse, and even national bankruptcy, not to mention the potential for popular explosions on the Venezuelan model which could dwarf that nation's ugly experience. At such a point, all bets will be off concerning each country's continued acquiescence to being looted by the International Monetary Fund, the banks, and their domestic enforcers, starting with the present presidential administrations in all three countries—exactly as has occurred with Venezuela's pro-IMF President Carlos Andrés Pérez.

The haughty refusal of the Bush administration even to throw the "big three" Latin American debtors a few crumbs on the debt issue, adds insult to the latest injury, the sharp rise in interest rates, which are now more than 3% higher than this time last year, and which will add \$10 billion to the continent's interest payments due this year. This is occurring as interest rates in Argentina have hit 40% *a month*. People are fleeing from the austral into dollars, and the country has been unable to pay interest on its foreign debt since last April and is now \$2 billion in arrears. Brazil, also hard hit, has just slashed wages, jacked the interest rate through the ceiling, and announced that it cannot pay its debt service due in March. And Mexico suddenly finds itself without its traditional trade surplus, and hence unable to pay its current interest, much less several billion dollars more, even as its agricultural sector is collapsing, and recession is deepening.

Simply put, the post-1982 measures adopted by the "big three" to pay \$25 billion or more in annual tribute to the banks, have destroyed their economies. These measures depressed living standards sufficiently for the countries to run enormous trade surpluses with which to pay the debts, but at the cost of collapse in investment, stagnation or decline in total output, devastation of the health of the population, and a wrecking of internal financial stability such that each country now has stupendous *internal* debts, government budget deficits, extreme inflation, collapsed banking systems, and capital markets used for nothing but speculation.

For all of this, the debts of all three nations are 20% or more higher than six years ago, the interest burden greater than ever, and the ability to continue cutting living standards and investment is finished. Voters in Mexico and Brazil decisively voted against the governments that had imposed these policies in elections last year, and are likely to do so in Argentina this May. All three countries are reduced to playing hyperinflationary games to try to stave off financial collapse of their governments, by means of short-term maneuvers which will only make the crash that much worse, when it finally comes.

## Argentina

Interest rates hit 40% a month on Feb. 24, responding to extreme pressure against the austral and total lack of confidence in the government's economic policies. The Argentine Industrial Union announced that it would no longer be bound by the voluntary price freeze agreement with the government, due to government's renegeing on its pledge to consult with the AIU on March's price increase figures. The situation is so volatile that on March 1, a rumor of an imminent freeze of bank deposits led to a run on the banks. And then on March 2, the World Bank announced that \$350 million of promised loan disbursements would be held up, pending Argentine compliance with certain terms of the loans. With no more games left to play, the Argentine government faces nearly inevitable catastrophe, no matter what it attempts.

The present crisis is the delayed consequence of the so-called Spring Plan, implemented last fall (spring in Argentina). Its main features were the brainchild of Central Bank head Luis Machinea, and were based on sweeping the general economic/financial crisis under the rug just through election day on May 14. The idea was to impose a wage-price freeze on the one hand, and to halt the devaluation of the austral with very high real interest rates, on the other. Key to the plan was building up several billion dollars worth of government reserves to be used to intervene in defense of the austral against speculators, until May, by offering interest rates so high that speculative hot money would pour into the country.

Ironically, the plan to acquire dollars worked just as it was supposed to—and yet it hasn't helped the government at



all. Several billion dollars did flow into the country, and was promptly spent to keep the austral from collapsing. But inflation never fell below 5.7% a month (95% a year), reached in November of last year, and it has since risen to 6.8% in December (120% a year), and 8.9% in January (178% a year), with February is estimated to be over 12%, a tripling, in annual terms, since November.

The end came for the Spring Plan in February, three months earlier than the government had intended, when the demand for dollars finally became too strong and threatened to drain Central Bank reserves to zero. In the single week of Jan. 30 to Feb. 3, the Central Bank spent almost \$500 million of its limited reserves to protect the austral, with no end in sight, while interest rates shot up from under 15% to 20% or more, a real rate, after adjusting for inflation, of 250% a year. To staunch the outflow of reserves, the government declared a 48-hour bank holiday Feb. 6, devalued the official exchange rate by 20%, announced it would no longer support the free market austral, and set up a third "special" exchange rate 25% higher than the official one, for imports. Interest rates were lowered to 15% a month.

Overnight, the free market rate of the austral dropped more than 75%, to 25 australs to the dollar, and then continued to fall a further 75%, as the rush out of australs into dollars continued unabated. In response, interest rates were jacked back up to 22% a month on Feb. 15, to 30% two days later, and finally to 40% a month, 28% higher than inflation (1,830% a year) on Feb. 24, which succeeded in bringing the value of the austral back to 28 to the dollar—still a very dangerous and unstable 100% devaluation from the official rate.

Meanwhile, the commercial banks have washed their hands of Argentina—as has the IMF—on the grounds that since Argentina cannot pay on its existing debt, why should the banks throw good money after bad? And on top of the disastrous financial news, both wages and the productive economy continue to ratchet down. Industry, still suffering power blackouts of three hours a day, has been hit hard, while the same drought that has put much of the country's hydropower capacity out of service has devastated agriculture, now forecast to harvest only 29.8 million tons of grain, worth \$3.8 billion, rather than a previously forecast 40 million tons, worth \$5.5 billion.

## **Brazil**

The situation in Brazil is similar, and only slightly less critical, to that in Argentina. Real interest rates were reported at the beginning of February to have been around 25% a month—1,350% at an annualized rate. Inflation, which had hit 70% in January, when a series of enormous price increases were put through, is said to have been cut to under 10% in February under the government's latest price freeze, but in the process, the population has suffered a devastating further loss of purchasing power, as wage increases in January were

well below 70%. Despite pollyannaish statements from President José Sarney to the effect that his latest program is working, the two major union federations of Brazil, the General Confederation of Labor and the Unified Workers Central, plus a number of independent unions, have announced a general strike against the "wage losses brought on by the Summer Plan."

Driving the Brazilian crisis, like the Argentine, is the awareness that the financial edifice of the country is a house of cards. Everyone with money wants dollars, ready to flee the country at the first sign of collapse, and the demand for dollars forces the high interest rates and the erosion of currency values. Government efforts to pay debt service on the foreign debt lead to enormous internal debt—\$85-90 billion in Brazil's case—which must be rolled over daily at the high interest rates.

Despite a continued record high trade surplus, the flood of dollars leaving the country has again put Brazil in the hole on its debt payments, such that President Sarney announced on Feb. 16 that Brazil doesn't have the money to pay \$1.3 billion due in debt service for the month of March.

## **Mexico**

Mexico, which presently is dedicating 59% of its entire federal budget to debt service, most of it on internal debt, has temporarily lowered inflation to the range of 20% a year, only by means of the most brutal wage slashing of any major country in Ibero-America, enforced, since early January, with a virtual police-state atmosphere against the population. Even so, inflation more than doubled in January, to 2.4%, and repressed inflationary pressures are mounting that must eventually explode. The government has kept the peso from devaluing in line with inflation, hurting manufacturing exporters, while imports are flooding the country.

Mexico has, more than any other country, gutted its productive base. Agriculture has been particularly hard hit, with the government setting prices for farmers below the costs of production, and gutting investment for irrigation. As domestic production fell, Mexico, which was nearing self-sufficiency a decade ago, imported 12 million tons, half its consumption, in 1988. Credit for the rural sector has fallen 35%.

Also during 1988, real wages of workers fell a further 17.3%, on top of more than 50% from 1982-87. GNP per capita was 16% below its 1982 level, while overall investment had fallen from 23% of GNP to 16%. Lack of investment in the Pemex oil company has stopped all exploration for natural gas, and obsolete refineries can no longer refine all the nation's gasoline.

The level of crisis is clearest in health care. Spending on health in Mexico has fallen from an already dismal 2.6% of GNP in 1982 to 1.7% in 1987, and even lower in 1988, and it is reported that almost 50% of the population has no access to regular health services, and the quality for those that do is abominable.

# Kissinger Associates: trading with the enemy

by Scott Thompson

While Lawrence Eagleburger, president of Kissinger Associates, negotiates on how long he must recuse himself from dealings with a dozen countries, if he is confirmed in his nomination to the post of Deputy Secretary of State, there is an entire issue from which Eagleburger would have to recuse himself because of a major conflict of interest: the expansion of East-West trade and credits. Such expanded trade, starting with the dispatch of Commerce Secretary Maurice Stans to Moscow in November 1971 by Henry Kissinger, had been a cornerstone of the Kissinger-Nixon "Détente I" period.

Now, there is a significant faction of pro-Soviet appeasers—such as James Giffen, the recently retired president of the U.S.-U.S.S.R. Trade and Economic Council, which was founded by Kissinger and others in 1973—who openly espouse transforming the Soviet Union into an "economic superpower" during the "I Love Gorby" gang's "Détente II."

Lawrence Eagleburger's clients at Kissinger Associates are now involved in negotiating multibillion-dollar joint ventures, trade deals, and loans, which, if they would not make the Soviet Union an "economic superpower," should at least help Gorbachov's *perestroika* campaign, that was initiated by the Soviet military circles around Marshal Nikolai Ogarkov to carry out modernization of the Red Army and permit a drive for Soviet global domination.

Several of the projects that Eagleburger's clients are involved with would, according to Pentagon sources, have "dual use." That is to say, they might have direct military applications contrary to their stated purpose, such as augmenting the Red Army's awesome chemical warfare capability. This should not be surprising to those who know about the maneuvers of Henry Kissinger during "Détente I," who signed off on the transfer of technology that built the Soviet trucks that mounted the 1979 Afghanistan invasion; that nearly permitted the creation of a Soviet surprise first-strike capability, when he gave the Soviets technology to MIRV their giant, land-based missiles, over Pentagon objections; and, that allowed the Soviets to stockpile grain for war at significant added expense to the American consumer in the 1972 "Great Grain Robbery."

## Eagleburger caught in the act

The first sign that something was seriously wrong with Eagleburger's ties to East bloc trade came on Dec. 1, 1988,

when U.S. Customs Commissioner William Von Raab announced the indictment and arrest of five individuals and the U.S. branch of a Yugoslavian bank on money-laundering charges, as part of a combined Customs-IRS "sting" codenamed "Operation Flying Kite." According to the Customs Service press release of that date, "The operation centered on the illegal international laundering of undercover government funds which the conspirators believed were owned by organized crime and were intended for use in the export of restricted high technology and implements of war."

Although he was not named as a co-conspirator, it eventually surfaced that Eagleburger was on the board of the indicted bank, LBS Bank of New York, whose chairman, Vinko Mir, had allegedly "agreed that undercover funds would be converted into bank checks," then, after this was done for sums of \$50,000 and \$76,350 by Mr. Mir, the bank chairman allegedly falsified the Currency Transaction Reports, which are the chief instrument of the Treasury Department to guard against such money laundering.

In an interview with *EIR*, Vinko Mir refused to divulge whether he had been the individual who coopted Eagleburger to the board of the LBS Bank, which was founded in 1986 as a wholly-owned subsidiary of the Ljubljanska Banka in Yugoslavia. But, he did acknowledge knowing Larry Eagleburger well. Eagleburger's bank not only faces a fine of \$500,000, but Vinko Mir faces a similar fine and five years imprisonment, if he is found guilty. Eagleburger has refused comment on the case, but it is notable that he did not resign his position on the bank until five weeks after the indictment, when his nomination as Deputy Secretary of State was assured.

U.S. Commerce Department sources report that although Yugoslavia shares the same most-favored nation trading status with America as does Western Europe, there have been several instances of technological espionage where the product illegally obtained in the U.S. ended up in the possession of a Warsaw Pact country. Ljubljanska itself, the capital of a northern province, is a notorious center for smuggling operations that parallel the more infamous "Bulgarian Connection," of which Eagleburger, who virtually started his Foreign Service career in the American Legation in Yugoslavia and then returned to Yugoslavia during the Carter administration as U.S. ambassador, cannot claim ignorance.

During his position as Undersecretary for Policy in the

beginning of the Reagan administration, Eagleburger frequently overrode objections from the Pentagon and other Executive branch agencies, to the general expansion of trade and credits to Yugoslavia by the United States. Sen. Jesse Helms (R-N.C.), the ranking minority member of the Senate Foreign Relations Committee, which will handle Eagleburger's nomination, has expressed a strong interest in probing just how far his knowledge of LBS Bank's alleged illegal activities went.

### **On record to expand trade and credits**

Through his involvement with the New York-based Institute for East-West Security Studies, Eagleburger is already on record as favoring "the possibility of a qualitatively new level of East-West economic contacts." In October 1987, the institute released a report entitled "How Should America Respond to Gorbachov's Challenge?" which had been prepared by a task force including Eagleburger, whose co-chairmen were Joseph S. Nye of Harvard University (and the Dukakis campaign) and Whitney MacMillan of the Cargill Co., which does an annual multimillion-dollar business supplying the Soviets with the grain they cannot produce themselves.

Despite a growing bipartisan coalition in Congress, as epitomized by the Kemp-Roth Bill, which opposed growth of unrestricted trade and credits to the U.S.S.R., the institute's task force concluded: "It is thus a mistake for Western governments to prevent the U.S.S.R. from receiving private credits at commercial rates." The report goes on to endorse private credits, including especially "untied loans," which have been used by the Soviets to purchase advanced technology for modernizing their military, to fund KGB and GRU activities outside Russia, and to maintain the sinews of an empire through Soviet hard currency loans to such countries as Cuba, Nicaragua, and Afghanistan. It was precisely such unrestricted forms of lending that the Kemp-Roth bill was designed to curb, but the Reagan administration—influenced by the appeasement INF treaty and George Shultz's "regional matters" negotiations for a "global New Yalta"—would have none of it.

Even more alarming, the institute's report stated that "the U.S. government and Congress should consider bringing their policy into congruence with U.S. allies by reevaluating the Jackson-Vanik and Stevenson Amendments restricting trade and credit to the U.S.S.R. The West should aim to normalize the framework for trade with all Warsaw Treaty countries, on the basis of mutual and reciprocal interests." In the press statements accompanying release of the report, spokesmen for the institute specified that since emigration of Jewish refuseniks was increasing (last year it reached 20,000), the Jackson-Vanik Amendment should be abridged. Although the amendment was triggered by the Soviets' proposed tax on Jews seeking emigration, it has otherwise been consistently pegged to the sorts of human rights concerns

more broadly addressed in the Helsinki Accords, not simply the question of Jewish emigration, which the amendment's authors thought should be at an annual rate more than twice what it is at present anyway.

Clearly, Eagleburger sides with those like Dwayne Andreas, the chairman of Archer Daniels Midland and of the U.S.-U.S.S.R. Trade and Economic Council, who merely see the question of Jewish emigration as a convenient ruse for expanding their business with the U.S.S.R., just as Andreas does now through massive grain sales to the Soviets despite their human rights record or war-winning military doctrine.

Perhaps one reason for Eagleburger signing off on this narrow interpretation of Jackson-Vanik is that, according to Britain's late Lord Harlech, Eagleburger's patron Henry Kissinger is part of a consortium that has been secretly buying land on the West Bank through Arab intermediaries, which would be used to build settlements for Jewish refuseniks, whom a faction in Israel would like to send to the occupied territories as cannon fodder in the Arab-Israeli conflict.

### **Eagleburger's Warsaw Pact portfolio**

Eagleburger's top clients at Kissinger Associates are certainly not waiting for an improvement in the Soviet human rights record in their stampede for what they hope will be lucrative contracts with the U.S.S.R. The record of Eagleburger's clients includes:

- **Montedison S.p.A.** This Italian chemical firm is involved in the largest joint venture undertaken by the West to date in the U.S.S.R., specifically designed to export the Western technology that the CIA stated in a 1986 report would be essential for Soviet exploitation of the Tengiz oil and gas field near the Caspian Sea. In March 1988, Montedison joined a consortium that signed a protocol with the Soviet Ministry of Oil and Industry, which stated the intent to develop and operate a petrochemical complex there. Montedison's joint venture partners in the \$6 billion project include: Soviet Trust agent Armand Hammer's Occidental Petroleum; Japan's Marubeni Corporation; and, the Italian firm of Ente Nazionale Idrocarburi (ENI S.p.A.). Presently, they are doing a feasibility study for a plant that would produce 500,000 tons a year each of polyethylene and polypropylene, as well as various polymers, co-polymers, and composites.

On June 17, 1988, according to TASS, the vice president of Eagleburger's client, Montedison, independently met with Vladimir Gusev, deputy chairman of the U.S.S.R. Council of Ministers, to discuss "the operation of a joint Soviet-Italian venture and . . . Montedison's possibilities of participation in retooling chemical operating facilities in the U.S.S.R." Giorgio Porta of Montedison said that an Italian-Soviet working group would examine such possibilities for "chemistry, petrochemistry, mineral fertilizers, pharmaceuticals and relevant machine-building."

A spokesman for the Pentagon told *EIR* that the activities

of Eagleburger's client, Montedison, might decidedly benefit Soviet chemical warfare fighting capabilities by adding new processes in areas that are parallel to the production of such nerve gas agents as phosgene. Frank Ashley, the public affairs officer of Occidental Petroleum, called these charges "ridiculous," but he refused to answer followup questions submitted by *EIR*'s science editor, which explored the parallels between all petrochemical processes and the processes for the production of nerve gas. Also, Ashley would not entertain questions about how the supply of superphosphate that Occidental cornered in another \$20 billion barter deal with the Soviets signed during Kissinger's "Détente I" had put a lock on this product, which, military sources report, can be used for production of advanced explosives.

● **ASEA Brown Boveri.** This Swedish client of Eagleburger's announced that in partnership with Germany's Kraftwerk Union AG, the nuclear power portion of Siemens AG, that it would seek to build a 200 megawatt high-temperature reactor (HTR) at Dimitrovgrad, 680 miles east of Moscow, by 1996, costing more than \$560 million. An agreement for this was signed with the Soviet State Committee for Utilization of Atomic Energy, and ASEA is presently seeking licenses to build what would be the first Western nuclear reactor in the U.S.S.R. ASEA is presently confident that, despite expected objections from Washington, it can gain approval for the technology transfer from CoCom, the 16-nation group of Western countries and Japan that reviews delivery of sensitive technology to the Warsaw Pact and other countries. The HTR reactor would be in advance of any plant built in West Germany.

● **Midland Bank of the U.K.** Another Eagleburger client is Midland Bank, the fourth-largest commercial bank in Britain, which in December 1987, took part with three other banks at a conference in Moscow organized by the British Invisible Export Council, which was oriented toward supplying credits for trade and joint ventures in the U.S.S.R. In October 1988, Midland's deputy chairman, Sir Michael Paliser, told a news conference that his bank would take the lead in a consortium to provide a \$1.7 billion line of credit, which would be 85% backed by the British government. Midland's partners were Moscow Narodny Bank Ltd., Barclays, Lloyd's Bank, National Westminster, Bank of Scotland, and Morgan Grenfell.

● **Fiat S.p.A.** Fiat chairman Gianni Agnelli has been on the International Advisory Board of Chase Manhattan Bank (a major financier of East-West trade dating back to the 1920s), whose chairman, upon his leaving public office, was Henry Kissinger. During Kissinger's "Détente I," Fiat built the "Togliatti plant" in Volgograd, which produced 600,000 Fiat-124s (exported as the "Lada"), that amounted to half of all Soviet automobile capacity. A Soviet analyst at Science Applications International has charged that the Soviets had Fiat redesign its suspension system, so that it would be the model for modern Soviet tank systems. Also, during "Détente I," Fiat's subsidiary Comau made \$100 million out of subcon-

tracts for machine tools for nuclear energy components manufacturing plants.

In October 1988, Fiat chairman Agnelli traveled to the U.S.S.R., where he announced that Soviet Prime Minister Nikolai Ryzhkov had asked that he modernize automobile production further. A new monster plant on the Volga, estimated to cost \$5-6.5 billion, is now being studied that would produce 1 million 1-liter cars per year. Like the Lada, these cars might be exported to Western Europe, undermining the local auto industry.

● **Union Carbide.** In 1988, this Eagleburger client announced that it would sell polyethylene produced by a British-Soviet joint venture, Asetco, which would modernize and expand two plants at Budyennovsk and Kazan. Union Carbide is also licensing its most up-to-date production technology (Unipol) for the Soviet plant, which, again, might improve Soviet chemical warfare fighting capabilities. Financing for the project is to come from Moscow Narodny Bank Ltd. and Morgan Grenfell.

● **L.M. Ericsson.** Datasaab, a subsidiary of this Eagleburger client, was caught by the Reagan Justice Department in violation of the Export Administration Act. Datasaab pleaded no contest, and received the highest fine ever levied under the Act, \$3.2 million. It transpired that Datasaab had, in violation of its licensing agreement with the United States, sent the programming center for an advanced radar system for three airports known as the Terminal and En-Route Control Automated System (TERCAS) to the Soviets. The Justice Department charged that the enhanced system increased the Soviet ability to defend itself against military aircraft and to coordinate air attacks on Western Europe. Former Commerce Secretary Malcolm Baldrige had called the violation one of the most serious incidents of illegal transfer of U.S.-origin technology to the Soviet Union since the imposition of export controls.

When L.M. Ericsson acquired Datasaab, it did report the violation to the U.S. government, and it agreed not to maintain the computer system in the U.S.S.R. Ericsson also hired attorney Edward Bennett Williams, a close associate of Henry Kissinger, to represent it in minimizing the penalty against Datasaab. And, during the process of negotiating this agreement with the Reagan administration, it also hired Kissinger Associates to be its consultant.

Eagleburger's portfolio of clients trading extensively with the Warsaw Pact countries, should, like his position on the board of the indicted LBS Bank, cause quite a stink during congressional confirmation hearings. Unlike the conflict-of-interest charges levied against Sen. John Tower for being a defense contractor consultant for two years, there is a definite "smoking gun" in the Eagleburger dossier. Should Eagleburger squeak through confirmation hearings, the least condition that should be placed upon him, is that he recuse himself entirely from the trade and credits issue, as he works to carry out the secret Kissinger agenda for full-blown reemergence of "Détente II."

# Kissinger runs interference for Mexican speculator Legorreta

by Hugo López Ochoa

Everything indicates that the judicial actions take by Mexican authorities on Feb. 13 against Eduardo Legorreta and other officials of major stock brokerages in Mexico, who were implicated in speculative fraud and insider information trading related to the October 1987 stock market crash, will be limited to a few scapegoats. On Feb. 21, the Mexican Attorney General announced that with the detention of Eduardo Legorreta and three other officials of Operadora Bursátil, S.A. (OBSA) and Mexicana de Inversiones y Valores (Mexinval), the inquiry in regard to possible federal-level crimes will be closed, and the investigation of other smaller crimes turned over to the Justice Department of the Federal District, which includes Mexico City.

President Carlos Salinas de Gortari met the same day with the officials of the 25 brokerages in Mexico to exhort them to begin a "new phase" that would inspire confidence in the market. He thus made it clear that he will overlook the demands of nationalist forces in the opposition and in the ruling party itself, the Revolutionary Institutional Party (PRI), for the investigation to be widened to the person who was director of the Bank of Mexico since 1982, Miguel Mancera Aguayo, and the ex-Finance Secretary, Gustavo Petricioli, present ambassador to the United States. Mancera and Petricioli were the main architects of the 1986-87 speculative boom of the Mexican stock market, which reached unprecedented rates at the world level, and which served to create the illusion that there was an economic recovery. It was in the flush of this fantasy that ex-President Miguel de la Madrid could impose Carlos Salinas de Gortari as his successor.

As the magazine *Siempre* said in a March 1 editorial entitled "The Crash of the Lie," "The appearance of brokerage houses, which sprang up like mushrooms throughout the country, had an eminently political reason in 1987, which today is forgotten or pretended to be unknown. This reason of State embodied nothing less than the survival of the system when Mexican society was hit by the continuing failures of the government to solve the economic crisis, and the federal elections lay just ahead." Thus, he adds, it was a matter of creating "the fantasy that through a modest investment one could come to live in a bonanza. . . . The vote for the PRI

was what was at stake, and the highest bettor was the stock market."

Eduardo Legorreta himself, the owner of OBSA, stated on Feb. 13 before the Public Ministry that he was receiving "confidential information" for his financial maneuvers from the director of the Bank of Mexico. However, the following day he took it all back and alleged that he had spoken "under pressure." Meanwhile the government put an almost total clampdown on information about the results of the investigation against Isidoro Rodríguez, owner of Mexinval. Rodríguez fled the country, it seems, when somebody warned him that there was an arrest warrant out for him.

In the Senate, the opposition group, led by nationalist Senators Ifigenia Martínez and Profirio Muñoz Ledo, says that at least two officials of the prior regime of President Miguel de la Madrid should be investigated for "complicity." The PRI majority of the Senate not only rejected this, but downright impeded the holding of hearings in Congress to call witnesses who were lower-level officials in the Finance Secretariat, the Attorney General's office, and the Budget and Planning Secretariat, to respond to questions about the "threads of the yarnball"—as it was put by Senator Muñoz Ledo—of dirty dealings on the stock market.

There are many weighty reasons why the government decided to soft-pedal the Legorreta-Mancera-Petricioli connection, and they are no less serious than those that weighed in the decision to let Isidoro Rodríguez get away, after he was denounced by the oil workers union for his illegal deals with Mario Ramón Beteta, the former director of Petróleos Mexicanos (the state oil concern) and a crony of Miguel de la Madrid. But the main reason can be spelled with two words: Henry Kissinger.

## Enter Henry Kissinger

Henry Kissinger suddenly arrived in Mexico on Feb. 14, St. Valentine's Day, and showed up at the Mexican "White House," Los Pinos, where he was received by President Carlos Salinas de Gortari although he was not on that day's presidential agenda. What they talked about is anyone's guess. But it was not accidental that Kissinger's arrival coincided



with a wave of statements by prominent businessmen. "Dollars will leave the country with the same velocity with which businessmen are jailed," threatened Eduardo García Suárez, president of the Confederation of National Chambers of Commerce (Concanaco). Jorge Ocejo, president of the Confederation of Management of the Mexican Republic (Coparmex), also complained of the way Eduardo Legorreta had been treated. Ocejo is a member of the mighty Puebla Group, a hunting-preserve of the Rockefellers (the bankers who financed Henry Kissinger's career), via Manuel Espinoza Yglesias, who was the boss of the Banco de Comercio, which has always been a branch of Chase Manhattan Bank.

Rumors unleashed in Mexico on Feb. 14 signaled that the Japanese and Wall Street bankers had asked Finance Secretary Pedro Aspe and Undersecretary José Angel Gurría, who had just visited New York and Tokyo, to "first clean house," i.e., the Mexican Stock Exchange, to "restore trust" of investors, before beginning negotiations on supposed "fresh credits" for Mexico. In reality they meant that the Rockefeller interests, who have staged a comeback as the dominant political and financial power in the United States, ordered Salinas to "get the Legorreta out of the way," as being more tied to French, Swiss, and Italian banking groups such as the Schlumberger, DeMenil-Mallet, and Assicurazioni Generali di Venezia e Trieste, the reinsurance giant.

Locally, the Kissinger-Rockefeller hegemony and that of their Mexican allies such as the Espinoza Yglesias crowd, in the juicy stock market began to be reflected when Alfredo Harp Elú took over the presidency of the Mexican Stock Exchange after the October 1987 crash. Harp Elú replaced Manuel Somosa Alonso, joint property of Agustín Legorreta and Gustavo Petricioli. Harp Elú is a first cousin of Carlos Slim, who among other things manages the money of Espinoza Yglesias, through the Invermex brokerage, which belongs to the latter.

However, the competition between these banking groups is always like that between different competitors in the same holding company, who "duke it out" among themselves but close ranks in the face of a common danger, or vice versa. Truth to tell, Kissinger came to Mexico, among other things, to stop cold any risk that the probes into the brokerages would go beyond the tolerable limits of quarrels between competitors in the same banking aristocracy.

President Salinas de Gortari still does not have his internal situation under total control. His moves to wreck the nationalist leadership of the oil workers union lost all credibility, and the nationalist factions of the PRI and the government, tactically allied with the opposition led by popular former presidential candidate Cuauhtémoc Cárdenas, put on a lot of heat for the Legorreta case to be the spearhead of a break between this government and the last one. That would mean jailing Gustavo Petricioli, Legorreta's protector; and Miguel Mancera Aguayo.

## The debt question

But the scandal around the stock market fraud broke at the same time as the problem of the foreign debt took a turn for the worse. Since Mexico is the keystone for Henry Kissinger's economic strategy for the debtor countries, Henry in person let it be known that the volatility of the situation here is the result of the fact that there is still no concrete accord in Washington. "There is still time to negotiate," he told Televisa, the news chain of his friend Miguel Alemán. "I cannot believe that Mexico and the United States cannot find a constructive solution," he added.

But only days after the Mexican negotiators returned from Washington, keeping totally mum about their "achievements," it is clear that there is no deal yet. Mexico is asking for a flow of 7 billion fresh dollars per year to guarantee some economic growth for the next six years, plus a packet of interest rate reduction, and a reduction in debt principal by \$105 billion. In exchange, Kissinger asks that Mexico be turned into a virtual concentration camp for the activities of transnational corporations' assembly plants, within a so-called North American Common Market.

The certainty that Mexico is not going to get any new money and that it will not have the money to pay has provoked a new round of calls for a debt moratorium.

It so happens that half of what Kissinger had to say on Mexico in his Televisa interview was a testimonial on behalf of the nomination of his front-man John Dimitri Negroponte as U.S. ambassador to Mexico. The Negroponte appointment—he is known for his experience in setting up death squads and developing irregular-warfare operations, most recently displayed in the Contra recruitment in Honduras—raised universal protest in Mexico, and was the proof for many that President George Bush really does not have good intentions toward Mexico. At least not as long as Kissinger is mediating the relations. "The Salinas-Bush honeymoon was over before it began," was the general comment.

Meanwhile, Miguel Nazar Haro, intelligence director for the Federal District's Secretariat of Security and Highways, was forced to request a leave of absence. Nazar Haro, one of the top Mexican policemen and a counterintelligence expert, directed the operation that dismantled the terrorist groups who ravaged the country in the 1970s, especially the 23rd of September Communist League. For several weeks, the leftists and the pro-Salinas press carried on a vicious campaign to demand that Nazar Haro step down. The same demand has been made, since December, by some of the major Anglo-American Establishment dailies, accusing him of "corruption."

The 1985 book, *The PAN, Moscow's Terrorists in Mexico*, put out by the Mexican Labor Party, describes the role that Kissinger and Rockefeller have played in controlling terrorism in Mexico, in league with their sometimes rivals, the Legorreta family.

# Unicef report covers for International Monetary Fund's genocidal austerity

by Nancy Spannaus

After all the headlines about the United Nations Children's Fund's shocking exposés of the murder of children by debt payments imposed on the Third World, it was quite an eye opener to read the report itself. Amazingly, the Unicef authors provide a full endorsement to IMF conditionalities, full stop!

The most bald expression of this point of view comes in the following section:

"In general, we would strongly endorse the two convictions expressed by IMF Managing Director Michel Camdessus on the issuing of a recent IMF review which looked at the impact on the poorest groups of Fund-supported adjustment programmes:

"The first is that adjustment does not have to lower basic human standards. In this context, the efforts of fellow agencies of the U.N. family both to protect social programmes in the face of unavoidable budget cuts and to make some programmes more efficient—delivering better services at less cost—exemplify the types of things that are essential. My second conviction is that the more adjustment efforts give proper weight to social realities—especially the implications for the poorest—the more successful they are likely to be."

Largely because of Unicef's desire to defend the international financial institutions, the report, entitled *The State of the World's Children 1989*, actually does not present strong backup for its leading dramatic assertion that "it can be estimated that at least half a million young children have died in the last twelve months as a result of the slowing down or the reversal of progress in the developing world."

## Unnecessary deaths

Fourteen million children die each year from common illnesses and malnutrition, according to Unicef and the World Health Organization officials which the report quotes. What galls Unicef, and should outrage us all, is that cheap effective technologies are readily available to prevent these deaths from occurring.

Cited by Unicef are such technologies as Oral Rehydration Therapy (ORT) and immunizations for diseases such as measles, tetanus, and polio. Unfortunately, Unicef also buys

the line that another way of protecting children's health is to promote "birth spacing," an indirect way of saying the reduction of births in the developing countries.

The report correctly identifies that massive debt payments have led directly to the neglect of children's health and welfare. The following shocking facts are cited:

1) On average, Third World debt payments amount to almost 25% of the developing world's export revenues.

2) Real prices for the developing world's principal commodities, the stuff with which it can earn income, have fallen to approximately 30% below 1979 levels.

3) The Third World is transferring at least \$20 billion a year to the northern hemisphere, thanks to debt payments and the under-pricing of goods.

4) IMF adjustment policies are in effect in at least 70 developing countries, with the result of withdrawal of subsidies on food and fuel, and declines in government spending overall.

The actual result of such adjustment policies, the Report says, has been the collapse of government expenditure devoted to health in most countries of sub-Saharan Africa, in more than half the countries of Latin America and the Caribbean, and in one-third of the nations of Asia. The cuts themselves are massive: Over the last 10 years spending on health care has fallen nearly 25%, and education spending by nearly 50%.

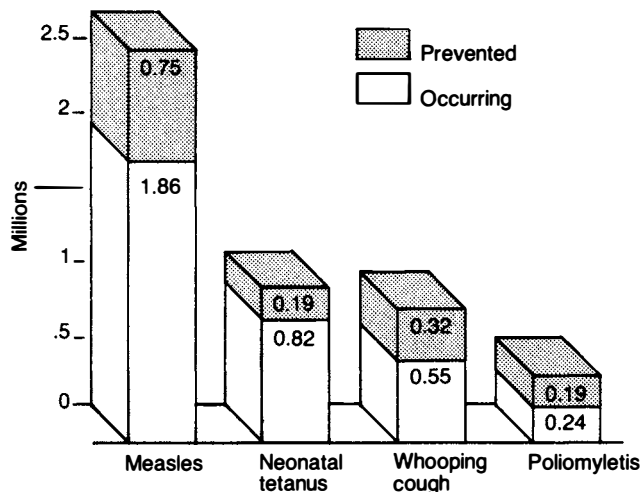
The report also hints at the overall devastating effect of IMF policies, and debt payment, on living standards, noting that per capita Gross Domestic Product in sub-Saharan Africa is on a constant decline, reaching the rate of 5.1% down in 1985. Per capita incomes in Latin America are also falling. The report summarizes thus: "In many nations, average incomes in 1995 are expected to be below the levels of 1980 and in some countries even below the levels of 1970."

Under these circumstances, it is no wonder that children are dying unnecessarily.

## Saving the bankers

Although Unicef surely wouldn't admit it, the report reeks of split loyalties: loyalties to the banks, as well as professed

## Estimated deaths and prevented deaths from vaccine-preventable diseases, developing world, 1988



Source: Unicef, *The State of the World's Children 1989*, based on World Health Organization figures.

The chart shows the estimated number of deaths each year and the estimated number of deaths being prevented each year from the three main vaccine-preventable disease of childhood. The fourth column shows the number of cases of polio which are being prevented by immunization and the number of cases which are still occurring for the lack of it. All estimates exclude China.

loyalties to children. The following section makes the point:

“The adjustment strategies pursued in recent years, especially in relation to the middle-income developing countries, have achieved three important goals: they have prevented the collapse of the international banking and financial system; they have allowed the indebted developing countries to stay within the international economic system; and they have given the commercial banks five years to build reserves and prepare for the inevitable day when the ability of the borrowers to repay their loans was called into question.”

“But there is equally little doubt that adjustment strategies are failing in two major ways. First, as has already been discussed, they have placed a disproportionate burden on the poorest and most vulnerable—of whom children are the most vulnerable of all. Second, they have not succeeded in their principle [sic] aim of allowing indebted economies to escape from debt through a return to healthy economic growth.”

From this standpoint, the Unicef report proceeds to try to make recommendations to save children, while still saving an immoral and bankrupt financial system.

Fundamentally, these recommendations come down to trying to redefine overall economic development, into the concept of providing for “basic human needs” of the neediest within the developing countries. The idea is that Unicef wants

to dictate that development aid, or government money in general, not be spent on expensive infrastructure—which is absolutely indispensable for developing nations as a whole—but rather on cheap immediate means of mere subsistence for the “poor.”

The report puts it this way:

“Because the poor have little influence on either the purposes for which aid is given or the purposes for which it is spent, donor distortion and receiver distortion often twist aid in the same direction so that aid comes to favour industry over agriculture, urban over rural, hospitals over health centres, universities over primary schools, export crops over food production, the imported over the indigenous, the capital-intensive over the employment-creating, the construction of the new over the maintenance of the old, and, ultimately, the richer over the poorer.”

While some of what Unicef criticizes is apt—such as favoring export crops over food—the overall approach is a formula for a permanent poverty class, scheduled to scratch with a hoe in the dirt, rather than enjoy the benefits of modern agriculture and overall industrialization. It is the new IMF colonialism, sold in the guise of taking care of the very poor.

Another sign that Unicef has redefined development into self-sustaining poverty, comes from its constant assertions that much of the debt of Third World countries was “irresponsibly lent and irresponsibly borrowed.” Although the report doesn’t say so, what this means is that Third World countries should never have aspired to build nuclear industries, or modernize their agriculture—as numerous Latin American countries attempted to do during the 1970s—but should have contented themselves with second-rate status forever.

In other words, what Unicef, and obviously its brother and sister agencies at the United Nations, define as “real development” is “cheap subsistence.”

### The real sin

The Unicef report concludes by indicting what it calls the “seven deadly sins” of previous development efforts. These it identifies as 1) development without infrastructure (by which it means trained people); 2) development without participation; 3) development without women; 4) development without environment; 5) development without the poor; 6) development without the doable; and 7) development without mobilization. To replace these “sins,” it proposes an international mobilization and summit meeting around the welfare of children.

But the real sin is not even identified. It is putting the survival of the international financial authorities—both private and governmental—above the interests of human beings. Once that error is removed, it is easy enough to see how the total population of all nations could be raised out of murderous poverty.

Unicef’s commitment to save the banks and the IMF makes it part of the problem, not part of the solution.

LIMITED  
EDITION!

## Lotte Lehmann Centennial 1888 Album 1988

3-RECORD  
LP SET

Forty-four newly discovered recordings with commentary by Madame Lehmann, accompanied by Paul Ulanowsky, from 1941 Columbia radio transcriptions. Songs by Beethoven, Brahms, Mendelssohn, Mozart, Schubert, Schumann, R. Strauss, Wagner, Wolf



\$23.95

3-record set, includes shipping/handling  
Make check/money order payable to

LOTTE LEHMANN ARCHIVES,  
c/o University Librarian, University of California  
Santa Barbara, CA 93106

The old monetary system is dead. Put it in the closet, and open the closet to horrify children on Halloween. The question is, how do we build the new monetary system?

### *The Schiller Institute's* **DEVELOPMENT IS THE NAME FOR PEACE**

Leaders from around the world gathered twice in 1988 to debate that question; this book records the proceedings of the two historic conferences. Includes "The Tasks of Establishing an Equitable New World Economic Order," by the first economist to forecast the Bretton Woods system's demise and lay out the program for a new monetary system—Lyndon H. LaRouche, Jr.

Development  
is the Name for  
Peace



216 pages.

\$10.00

Make checks payable to:

**Ben Franklin Booksellers, Inc.**

27 S. King Street, Leesburg, VA 22075

Shipping: \$1.50 for first book, \$.50 for each additional book.

## Middle East water crisis worsens

by Nicholas F. Benton

The greatest flashpoint for the conflict in the Middle East is the chronic shortage of water, which is converging on critical proportions in every country of the region.

The U.S. government has contributed to the problem by shifting its Agency for International Development (AID) funding priorities for water-related projects in the region from dams and irrigation projects to conservation technologies, and demanding that recipients undergo structural economic reforms, such as the institution of user fees for water, as conditions for aid.

Recommendations from the Center for Strategic and International Studies (CSIS), Henry Kissinger's think tank, which has provided a lot of brain power for the new Bush administration, are no better.

In a recent CSIS policy paper, entitled "U.S. Foreign Policy on Water Resources in the Middle East," so-called experts acknowledge the hair-trigger threat to regional stability which the rapid depletion of water is creating in the Middle East, but propose that solutions be restricted to conservation (such as drip irrigation, which has proven fatal to soil because it deposits all impurities from the water into the topsoil without providing enough water to leech them out), expensive desalination methods, recycling and pollution control.

In the face of the growing crisis, these non-solutions are guaranteed to do nothing more than exacerbate the tensions.

Ironically, the CSIS report points out that the U.S. Defense Intelligence Agency "monitors regional resource trends." It says, "Specifically, the DIA focuses on three areas: the scarcity of water as grounds for potential conflict, the implications of water scarcity for economic development and political stability, and the implications of water supply for large-scale military operations in arid environments."

However, the report says that the DIA hasn't produced any non-classified material on the Middle East water shortage problem since 1983, and adds that the U.S. State Department's Office of the Deputy Assistant Secretary for Near Eastern and Southern Asian Affairs "currently maintains no ongoing research capability on water resources."

## The 'peace pipeline' idea

The CSIS report dismisses as "politically unfeasible" the one plan which is on the table now to bring large supplies of new water into the region.

That is the so-called "peace pipeline" plan floated by President Turgut Özal of Turkey. It involves construction of two pipelines to divert water from two small rivers, the Seyhan and Ceyhan, which are now underutilized in their flow through Turkey into the Mediterranean.

An eastern pipeline would bring water to Kuwait, the eastern coast of Saudi Arabia, Bahrain, Qatar, and the United Arab Emirates. A western pipeline would serve selected cities in Turkey, Syria, Jordan, the West Bank, and the western section of Saudi Arabia.

The government of Turkey has already commissioned a feasibility study of the plan from the Brown and Root engineering firm of Houston, Texas. The estimated cost is \$20 billion.

However, the CSIS report dumps on the idea, saying "raising the required capital would be an arduous process," and adding, "The greatest obstacle, however, is political friction that exists among the participating countries."

The report glosses over the important points made by the Turkish government, namely, "that the economic benefits from the pipeline will outweigh political concessions," and, "that the pipeline could potentially reduce regional conflicts, improve cooperation among nations, and increase prosperity throughout the Middle East."

It is this idea that a regional, large-scale development project could, in itself, be the starting point for a peace negotiation, which is completely lost on the CSIS and, apparently also, the U.S. AID.

Similar grand-scale proposals got a similar treatment in past years. There was the late Egyptian President Anwar Sadat's idea to pipe Nile River water through the Sinai to Israel and the occupied territories. There was the proposal during the height of optimism about development of nuclear power in the first Nixon administration for the U.S. to build a nuclear-powered water desalination plant on Israel's Mediterranean coast.

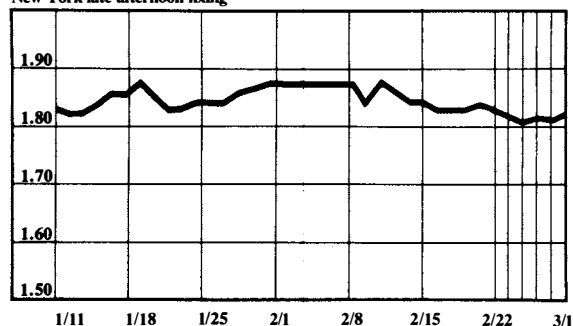
That was suggested the same year, 1972, that Nixon projected there would be 1,000 operating nuclear power plants in the U.S. by the year 2000. It went the way of nuclear power generally, during the mid-1970s, down the tubes.

The fact remains that all the nations in the region are now using up far more water than is being replenished in the ground-water aquifers and river systems they can currently access. Also, political destabilization in Ethiopia threatens virtually every drop of water that comes down the Nile to Egypt, even when droughts don't. Ghastly shortages are projected over the next decade in virtually every nook and cranny of the entire region. Unless a sound solution to this crisis is found soon, nothing will ever bring peace to the area.

## Currency Rates

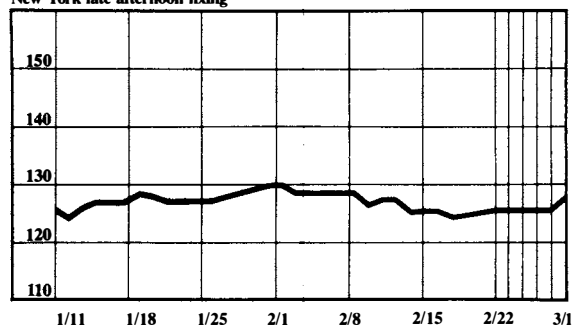
### The dollar in deutschemarks

New York late afternoon fixing



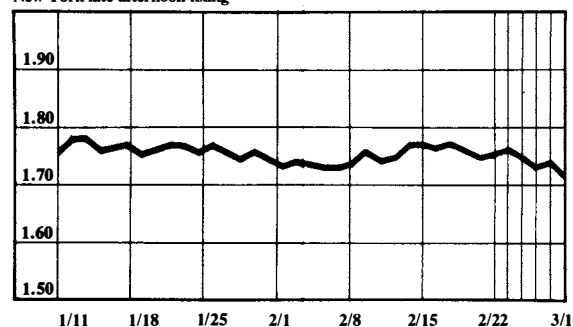
### The dollar in yen

New York late afternoon fixing



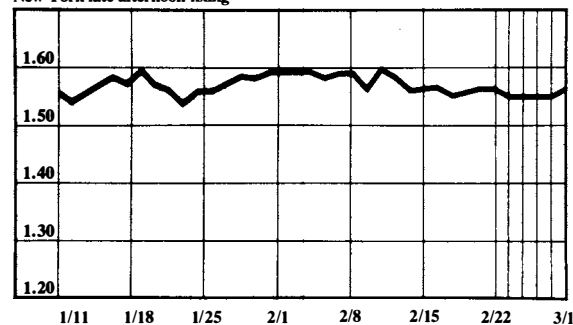
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing





## Uniform food for 'Europe 1992'

*The European Community is preparing the way for the food cartel to downgrade food quality.*

A series of bureaucratic European Community actions in Brussels and decisions by the European Court have paved the way for an unappetizing array of uniform foods for the "Europe 1992" free trade zone. Apart from the many undesirable features of boring food, the main threat posed is that of tampering with the content of foods in a way that undermines the existence of the farmer—without whom, there is no ample and varied food supply—and undermines the quality of foods overall.

The most famous recent decision is the sausage scandal. On Feb. 3, European Court Attorney General Marco Darman ruled that national laws which tightly regulate the meat content of German sausages constitute an unfair barrier to the import into West Germany of sausages from other EC nations, under Article 30 of the Treaty of Rome that founded the European Community. This decision must be formally offered up to Bonn this spring, but if upheld, it helps clinch a recent series of similar decisions about many of the most dear-to-heart national foods.

A court judgment has been won by the EC Commission to prevent Italy from maintaining its standards for the ratio of hard wheat content in pasta. Italians must now accept higher percentages of regular wheat.

The court also overthrew the 470-year-old *Reinheitsgebot*, which protected the quality of German beer. And, the court has ordered the French government to accept Edam cheese with a fat content of less than the 40% prescribed under national law. Meanwhile, there has been a raging battle

in Paris and Bonn to prevent Brussels from dictating the legality of non-dairy cream toppings, and other imitation milk products.

The European Court is holding fast to its principle that national food laws should not in any way be elevated above the dictates of the Common Agriculture Program (CAP). This principle is not some longstanding consensus, but a new arrogation of power, in the name of the impending Europe 1992 Single Market. It was given impetus by an EC *Internal Market White Paper* in 1985.

In the early days of the EC, the prevailing concept was that a specific new EC law should be agreed upon each time the contents of a major food item was to be changed. In 1969, the EC started to draw up a program for the main food groups, with suggested contents. This was revised in 1973. The program proposed directives on 50 sectors, including ice cream, bread, pasta, and soups.

But the EC free market radicals superseded all this with their 1985 *White Paper*. Its argument is that food should freely cross borders, as long as it is labeled clearly. The European Community expert on food policy, Paul Gray, uses all the new jargon: "The purpose of the new EC food law now is essentially to define the social contract between the buyer and the seller—to make sure that the buyer knows what he is buying"—even if it's hogwash, as long as he knows it to be so.

Gray ridicules the old fogies who take pride in their national foods. He talks of the "vicious triangle"—Italy's ban on German pasta, France's

ban on a type of Italian salami, and Germany's ban on France's beer.

The real issue is the very existence of wholesome, plentiful food. The European Community is making way for the handful of food cartel firms to dictate the quality of food you eat, or whether you eat any at all. Ersatz cheese, diluted wine and beer, and low-grade spaghetti are what you will get, if you are lucky.

Since the mid-1980s, the output potential of European farms has been rapidly reduced, after decades of post-war productivity-development under the Common Agriculture Program. Farmers are being financially squeezed out of existence. There is a milk-reduction quota program, which fines farmers for "overmarketing" milk above their assigned quota. There are dozens of new restrictive laws in the name of the environment that inhibit or stop farming altogether.

The famed "surplus" butter mountain of a few years ago has melted down. The famous "sea" of milk powder has dried up. This year, for the first time ever, mandatory cropland set-aside is being imposed in 11 of 12 EC member-nations, including tiny Luxembourg. Brussels officials insist that this is essential to prevent food "surpluses" and save the environment. Close to 1 million hectares may come out of production—or 2.47 million acres.

In reality, there is a desperate need for more food production in Europe, for domestic consumption and export. In France, in just one year, the soup kitchens, called "restaurants of the heart," have doubled in number in many provinces, because of poverty.

Therefore, the arrogant maneuvers by Brussels EC officials to try to overturn national laws on food contents is really a preparation for the food cartel companies to downgrade food quality and quantity for all.

# Business Briefs

## Urban Decay

### Philadelphia mayor abandons tax plan

Mayor W. Wilson Goode of Philadelphia, after a disastrous effort to sell his tax increase plans in a series of town hall meetings, during which he was nearly tarred and feathered by angry citizens, has announced his intention to abandon the idea.

The mayor had proposed \$70 million in tax increases for the fiscal year beginning July 1. Goode now says he will go along with the his Tax Policy and Budget Advisory Committee, which has recommended "making the tough choices," and getting "back to basics" by "defining the limits of the city's responsibility," i.e., cutting back on funding for the homeless, children's programs, etc.

Meanwhile, just three blocks from City Hall, a splashy article in the *Philadelphia Daily News* reported, rats have overrun the 11th Street subway station. Accompanied by photos of rats, the article reported 27 rat-sightings on the subway platform in three hours. Apparently the most common rat in the subway tunnel is the brown, 12-inch-long Norway rat.

The city announced that it has signed a one-year, \$45,000 contract with a pest control firm to bait several miles of tunnels.

## Euthanasia

### Ohio lawmakers ready push to kill patients

With the help of the Ohio Catholic Conference, the Right to Life organization, the Ohio Medical Association, the American Association of Retired People, and the Ohio Hospital Association, legislators in Ohio hope to break the back of opposition to "living will" and "durable power of attorney" bills this year. There are several Nazi-style euthanasia bills before the House and Senate, which all use deceptive language to say that patients can be killed.

Hearings were held in the Judiciary Committee March 1 on Senate Bill 13, a

durable power of attorney bill. Under this license to kill, patients appoint relatives to make life and death decisions for them. It goes into effect when the patient has a "life-threatening condition," or once a single physician decides the patient is unable to make health care decisions for him or herself.

If the patient does not lose their life due to the fallibility of a doctor, they can lose it because of a physician's anti-life bias. A New Jersey patient, Nancy Ellen Jobes, was able to wiggle her left toes, move her right hand, and touch her tongue to her nose on her doctor's orders. Nonetheless, her family's physicians pronounced her a "vegetable" and she was starved to death.

Ohio's bill will murder patient's who do not even have a terminal illness. Kidney disease is life-threatening—if the patient does not receive dialysis, as is diabetes if the patient does not receive medication.

S.B. 13's sponsor is Sen. Rick Pfeiffer (D). Although the bill allows patient starvation, the Catholic Conference is also in support of it.

Meanwhile, a living Will bill, H.B. 56, also contains a durable power of attorney clause. H.B. 56 is being redrafted along the lines of Virginia's living will law, because in Virginia, it also received the endorsement of the Catholic Conference. Like the Virginia law, Ohio's H.B. 56 does not specifically mention patient starvation, but allows it. Another living will bill is expected to be proposed in the Senate.

## Labor

### Eastern Airlines out to break unions

Machinists and baggage handlers at Eastern Airlines walked off their jobs at midnight Friday, March 3, as *EIR* went to press. The union and company have been embroiled in acrimonious talks for two years centering on Eastern's efforts to force the International Association of Machinists into \$150 million in concessions.

Eastern is losing \$1 million per day on its operations. It lost \$462 million last year, in part due to the asset-stripping of Frank Lorenzo, whose Texas Air recently took over

Eastern, Continental, and other airlines. Lorenzo earlier tore up the union contract at Continental by declaring bankruptcy.

The union, IAM Local 796, and the AFL-CIO want President Bush to declare a national transportation emergency, forcing a 60-day cooling off period under binding arbitration. They are hoping that a case before the National Labor Relations Board will decide that Eastern and Continental are one company, Continental's machinists then joining the union, giving it more clout. The union is also hoping that the threat of secondary boycotts against airlines and railroads will force Bush to act.

The *New York Times* called upon Bush to emulate President Reagan's 1981 destruction of the air traffic controllers union, now by staying out of the situation. Lorenzo placed the editorial in the *Washington Post* as a paid advertisement.

## Banking

### Seidman seeks limit on brokered deposits

Federal Deposit Insurance Corporation (FDIC) chairman William Seidman testified in response to a question from a member of the Senate Banking Committee Feb. 28 that he would like to see limits placed on the use of brokered funds by both banks and thrifts.

Brokered deposits are deposits that a thrift or bank solicits from financial institutions such as Merrill Lynch. Such deposits are made up in \$100,000 blocks, so that each is fully government insured. The shakier the bank or thrift, the more likely it is to seek such deposits, and it pays higher interest for them than it does to the general public—much higher.

The funds themselves are suspect: *EIR* has received consistent reports that these deposits are used to launder drug money.

Banks currently must notify the FDIC if brokered deposits exceed 5% of total deposits. Seidman said he supports that part of the Bush administration thrift plan that would give the FDIC the authority to restrict brokered deposits to thrifts; he said he opposes that part which would allow the President to

appoint or replace the chairman of the FDIC and institute an office of vice chairman of the FDIC which the President would also control—currently there is no vice chairman and the chairman is elected by the FDIC board.

Seidman also wants a legal limit on the total debt and other obligations the FDIC could issue—he proposed \$7 billion, of which about \$6 billion is already spent. He also wants to cut down the number of government agencies that can look at how his agency is working. In the name of paperwork reduction, he proposed that FDIC quarterly reports only be required to be sent to the Treasury.

In a subsequent letter to the committee, Seidman, according to a news account, “flatly stated . . . that ‘some regional banks and the vast majority of small banks’ shouldn’t be acquiring positions in leveraged buy-out loans.”

## AIDS

### Forecast 200,000 deaths in Britain

Some 200,000 men in younger age groups will die from AIDS during the next three decades in England and Wales, according to figures released by the Office of Population Censuses and Surveys. The office said that it must assume that, of the generation of men now 30 years old, 1.6% will die of AIDS, most of them by the age of 50.

The assumed numbers of dead each year due to AIDS will rise to about 13,000 by the late 1990s. The disease is likely to have killed 100,000 men by the end of the century. The office said it has made no direct allowance for any additional female deaths, because it is unclear to them whether AIDS will affect more than a small number of women.

Separate studies in the *British Medical Journal* found an AIDS infection rate of 1.6% in London among sexual partners of people in high-risk groups, and 0.2% for the rest of the 34,000 people who volunteered for testing. A second survey of heterosexual men and women tested anonymously at a London clinic for sexually transmitted diseases found that 1% were HIV positive.

## Trade War

### Mitterrand warns against protectionism

French President François Mitterrand, in discussions with Japan’s Prime Minister Noboru Takeshita in Paris, has warned of a “dangerous atmosphere” of protectionism among the industrialized nations.

The remark came during a discussion on the Group of Seven economic summit of industrialized nations set for July in France.

“There is a dangerous atmosphere where every country is ignoring its own protectionist policies and criticizing those of other countries,” he continued. “It is like an aria in an opera.”

Mitterrand also suggested that the summit nations should discuss economic development and Third World debt, in addition to the traditional economic topics like trade and currencies.

## Energy

### Seek ban on Soviet U-235

A bill to prohibit purchase of Soviet enriched uranium by U.S. utilities was introduced in Congress by Rep. Marilyn Lloyd (D-Tenn.) Feb. 22. She argued that purchases of Soviet enriched uranium would “result in a further financial burden” on the U.S. Uranium Enrichment Program and “impair the ability of such a program to continue to operate.”

She continued, “In its desperation for hard currency . . . the Soviet Union does not operate its uranium enrichment business on the principles of a free market society. They offer their enrichment services at a discount from whatever level is established as the price of enrichment services in the United States.

While this may be beneficial for the short term to purchasers . . . in the long term it is detrimental to the national security and other interests of the United States.”

## Briefly

● **AIDS** is spreading slowly but menacingly in the northern Thailand tourist paradise of Chiang Mai. More than 200 people have been found to be carriers. The provincial Public Health Office has organized a two-day meeting with the owners of 90 brothels and hotels, in an attempt to prevent an epidemic. According to Bangkok’s *Nation* Feb. 25, 70% of the 208 found with the virus were prostitutes.

● **THE JAPANESE** government has quietly directed its oil firms to reduce the amount of oil they import from Iran by one-third, beginning in April. The decision is related to the Salman Rushdie affair.

● **ETHIOPIA** is experiencing a meningitis epidemic, which has already killed thousands. The strain of meningitis is particularly virulent, killings its victims within 18 hours.

● **BANK BOARD** officials hailed figures on net deposit outflows from savings institutions for the first 20 days of February as a sign of “restored confidence” in the U.S. thrift industry. Whereas the January outflow was \$7 billion, through Feb. 20, it was \$5.2 billion—not much better.

● **BANK OF NEW YORK** will sell five banks in New York to Midlantic, a New Jersey bank holding company, for \$291 million. The five are Central Trust of Rochester, Merchants National of Syracuse, Endicott Trust of Endicott, Union National of Albany, and First National of Moravia.

● **THE VENETIAN** insurance giant Assicurazioni Generali has gained control of MIDI, France’s largest insurance firm, in alliance with Claude Bebear, leader of the French group AXA. Together, they have 28.6% of MIDI’s shares. Bebear told the press that he plans to challenge the American and Japanese insurance giants. “Our dream is to build a big worldwide insurance group.”

## Tribunal exposes rise of fascist state in U.S.

More than 200 people from four continents and many walks of life gathered in Crystal City, Virginia on Feb. 25-26, for a meeting of the international Martin Luther King Tribunal on Crimes Against Humanity. The conference constituted a united front to prevent the consolidation of fascist police-state rule in the United States. Attending were representatives of constituency groups under attack—farmers, minorities, the military, East European emigrés—plus international guests.

The central focus of the proceedings was the effort to free Lyndon LaRouche and six associates, who were imprisoned on Jan. 27 on orders from a “secret government” apparatus operating through the U.S. Justice Department. In the speeches to the tribunal which we publish in this *Feature*, you will find documented the shocking story of how Henry Kissinger and his cohorts threw out all the protections and guarantees of the U.S. Constitution in order to jail LaRouche. You will also find the call of Helga Zepp-LaRouche for an “Operation Florestan,” a worldwide campaign to free her husband and his colleagues, on the model described by Ludwig van Beethoven in his great opera *Fidelio*.

The conference documented how the legal system of the United States has been subverted and twisted, to allow such travesties as the 15-year jail sentence for LaRouche, who was never charged with any overt crime, but only with “conspiracy.” If the treatment of LaRouche is allowed to stand, then no American is safe from similar treatment. And if America enters such a Dark Age, what other nation has a chance?

Other presentations to the tribunal showed why LaRouche was targeted, and how other groups and individuals are under similar attack:

**Peruvian Senator Josmell Muñoz**, secretary of the Peruvian Congress and a member of the ruling APRA Party, reported that because LaRouche has represented the ideas of development, and has fought for the Third World, all of Peru is on its feet in support of the movement to free him. “Ideas cannot be jailed,” said Muñoz, but “can reach out, like light, through the prison bars. . . . Do you think they will be able to silence LaRouche? No! That’s why we’re here. There is no American politician who is concerned so much about the fate, not only of the

# INTERNATIONAL MARTIN LUTHER KING ON CRIMES AGAINST HUMANITY



*International panelists Gen. Friedrich Grunewald (ret.) of West Germany (left) and Senator Josmell Muñoz of Peru, with Renate Müller-DePaoli of West Germany seated. Following the tribunal, General Grunewald and Senator Muñoz visited Mr. LaRouche in prison, and Muñoz vowed to raise the issue of LaRouche's mistreatment before the Peruvian Senate.*

U.S., but of all of this hemisphere." The Bush administration "must either pardon LaRouche or be branded as a government against freedom, democracy, and life."

**West German Gen. Friedrich Grunewald (ret.)** pointed to LaRouche's role in developing the Strategic Defense Initiative as one of the major reasons the Establishment wanted to put him in jail.

**Dr. Jean-Michel Dutuit**, a paleontologist from the Paris Museum of Natural History, said that LaRouche's ability to "energize our passion for knowledge," as an "antidote against all forms of control of the human mind" may be why he's been put in jail, and whether or not mankind enters a new epoch of slavery may be determined by the outcome of his case. He said that LaRouche's enemies "are trying to lock up ideas," because "LaRouche has been an awakener."

In a panel on "The Fight for Dignity and Third World Development," presentations were made by **Davison Budhoo**, former official of the International Monetary Fund; **Rev. Ndabaningi Sithole** of Zimbabwe; **William Nezowy**, president of the Anti-Bolshevik Bloc of Nations; **Dr. Geza Eles**, Director of Communications for the World Hungarian Federation; and **Dr. Frederick Wills**, former foreign minister of Guyana. Dr. Wills called on the audience to mobilize to prevent a descent "into the darkest of ages, into an unimaginable winter." Rejecting any idea of "reforming" supranational financial institutions like the International Monetary Fund, he called the IMF "the chief instrument of Satanic forces."

The threat of fascism to all Americans was brought powerfully home to the audience in the panel on "The Administrative and Juridical Witchhunt Against American Constituent Groups and the Defense Industry."

Farmers **Larry Young** and **Mr. and Mrs. Gary Keller** told how the Farm Home Administration is driving farmers out of business for the purpose of reducing food production, while violating farmers' fundamental rights. **State Senator Andrew Jenkins** of New York described how black politicians all across the country have been subjected to witchhunts and FBI frame-ups.

Civil rights leaders **O.G. Christian** of Philadelphia and **Amelia Robinson** of Tuskegee, Alabama, a close colleague of the late Dr. Martin Luther King, compared the courage the civil rights movement needed, with what is required to free LaRouche, and save America from destruction, today.

Graphic case studies in police-state methods against the defense and intelligence community were given by **Kevin Zondervan**, an aerospace engineer, and **Commander Richard Marcinko**, a retired founder of the Navy Seal program. **Air Force Col. Fletcher Prouty (ret.)**, who ran special operations for the CIA up until 1964, described in a videotaped presentation how LaRouche's prosecution because of his ideas, was similar to that of Socrates.

In a panel on "The Fight Against Satanism," expert testimony was presented by **Diane Daskalakis** of Plymouth, Michigan, founder of Citizens for a Better Education; **Constance Combey**, author of *The Hidden Dangers of the Rainbow* and *The Planned Deception*; and **Dr. John Grauerholz**, a former medical examiner.

The tribunal unanimously passed two resolutions, one to Pope John Paul II, calling on the Holy See to intervene on LaRouche's behalf, and the second to governments, parliaments, and jurists, warning of the imminent danger of a fascist police state in the United States.



# 'Operation Florestan' will save LaRouche!

by Helga Zepp-LaRouche

*Mrs. LaRouche is the founder of the Schiller Institute and chairman of the Patriots for Germany party. This speech was read on her behalf to the tribunal on Feb. 25.*

When the news came out about the unbelievably harsh 15-year sentencing of Lyndon LaRouche on Jan. 27, it set off a wave of horror around the world. Lyndon LaRouche's numerous friends in many countries, and others as well, were shocked into asking about the strategic implications of such a long sentence, which is usually reserved for only the very worst criminals. But here the condemned man is someone who is equally well known as a defender of the principles of the Western alliance, as he is viewed by others as the only hope for developing the underdeveloped countries—a man who, because of his numerous programmatic and conceptual scientific contributions, is held in the very highest esteem by representatives of the most diverse fields of human knowledge. The horrified thought which occurred to people everywhere, was that no country on the face of the Earth has a chance, if the so-called leading power of the West, the United States, is able to eliminate the domestic political opposition by using the very same methods of fascist police-state dictatorship, that are used inside the Soviet Union.

A high-ranking representative of one foreign government indeed spoke the truth, when he spontaneously volunteered the observation that the U.S. government most likely put LaRouche behind bars, because they were planning to commit an even more heinous crime, and wanted to cover it up. And, in fact, only one day after LaRouche was thrown in jail, on Jan. 28, Henry Kissinger was at the White House informing President Bush and Secretary of State Baker about his "successful" trip to Moscow, where his plan to hand over a neutralized Central Europe to Moscow had gotten an enthusiastic reception.

Kissinger's proposal for a "superpower agreement on Europe" constitutes a crime of no less magnitude than the Anglo-American Establishment's "New Yalta" agreement with Moscow, an agreement which is supposed to continue the betrayals of Teheran, Yalta, and Potsdam by now also bringing the western part of continental Europe under Russian hegemony. This Kissinger Plan is not supposed to mere-



ly be a signal to the Europeans that they should assume the burdens of their own defense; rather, the Bush administration's operational policy is already to decouple the United States from Western Europe. This has become evident from concrete steps which have been taken during the weeks since Bush's inauguration: The SDI, for all intents and purposes, was buried as a defense concept—at least, one in which the NATO allies could participate; according to [former Defense Secretary Frank] Carlucci, massive U.S. troop reductions will come as the result of the freezing of the defense budget; and the NATO Reforger maneuvers were canceled. So, decoupling is already in full swing.

Both the Anglo-American Establishment and Moscow have set into motion a series of destabilization maneuvers against the government of West Germany's Chancellor Helmut Kohl. These include the allies' orchestration, in West Berlin, of the emergence of the pro-neutrality Republikaner party, as well as the ultimatum which Baker delivered to the Kohl government to modernize its short-range missiles by May at the latest—an ultimatum which threatens to topple Kohl's ruling coalition. If Kohl falls, to be replaced by a "Red-Green" coalition, or by a Social Democratic-Free Democratic government, the Federal Republic could slide into neutrality by as early as this summer; and within a short time after that, freedom would be no more in Western Europe—since with Germany neutralized, no other Western European country could hold out against the Soviet Union. The moment the Soviets are able to bring even the potential of West Germany's productive capacity and labor under its own domination, the strategic balance would be irrevocably and permanently swung in Moscow's favor.

The hideous crime, therefore, which is to be committed while LaRouche is eliminated as a political influence, is nothing less than the selling out of Western Europe, in the tradition of Neville Chamberlain's appeasement of Adolf Hitler.

## Deception by the Bush team

Only now are we able to fully discern what a monstrous deception maneuver it was, when the so-called Bush team, up to its actual accession to power, passed itself off as a

perhaps more efficient continuation of the Republican Reagan administration. In reality, the condominium with the Soviet Union had been prepared well in advance by those members of the Trilateral Commission and the Eastern Establishment who came into the first Reagan administration along with Vice President Bush.

It should be recalled that on March 23, 1983, President Reagan announced the Strategic Defense Initiative as official U.S. policy—a policy of a four-tiered system of defensive beam weapons, incorporating a doctrine of Mutual Assured Survival, which could have led to the reduction of nuclear weapons, but only after the new system had rendered them obsolete. Reagan's television address was the public highpoint of LaRouche's influence within the first Reagan administration. But the fact that European allies were not only *not* consulted earlier, but even months after Reagan's announcement, were not even officially informed about this change in U.S. defense strategy, created further fissures within the Western alliance. Yet Reagan continued to speak about the "Evil Empire" after that, and promoted an image of the enemy which was borne out once again in September 1983, with the shooting down of the KAL-007 passenger jet.

As the British daily *Guardian* has reported, Secretary of State Baker boasts about the fact that it was he who had talked Reagan out of his idea of the "Evil Empire." The appointment of Henry Kissinger to the President's Foreign Intelligence Advisory Board in early 1984 was the next major assault on the SDI—and was understood as such by the allies of the United States. This period saw an escalation in Soviet attacks on LaRouche, and initial preparations were gotten under way for "legal frameup" against him.

Anglo-American cooperation was consolidated step by step, with a determination to extinguish the last vestiges of national sovereignty. It is altogether probable that Baker is not exaggerating when he brags that it was he who brought Gromyko to the United States in 1984, and together with him, initiated the disarmament process which reached its first climax at the Reykjavik summit, the signing of the INF treaty, and with this, the decoupling of Western Europe. And, even more important from the historical standpoint, it was in 1984 that the "Iron Lady" paved the way for Gorbachov's career, by pronouncing him to be socially acceptable to the West. "I can do business with Gorbachov," she said in very un-lady-like terms, and thus kicked off the "I Love Gorby" craze of the appeasement faction in the West. Margaret Thatcher is therefore personally responsible for undermining the free West's sense of its own security needs; the Chamberlain mentality seems to be a common British trait.

Yet another part of the Bush team's perfidious deception maneuvers, was the specific role played by Kissinger, especially since the time when Reagan's talk of the "Evil Empire" and of the necessity to defend national sovereignty had long subsided, and Nancy had long straightened him out on these matters. Kissinger then burst into the pages of the interna-

tional press with a series of articles where he presented himself as the great cautioner against taking this pro-Soviet naïveté too far. And during this time, at the behest of the Anglo-American Establishment, he tied all the threads which appeared necessary in order to prepare the great coup of decoupling Western Europe from the United States. The Anglo-American Establishment lost no time: President-elect Bush's interim phase was fully utilized to stage a hasty trial against LaRouche; and the day after he was sentenced, Kissinger was reporting to Bush and Baker on the success of his Moscow operation. We can assume with virtual certainty, that while in Moscow, Kissinger had assured his discussion-partners that the only really serious U.S. opponent to the New Yalta sellout, was now finally behind bars—as a sort of security pledge on Bush's part, that he will actually abide by the rules of the condominium.

### **Colonialism for the developing countries**

But the scandalous conviction of LaRouche was also a signal with respect to the second focus of Anglo-American Establishment policies. Lyndon LaRouche is well known throughout the world for viewing the industrialization of the developing nations as the only way to save the lives of millions of human beings, and for pointing to this development perspective as the way out of the economic crisis of the industrialized nations—as a positive answer to the immense moral challenge posed to us by the fact that the majority of human beings are threatened by death by starvation, chronic undernourishment, epidemics, and the lack of basic necessities, which deprives them of all human dignity.

Indeed, LaRouche, whom the developing nations see as the only hope for a better future, is sitting in jail; and Henry Kissinger, who is hated in all developing countries as a murderer and a butcher, is once again back in business.

Kissinger and Baker are the spearheads of the Anglo-American Establishment's determination to overtly reintroduce colonialism toward the so-called Third World, entirely in the tradition of the British East India Company and Teddy Roosevelt. This involves their ultimately futile, but no less brutal effort to rob the developing nations even of their own land. "Debt for equity" or "debt for nature" are the new technical terms for the planned brutal gunboat-policy of squeezing out debt repayment from countries which have already been bled white to the last drop.

Thus it is no accident, that Kissinger sits on about 20 boards of multinational corporations, financial institutions, and cartels, which together with several other giants, are just as responsible for the misery in the Third World, as they are for the artificially caused food shortage, which was started in order to deploy the food weapon for population control. As even such organizations as the United Nations Food and Agriculture Organization or UNICEF admit, the policy of the International Monetary Fund, and hence also of the banks and cartels, has cost the lives of many millions of children,

mothers, and fathers. The genocide deliberately set into motion against the developing nations a long time ago, has already reached a level one hundred times worse than that for which Hitler was responsible.

No, what has been done to LaRouche is an injustice that cries to Heaven!—simply for LaRouche's own sake, but far more, for the sake of the fate of hundreds of millions of people, whose chances of survival are inextricably tied to LaRouche's own fate. Kissinger, or LaRouche, as the determining influence on American policy—the answer to this question will determine whether the United States of America

survives as a Western democracy, and further, whether Western civilization itself will survive. This is precisely the way it is understood around the world by all patriotic forces.

### Police-state methods

To these forces, the implication of the railroad trial against LaRouche, conducted in the tradition of Hitler's "People's Court" under Judge Roland Freisler; of Judge Bryan's equivalent "rocket docket"; and of the unprecedented harshness of the sentence, is that the United States has become a fascist police dictatorship, in which political dissidents are simply

## LaRouche from prison: New Dark Age looms

*Lyndon LaRouche addressed the tribunal by telephone from his cell at the Alexandria Detention Center.*

I would prefer to help George Bush get through the troubles that he faces in the period ahead, rather than relish the collapse and disgrace and disintegration of this administration, which seems to be what's going on now. However, it's significant that back in 1987, when I was first informed of the plan to put together this particular kind of Bush administration as a consensus of various Establishment factions, who would try to administer their way out of problems rather than face them and solve them, I said that this was not going to work. I've also been aware all along that there has been a connection between the incoming Bush administration allowing the Soviets and Henry Kissinger to put me behind bars, and the Bush administration's headlong plunge into a policy which ensured its virtual destruction in this manner.

There comes a time in the course of history, a time of crisis, at which sometimes the fate of a few individuals is tied up with the fate of humanity as a whole. For the past 20 years, and slightly longer, beyond all the errors in policy which had existed prior to the mid-1960s, the world has gone through a terrible economic and cultural experiment, an experiment with post-industrial society, a malthusian policy, an experiment with floating exchange rates, monetary policies, an insane monetary policy. Then, since 1978-79, increasing rounds of deregulation, of monetary and financial, and banking affairs, and since 1982, the most insane speculation in finance that the world has ever seen.

We have now the worst financial bubble in modern

history, which is ready to collapse. The United States is economically bankrupt, that is, we are producing less in physical product per year than we are consuming. In point of fact, at present, we have less *capacity* to produce than our required physical consumption. We are financially bankrupt, we are economically bankrupt, as a result of these policies. Probably 40 million people have been put on the human scrap heap within the United States itself. The number of poor is increasing. Our water systems are collapsing, our infrastructure in general is collapsing, our urban centers are collapsing. We're sliding down.

In Western continental Europe, they've taken the same track. Britain is already a post-industrial society, a rust-bucket. The Soviet Empire is in a spiral of physical economic breakdown. And nothing, including Gorbachov's reforms, can stop it. As a matter of fact, Gorbachov's *perestroika* reforms will merely accelerate the physical and political collapse, not reverse it. In mainland Communist China we must expect as many as 100 million to die of hunger and related causes during the coming two years, with the worldwide drought now in progress.

There is genocide against Mexico, other South American countries, *worse than Hitler*, already in progress. And that's what this administration and Kissinger are committed to. That genocide is already in progress in black Africa. That genocide is already aimed at Asia. So we have come to a time, where if the world continues the policies, the policy drift which we've seen in the past 20 years, this planet is doomed to plunge into a new Dark Age.

And thus, the need to make that turn in policy, particularly in the United States, and my own fate, I find curiously entangled. And I would like to be out, and I would like more importantly to be *free* to do what I must do to try to save this nation from the collapse into which Kissinger's influence over the Bush administration threatens to plunge this nation and the world. And that we might join together and perhaps save civilization from the threat of a plunge into a new Dark Age. Thank you.

eliminated. And LaRouche is not an isolated case, but is merely the most outrageous example of this tendency, as shown by the persecution of Eastern European exiles, black civil rights activists, labor unionists, evangelical church leaders, and potentially any independent organization. If the United States, which was once the “beacon of hope and temple of liberty” for the whole world, now practices the same brutal police dictatorship methods as the Soviets and Nazis—then God help this world!

The internationally renowned authority on international and constitutional law, Baron von der Heydte, has called the LaRouche case the “American Dreyfus Affair,” drawing a parallel with the biggest political scandal over miscarriage of justice in past history. And because the dimensions of the LaRouche case are if anything still more far-reaching, LaRouche *must* be freed, and the injustice inflicted upon him rectified. President Bush, who knows the political character of the persecution of LaRouche, just as he knows that LaRouche is innocent, ought to pardon him, because this represents the simplest opportunity to halt this injustice. Precisely because this has been a question of *political* injustice, it must be a political act which restores justice. The minimum requirement, however, is for LaRouche to be released from prison on bond, thus giving him the opportunity to prepare his legal appeal in circumstances where he will not be harmed.

### ‘Operation Florestan’

There is no better name for the fight to free Lyndon LaRouche than “Operation Florestan.” Florestan was the at-long-last freed political prisoner in *Fidelio*, the only opera Ludwig van Beethoven composed, whose implicit content is the victory of the American Revolution over British colonial policy. Surely there is no politician in the United States, or apparently anywhere else in the world, who, according to his own statements, gives more credit to Beethoven’s classical music for his own creative development, than Lyndon LaRouche. LaRouche has made vast contributions to the defense and the dissemination of classical music as the most precious path of access to the laws of individual creativity. Attesting to this, are not only his countless articles on musical interpretation, whose quality has prompted internationally eminent musicians to say that LaRouche understands more about music than they themselves; but further, it was LaRouche’s musical genius which prompted him to initiate the campaign for a scientific musical tuning of middle C at 256 cycles, which by now is supported by most leading singers around the world, for the sake of saving endangered voices.

The historical event to which *Fidelio* refers, was the imprisonment and liberation of the hero of the American Revolution, the Marquis de Lafayette. Lafayette was thrown into a dungeon by command of the British prime minister, William Pitt, because he had dared to battle against British colonial policy, and to organize European support for the American Revolution. Pitt demanded that Lafayette—who

was originally taken prisoner in Prussia and was then transferred to a dungeon in Austria—be given exceptionally harsh treatment. Pitt even went so far as to make Lafayette’s continued imprisonment—which even Emperor Franz II opposed—into a precondition of the alliance between England and Austria! And today, in the LaRouche case, several highly placed individuals from Great Britain have communicated to us, that they had received orders from the highest levels to forego any efforts on LaRouche’s behalf, or else they might jeopardize the special relationship between the United States and Great Britain! Lafayette was finally released, after a worldwide press campaign and countless interventions were organized; even President George Washington wrote a confidential letter to Franz II, as well as the commander of the French troops, Lazare Carnot. The actual freeing of Lafayette was in no small measure due to his wife Adrienne, who did everything conceivable, and even had herself and her two daughters incarcerated for three whole years in the same dungeon as her husband, in order to help him to bear his lot; her incarceration was the condition for her being allowed to see him.

As a result of this worldwide campaign, Lafayette was finally released in 1797. Only five months later, in February 1798, the Frenchman Jean N. Bouilly published the libretto with the title *Léonore, ou l’amour conjugal*, (“Leonore, or Wedded Love,”) which Beethoven then used for his opera *Fidelio*.

In the opera, Florestan is the obvious representation of Lafayette; Fidelio represents Adrienne; and the evil Pizarro is an open reference to Pitt-equals-Pizarro.

The power and highly politicized nature of this opera became quite evident when the Austrian government banned it immediately following its premiere performance—probably for the same reasons which had led to Lafayette’s arrest. And after Beethoven overhauled it and put it on stage for a second time, it was immediately banned again! Despite this, as we know, today *Fidelio* belongs to the world repertoire of truly great classical music, and is one of the very greatest operas, if not the most perfect and most beautiful of them all.

Operation Florestan—that means nothing else, than that the noble principles expressed in the American Revolution emerge victorious over British despotism and oppression. It also means that the inspired and courageous intervention of millions of people around the world, can ultimately be rewarded with success, whenever the truly great issues of mankind are at stake—as the poet of freedom, Friedrich Schiller, would have put it.

Operation Florestan shall also show that the power of truth is ultimately stronger than any number of malicious intrigues, and that the power of love is stronger than hatred.

Operation Florestan will free Lyndon LaRouche, and will once again elicit around the world, those values which are in harmony with human dignity—and the foremost of those values is *justice*.

# The judicial atrocities and abuses of power used to jail LaRouche

by Warren J. Hamerman

*Mr. Hamerman is chairman of the National Democratic Policy Committee. He addressed the tribunal on Feb. 25.*

The political targeting, persecution, frame-up, and imprisonment of Lyndon LaRouche and his associates is one of the greatest travesties in history. He sits as a political prisoner, thoroughly innocent but denied all normal bail pending his appeal, in a facility only a few miles from where we are today—not because he has committed crimes, but rather because he has exposed and challenged crimes, the policy crimes of the high and mighty in the Anglo-American Establishment and the Soviet command who have unleashed the considerable institutions and private capabilities at their disposal in an attempt to silence him and his independent international political movement. He is in prison at 66 years of age, given a 15-year “life” or “death” sentence, depending on how one views it, *not* for crimes he committed, but for “conspiracies” about crimes which in most nations of the civilized world would be classified as minor civil infractions.

Let alone that he should never have been indicted or convicted of state-manufactured crimes, approximately 10 days after his imprisonment the fact of the matter is that only a full-scale emergency mobilization by a team of lawyers prevented him from being torn away from his fellow defendants and shipped off alone halfway across the country to another prison, where he could not have the benefit of a joint defense on appeal.

The purpose of my presentation today is to give you a panorama of the scope, means, and tactics which have been thrown at LaRouche and his associates; but at the outset, I think that we must be conscious of certain fundamentals, because my perspective is not to merely register a protest about LaRouche’s imprisonment, but rather to free him immediately. Without freedom for LaRouche, there shall be no freedom for anyone in the fast solidifying tyranny in the United States. Therefore, I wish to emphasize two overarching themes:

1) All of the police-state methods thrown at LaRouche

and his associates have, in fact, not succeeded in stopping the growth of his ideas, policies, and movement. No political figure in history has withstood a more sustained extra-legal and all-embracing sequence of “end game” judicial and assassination attacks over the years than Lyndon LaRouche and his associates, and yet he remains alive and his movement grows in strength, boldness, and fresh creative energies in spite of, or in some respects because of, each renewed effort to destroy his association.

2) Because of the relentless and courageous counterattacks of LaRouche and his associates against each assault, he has succeeded not only in repeatedly forcing the attackers on the defensive, but he has obtained the documentary proof of those giving the orders of the attack. For instance, he has obtained thousands of pages of previously classified government documents stretching back to the 1970s, which detail Henry Kissinger’s personal letters and cables demanding that LaRouche’s operations be shut down for political reasons. Thousands of once “secret” and “classified” documents implicate the persons by name, dates, times, and means, as they incited and/or deployed official government agencies of the United States and other nations to go after LaRouche.

Some of the individuals documented in the “Get LaRouche” efforts include: Henry A. Kissinger; Lt. Col. Oliver North; William Webster, the current CIA head and ex-FBI director; David Abshire, president of Georgetown University’s Center for Strategic and International Studies and member, along with Kissinger, of the President’s Foreign Intelligence Advisory Board (PFIAB); the late Edward Bennett Williams, former member of PFIAB, Democratic Party kingpin, and lawyer for the *Washington Post*; William Weld, the judicial protector of the Bank of Boston/Crédit Suisse drug money-laundering operations and ex-head of the Criminal Division of the Department of Justice; Oliver Buck Revell, the FBI assistant director who was key for running the cover-up of the Iran-Contra affair, as well as tens of espionage and national security operatives from the bowels of the CIA up to the White House.



## Tyranny in Alexandria

The tactical elements of tyranny used against LaRouche are in many respects exactly the same, but in other respects even more sustained, more intense, and unprecedented, than in the previous classic cases of political persecution throughout history—from the Dreyfus Affair in France in 1894, to the abuses against the political enemies of the state in Nazi Germany or Stalin's Russia, to the repeated jailings and eventual assassination of Dr. Martin Luther King. First, there is an initial political targeting, then a sustained effort to shut down the movement through massive press smears and extra-legal means aimed at crippling its resources and sabotaging its political operations, and finally, the leader is accused of state-manufactured crimes, given a summary show trial in a carefully fixed procedure, under a judge or judges who specialize in state security cases and know how to pull the ropes efficiently without hesitating. Then the political prisoner is either executed—as were Socrates, Jesus Christ, and Joan of Arc—or put away forever in prison.

How did these egregious elements play out in LaRouche's Alexandria trial?

First, the indictment on Oct. 14, 1988 was a hoax, intended to preempt a retrial of the previous Boston case against LaRouche, which had collapsed in a mistrial after massive government misconduct was exposed. Furthermore, the accused were rushed to trial only 38 days after indictment.

Second, before the trial began, Federal Judge Albert V. Bryan, Jr. summarily ruled against all defense requests for discovery and the normal materials and time to prepare an adequate defense.

Third, before the trial, the judge granted an extraordinary motion (motion *in limine*) of the prosecution to eliminate all evidence from the defense about the history of the massive attacks by government agencies against the LaRouche movement. The prosecution told the judge that if he outlawed a political defense and narrowed the case, he would have the ability to fix the outcome before the trial began; if he didn't, argued the prosecutors, then the defense could again mount a successful political defense and the trial could well repeat the mess LaRouche created for the government in Boston. Bryan willingly complied with the prosecution. He granted the prosecution motion in full, and ordered the defense not to mention the 20-year history of government "financial warfare," infiltration, and harassment against LaRouche and associates. He even ordered the defense to lie about the unprecedented government-initiated forced bankruptcy against the three companies involved in the case.

Fourth, Judge Bryan ensured that there could not be a fair jury by limiting the selection of the jury to less than two hours. The judge even refused to strike from the jury pool employees of the prosecuting FBI and Justice Department. As a result, the jury foreman himself—a man named Buster Horton—turned out to be a high-ranking career employee

responsible for "emergency preparedness" in the Department of Agriculture. Horton is linked to the same inter-agency government task force which had run operations against LaRouche for years.

Finally, Judge Bryan, the chief judge of the Eastern Federal District in Alexandria, himself was perhaps the nation's most experienced judge for containing sensitive national security matters. Bryan sat on the Foreign Intelligence Surveillance Court (the "FISA" Court) from 1979-86. The FISA Court judge has the power to authorize searches and seizures, wiretaps, and other surveillance and infiltration activities against individuals and groups in matters of national security. The FISA Court system is the first secret court in U.S. history, and its function can be compared to that of the British Privy Council or the Star Chamber. Bryan had been one of only seven elite judges appointed to the FISA Court at its founding in 1979. During the years he served, he may well have reviewed explicit matters of government counterintelligence operations against LaRouche.

## Kissinger lights the fuse

LaRouche's Alexandria trial was only the last phase of an unprecedented government assault against the LaRouche movement, which has already lasted nearly double the dozen years that the Nazi regime lasted. Since the year that Martin Luther King was assassinated, after years of being hounded by the FBI, LaRouche has faced massive government misconduct in the form of extra-legal and quasi-judicial operations. Now, declassified government documents from the mid-1970s show that every single member of his association was already then on the so-called ADEX national security list, which meant that they were to be rounded up if a national emergency were declared. State Department documents from 1975 establish that Henry Kissinger was then engaged in activities against the efforts of LaRouche associates in Lima, Peru and elsewhere to promote his International Development Bank (IDB) proposal for world monetary reform. Government operations tried to "spike" LaRouche's proposal, by spreading lies that it was pro-Soviet with a Russian ruble currency base. Domestically, FBI operatives engaged in a veritable war of political harassment, espionage, and infiltration against legitimate political activities associated with LaRouche.

In August 1982, only days after LaRouche returned from a meeting with then Mexican head of state José López Portillo, Henry Kissinger personally launched a crusade to incite federal law enforcement agencies to go after LaRouche. An Aug. 5, 1982 document records Kissinger filing a bogus complaint that a LaRouche associate had threatened his life. Two weeks later—and only five days after Italian associates of LaRouche had submitted an investigative dossier linking Kissinger to the assassination of ex-Prime Minister Aldo Moro—Kissinger penned a "Dear Bill" letter to then FBI director William Webster, in which he urged a full-scale

investigation of LaRouche for going after him. Scores of official documents between Kissinger, Judge Webster, Kissinger's attorney, and Buck Revell over the next months demonstrate non-stop efforts to activate a security probe against the LaRouche movement.

A memorandum from Webster to Revell on Jan. 12, 1983 reports that the President's Foreign Intelligence Advisory Board (PFIAB), of which Kissinger was now a member, that day launched a national security investigation of the worldwide activities and financing of the LaRouche movement. Since that infamous PFIAB meeting, the global and domestic operations against the LaRouche movement escalated. Official cables were sent around the world launching operations to sabotage LaRouche activities from Bonn to Rome to Bern. A phony Secret Service investigation of LaRouche associates in Chicago was initiated.

### **Beyond the unbelievable**

Beginning in 1984, the government's extra-legal and quasi-legal operations against LaRouche took on the proportions of the Normandy Invasion. Every few months, the government threw a new major assault against the LaRouche movement, each one of which was characterized at the time by legal experts throughout the nation and around the world as unprecedented in legal history. The government itself bragged that many of the tactics—such as the notorious civil “forced bankruptcy” which shut down a national newspaper and scientific foundation—were beyond all precedent. Thus, the pattern was one of a *sequence of unprecedented actions each more outrageous and staggering than before*. While time does not allow me to detail a complete chronology of these events, I nonetheless will give you a sense of some of the major developments.

In October 1984, William Weld, the man who protected drug money-laundering at the Bank of Boston and Swiss accounts, launched a grand jury investigation for alleged credit card fraud. Weld's Boston grand jury eventually spun off a second grand jury in Alexandria, Virginia, and the two grand juries worked in tandem for at least two years from 1986 to 1988. In fact, John Markham, the Assistant U.S. Attorney in Boston who supervised the grand jury there, became the lead prosecutor in both the Boston and Alexandria cases.

On the eve of the presidential elections in 1984, a New Jersey bank under Weld's influence vacuumed out the accounts of LaRouche's presidential campaign committee. All through the next year, Weld's grand jury escalated its operations against the LaRouche movement, even to the extent of manufacturing incidents of supposed non-compliance and contempt of the grand jury by four LaRouche-associated organizations. Simultaneously, state authorities from California to Maryland launched investigations into LaRouche associates for alleged business law violations.

In February 1986, Weld hosted a meeting in Boston of

various federal and state officials to drum up further judicial targeting of the LaRouche movement. In October 1986, over 400 federal and state authorities raided LaRouche's Leesburg, Virginia headquarters military-invasion style, with the intent of staging an incident to assassinate LaRouche and shut down his organization. The same day, eight of his associates, his two political campaign committees, and the philosophical association he founded were indicted in Boston; seven months later, LaRouche himself was added to the indictment. A few weeks after the Leesburg raid, two of the offices of his California associates were raided by state authorities searching for evidence of illegality because they succeeded in placing the now-famous AIDS Proposition 64 on the ballot. In February 1987, a federal judge in Massachusetts imposed \$21 million in draconian fines against the national political action committee, scientific foundation, and two literature distribution companies associated with LaRouche, on the preposterous grounds that they were in contempt of the Boston grand jury which had long since ended. Virtually simultaneously, another 16 of LaRouche's associates were rounded up and indicted along with five scientific and First Amendment entities associated with him, in a preposterous charge that they had violated state business laws.

In March, another 15 associates of LaRouche were rounded up and indicted on the same charges in New York. One of those indicted was given a pre-trial bail of half a million dollars, because he was a “danger to the community” on the grounds that he was associated with the LaRouche organization.

On April 21, 1987, the U.S. government took the unprecedented step of transforming Massachusetts Judge Mazzone's contempt fines into a secret involuntary bankruptcy action, in which the U.S. government was the sole petitioning creditor. The action allowed the government to close down a national newspaper, *New Solidarity*, with over 150,000 subscribers; a local Virginia paper, the *Loudoun County News*; and a popular science magazine, *Fusion*. The bankruptcy proceeding not only violated the U.S. Constitution, but basic bankruptcy laws as well.

The Boston trial commenced in December 1987. The government's case began to crumble with the appearance of the first witness. By late January 1988, the lid began to come off the political prosecution. The government was forced to turn over evidence which graphically demonstrated that the entire case was being run by the National Security Council, an agency then tainted by the Iran-Contra scandal. A memo from Richard Secord, now an indicted conspirator in the Irangate affair, to his co-conspirator, Oliver North, showed high-level NSC surveillance of LaRouche's activities. The prosecution subsequently produced another document which substantiated the Secord-North memo. After this second document appeared, the trial judge ordered the government to search a large number of offices for exculpatory evidence,

including the office of Vice President George Bush.

Paralleling the Secord-North revelations, the government was also caught hiding evidence that they used a Cointelpro informant, Ryan Quade Emerson, to infiltrate and disrupt the political organization of LaRouche. The trial judge suspended the proceedings and conducted a hearing which lasted many weeks into the Emerson as well as the NSC matters. The protracted nature of these hearings into government concealment of evidence eventually led to a mistrial in early May. On the day of the mistrial, the *Boston Herald* reported that the jury had conducted an informal poll and voted unanimously to acquit the defendants, citing government misconduct as their primary reason.

And then there was Alexandria. . . .

## Freeing LaRouche

While the assaults against Lyndon LaRouche equal the tactics of the blackest tyrannies in human history, this drama unfolded in a nation whose constitutional and judicial systems were designed to be “immune” to such abuses of power. All Americans and freedom-loving people around the world have long viewed the United States as the bastion of hope, liberty, and equality before the law.

I personally am infuriated at the sight of Lyndon LaRouche and his courageous associates in prison uniforms, while Henry Kissinger and his associates rampage around the globe.

When I was a child, my grandparents described to me why they and their parents fled to this nation from the unbridled police-state repression in several countries. One of my great grandfathers was an intellectual and teacher who was politically persecuted and hounded out of the Ukraine. Another rushed to these shores from Poland because he yearned to live in a nation dedicated to opportunity and hope. They described what it was previously like to live in a gray, unhappy society which crossed the line into tyranny—the lack of opportunity, the terror of the police, the fear of the authorities, the absence of political freedom and saying what’s on your mind.

My own personal experiences are by no means unique, but in fact characterize millions of our people.

We owe it to our grandparents and great grandparents and those before them *not* to let this great nation of ours solidify into full-scale tyranny. We owe it to future generations *not* to let the principles and Constitution of our nation be arrogantly trampled under by the likes of Henry Kissinger and Judge Bryan.

We need fierce soldiers for justice who will stop at nothing in freeing LaRouche. At stake is the not only his biological existence. As Abraham Lincoln proclaimed at Gettysburg, let us resolve to fight “that this nation under God shall have a new birth of freedom—and that government of the people, by the people, for the people shall not perish from the Earth.”

# Political organizing is called ‘conspiracy’

by Rochelle Ascher

*Mrs. Ascher is the first of Lyndon LaRouche’s political collaborators to stand trial in the Commonwealth of Virginia’s “securities” case. The following is her speech to the tribunal on Feb. 25.*

We have said that these are show trials. To understand what this means, I ask you to imagine the following:

First, imagine a state where grand juries meet in absolute secrecy—no notes are allowed, no transcripts exist, there is no written or verbal record of what goes on. No one can find out how long these grand juries sit, who testifies before them, what they do.

Then, one night, after dark, state police knock on your office door. You and your political associates are handcuffed and taken off to jail. In jail, you receive an indictment supposedly outlining your crime, What is that crime? Taking political loans to support political activities without registering as a stock broker with the state of Virginia—this is a supposed violation of Virginia securities law.

But there is a problem. At the time of your arrest, there is no such crime. Two months after you are arrested and charged, the State Securities Commission meets and decides that promissory notes issued by political organizations are, in their opinion, securities. They make this ruling two months after 16 associates of Lyndon LaRouche are charged with this so-called crime. This ruling, which itself is a political vendetta, does not even exist at the time of the arrest; the crime is created by the Commonwealth two months after the arrest.

Then the pre-trial motions begin. Eighteen months after the original indictments, a new indictment is added to the original charges. The charge is *conspiracy*. This time, the grand jury does not even have to reconvene. Now, what does it mean to be a political organizer in the United States charged with *conspiracy*?

Since my trial began, I now know.

Conspiracy law is a very strange thing. You don’t have to have any knowledge that you are a part of a conspiracy. You don’t have to agree to enter into a conspiracy. You don’t have to speak to or even know your co-conspirators. You somehow, by osmosis, simply become part of “the conspiracy.” You are then held responsible for any supposed acts, statements, or even *thoughts* of your alleged co-conspirators. You are responsible for what is adduced by the prosecution

to be the “state of mind” of your supposed co-conspirators.

And who are these supposed co-conspirators? The government does not have to tell you who they are before the trial begins. Some are named as indicted co-conspirators, some are named as unindicted co-conspirators. The nature and scope of the conspiracy, and the growing list of co-conspirators, change daily and hourly! The government adds co-conspirators at will. The supposed “legal remedy”: that if the government fails to prove that all these people are part of the conspiracy by the end of the trial, the jury can be instructed to forget everything they have heard.

Then, there is the question of evidence of conspiracy. Evidence is introduced “not for the truth of the matter asserted”—but to show the supposed “state of mind” of your fellow co-conspirators.

Then, jury selection starts. Now, a right to a fair and impartial jury is *the most fundamental* of our constitutional rights. This jury selection was the longest in the history of Loudoun County, Virginia—possibly in the history of the Commonwealth. One hundred jurors were questioned. Our attorneys persist in their two-year-long fight to change the venue—arguing that you cannot get a fair trial in Leesburg, Virginia, the headquarters of the LaRouche movement, the center of the most vile police and press harassment and slander. Our attorneys argue that this is even more impossible now, given the fact that the sentencing of LaRouche and his associates was to occur the very week that my trial was to open.

Change of venue is denied. The judge begins jury selection. “This trial involves the fundraising practices of individuals and organizations associated with Lyndon H. LaRouche, Jr. Presumably you have heard or read about those practices in the newspapers. Can you put aside everything you have read and heard and judge this case solely on the basis of its merit?” This is the very essence of perversion of the most fundamental rights guaranteed under our Constitution. A jury is seated with vile bias, based on their assertion that they can put that vile bias “aside” for the purpose of this trial. Even at that, 47 jurors are dismissed for cause, on the grounds that they cannot “put aside” their bias. And their biases are not small. One of the men judged unbiased enough to be seated said that LaRouche and his associates are neo-Nazis, racists, anti-Semites, and if they take power, it would represent a dangerous threat; but I can put this aside, Your Honor, and judge this case solely on the evidence.

One week into the trial, the judge invites and grants a change of venue for the next 15 cases. He says that while we did seat an unbiased jury this time, it was *so* difficult that it cannot possibly be done again for the next case. So now the Virginia Supreme Court has to decide where these cases will be tried.

This proves the travesty of the LaRouche conviction in Alexandria. The only difference is here, due to two weeks of questioning by defense attorneys of individual jurors, the

actual prejudice resulting from 15 years of media slander is on the record.

In Virginia, it is not the judge who sentences, but the jury. And there is no such thing as sentencing concurrently—you can only sentence consecutively. This means, for example, in my case, where I am charged with 12 counts of securities violations and conspiracy, and where each count means 2-10 years in prison, that if I am found guilty on all counts, the jury has no choice but to automatically sentence me to minimally 24 years, and maximally 120 years. This jury, whose members admit to massive prejudice but say they can put it aside for the purpose of this trial, does the sentencing!

Then the trial begins. As this is an ongoing case, I am not at liberty to discuss the trial itself. However, I can say the following: After spending the last five weeks in the Loudoun County Courthouse, you ask yourself, “Is this Khomeini’s Iran? Is this Amin’s Uganda? Is this the Soviet Union, where you are found guilty in your absence at trial? Is this Nazi Germany?”

No, this is the United States of America—the country that gave the world its first republican Constitution, a Declaration of Independence, a Bill of Rights. And this is the Commonwealth of Virginia, which gave the world George Washington. (Ironically, George Washington would have been found guilty of securities law violation in securing the loans he did from Robert Morris to finance the American Revolution—he failed to register as a broker-dealer!)

And here you have, of course, the ultimate proof of a police state. The very prosecutors who charge you with securities fraud, are the same people who have spent the last 20 years doing everything “legal and otherwise” to bankrupt you, culminating in a raid of your headquarters bigger than the invasion of Grenada, and a bankruptcy proceeding which makes it impossible and illegal for you to repay the very loans you are charged with not repaying.

So what is our “crime”? Our “crime” is that we are political fighters, associates of Lyndon LaRouche, guilty of building an independent political movement in the U.S., guilty of fighting the genocide of the World Bank and the IMF, guilty of fighting the treasonous sellout of the free world by Henry Kissinger to the Soviets. And that independent political movement is made up of people who have dedicated their lives to fighting evil.

The great courage of Mr. LaRouche and his fellow political prisoners in the Alexandria Detention Center—he has refused to compromise even though it could be his death—has given me great courage. The fact that people such as those here today are willing to speak out against this police-state injustice, furthers my resolve. I am confident, as I stand here and face this illegal prosecution, that there is in fact a limit to the tyrant’s power, that the actions we commit ourselves to take at this historic tribunal will guarantee that truth and justice will prevail.

# Secret government moves to impose an oligarchical legal system in U.S.

by Edwin Vieira, Jr.

*Mr. Vieira, an attorney in the Commonwealth of Virginia, is and expert in constitutional law and the secretary of the Fact-Finding Committee of the Commission to Investigate Human Rights Violations.*

The shocking result in the LaRouche trial might, not unnaturally, tempt an observer schooled in the jurisprudence of American constitutionalism to despair that “The system has failed!” if it can inflict such a brazen insult to fair play upon a noted, though controversial, political figure. However, this conclusion would rest on a false premise: namely, that LaRouche and his associates were convicted according to the rules of *American constitutional law*. In fact, the LaRouche trial illustrates, in the very starkest outline, that *two different*—indeed, *mutually antagonistic*—forms of “law” now exist, side by side, in this country: one, the traditional system of constitutional jurisprudence known and revered from common-law times as “due process of law”; and, two, an emerging system of “oligarchical legality,” composed of peculiar “crimes” and unique procedures “tailor made” for the selective convictions of certain special defendants.

Admittedly, there have always been *isolated aberrations* even in American constitutional jurisprudence—instances in which injustices occurred because individual participants in the system failed in particular instances to perform their duties as prosecutors, judges, or jurors. But, these instances were recognizable and condemnable as *injustices* precisely because they were palpable *departures* from the law: The over-zealous prosecutor who employs perjured testimony to win a case, the corrupt judge who rules out of order the defendant’s exculpatory evidence, the biased jurors who find the defendant guilty because of his race and in spite of the evidence proving his innocence—all these are familiar figures in American legal history. Yet, although *familiar* in that history, they nevertheless are *foreign* to the law that is the subject of history. For the law outlaws them in principle and punishes them in practice.

Today, however, these once-isolated instances, fundamentally alien to traditional American law, are becoming

less rare, less the products of individual overreaching than of conscious implementation of policy by government officials, less liable to correction on appeal, less subject to exposure and criticism in the press and media, and less saddled with opprobrium in the minds of the public than ever before imaginable. Moreover, these once-isolated *instances* have been refined and amalgamated into a *coherent system of injustice*, consciously designed and cynically operated to employ the *forms* of American constitutional jurisprudence to attain ends destructive of the *substance* of that law *and falsely in the name of the law*. A new strain of *lawlessness* is usurping the place, title, and prerogatives of American law.

The LaRouche case is a paradigmatic example of *why* this legal devolution is occurring, *how* it operates, and *what* its consequences must be.

## The new, globalist ‘legalities’

1) The forces of global oligarchism intend to reorganize the present international economic (dis)order along spurious “free-market” lines, in which a few world-embracing private cartels will control money and banking, capital-allocation and financial “markets,” food production, energy, basic industries, and the media. Through various front-groups, the powers behind these cartels will constitute a *supranational*, politically unrepresentative and irresponsible, but economically all-powerful “directory” or “soviet” *to which every individual nation-state will be subordinated* in fact, if not strictly (and openly) by treaty or other legalistic statement of vassalage. As ostensibly “private” entities, the interlocking global cartels will depend upon and use the co-opted political “establishments” and suborned governments of the various nation-states to police their citizens *in accordance with the “new legalities”* of the *supranational* order.

These “new legalities” will have definite, if distasteful, characteristics. First, substantively, *nationalism* and *personal integrity* will be at least suspect, if not directly punishable. Nationalism threatens the undoing of the very worldwide “interdependence” on the basis of which the global cartels intend to impose utter economic dependence and (through

that) political subjugation on each country. For nationalists realistically recognize that *all* economies—even the widely misunderstood “free market”—are *political* economies, in which the adjective “political” dominates, and must always dominate, the noun “economy.” The economy of the United States, for example, is called a “free market,” because it rests on the principles of private property, personal liberty of contract, and so on. Yet these are undeniably *political* principles—without the enforcement of which by the government, the market would no longer be “free.” And the peculiar “free market” of the United States rests also on the quintessentially political principles of taxation “for the common Defence and general Welfare,” of “regula[tion] of Commerce,” of a sound monetary system, and so on—notwithstanding (or perhaps because of) the implementation of which by the government the market remains “free.” Thus, the United States enjoys, by constitutional mandate, what LaRouche correctly calls “the American system of political economy,” a *uniquely national* system that arises out of and reflects the practical *political* genius—and, ultimately, *moral* insight—of America’s Founding Fathers and the statesmen who carried forward their work. This system offers no place for *supranational* cartels manipulated by politically uncontrollable oligarchic forces hiding behind the mask of “free markets.” So, in the new *supranational* economic order, the American system of political economy—and, with it, the nationalism on which it rests—must go, together with everyone who defends or advocates that nationalism.

Similarly, personal integrity, especially among political figures, is inconsistent with the globalists’ penchant for subordinating timeless and generally applicable moral principles to the process of “cutting deals” on an *ad hoc* basis. Thus, the continued prominence, if not the existence, of those (such as LaRouche) who deny that political expedience is a morally viable policy, itself becomes inexpedient. And those (again, such as LaRouche) who dare to point out that the rhetoric the globalists employ to sugar-coat their corrupt “deals” intentionally conceals as much as it reveals by that exposure expose themselves to retaliation. In the new *supranational* economic order, no room will exist for accurate observers, let alone principled detractors, of “the emperor’s new clothes.”

Second, procedurally, the “new legalities” will embody techniques for managing, controlling, and suppressing questions and dissent that will range across the spectrum of viciousness, depending upon the oligarchs’ perception of the danger the opposition poses. The more truthful, logical, persistent, and *popular* an opponent’s criticisms of or proposed alternatives to their policies, the more threatening his presence—and the more immediate, violent, and openly arbitrary their acts of repression. So, in the new *supranational* economic order, the law will take on the character of a railroad ticket: legal “rules” will be “good for one day only”; and legal process will have a predetermined terminus for the victim—conviction.

## Scrapping the Constitution

2) The LaRouche case exemplifies how the “new legalities” have already insinuated themselves into American criminal law—without, frighteningly, any significant outcry, admonishment, or even whimper of protest from the legal community, politicians, or the press and media. To the contrary: In so far as they espouse any position in public, the latter three groups appear affirmatively to *approve* of the treatment meted out to LaRouche, seemingly on the perverse theory—fatal to the survival of a constitutional republic—that LaRouche’s supposed “political extremism” *both* rationalizes the employment of undoubtedly *extralegal* and arguably *anti-constitutional* tactics to “put him away,” and somehow guarantees everyone else continued legal immunity from the same fate. Perhaps these people are unfamiliar with the old adage that “to kill a dog, you must first call him mad” and its implication that *any* dog can be accused of madness. Perhaps they are simply “whistling in the dark,” pretending not to see the already too-manifest danger which terrifies them into inaction—and, thereby, complicity. Perhaps they hope that, by that complicity of silence, they will secure themselves some tenuous immunity from a one-way ride on the “railroad.”

Events are moving at too rapid a pace to give substance to such childish hopes, however. When the “new legalities” first surfaced here—in the form of liaison with the KGB in the Justice Department’s Office of Special Investigations—the same rationalizations were current. People deluded themselves with the notion that the dangers of infiltrating KGB-style “justice” into American criminal law were minimal because the targets of the OSI were, after all, a few “Nazi war criminals” who deserved no better. Only a handful of Cassandras pointed out that, under American law, these *alleged* “Nazis” were only *accused*, not convicted of “war crimes”; and predicted that, were the theory of the OSI actually implemented, mere *accusations* would soon suffice for the imposition of such drastic penalties as deportation to certain death, thereby destroying a basic protection of traditional American jurisprudence in the interest of “putting across” one of the globalists’ dirtier “deals.” But so it came to pass.

The LaRouche conviction is an example of the natural—indeed, quite expectable—extrapolation of the “OSI principle” into domestic law. And the LaRouche conviction graphically illustrates the means of implementing that “principle” which Americans can expect their *secret* government to employ in the future, as it has in less-well-known past “railroading” operations.

● Initially, the secret government and its minions in the press and media create a climate of misunderstanding, fear, and hate against the intended victim, designed to spread the disinformation that he is a dangerous “political extremist” (usually of an “extreme right-wing” or “Nazi” persuasion). Predictably, few if any defenders of the victim come for-



ward—because of apathy (“Who cares about that fellow?”), fear (“One cannot afford to be associated with such an ‘extremist!’”), prejudice (“People such as that deserve whatever they get.”), or cynicism (“That’s what happens for trying to fight the system!”). This preliminary “trial by press (perhaps, more accurately, *pre*-trial lynching) serves to induce a state of near-hysteria in the public, rendering next to impossible the selection of truly impartial judge and jurors in the inevitable prosecution.

---

*The entire LaRouche process was a test: a test of the theory, a test of the operatives, a test of the mechanism, and especially a test of the reaction in the ultimate court, the court of American public opinion. As with all tyrannies, the supranational oligarchy advances with mincing, halting, and even timid steps in the beginning.*

---

- The secret government then assigns to the case prosecutors distinguished for their amoral zealotry and lap-dog obedience to the “establishment.”

- The prosecutors concoct charges against the victim only the perjorative and prejudicial nature of which outweighs their legal phoniness. Typically, these charges are structured especially to camouflage the true character of the prosecution as a political vendetta masquerading as enforcement of criminal law, and to denigrate the ideals and deny the dignity of the defendants by depicting them as “cheap crooks,” “con men,” “tax cheats,” “conspirators,” or other unprincipled social vermin.

- The secret government then carefully selects a special venue for the trial, one in which both judge and jury can be relied upon to rule as desired. In a sensitive case, the authorities may in addition arrange for a “ringer” or two to secure seats on the jury, to guarantee a favorable verdict.

- The judge then rushes the trial to judgment, oblivious to the needs of the defendants for time to investigate the charges, assemble evidence, prepare appropriate legal motions, and otherwise develop a cogent defense.

- The judge also excludes as “irrelevant” as many exculpatory defenses of the victims as possible, in effect forcing them to assume the burden of proof before a hostile jury that the acts they admittedly performed, and that the government alleges were “criminally” motivated, they performed innocently, in the “good faith” belief that what they did was

lawful. In this way, the secret government arranges a “trial by political personality”—in that jurors infected with ineradicable prejudice from a *blitz* of media disinformation will almost always automatically attribute dishonesty to defendants whose political *personnae* they have been conditioned to hate or fear. Perhaps even unknowingly, the jurors actually convict the defendants, not of the “crimes” for which the secret government has indicted them (for which, in theory, it would be at least possible to find them *not* guilty), but instead for the undeniable and *unforgivable* offense of opposing the “establishment” (for which, of course, a verdict of “not guilty” is impossible).

- And, finally, appeals to higher courts receive only *pro forma* “review” and affirmance of the convictions, or denial of a hearing altogether. Typically, rather than carefully examining the defendants’ specifications of legal error in the trial, the appeals courts allude to supposedly “overwhelming evidence of guilt” that renders any alleged errors “harmless”—disarming critics of what transpired by filling the law reports with another layer of disinformation to which government apologists may point to “prove” that the defendants enjoyed a “fair trial.”

### A test case

3) The secret government’s blatant employment of what may be styled the “crime of offensive political personality” (“offensive,” that is, to the “establishment”) in the LaRouche case is not the end of sordid developments in this area—any more than creation of the OSI amounted to a unique aberration. The entire LaRouche process was a test: a test of the theory, a test of the operatives, a test of the mechanism, and especially *a test of the reaction* in the ultimate court, the court of American public opinion. As with all tyrannies, the *supra*-national oligarchy advances with mincing, halting, uncertain, and even timid steps *in the beginning*. Every lawyer who follows such matters knows of *many* instances in which the secret government has “framed,” “railroaded,” or harassed through “trumped-up” charges some “little” man, for political reasons. Indeed, the very invisibility of such victims emboldens the “establishment” to strike at them. The LaRouche case represents a new wave of political repression through “legal” means, a wave that strikes at *highly visible* victims whom, through preliminary “trial by press,” the secret government has rendered odious and therefore undefendable in the eyes of the gullible public. With the success of this prosecution, the stage will be set for the next assault: at political enemies of the “establishment” who *cannot* be effectively defamed, but whose convictions the public will accept anyway, as a generation of Russians and other captive peoples did during the Stalin era.

Who says “It cannot happen here!”? *It is* happening, and can only become worse. The important question is, “What are Americans going to do about it?”—*now, before it is too late.*

## The IMF kills 1,000 in Venezuela to enforce debt

by Mark Sonnenblick

Venezuelan President Carlos Andrés Pérez ("CAP") confessed that he was "not surprised" by the riots which erupted in 17 cities throughout his country on Feb. 27, in response to the "shock" austerity package he had imposed that day at the behest of the International Monetary Fund. As bodies poured into the Caracas city morgue the next day, the IMF in Washington showed its approval for Pérez's policies by accepting a "letter of intent" signed by Venezuelan central bank president Pedro Tinoco.

As the official body count reached 300 on March 2, IMF Managing Director Michel Camdessus proclaimed, "Allow me to pay tribute to the courage of the authorities. . . . Sound economic policies remain the best way of consolidating democracy." After a helicopter tour that day over once-tidy Caracas streets still strewn with corpses, Pérez told reporters, "We managed to get out of this relatively well."

His Olympian disdain for the lives and well-being of his countrymen was shared by the *Washington Post*, which demanded in its March 2 lead editorial that the United States imitate the "grinding economic transformation" that Pérez is "courageously beginning."

The disorders began at 5 a.m., when poor residents of the shantytowns surrounding Caracas arrived at their bus stops, only to find that fares had doubled to a quarter of their daily wage, in response to increases in gasoline prices decreed by the government. Similar situations throughout the country quickly led to the looting of 25,000 to 30,000 stores and to \$1-2 billion in property damage, reliable sources in Caracas told *EIR*. Army troops brought into Caracas were under orders to shoot looters. It became a war of each against all, as shopkeepers and their armed guards fired wantonly into the streets. Bands of masked criminals, armed even with sub-machine guns, rampaged through neighborhoods, spreading terror as they robbed houses.

The official body counts are a total cover-up. The Caracas central morgue reported 193 bodies by March 3. The hundreds of corpses on the streets, in four other morgues, being mourned in homes, and buried, make credible estimates that upwards of 1,000 were dead in Caracas alone. The morgues, the hospitals overflowing with wounded, and the streets which looked like Beirut bore witness to the tragedy. They also bore witness to the genocidal nature of IMF policies now being applied mercilessly throughout the Third World.

International media coverage has railed against Venezuela's alleged "living high off the hog" and refusing to cut consumption. However, the average Venezuelan has seen his real wages cut by 38% since 1983. During the same period, Venezuela has been what bankers call "the best performing" of all Ibero-American debtors. It has paid them \$25 billion in debt service since 1984, equal to half of its export earnings.

Basic foodstuffs disappeared from grocery shelves after Pérez announced Feb. 16 that he would eliminate food price subsidies, raise taxes and interest rates, and let the currency devalue to black market levels. Coffee, cornflour, and cooking oil only reappeared as looters carried off boxes that store-owners had hoarded, waiting for the President's promised end to price controls. A euphoric mood of victory over the exploiters and the authorities could be sensed in some poor neighborhoods.

### **IMF = dictatorship**

CAP did not rip up the Constitution in response to bloody riots; he ripped it up in order to trample widespread opposition to the policies which provoked them. On Feb. 28, the same day that Venezuela signed its IMF letter of intent, Pérez decreed a 6 p.m. to 6 a.m. nationwide curfew and declared martial law. He suspended constitutional guarantees, including freedom of speech, freedom of peaceful unarmed assem-

bly, freedom of movement, and freedom from arbitrary preventive detention. He enabled officials to ignore *habeas corpus* rulings, to banish citizens, to arrest people for not complying with arbitrary orders, and to exercise prior censorship over all written and oral media.

During the last week in February, the Chamber of Deputies did everything in its power to prevent the tragedy. It refused to legislate CAP's austerity package and demanded that the government submit to it the letter of intent it had worked out with the IMF, as is required by the Venezuelan constitution. Finance Minister Mrs. Eglee Iturbe contemptuously responded, "The content of the letter will be made known to the country and to Congress . . . once it has been signed with the international agency."

The Chamber also began an investigation Feb. 22 of whether Tinoco had a conflict of interest in representing both Venezuela and its creditors in debt negotiations. Instead of appearing for questioning on that and for his having lied about shipping eight tons of gold to England, he fled to Washington to do his dirty deed. The Chamber adjourned indefinitely in protest.

"We don't want the minister from Chase Manhattan!" thousands chanted in the streets. Alejandro Peña Esclusa, general secretary of Lyndon LaRouche's co-thinker organization in Venezuela, the Venezuelan Labor Party (PLV), explained to *EIR*, "As is well known, Tinoco has represented the interests of Chase Manhattan Bank—owned by Rockefeller, and the lead bank for Venezuela's foreign debt—which disqualifies him from holding the presidency of the Central Bank. The genocidal IMF policies that Tinoco recommends mean a bonanza for the bankers and misery for Venezuelans. Does Tinoco want to destabilize democracy? Does Tinoco want to hand the country over to the Soviet's narco-guerrillas?"

Peña continued, "Not satisfied with selling off our reserves to satisfy the usury of the banks, Tinoco wants to pay the illegitimate foreign debt with the hunger of Venezuelans. To achieve that, Tinoco argues that the IMF's programs are indispensable. Tinoco lies. The PLV has proven that Venezuela can become an industrial power by implementing measures completely opposite to those imposed by the IMF. I repeat, Tinoco is not seeking the well being of the nation, but that of Rockefeller."

Just 10 days before the shock package, David Rockefeller had come to Venezuela, given his stamp of approval to the riot-provoking measures, and received a medal from CAP. The only thing which disturbed Rockefeller's visit was an advertisement published by the Venezuelan Labor Party, warning: "CAP, don't be fooled by Rockefeller."

On Feb. 26, ex-president Jaime Lusinchi warned his successor not to be fooled again by bankers' promises. In an open letter, Lusinchi blamed the crisis on the drop in oil prices and "a foreign debt we had to honor . . . on the treacherous supposition imposed on us by the creditors that they

would restore financial inflows to Venezuela, which obviously did not happen."

The president of CAP's Democratic Action Party, Gonzalo Barrios, asserted March 1 that the IMF knew CAP's biting the bullet would bring riots. Barrios noted, "There is a Latin American periodical which said that what is happening to our countries is 'the kiss of death from the International Monetary Fund.'"

The biggest insult now in Caracas is to call someone a member of CAP's party. Leaders are rumored to have hidden their families or sent them to Miami. Finance Minister Eglee Iturbe reportedly recommended, before the measures were imposed, "We should all wear bullet-proof vests."

Senator Rafael Caldera, the Christian Democrat who governed Venezuela from 1979-84, addressed a joint session of its Congress on March 1. He urged the government to reverse its economic measures: "We must fight the formulas from the IMF. . . . The IMF loans 'fresh money,' which at the moment of truth ends up being used to pay interest on a debt which is endangering the social security of all the countries of the region." He charged CAP's IMF measures had led to the shattering of Venezuela as "the showcase of democracy."

There is no telling whether vague statements about debt moratoria, wage increases, transport bonuses, food price controls, and assorted welfare spending will enable Pérez to remain in power another 59 months. Nor is it clear whether he will stick to the shock austerity program designed for him by Harvard monetarist Jeffrey Sachs (see *EIR*, Feb. 17).

The only certainty is that Pérez has exhibited the Trilateral Commission's agenda for "fascism with a democratic face." By ruling "the showcase of democracy" with bayonets, teargas, and martial law, CAP has destroyed the image he had projected of himself as "Mr. Democracy." For two years, CAP has sanctimoniously bleated about every minor infringement of press freedom in Panama. On March 2, Panamanian Defense Forces chief Gen. Manuel Antonio Noriega remarked, "Before going around 'democratizing Latin America,' CAP should get his own house in order." The City of London's and Wall Street's press organs "elected" CAP as *the* man to "lead" debt relief efforts by all the Ibero-American debtor countries. Now, no one in their right mind would follow him. BBC commented March 1 that what is happening in Venezuela "is a very dangerous sign . . . for all the foreign banks and foreign governments outside Latin America. . . . The Venezuela developments will encourage the Latin American countries to say, 'We have to hang together.' The mood will be to pay less on the debt."

CAP will no longer be in a position to sabotage genuine solutions to the debt crisis, such as those proposed by U.S. economist Lyndon LaRouche, in which the advanced capitalist countries would export huge amounts of modern machinery to Third World countries, so North and South could together grow their way out of the crisis.

# Moscow, capital of the Islamic world?

by Thierry Lalevée

Though planned for months, Soviet Foreign Minister Eduard Shevardnadze's successful visit to Teheran took everyone by surprise.

Of course, there were a few unpredicted events, or so it seems superficially. First, the fact that Shevardnadze became the first official of any foreign power to be received by Ruhollah Khomeini in a televised meeting since the visit of Yasser Arafat and Abdelsalam Jalloud of the Palestine Liberation Organization in 1979. Second, pushing aside the problems most Western countries are facing, the Soviets decided to appoint themselves mediators between the West and the Islamic world over the Rushdie affair. The Soviet news agency TASS wrote on March 1 that as a "religious leader," Khomeini could not react otherwise but to issue his *fatwa*, the death sentence, against Salman Rushdie for having published a book offensive to Muslims, *The Satanic Verses*.

In a nutshell, Shevardnadze's visit represented two critical achievements: a new strategic relationship between the dictatorships of Moscow and Teheran—reminiscent of the 1939 Hitler-Stalin Pact—and the projection of Moscow as the defender and de facto spokesman of Islam.

Radio Moscow on Feb. 27 cited Foreign Minister Shevardnadze hailing "the exchange of letters between Khomeini and Gorbachov as a turning point in Soviet-Iranian relations." Radio Moscow's effusive praise of the Moscow-Teheran pact continued, "Foreign Minister Shevardnadze expressed his firm belief that Soviet-Iran relations will develop despite ideological differences, stressing this while meeting with Iranian President Khamenei today." Referring to Shevardnadze's meeting on Feb. 26 with Khomeini, "Khomeini supported the idea expressed in the message from Mikhail Gorbachov that favorable conditions are developing for Soviet-Iranian relations to enter a new stage."

The meeting was hailed throughout the Iranian press as heralding a "new era between the two countries." Khomeini is quoted saying that such a relationship has to be based on Iran's "confronting the Western powers . . . and imposing the withdrawal of all foreign forces from the Gulf." Khomeini and Shevardnadze were also quoted saying that both countries will cooperate—in Afghanistan.

Iranian media reported several deals in the offing, such as resumption of Iranian gas exports to Europe via the Soviet Union, and a large arms contract. As a gesture, former Tudeh (Communist) Party Secretary General Kianouri, in jail for

six years, was released the morning of Feb. 27. Following Khomeini's orders, Interior Minister Mohtashemi called for an "all-out boycott" against the West.

## Moscow, spokesman for Islam

For years, Moscow has striven to establish a privileged relationship with the Islamic world, be it of the more radical variety or mainstream Islam. This policy arose out of concern to keep its own Central Asian Muslim republics under control, as well as the desire to capitalize on the "anti-imperialist" contents of radical Islam to judo the plans of those gullible souls in the West who dreamt of using an "Islamic card" against the Soviet Union. The success of Moscow's policy could already be ascertained in the last year's events in the U.S.S.R.'s Transcaucasus republics, when not a single Muslim country tried to use the crisis between Armenia and Muslim Azerbaijan to interfere in Soviet affairs.

To understand these developments it is crucial to review the events which followed the Oct. 3, 1986 International Islamic Conference in Baku, presided over the chairman of the Shi'ite Transcaucasus Muslim Board, Sheikh Pasha-Zadeh. Explicitly modeled on the 1920 conference of the Comintern on the "People of the Orient," the new Baku conference aimed at fostering Soviet intelligence penetration of the mainstream of the Islamic world. Given that many participants came from countries which established diplomatic relations with the Soviet Union only during the course of 1987 or 1988, it worked. Given that representatives of such organizations as the World Muslim Congress, headquartered in Pakistan and financed by Saudi Arabia, then toured the Soviet Union and accepted Pasha-Zadeh as one of its Executive Committee members, it again worked.

Hence, it is not a surprise to find that the key organizers of the first bloody riots against Rushdie book, on Feb. 12 in Pakistan, such as Kausa Niazi, belong to groups of Muslims who have been touring the Soviet Union, and praising its policies toward Central Asian Muslims. Moscow didn't write Rushdie's book, but certainly organized the key demonstrations. The consequences have been, first, to foster instability in Pakistan and the subcontinent, as originally planned in the process leading to the Soviet withdrawal from Afghanistan; second, to create a deep-rooted crisis between the West and Islam. It should not be overlooked that, despite months of low-key protest, the crisis over the Rushdie book started with

the Feb. 12 riots in Pakistan (story, page 46), which—and only then—triggered Khomeini into issuing his *fatwa*.

### Soviet-Iran deals

From that standpoint, Shevardnadze's visit to Teheran was carefully prepared. Only a few days after Khomeini's *fatwa*, it came at a time when the so-called pro-Western faction around Parliamentary Speaker Ali Akbar Hashemi Rafsanjani was weakened. A few weeks earlier, Deputy Foreign Minister Larijani was speaking in New York about upcoming "changes" in Iran-American relations, and it was rumored that the United States would soon agree to a decision of the International Court at The Hague in favor of unfreezing Iranian assets in the United States. Relations with Britain were just being reestablished, and the French foreign minister had just been in Teheran.

All of those developments disappeared in a puff of smoke when Khomeini ordered Rushdie's death. And yet, the main question remains why was it that Khomeini didn't take such a decision earlier? The book has been on the shelves for months. Intelligence sources report that local Muslims in France or Britain had been going to their Iranian embassies urging Iran to take action. There was no answer; the Rafsanjani group just didn't want to pick up the issue. However, the success of the Pakistani demonstrations made enough impression on Interior Minister Mohtashemi, to convince Khomeini to make his move.

Breaking with the West and turning toward Moscow was then a natural step. For months, Khomeini had been urged by radical followers to take new international initiatives to keep Islamic fundamentalism from falling into limbo. Likewise, a personal letter from Khomeini to Mikhail Gorbachov in early January contained the seeds of a radical shift.

For the Iranians, this was a radical shift, albeit perhaps more tactical than strategic. Moscow thinks otherwise. A breakthrough with Iran has been carefully prepared for years. As with other Islamic countries, Moscow understood that this could not be concretized until its final withdrawal from Afghanistan. Meanwhile, it prepared the ground. For example, one of Shevardnadze's deals signed in Teheran includes the extension of an oil pipeline into the Soviet Union and the building of a railway between the Soviet Union and the Gulf on Iran's Eastern borders with Afghanistan. Underlining Moscow's persistence and determination is the fact that procedures for the deal were first set into motion in August 1987!

However spectacular, the result of Shevardnadze's visit can only be judged by the economic negotiations between the two countries which start on March 5, and whether Moscow does deliver weapons to Iran. It has so far refused to take such a direct step, careful not to jettison its links to Iraq or endanger the ties it is slowly building with countries like Saudi Arabia. Such ties are important for Moscow's other initiatives, its peace gambit in the Arab-Israeli conflict. Meanwhile, the West is facing quite an uncomfortable situation.

## Civil war threat looms in Yugoslavia

by Konstantin George

Potential war between Yugoslavia and Albania was added to the threat of civil war in Yugoslavia March 2, as Belgrade March 2 blamed Albania for ethnic protests in Yugoslavia's Kosovo province. Yugoslav State Presidency member Lazar Mojsov told Parliament, "The Kosovo counter-revolution is under the decisive influence of Albanian intelligence." He said that the Yugoslav leadership had acquired a document of an illegal group, which proved that ethnic Albanians were planning an armed revolt, and blamed federal authorities for failing to take strong measures to counter Albanian nationalism and separatism. "All our actions can be compared with the actions of firemen rushing to put out fires," he complained.

In Kosovo, which is under military occupation, police began to arrest "organizers of demonstrations," reported the Tanjug news agency. Reuters news service reported rumors that one former leader of the Kosovo Communist Party was under arrest and another had fled to Albania; both were deposed last year in a maneuver by Serbian strongman Slobodan Milosevic.

As Yugoslavia approaches the threshold of fragmentation along ethnic lines, the aggravation of the Balkan crisis portends sweeping changes on the European map, with Moscow standing ready to grab what it can from the chaos. As in the period 1910-14, the present-day Balkan crisis could ignite a global conflict.

The root cause of the radicalization of Serbs, Albanians, and all ethnic groups, is the economic disaster—the direct consequence of Yugoslavia's years' long submission to the cruel dictates of International Monetary Fund austerity "conditionalities." This submission, prioritizing debt repayment and collapsing living standards to the levels of the 1950s, features inflation rates over 300%; not seen in Europe since Weimar Germany, and Great Depression levels of over 20% unemployment.

### Conflict between Serbia and Kosovo

The latest explosion began with the Feb. 23 miners' strike in the Albanian-inhabited autonomous region of Kosovo,

which was transformed into a general strike protesting Serbian plans to impose direct rule over Kosovo. The miners occupied the mines and began a hunger strike. From that point, events moved rapidly:

**Feb. 27:** After emergency meetings of the Yugoslav state and party leadership, the Army is ordered into Kosovo, and “extraordinary measures” are imposed.

**Feb. 28:** Emergency meetings are held by the party leaderships of each of Yugoslavia’s six republics, resulting in a split along East-West lines. The three eastern republics, Serbia, Montenegro, and Macedonia, denounce the Kosovo general strike as a manifestation of “Albanian separatism and chauvinism,” and endorse the hard Serbian stand. The three republics comprising the western half of the country, Catholic Slovenia and Croatia, and Muslim Bosnia, announce their full support for the Kosovo Albanians and denounce Serbia’s policy.

**Feb. 28:** Protected by the Army, numerous rallies are staged by Kosovo’s Serbian minority. All Serb neighborhoods and communities in Kosovo are guarded by Army units, as tinderbox conditions prevail.

**Feb. 28:** More than 1 million Serbs demonstrate before Yugoslavia’s Parliament in Belgrade (the capital of Yugoslavia and of the Serbian republic), and demand: no delay in imposing Serbian rule over Kosovo; identifying, bringing to trial, and convicting the Albanian “ringleaders” and “string-pullers” in the Kosovo party leadership behind the general strike. The crowd is addressed by Serbian party leader and would-be Yugoslav strongman Slobodan Milosevic, who received thunderous applause as he declares: “In the name of the Serbian leadership and of the Socialist Republic of Serbia, I guarantee that the leaders and initiators [of the general strike] will be found, their names will be made public, they’ll be arrested, put on trial, and convicted.”

## A point of no return

Under Milosevic’s demagogic leadership, Serbia has now passed the point of no return; if it backtracks now on imposing direct rule in Kosovo, an Albanian insurrection is certain.

Here is how the conflict of the last weeks developed.

The Kosovo general strike was triggered by a decision of the Yugoslav Federal Central Committee, which met on Feb. 23 in an extraordinary session (its third in five weeks), to allow the Republic of Serbia to change the Yugoslav Constitution, ending Kosovo’s status as a fully autonomous region of Serbia, and impose, “without delay,” direct Serbian rule over Kosovo.

The Central Committee’s green light for Serbia to change the federal Constitution, was reaffirmed by the federal party Presidium, after an emergency session Feb. 26, and again on Feb. 28. In the latter case, the Presidium’s endorsement of Serbian rule over Kosovo was read to the crowd of over 1 million swelling the streets of Belgrade.

The curious submission by the entire federal party lead-

ership, including its Slovene, Croat, and Bosnian members, to the now unstoppable Serbian-dictated constitutional change, forms the key as to why the crisis has reached the final point of no return.

By allowing Serbia to change the *federal* Yugoslav Constitution and thus legalize the Serbian seizure of Kosovo, they have granted Milosevic the very weapon he has sought—the basis for a “constitutional” Army coup. Should the federal authorities now try to prevent Serbian rule over Kosovo, he could call upon the Serbian-run Yugoslav Army to take power “legally,” under the provisions of the Yugoslav Constitution allowing military intervention to “uphold” the Constitution and the “unity” of the country. In short, a Serbian-staged military coup—the threat of which has been used very successfully to date to back Milosevic’s step-by-step power play—now has become a real, live option.

How successful the Milosevic power play has been thus far is vividly reflected in the Central Committee and Presidium decisions. Since November, the cumulative effect of Milosevic having managed the ouster of opponent leaderships in Serbia’s two autonomous regions of Kosovo and Vojvodina, and in the republic of Montenegro, by adding seven Milosevic allies to the Presidium, has created a majority pro-Serbian coalition in both the federal party Presidium and the Central Committee.

Given this situation, the leaderships of Slovenia, Croatia, and Bosnia have basically staged a tactical retreat on the “Greater Serbia” question. They have submitted at the federal level on the Kosovo question, while back home in their respective republics—as we saw from the party leadership meetings of Feb. 27—they have issued the harshest condemnations to date of Serbia and Milosevic. The Croatian Writers Union, in fact, on Feb. 27 demanded the immediate resignation of Milosevic as Serbian party leader.

To summarize the point: Slovenia, Croatia, and Bosnia have said in effect to Milosevic, “Since we can’t stop you from attaining a Greater Serbia comprising the eastern part of Yugoslavia, you’ve got it, but the line is drawn at the Serbian-Bosnian border in central Yugoslavia. Cross that line, and civil war has begun.”

Politically, it already has. As the mood of the huge Serb gathering in Belgrade showed, the drive for “Greater Serbia” will not stop with Kosovo. The crowd included thousands of Serbs who arrived from Serbian towns in Eastern Croatia, and many tens of thousands of Serbs from the large Serbian minority in Bosnia. For them, the hour of “Greater Serbian” domination over Yugoslavia has struck, and the East-West line will be crossed.

This will create an internal Yugoslav *casus belli*, provoking the country’s dissolution and civil war. Awaiting these developments are Moscow and its Warsaw Pact allies, above all Bulgaria, who are preparing their military expansionist options, and thereby transforming the Balkans once again into Europe’s powderkeg.

# In El Salvador, Bush administration backs terrorists against the Army

by Gretchen Small

In a little over five weeks in office, the Bush administration has entered into open collaboration with Moscow's terrorists in El Salvador, the Farabundo Martí Liberation Front (FMLN), in a coordinated assault against the institution of the military.

This shocking policy goes to the point of the U.S. previewing FMLN "peace proposals" before their release. Such actions confirm *EIR's* charges that the Soviets have penetrated the highest levels of the U.S. intelligence and military establishment.

The United States has given orders that the military, and any political grouping which seeks to win a decisive military victory over the FMLN, are to be crushed. Instead, the way is being paved to install a coalition government between liberals and Moscow's allies through "free elections"—the flip side of Henry Kissinger's proposal (see page 67) that Moscow's Eastern European subjects give up all claim to sovereignty in exchange for the "right" to participate in "elections."

As of this writing, U.S. pressure has forced El Salvador's military to declare a unilateral ceasefire, even as FMLN irregulars continue their scorched earth strategy—including the slaughter of any mayors who "collaborate" with the national government. Because of U.S. actions, the FMLN is now determining the nation's political agenda: Debate has begun over changing the date of national elections and the possibility of restructuring the Armed Forces, while political parties and the government are on the defensive, answering to FMLN proposals, instead of national needs.

The El Salvador action shows that the Bush team has already gone a big step beyond the colonial policy of weakening the military institutions of Ibero-America in the hypocritical name of defending "democracy." That piece of criminal stupidity has been applied by every U.S. administration from Carter forward—with the hearty approval of the region's Soviet-directed narco-terrorists.

Yet even Jimmy Carter's wanton abandonment of Central America looks measured, next to the Bush team's rush to put Moscow at the center of Western Hemisphere affairs. Moscow and Washington agree that the future of Central America, like Afghanistan and Angola, is up for immediate negotiations, the *Washington Post* reported on March 3. The decades-long U.S. position, that the Soviet Union is not, and should not be considered, a major player in Western Hemi-

sphere affairs, has already been buried by the Bush administration, because Secretary of State James Baker III believes that the U.S. must "recognize facts," the *Post* reports.

## The pilot project: El Salvador

In early January, political attention in El Salvador focused on presidential elections scheduled for March 19. Although an FMLN front, the Democratic Convergence coalition, was taking part in the elections, the Convergence was widely seen as a minor player in a contest pivoted around the battle between the ruling Christian Democratic party and the leading oppositionists, the National Renovation Alliance (ARENA). The elections were believed too close to call, but the ARENA party—which won a majority of the Legislative Assembly in the March 1988 elections with its campaign for a decisive military victory over the terrorists—appeared to be taking the lead.

Then, on Jan. 24, the FMLN issued a new "peace proposal," which drastically changed the correlation of forces. The FMLN "offered" to run in the national elections directly, if the government agreed to their conditions: postponing the vote for six months until Sept. 15, confining the military to barracks during voting, and reorganizing the Electoral Tribunal overseeing election procedures along lines more acceptable to the left.

El Salvador's *El Diario de Hoy* detailed on Feb. 2 specific aims which the FMLN seeks to achieve during the demanded six-month delay. These include: the establishment of "liberated" territory under their control, a requisite in turn to achieve the status of a "belligerent force," so as to receive both foreign recognition and economic and military assistance; and a massive buildup of the Democratic Convergence through international propaganda and financing.

FMLN forces have targeted a strip in the center of the country (through the provinces of Chalatenango, Cabañas, Cuscatlán, and San Salvador) which they seek to "clear" as a "border" zone to the western zone of El Salvador, which they want to make liberated territory, *El Diario de Hoy* specified. They have already turned this strip into a "line of terror," where the FMLN now murders any mayor they deem pro-government.

By killing the heads of local governments, they seek to create the vacuum of power and conditions of anarchy in



which they can impose de facto rule. FMLN forces need not be strong enough to have permanent authority, *El Diario* cautioned, but only sufficiently strong to function as “mobile governments” with sufficient “image” of control to be recognized internationally.

The High Command of El Salvador’s Army met with the Political Commission of the Legislative Assembly to argue the insanity of accepting any postponement of the elections. The FMLN seeks merely to create divisions between the Armed Forces and the institution of the state, the military argued, divisions which will favor the FMLN’s military offensive, and buy time to create conditions for an insurrection. Army intelligence has identified FMLN plans to launch a major military offensive in July and August.

Salvadoran Defense Minister Gen. Carlos E. Vides Casanova warned on Feb. 13 that if the government put off presidential elections, it would violate the Constitution, and the military will have no choice but to defend constitutional law. “If the President stays one day over his term in the presidency outside of the constitutional order, the armed forces would have the obligation to remove him. . . . The political parties can talk about what they want. The constitution gives [the military] very clear responsibilities,” he stated.

### **Whose proposal is it, anyway?**

The U.S. State Department, however, issued a statement asserting that the FMLN proposal deserved close attention, and urging El Salvador’s government to “seriously consider” the offer. U.S. Vice President Dan Quayle paid a seven-hour visit to El Salvador on Feb. 3, on his way back from the gala Caracas summit which took place at the inauguration of Venezuela’s socialist President, Carlos Andrés Pérez. Quayle announced that he had been sent to deliver a “strong and very emphatic message” to El Salvador’s military, that U.S. support is henceforth “conditional” on the military accepting the United States’ definition of “human rights abuses.” His threat that if not, “there will be consequences,” was clear: a cut in the U.S. aid on which El Salvador has become dependent for the past eight years.

President José Napoleón Duarte signaled a new willingness to discuss the FMLN proposal. So, on Feb. 20 and 21, representatives of 13 political parties met with FMLN spokesmen in Mexico. Now, the FMLN revised its conditions for “peace.” Four new conditions were demanded, after which the FMLN promised to negotiate a ceasefire, recognize the legitimacy of elections, “ultimately” disarm its forces, and “accept” the existence of El Salvador’s Army.

The FMLN demands now focused entirely on the Army: The Army must be reduced in size by 80%, from its current size of 56,000 to a 12,000-man force; removed from all police functions, and currently existing police units (the National Guard, Treasury, and National Police) passed from military control to the Interior Ministry; forbidden from “per-

secution and repression for political causes”; and its officers prosecuted for alleged political crimes.

Democratic Convergence presidential candidate Guillermo Ungo told *New York Times* reporters flat-out that the FMLN proposal was an attempt “to corner and isolate the Army,” the *Times* reported on Feb. 26.

But the State Department had already “considered” the terrorists’ proposal very carefully indeed. FMLN commander and Communist Party chief Shafik Handel bragged that the FMLN had given a copy of the proposal to the State Department “some days” before it was released on Jan. 23, but “denied reports that the final proposal was tailored to meet the objections of State Department officials,” the *Baltimore Sun* reported on Feb. 27!

“Mr. Handel,” as the *Sun* calls him, noted that the FMLN decided to seek negotiations—with the United States, it appears—because of the “atmosphere that had ended the conflicts in Angola and Afghanistan.”

The State Department was not the only U.S. institution consulted on terrorist strategy. The *Wall Street Journal* reported on Feb. 1 that the FMLN “peace” plan had circulated in advance on Capitol Hill. The spring issue of the Carnegie Endowment for Peace’s *Foreign Policy* magazine publishes a lengthy appeal for Western aid, written by the FMLN commander whom Western agencies identify as the guerrillas’ top military strategist, Joaquín Villalobos.

The U.S. media went wild hailing the “revised” FMLN proposal as an opening for peace. A *Washington Post* editorial Feb. 26 praised the fact that “the whole country has been drawn into a broad discussion of the FMLN’s proposal.” The responsibility of the Bush administration now, the *Post* cautioned, is to “make sure the Salvadoran armed forces know that the United States will not stand for any sabotage” of negotiations with the terrorists.

“Military pressure from the guerrillas . . . will not be enough. . . . It’s up to the U.S. to try to change the army’s calculus,” Morris Blachman argued in a commentary published by the *Baltimore Sun* Feb. 26.

On Feb. 27, Duarte went on national television, to announce a “counter” proposal to the FMLN. He proposed the Legislative Assembly accept the FMLN proposal to delay the election, but do so only until April 30, and in conjunction with a national ceasefire effective immediately, until the June 1 end of Duarte’s term. The next day, the military announced a unilateral ceasefire.

Salvadoran nationalists have been left to warn, as Edgar Chacón told *El Diario de Hoy* on Feb. 7, that the U.S. and Soviet Union are carrying out a “conspiracy . . . which seeks to force them to submit to a totalitarian socialist regime, which implies an understanding between the great powers of East and West. . . . El Salvador’s Armed Forces must understand that . . . they are to be sacrificed . . . just as was done in Vietnam, Cuba, and Nicaragua, to name only a few of the most recent cases of treason by U.S. politicians.”

# Argentina polarized over Army's role

by Cynthia Rush

In the aftermath of the late-January terrorist assault on a Buenos Aires army base, Argentine President Raúl Alfonsín's five-year effort to dismantle the institution of the armed forces is in trouble. Faced with the emergence of Soviet-backed narco-terrorism, spokesmen for a variety of political tendencies, including the military itself, are demanding that the Armed Forces be given a major role in combating subversion.

This is not at all to the liking of the U.S.-based Project Democracy apparatus, and its co-thinkers among the international social democracy which have backed Alfonsín's government. In the "New Yalta" accords now afoot between the U.S. and the U.S.S.R., there is no place for independent national institutions or political movements capable of rallying popular forces in defense of a nation's interests. Argentina's volatile economic and political situation makes the destruction of the military, whose nationalist factions have historically allied with nationalists from other political parties, all the more urgent.

Since his 1983 election, the Argentine President has acted systematically to separate the Armed Forces from any involvement in activities related either to national economic development or internal security. The National Defense Law, passed in 1987, defines the Armed Forces' role as defending Argentina only from "external aggression" and prohibits it from dealing at all with "internal security."

However, in the wake of the Jan. 23 assault on the La Tablada military base by an internationally backed and well-armed guerrilla squad, there is a growing clamor that the law be changed. Sen. Leopoldo Bravo of San Juan province has introduced a bill to modify the law, and allow the Armed Forces to participate in anti-terrorist activities. The current law, Bravo explains, "has revealed its serious flaws, which place at unquestionable risk the security of the nation's inhabitants."

The Feb. 15 edition of the Buenos Aires daily *La Nación* warned, "No one wants a State with its hands tied by mistaken laws or an Armed Forces reduced to the role of helpless spectators in the face of 'internal' commotion, whose unquestionable purpose is to subvert the constitutional order

and democratic regime, and which is the equivalent of 'external' aggressions similar to a war according to classical principles."

Evidence that the La Tablada incident was no aberration, but part of a broader narco-terrorist capability, has exacerbated factional differences within the Alfonsín government. Officials tied to the international Social Democracy, such as Foreign Minister Dante Caputo, are minimizing proof of direct Nicaraguan and Cuban involvement in the terrorist attack, ridiculously trying instead to implicate Panama's Gen. Manuel Noriega. Interior Minister Enrique Nosiglia, who has been linked to the All for the Fatherland Movement (MTP), whose members attacked La Tablada, insists there is no danger of a terrorist upsurge in the country.

However Vice President Víctor Martínez, who speaks for a more conservative faction of the ruling UCR, publicly defends the right of military intelligence services to be involved in "political investigation," which is currently prohibited by the National Defense Law.

From outside Argentina, the U.S.-based National Democratic Institute for International Affairs (NDI), one of Project Democracy's assets which intervenes in the internal affairs of other nations, has applauded Alfonsín's anti-military policies. In December of 1988, at the very moment that the MTP and former guerrillas from Argentina's People's Revolutionary Army (ERP) were preparing their terrorist assault, the NDI sponsored a conference in Santo Domingo entitled, "Civil Military Relations: the Argentine Experience," to discuss future steps to further rein in the country's Armed Forces.

According to recently published conference proceedings, participants argued that "the traditional role of the military must change . . . they must accept civilian control of domestic security and intelligence-gathering." Democracy, the proceedings explain, "demands of the Argentine military nothing less than a fundamental reassessment of its purpose and place in the country." Much praised was Alfonsín's "leadership" in establishing civilian control over the Defense Ministry, the state intelligence service (SIDE), the National Defense School, and in reducing the defense budget "in response to other national needs." Attendees considered as primary the passage of an amendment to the military code which allows prosecutors to appeal decisions reached by military judges to civilian courts.

Investigations into the La Tablada incident show that a terrorist movement linked to drug-trafficking networks in Central America has more than a foothold in the country. Argentina's drug trade has increased enormously over the past five years. Nonetheless, in their concern for preserving "democracy," the Santo Domingo NDI conference concluded that the Argentine Armed Forces should *not* be allowed to participate in a war on drugs. If given a mandate to investigate drug trafficking, NDI warns, the Argentine military would surely use it "as an excuse for seeking to exercise broad control over Argentine society."

# Could Moscow be afraid of Israel?

by Thierry Lalevée

In the midst of what was labeled as Moscow's big peace initiative, Eduard Shevardnadze gave an astonishing speech in Cairo on Feb. 23. While presenting Moscow's eternal proposal for an international peace conference, giving the Soviets equal footing with the United States, the Soviet foreign minister abruptly shifted emphasis to warn of the danger of "thermonuclear confrontation" in the region.

Then he gave an ultimatum to the United States, warning that unless Moscow's peace proposals were accepted and a diplomatic process set into motion now, a stalemate in the Middle East "could grind to a halt the entire historic process" between both superpowers. Though the warning could be dismissed as cheap blackmail at a point when Washington is making an extraordinary show of political weakness, no other crisis in recent months, in Africa, Ibero-America, Asia, or even in Europe, has been used so dramatically by the Soviets.

Deepening the mystery is the fact that, when speaking in Cairo, Shevardnadze had already been in the region for some time, visiting both Damascus and Amman. Yet in no other previous speeches did he mention such dangers. Syria, still in the midst of a large military buildup to achieve "strategic parity with Israel," would have been a perfect location, where the Soviet minister could have warned of the danger of nuclear war, and at the same time announced some drastic measures of reduction of Soviet military supplies to the Alawite regime, as a good-will gesture and a concrete indication that Moscow indeed wants peace. That did not happen.

The thinking behind Shevardnadze's speech is at least twofold: First, the Soviets are intent on imposing their presence in any Mideast settlement, on an equal footing with the United States. In the last days of the Reagan administration, Moscow's role was acknowledged. Doubtless, this will be acknowledged by the new Bush administration as soon as it has a Middle East policy. Hence, it can only be annoying to Moscow that just when the efforts started by Leonid Brezhnev—he had the idea of an international peace conference—are bearing fruit, the Americans are simply passive. While Shevardnadze's message contained direct threats to Washington, such as Moscow's taking the leading initiative in the region, the implied message was for the United States to get its act together and start moving.

Second, is the Soviet realization that they indeed need an American initiative to set the process into motion, especially

when it comes to pressuring Israel into joining the international consensus. Despite its diplomatic openings, Moscow's leverage over Israel is limited. It obviously cannot resort to the use, by proxy, of military force (a Syrian-initiated war). Now that Washington has opened an official dialogue with the PLO, Moscow can no longer blackmail the Israelis, as it had in recent years, by stating that only Moscow can mediate the crisis.

Intelligence sources underscore that it was no coincidence that Shevardnadze's rather pessimistic views on the future of peace in the Middle East followed his meetings with Israeli Foreign Minister Moshe Arens. Little of substance is known of what was discussed. A declaration of Prime Minister Yitzhak Shamir on Feb. 25 indicates the tone: "It is none of the business of the Soviet Union to promote peace in the Middle East, as long as it has no diplomatic relations with Israel," he said, adding that Israel will "accept no preconditions" to the reestablishment of diplomatic relations. Recent Soviet utterings had held such relations as automatically resumed, as soon as the diplomatic process of negotiations is started.

Hence, Shevardnadze seems to have been confronted with the hard reality that any attempts by the Soviet Union, or both superpowers for that matter, to push Israel into a corner, will be met by strong resistance. Various statements from Israeli military leaders confirm this. In a Feb. 17 interview with the *Jerusalem Post*, Maj. Gen. Moshe Bar-Kochba of the General Staff of the Army warned that "Israel must aim for swift offensives, à la 1967" and never allow a repeat of the 1973 war. On Feb. 27, Chief of Staff Gen. Dan Shomron told a gathering of the Center for Strategic Studies in Tel Aviv that the only acceptable option for Israel was a "preemptive strike."

This was first item news on Radio Moscow the very same day. Nowadays, a preemptive strike implies more hardware than it did in 1967, meaning medium- and long-range missiles, potentially with nuclear warheads.

Moscow's worries about that are open. Shevardnadze once again stressed in Cairo the need for an "INF" type of treaty in the region. He obviously didn't mean Syria's Soviet-supplied Scud missiles, but Israel's Jericho missiles. The latest generation of the Jericho can reach well inside Soviet territory. With the deployment of the Offeq satellite, Israel can in a few years have a more accurate guidance system.

While this does not imply that Israel is even thinking of launching its missiles at Soviet territory, it means that a repeat of 1956 when the Soviets warned, with American support, that unless the Israelis were out of Egyptian territories within 24 hours, Tel Aviv would be flattened, is now impossible. Were that repeated, the Israelis would probably not hesitate to target the Soviets themselves. In short, Shevardnadze was warning that unless the ability of the U.S. and the Soviets to blackmail smaller powers into line were reestablished, the situation could run out of control.

# Bronfman-Gorbachov deal helps anti-Semitic Pamyat

by Mark Burdman

Informed Israeli sources tell *EIR* that they expect a large backlash among Jewish and Israeli organizations in the next months, against World Jewish Congress chairman Edgar Bronfman, because of Bronfman's cynical deals with, and propitiation of, the "Great Russian" chauvinist leadership of the Soviet Union. Particularly, these anti-Bronfman Jewish spokesmen and organizations are sickened by the Bronfman mafia's whitewash of the racist, anti-semitic Pamyat ("Memory") organization of the Soviet Union.

Over the Feb. 11-12 weekend, Bronfman was the head of the largest delegation of Jewish leaders to ever visit the Soviet Union, to celebrate the opening of a Jewish Cultural Center in Moscow. Following that meeting, Bronfman's aide, World Jewish Congress vice president Isi Leibler of Australia, hailed the supposedly positive turn in Soviet policy toward Jews, and dismissed the threat of Pamyat to Soviet Jews, stating, "A bit of Pamyat hooliganism doesn't worry me. I'm much more concerned by government and state-supported anti-Semitism."

"A bit of Pamyat hooliganism?"

Within days of his statement, the *Daily Telegraph* of London reported from Moscow Feb. 20, that Pamyat "attracts no less than a million followers." This estimate is only slightly higher than others received by this magazine.

*Telegraph* Moscow correspondent Xan Smiley said that Pamyat is a throwback to the "pogrom-making Black Hundreds" of the late 19th century. He commented: "I used not to take [Pamyat] seriously, with its woolly mysticism, its tedious ramblings about Mother Russia, and that tiresome thing called the Russian soul, and with its driving conviction that the Jews are to blame for all that goes wrong. Now I am not so certain."

Whatever Pamyat's own political weight, Smiley stressed, "the wider sentiment of extreme Russian nationalism, with its anti-Semitism, its contempt for Western liberal democracy and judicial processes, has become a threat to democratic reform." This has intersected a growing mood in Russia that "Jews" are responsible for Russia's problems, he warned.

In direct contradiction to Leibler's bogus distinction between "state-sponsored" anti-Semitism and Pamyat activities, highly informed West European intelligence sources have told *EIR*, that Pamyat is most emphatically a *state-sponsored organization*. They stress that the Gorbachovs,

Mikhail and his wife Raisa, are involved in the expansion of Pamyat activities, mediated through such institutions as the Raisa Gorbachova-led Soviet Culture Fund and the Society for the Preservation of Historical Monuments. Russian race-chauvinism is being built up as a kind of super "ethnic card," to counter-balance national and ethnic unrest elsewhere in the U.S.S.R. Furthermore, Gorbachov is regarded among his peers, as the first "pure Russian" to lead the Soviet Union.

## 'Jews for grain'

Whether Mr. Leibler is badly misinformed, or unbalanced, we cannot say. Perhaps there is another reason for his comment, namely, that Bronfman and Co. *want* to see Pamyat grow, so that the level of anti-Semitism will reach such a height in the U.S.S.R., that more Soviet Jews will be forced to emigrate, and to fill the Israeli-occupied West Bank.

Does this sound cynical? Well, for the moment, listen to the voice of Pamyat itself. Dmitri Vasilyev, chief Pamyat ideologue, was interviewed by the Turin, Italy daily *La Stampa* Feb. 23. Asked about the group's anti-Semitism, he said that "anti-Semitism is the cover under which the emigration of Jews to become cannon-fodder in Israel, can be stepped up." This is the modern-day version of the famous formula of Pobodenostsev, the Procurator of the Synod of the Russian Orthodox Church in the late 19th century and mentor of writer Fyodor Dostoevsky, on the Jewish question: one-third die, one-third emigrate, and one-third stay in the ghetto.

To *La Stampa*, Vasilyev denounced Jews as part of a "universal power grab," representing a "cult of gold."

Interestingly, on questioning, he refrained from criticizing Gorbachov, and even mildly praised him (see *Documentation*.)

From the side of Bronfman, it is no secret that he and collaborators, such as Armand Hammer protégé Dwayne Andreas of the U.S. Archer Daniels Midland conglomerate, have in recent weeks been negotiating with the Russian leadership, in what some have labeled "Jews for grain" deals: If the Soviets agree to higher levels of Jewish emigration for *Jews who will be sent directly to Israel with no other choice of homeland*, then Bronfman, Andreas, and their cabal will send the Soviets more food.

This deal has drawn angry reactions from Jewish groups, including inside the Soviet Union *and* in Israel. For Soviet

Jews, the denial of a choice of new homeland, has the equivalence of herding them into a cattle-car and sending them away; this is not meant as an aspersion on Israel, but the fact is that many would prefer to go to the United States, or perhaps to continental Europe, Great Britain, or elsewhere.

Also most Israelis think that the idea of receiving herded Jews is anathema, because it just creates pockets of discontent, animosity, and so on.

There is also some well-justified suspicion that Soviet charity on the Jewish question, has the included purpose of sending spies into the West, under the cover of "Jewish emigration." It is a standard estimate that one or two of every five Soviet emigrés is working in some way for the KGB. Also, it is estimated that a certain percentage of "Soviet Jewish emigrés" are not Jews at all, but Soviet intelligence operatives or criminal elements, given Jewish identities as a cover for their being sent into the West. In one case exposed in Great Britain during the week of Feb. 27, a Czech spy posing as a Dutch Jew, was used to penetrate various Jewish organizations on behalf of East bloc intelligence services.

Also noteworthy, is that many Soviet Jewish groups inside the U.S.S.R. and Soviet Jewry support groups outside the U.S.S.R., are not so overjoyed about the new Jewish Cultural Center, seeing it simply as a state-sponsored front to control and manipulate Jews. These individuals and groups attack Bronfman for simply ignoring their wishes. Some draw parallels to the Bronfman mafia, and those self-professed Jewish organizations in the 1930s, who demanded that Jews *not* fight Adolf Hitler.

Soviet Jews also point with concern to the fact that the Soviets, despite certain promises, are *not* disbanding the official Soviet Anti-Zionist Committee. Committee spokesman Col. Gen. David Dragunsky, writing Feb. 11 (while the Bronfman-led delegation was in Moscow!) in the mass circulation KGB-controlled *Argumenti i Fakti* journal, denied the group would be disbanded, and pledged to continue "the struggle against Zionism."

### **Pamyat writings attack 'Jewish cattle'**

Meanwhile, there is no question that there is a radical expansion of activity in the U.S.S.R. of Pamyat and of Russian nationalist-chauvinist activity.

A couple of days after Bronfman et al. had left, 3,000 people congregated in the Soviet hockey arena, in an officially sanctioned "Russian revival" meeting. Writers took to the microphone to denounce the Sovietization of Russian history and the loss of old Russian culture, monuments, and values. The most enthusiastic applause was given for a speaker who denounced both Jewish influence in the Soviet Union, and the growth of a domestic "plutocracy" that was working together with the West.

The Russian Orthodox Church's Metropolitan Juvenali, a member of the ROC's ruling synod, also made a speech to the gathering.

The whole affair was sponsored by the Independent Russian Cultural Fund and the Orthodox Church. The former is the cultural fund of the Russian Republic of the Soviet Union, but is reportedly closely tied to the Soviet Culture Fund of Raisa Gorbachova.

In January, three Russian magazines that specialize in Russian "blood and soil" themes held a gathering, at which anti-Semitic speeches were made. Vyacheslev Gorbachov (no relation to Mikhail), deputy editor of the mass-circulation *Molodaya Gvardia*, recited statistics about the number of

---

---

*Bronfman and Co. want to see Pamyat grow, so that the level of anti-Semitism will reach such a height in the U.S.S.R., that more Soviet Jews will be forced to emigrate, and to fill the Israeli-occupied West Bank.*

---

---

Jews in the Academy of Sciences, the number of Jews in the Writers' Union, and the number of Jews receiving higher education. Other speakers denounced "cosmopolitanism," the code word that Stalin reserved for his Jewish opponents.

After this event, Russian poet Yevgeny Yevtushenko wrote in the weekly *Moscow News*: "I had a queer feeling, as if I had seen this somewhere before—people intoxicated by their own shouts. I remember the gathering on Hitler's birthday a few years ago on Pushkin Square, the surge of teenagers following a herd instinct."

The West German dailies *Frankfurter Allgemeine Zeitung* and *Sueddeutsche Zeitung* have both warned, in late-February articles, that Pamyat is growing in danger and influence.

Back in June 1988, reports from the U.S.S.R. were of an atmosphere of "near-panic" among Jewish families in Moscow, with tension so acute that many Jews were afraid to allow their children out alone, following the circulation of a pamphlet in areas of Moscow that contained ominous overtones of Nazi Germany. The leaflet, authored by a group calling itself, "Death to the Jews Organization," reads: "Comrades! Russian patriots! How long can we put up with the dirty Jews brazenly penetrating our entire society, especially in profitable places? Think about it. . . . How can we accept that the dirty ones have made our wonderful country into a Jewish mob? Why should we—outstanding, intelligent, beautiful Slavs—consider Jews among us to be a normal phenomenon? Why should Jewish cattle be able to acquire Russian surnames and sign Russian as their nationality as do these dirty, stinking Jews, hiding under such heroic and

proud names as Russians? Russia to the Russians.”

Many prominent Moscow Jews blamed the Pamyat organization for distribution of the leaflet. One prominent Jewish “refusenik,” Tanya Ziman, said that the threats were part of an attempt by anti-Semitic Russians to use the 1988 Orthodox Church celebrations of the “millennium of Christianity in Russia,” as a background for stirring up suppressed resentment.

Outside Moscow, there were other threats to Jews. In Kiev, militia officers were reported as telling the heads of state enterprises to warn their workers that “Jewish and Jewish-looking people” should not go onto the streets during the early part of June.

### ‘Ecological defense’

Pamyat’s growth is abetted by its espousal of Mother Russia “earth worship” belief, which caters to, or is fed by, the growing Soviet government emphasis on “ecology.” In his *La Stampa* interview, Vasilyev stressed that “the basis of all tradition is the earth. . . . We are fighting for the ecological defense.”

In the past days, the Soviets have set up a U.S.S.R. Ecological Foundation, which is setting up branches throughout the country. Also, groups like the “Soviet Association Ecology and Peace” have become very active, in part as a liaison to Western environmentalist groups. This is, to a significant extent, what *EIR* has identified as Gorbachov’s “Green card” vis-à-vis the West, to encourage the green movement in the West as a political destabilization weapon. Gorbachov’s Dec. 7, 1988 speech to the United Nations, was an important signal that the Soviets wanted to take a leading role in creating a new “ecological-fascist” world order.

However, there is a certain Frankenstein quality to this, since “ecology” perfectly intermeshes with the centuries-old irrationalist blood-and-soil streak in Russian culture, embodied for example in the writings of Dostoevsky. Pamyat, or groups linked to it, is the perfect receptacle for a powerful Russian National Bolshevik movement, that will grow all the faster, the more Moscow, whatever its reasons may be, pushes the ecological card.

It is noteworthy, in this respect, that in the Bronfman-led “Jewish delegation” to the Soviet Union of early February, was Soviet emigré playwright Yuri Lyubimov, a degenerate who was deposited into the West some years back, to spread Dostoevskian culture everywhere. Most recently, Lyubimov has been resident in Israel. In a sense, he symbolizes the deal that Messrs. Bronfman and Leibler believe they have with Mikhail Gorbachov.

One hopes that the late February 1988 alliance between the Soviet leadership and the Khomeiniacs in Teheran, will shock the World Jewish Congress leadership into sobering up, or will at least motivate responsible Jewish organizations and leaders around the world to renounce Bronfman’s treacherous activity once and for all.

---

## Documentation

---

### ‘Our dream is the old Russian empire’

*The following is excerpted from an interview with Dmitri Vasiliev of the Pamyat movement, conducted by Emanuele Novazio in Moscow. It was translated from the Turin, Italy daily La Stampa of Feb. 23, 1989.*

**Q:** Are you against the Jews, as many members of Pamyat have often stated?

**A:** Anti-Semitism is the cover under which the emigration of Jews to become cannon-fodder in Israel can be stepped up. We are not fighting against the Jews, but a social-political doctrine, which threatens not only the Russians, but also the Italians and other peoples, because at bottom, one finds the idea of a universal power-grab. This is a real danger, fed by the cult of gold. Therefore, national self-consciousness is our main task, since often, the politicians represent caste interests, the interests of concentrated capital, of clandestine groups. Like the Zionists, like the Masons. . . .

**Q:** Do you consider yourselves counter-revolutionaries?

**A:** For us, the alternative is to re-establish traditions. It is not necessary to make revolution or counter-revolution.

We will return to national self-consciousness. This means the traditions of the people, its wisdom, its heroic past. The Italy of the past was glorious, because she knew how to educate heroes, but today, she copies the Americans.

The basis of all traditions, is the earth: When the earth belongs to those who work it, many problems of the country can be solved, first and foremost, the moral problems. We are fighting in order for the earth to belong forever to those who labor it, with a right to inherit it, but without the right to sell it, in order to avoid creating speculation. This will solve the food problem without having to hold party congresses. Then, we are fighting for the freedom of conscience and religion. And we are fighting for ecological defense: We do not want our country to become an appendix of Europe for raw materials.

**Q:** What do you think about Western democracy?

**A:** There is no democracy in the West. The West is being destroyed by materialistic ideas, while it becomes richer. The same materialistic ideas prevail here, but are accompanied by poverty. In Russia today, they present the West as a model: They change the political aims, and consequently the slogans, but power remains in the hands of a minority which



pulls the levers that move the world.

**Q:** What is the destiny of the Russian people?

**A:** That depends on how much longer the people remain in the political passivity in which it is imprisoned by the current Russophobia. The Russians have been subjected to appalling humiliations. No one has been spared, enemies have been exterminated, both inside and outside. But it is not possible to kill us: So long as there is one Russian still alive, he will fight for our own independence.

**Q:** Is even the present government Russophobic?

**A:** There are many people in the government. Some are, for example, Alexander Yakovlev, Politburo member, who continues the Bukharin tradition. . . .

**Q:** What was the worst catastrophe for the Russians?

**A:** There have been many, but the change of the traditional form of government has been the most lasting. It began when Peter the Great brought in his reforms inspired by the West, showing little faith in the strengths of the Russian people.

**Q:** What do you think about the October Revolution?

**A:** The ideas were good, but I cannot see their practical realization. In the whole history of the U.S.S.R., I see violence, terror, overbearing power in the hands of a minority who are Party members. Sooner or later, there will be purification, and it will be destructive for the enemy.

**Q:** Do you consider yourself an organized opposition?

**A:** Our aim is to wake people from their dreams. It is not a party aim, and none of us is a candidate for elections: We do not participate in the spectacles and games, we are not a circus, a group of vagabond actors.

**Q:** Do you hope for a change in the U.S.S.R., or a renewed Russia?

**A:** The time has not yet come to grasp the future of Russia. As for the form in which Russia exists today, well, it does not contradict our idea. The Empire has remained Empire, in which the lesser part serves the greater, and the greater defends the lesser.

**Q:** What do you think of Gorbachov?

**A:** He is a wise politician, but I do not share some of his proposals, particularly with regard to production.

**Q:** What do you think about the Orthodox Church?

**A:** There are a lot of bureaucrats who are carrying out ecumenical policy. We are against ecumenicism, and we favor traditional religion, whereas the heads of the Church have become bureaucrats of the ideological apparatus. But we are in favor of the Orthodox Church itself: It is only people who make mistakes.

## Behind the satanic orgy in Islamabad

by Ramtanu Maitra

The Feb. 12 demonstration by a 10,000-strong, slogan-chanting mob in front of the American Center in Islamabad, Pakistan was, as facts reveal, as satanic in character as the book that allegedly inspired it.

The "political mullahs" who were leading the mob, and hiding in a newspaper office when the mob became uncontrollable, were using a religious cover to try to throw the country into chaos and regain the political ground the last election showed they plainly do not have. As Prime Minister Benazir Bhutto, who was in China winding up a highly successful trip at the time, charged publicly upon her return, the incident was "a last-ditch attempt to destabilize the government."

The protest march—ostensibly against Salman Rushdie's book, *The Satanic Verses*, and the publishers of its second edition in America—ended with the loss of five lives in police firing at the point the mob was poised to invade the Center and kill its 18 inhabitants, including 15 Pakistanis.

The march was organized under the leadership of Maulana Kausar Niazi, head of the newly set-up Tehrik-e-Tahafuz-e-Namoos-e-Risalat; Maulana Fazlur Rehman, the president of the Jamiatul-Ulema-e-Islam (Fazlur); and Nawabzada Nasrullah Khan, the Pakistan Democratic Party (PDP) president and former head of the Movement for Restoration of Democracy (MRD), the nine-party alliance formed to oppose military rule during the regime of the late President Zia ul-Haq.

The way the incident was set up points to the real motives of the protesters. Consider the following:

- The book is and has been banned in Pakistan.
- Though *The Satanic Verses* was published in Britain about one year ago, when President Zia was in power in Pakistan, no one organized a single demonstration against the author or publisher during that time.
- The protesters were trucked and bussed in to Islamabad from the nearby garrison town of Rawalpindi, where the power-center is still in the hands of military officers who "made it" by helping themselves to the generous booty made available to them during the military regime. These behind-the-scenes powerbrokers would like to see the good old days return.
- While the protest march leaders insist that they were only planning to hand over a memorandum of protest to the

American Center authorities, no such memorandum was presented. In fact, when the same leaders later announced that they would deliver the memorandum personally on Feb. 15, they failed to turn up again. Maulana Niazi, when contacted, lamely proffered that he was not feeling well.

### Who are these leaders?

A closer look at the protest leaders underscores their motives for organizing a march that was designed to turn violent:

- **Maulana Kausar Niazi** “made peace” with the military regime that murdered duly-elected Prime Minister Zulfikar Ali Bhutto in 1979 by writing a book, *Aur Line cut Gaycee (And the Telephone Is Cut)*, providing justifications for the military overthrow of the Bhutto government. Since the death of President Zia, the Maulana has been floundering in the political wilderness. Niazi visited the Soviet Union last year in the midst of the Soviet occupation of Afghanistan, and has since styled himself a “protégé” of Iran’s Ayatollah Khomeini, who calls the West “The Great Satan.”

- **Maulana Fazlur Rehman**, who has been jockeying for power in Baluchistan, had earlier leaned toward supporting the Pakistan People’s Party government and was poised to push his party to form a coalition government with the PPP in Baluchistan. With 10 out of 45 seats belonging to his Jamiat-Ulema-e-Islam (JUI), Maulana Fazlur was wheeling and dealing, trying to be the leader of the mullahs as well as the *Sardars* (clan leaders) of Baluchistan, but the seat arithmetic was not in his favor.

When the PPP and IJI joined hands, and with a lot of maneuvering formed a government in Baluchistan—a move that Mrs. Bhutto is sure to have come to regret—the Maulana turned against the PPP. He began efforts in earnest to bring down the government, and using his anti-PPP rhetoric, played along with IJI machinations which eventually did just that.

The entire process unfolded in a series of bizarre events—not the least of which was the sudden dissolution of the Baluchistan Assembly—that constituted the new PPP government’s first serious domestic political crisis. With the help of the verdict issued by the Pakistan Supreme Court, the Baluchistan Assembly has since been restored, and Maulana Fazlur has joined hands with the Baluchistan National Alliance to form a coalition government in the state. Having successfully humbled the PPP in Baluchistan, Maulana Fazlur is now working with the IJI to topple the PPP government at the center.

- **Nawabzada Nasrullah Khan**, is an embittered political veteran who ran the Opposition fiat against the PPP government in 1977 to bring Prime Minister Z.A. Bhutto down, then shifted gears to head the PPP-dominated MRD alliance, and has now turned anti-PPP once again. When the decision to hold parliamentary elections was declared in August last, Nawabzada tried in vain to persuade Mrs. Bhutto to stay within the MRD and fight the IJI—in other words,

Zia’s men—as an alliance. The bad blood between Nawabzada and the PPP surfaced when the PPP separated from the MRD and chose to contest the elections independently. It was a decision that put the nail in the coffin of small parties such as the PDP.

Although Mrs. Bhutto was gracious enough not to put up PPP candidates against the MRD leaders—thus ensuring that Nawabzada would win his seat—her decision to back the Acting President Ghulam Ishaq Khan, and not Nawabzada Nasrullah Khan, as President of Pakistan made Nawabzada extremely unhappy.

He became so bitter that he once reportedly said that Pakistan is governed by a Sindhi (Mrs. Bhutto) and a Pathan (President Ghulam Ishaq Khan is from the Northwest Frontier Province), while the real Pakistanis (Punjabis, according to Nawabzada) have no control over power.

Waving the flag of Punjabi chauvinism is a real mark of desperation; in fact, Punjab, which has more than 60% of the population, is far and away the most dominating factor in the economy as well as in the bureaucracy and military of Pakistan.

### Other factors

The mullahs had raised the drumbeat against Benazir Bhutto’s PPP government even before it was formed. When the PPP won a single-party majority—though not an absolute majority—in the National Assembly elections in November, and Mrs. Bhutto was considered the probable prime minister, Pakistan’s mullahs began shouting publicly that Islam does not allow a woman to become the leader of an Islamic state.

Some even toured the Arab nations to canvas support for denying Mrs. Bhutto the premiership. Though Maulana Niazi is not on record one way or the other, Maulana Fazlur, at the time still hoping to form an alliance with the PPP, publicly refused to oppose the mullahs on the issue.

Following the Feb. 12 incident, the IJI-dominated opposition—which campaigned recently in the Punjab by-elections on the platform that Punjabis should govern Pakistan—acted in such a blatantly partisan way that, for instance, Dr. Mahbubul Haq, former finance minister and an opposition senator, was led to state in the Assembly Hall that the Opposition is opposing for the sake of opposing only.

There are still other angles, as the two Maulanas and a Nawabzada were playing their game on a bigger chessboard. In the present context, the attempt to destabilize the Bhutto government could also be an effort by the mullahs and their associates to turn Pakistan anti-American, as Ayatollah Khomeini in Iran has done.

Even if such an attempt does not succeed, it could serve as a strong signal to Mrs. Bhutto to distance herself from the United States.

The Soviets, as Mr. Shevardnadze’s recent tête à tête with the wily ayatollah in Teheran indicates, may not dislike the Pakistani mullahs’ satanic orgy either.

## **Bombay mafia dons Islamic garb**

*Rioting over "The Satanic Verses" was a stunt to boost the underground's political fortunes.*

Ten days after Iran's strongman Ruhollah Khomeini urged Muslims everywhere to find and kill the British-Indian author of a controversial book and its British and American publishers, an unruly mob of Muslims took to the streets in Bombay on Feb. 24 heading toward the British Consulate. The police opened fire as the mob went on a rampage, pelting stones at homes along the way in central Bombay. The battle left at least 12 dead and scores injured, including 11 policemen.

Though it probably does not signal the start of a new "satanic" communal upsurge, the incident was startling. India was the first nation to ban Salman Rushdie's *The Satanic Verses* because of its "mischief potential." Despite a personal call from Rushdie to Prime Minister Rajiv Gandhi, the ban was not lifted. Also, Bombay can hardly be considered a stronghold of the mullahs. The bustling port city is known as India's commercial center. But Bombay is also known for its powerful underground involved in drug- and gold-smuggling, with distinct ties to the Gulf area. This underground was the key factor in the riot.

The trouble began when Muslim groups based in the city and its suburbs called for a "Bombay *bandh*" (strike) on Feb. 24. The response was poor, so after Friday prayers in the city's 15 mosques, the imams incited their congregations, urging them to take part in the protest march. Sensing trouble, the police had rounded up most of the leaders, and the march was left in the hands of the instant leaders, most of them hotheads. Tragedy ensued.

It is evident that behind the tragedy, the mafia had seized another chance to establish itself as a political force with a show of "street power." One of the groups to issue the *bandh* call was the Dalit Muslim Minorities Surakhsha Mahasangh, led by Haji Mastan, one of four godfathers of the Bombay underground. Mastan started off as a dockworker and rose to become a rich and influential smuggler.

In 1984, Haji Mastan floated his political party under the banner of helping poor Muslims, shortly after he had been arrested and released. Mastan was charged by the Bombay police with financing the communal elements involved in the bloody 1984 riots in Bombay and its suburb, Bhiwandi. The police also charged Mastan with financing the purchase of sophisticated foreign weapons for the communalists.

The charges are not implausible. It is no secret that Bombay is a safe-house for groups of terrorists based in Syria, Libya, Lebanon, and elsewhere. This fact came to light in 1984 when the British Deputy High Commissioner was assassinated, allegedly by an Arab, in a case that remains unsolved. Bombay is also perhaps the largest drug-transit center in India, and a pivot for the international drug-gun network.

When the controversy over *The Satanic Verses* engulfed the region, an anonymous caller told a Bombay newsman that a number of Indians who had come to Rushdie's support were on the hit-list along with every British Airways aircraft.

But what is surprising is the extent

to which the seedy Haji Mastan has established himself as a political leader. Mainstream Muslim leaders were perplexed when V.P. Singh, former congressman, finance minister, and chief minister of Uttar Pradesh—India's most populous state—asked Mastan to campaign for him in the parliamentary by-election in Allahabad last year, where Singh successfully challenged the Congress (I).

In fact, Mastan had been spending quite a bit of time in the Uttar Pradesh capital of Lucknow, organizing rural Muslims as his "political base." Media reports say the one-time don of Bombay's mafia has managed to enlist several minority organizations, officials, and politicians in the state by disbursing his ill-gotten money generously.

Mastan has also been grooming his religious image. His close contact with the imams was evident on Feb. 24: Maulana Kashmiri of the Tableeghi Seerat supported the *bandh* call, and the imams at Mastan Talay dutifully incited the 3,000 faithful who had gathered following the Friday prayers.

Support came, too, from Delhi, if indirectly, when the spiritual leader of all Indian Muslims, the Imam Abdullah Bokhari of Delhi's Jama Masjid, told his large flock on Feb. 24 that he endorsed Khomeini's call to murder Rushdie. Imam Bokhari, a past master at using his religious authority to make political demands, also took the occasion to warn the Indian government that similar "death orders" would be released "if steps are not taken to check abuse and insult of Islam in India." Though Bokhari raised a number of issues which have become bones of contention between the country's Hindu majority and Muslim minority, issues which the government has been working to resolve, peace reigned in Delhi following the Friday prayers.

### Does Bush want the SPD back in power?

*U.S. decouplers are endorsing options for a Social Democratic government in Bonn.*

The rise of two neutralist currents in Berlin, first the Green-Alternatives, and now the Republikaner party, to full parliamentary status, occurred with the blessings of U.S. diplomacy. Official U.S. contact with the neutralist Greens and Republikaner dates back several years. Deputy Berlin Mission chief John C. Kornblum kept this contact for the State Department.

Kornblum already played a role when a Green delegation visited the States in July 1983. The trip was sponsored by U.S. Ambassador to Bonn Arthur Burns. Kornblum, serving at the European Affairs desk at the State Department under Richard Burt, arranged the Greens' schedule. He and Burt also had a key role in contacts with the German Social Democrats, who shifted toward overt neutralism in 1983-85.

Both diplomats were promoted to key posts in Germany in 1985: Richard Burt became ambassador to Bonn, John Kornblum became deputy head of the U.S. Mission in Berlin.

German Social Democrat Egon Bahr's late-February visit to several administration and congressional offices was in line with this policy of special German relations. Bahr, who often travels to Moscow, got high-profile treatment at the NSC, the State Department, and the Senate and House committees on foreign affairs and defense. Among others, Bahr met Brent Scowcroft and Robert Blackwell of the NSC, Rozanne Ridgewaand y, Ambassadors Holmes and Lehman at the State Departm. He also met Senators Sam Nunn and Les Aspin and Representatives Tom Foley and Lee Ham-

ilton, all Democrats.

As Bahr reported back to Bonn, his U.S. discussion partners voiced particular interest in a potential "Red-Green" coalition between the Social Democrats and the Greens in Bonn after the next national elections in November 1990. Bahr said that the officials he met wanted to know whether there were "realistic" or "moderate" Greens to deal with in 1991 ("moderate" meaning not openly anti-American). He told the Americans there were such "moderates."

More concretely, Bahr discussed the option of a Red-Green coalition to rule West Berlin. He said he found the U.S. officials "very fair" on the Berlin question: "This is to say, the Americans respected what has emerged in Berlin. . . . They not only listened, but accepted." Against this background, it came as no surprise that Bahr's interlocutors also told him they would accept a "return of the SPD to the West German government."

A Social Democratic return to power in Bonn would be handy for the U.S. politicians who want to "decouple" from Europe. Any combination of political parties with the SPD, not just a "Red-Green" coalition, would enhance the tendency toward neutralism that has been waxing since the INF Treaty. The basic scenario would be for the first two years of an SPD-led government coalition in Bonn to overlap with the pullout of the U.S. nuclear missiles in compliance with the INF Treaty. Fueled by many signals and arms control proposals from Moscow, the strategic debate in Germany would orient toward options of

a post-nuclear era of defense. Looking for a non-nuclear future would mean talking of a future German defense without the Americans.

Given the solid strain of anti-Americanism, especially in the SPD and Green party, sentiments against the alliance with the United States would turn very aggressive. The staged public outcry in West Germany against the U.S. after an unheard-of series of air crashes involving U.S. military aircraft in 1988, was a foretaste of what to expect, should a "Red-Green" coalition rule in Bonn after 1990.

Naturally, all of this would provide a welcome pretext for U.S. politicians like Sam Nunn and others to call for a pullout of troops from West Germany. Such threats of troop withdrawal, and allusions to the mood among Germans against U.S. military air flights, were already aired at the 25th International Munich Wehrkunde Meeting Jan. 28-29 by prominent American lawmakers like Les Aspin and John Glenn.

It should be recalled in this context that again and again, the SPD has announced that once back in power, it would "renegotiate" all relevant alliance treaties with the United States, from the 1955 troop stationing agreement to the 1986 SDI cooperation treaty. The SPD has kept in close contact with Henry Kissinger over the years; it has always endorsed his proposals for a "new NATO structure" and U.S. troop withdrawal, from the infamous one in *Time* magazine in April 1984, to the most recent report he gave to newly elected President George Bush at the White House Jan. 28 this year.

There's even an anniversary: In February 1969, Bahr and Kissinger discussed a five-year plan for the pullout of U.S. troops from Germany, in the context of U.S.-Soviet talks. The agenda is the same, 20 years later.

## Christian Democrats' new leadership

*The shift at the ruling party's recent convention could change the political line of the Italian government.*

**T**he convention of the Italian Christian Democratic Party (DC), closed with the election of Arnaldo Forlani as Secretary General of the party. He replaces Ciriaco De Mita who had held the position for seven years, and still remains prime minister. Arnaldo Forlani, 63, who was secretary of the DC in 1969, was elected with the support of the center of the party (Andreotti, Gava, Donat Cattin, Fanfani), which thus has defeated De Mita's left current.

Forlani's election has led to disappointed and perplexed comments by the editorialists of the major dailies, the left, and liberals in general: They are calling the DC "populist and Peronist," hostile to any policy of economic rigor, sold out to the financial interests of various lobbies. The leader of the minuscule Republican Party, Giorgio La Malfa, who generally speaks, unofficially, for the Bank of Italy and the International Monetary Fund, told the press that the results of the convention have weakened the De Mita government and could undermine plans for economic austerity.

At the convention, leaders such as Health Minister Carlo Donat Cattin criticized the austerity plan backed by De Mita. Donat Cattin went so far as to say from the podium, that he would rather step down as minister than submit to the De Mita-proposed cuts in the health budget.

In December 1988, a mission of IMF experts arrived in Italy and drew up a disastrous picture of the public debt, proposing a stringent austerity program. In 1988, Italy posted a deficit of 125 trillion liras (20 trillion more

than the previous year), and a total debt in excess of 1,000 trillion liras. The last surplus budget was in 1904!

To pay the interest alone on this debt, Italy will have to pay 95 trillion liras this year. The IMF, blaming this primarily on public services, proposed hefty cuts in health, welfare, transportation (in particular the railroads), as well as prices hikes and personnel cutbacks. Treasury Minister Giuliano Amato made informal proposals for changing the type of contract signed by a public service employee, to introduce the concepts of mobility, layoffs with a kind of unemployment insurance (*cassa integrazione*), and outright layoffs without compensation.

In some circles, the thinking was to freeze Treasury Notes (BOT), as Mussolini did in 1926, essentially stealing the savings of citizens who lend money to the indebted state. But not everyone is convinced of the validity of the recipes of the IMF and the Bank of Italy.

Within the DC there are currents that take their inspiration from a Christian type of nationalism, and who view the future with grave concern. For example, Italy is sliding into a serious energy crisis: Since all the nuclear power plants have been shut, under the irrational thrust of the Greenies supported by powerful financial groups and the mass media, imports of oil and electrical energy have increased and become a heavy cost for the state.

Moreover, in various sectors, there is an ongoing monopolistic concentration, to get ready for the competitive war of the European Single Market of

1992: The resulting cartels increase their power and impose economic choices which in no way reflect the interests of the country; for example, they refuse to invest in southern Italy. Thus the entry into Europe 1992, and the submission to the IMF's dictates, could mean, in effect, a loss of national sovereignty.

When one considers that the DC has been in power since the war, or, rather, in a certain sense the DC is Italy's government, it should not come as a surprise that some sections of the liberal left and the communist left are mooted an alternative coalition to form a government without the DC.

Specifically, if the Communists, the Socialists, and the Republicans were to unite, together they would have the numbers to form a government, with the DC in opposition. The secretary general of the Italian Communist Party (the only remaining large Communist Party in the West), Achille Occhetto, just met in Moscow with Gorbachov, who gave his blessings to the idea of putting together a Socialist-Communist government.

It would be interesting to know if the Kissinger plan for a "new strategic order in Western Europe" foresaw the collapse of the governing Christian Democrats in Germany and in Italy. But if Italy does have a strong Communist Party, one should also remember the unique presence of the Vatican on Italian soil, which offers robust support and no little inspiration to Christian Democratic politicians. Up until the present day, the DC's most powerful leader, Foreign Minister Giulio Andreotti, has guided Italian politics according to the wishes of the "U.S.-Soviet condominium," but substantial sections of the DC may yet object that the economic future of Italy comes before the diplomacy of the "New Yalta" and the IMF's dictates.

---

### Bush wields debt-for-ecology threat

---

*The State Department and World Bank are not reckoning with Brazil's resistance to the "ecology" weapon.*

**G**eorge Bush and his Secretary of State James Baker are openly conveying threats against Brazil from the world eco-fascist lobby, as part of the "New Yalta" arrangements of the Anglo-American Establishment with Moscow. The threats say: Either accept the new scheme linking foreign debt negotiations to a phony defense of the Brazilian ecology, or face financial asphyxiation.

During his stay in Tokyo to attend the funeral ceremonies of Japanese Emperor Hirohito, President Bush violated the most elementary notion of sovereignty—both Japanese and Brazilian—by virtually ordering Japanese Prime Minister Noboru Takeshita not to grant any loans for the building of a Brazilian highway extending from the Amazon state of Acre to the border with Peru, which would unite a rich Amazon region with the Pacific Ocean.

A mere 60-kilometer stretch of road is all that is required to unite the highway networks of Peru and Brazil, a span which, according to the Japanese embassy in Brazil and spokesmen of the Brazilian government, was never even included in the financial considerations of the so-called Nakasone Fund. Despite Bush's claims of environmentalist concern over the Acre-Peru construction project, it is clear from the tiny stretch of land involved that Bush is not motivated by the ecology.

Rather, he was clumsily trying to execute the ecological side of the superpowers' New Yalta accords, which is intended to be the pivot for the fascist restructuring of world credit.

With its enormous foreign debt, its vast Amazon territory, and its large zones of environmental devastation, Brazil is meant to be the model target of the debt-for-ecology weapon.

Pressure on Brazil regarding Amazon ecology also came from France. President François Mitterrand said that the Amazon would figure high on the agenda of the next summit of the Group of Seven non-Communist industrialized nations. But Mitterrand's government is not waiting until then. France is sponsoring a super-meeting on world ecology at The Hague, scheduled for March 11 and to be attended by representatives of 23 countries, including heads of government.

The author of the idea for an ecology summit is French Prime Minister Michel Rocard, a leader of the Socialist International. His idea is to create a supranational entity that has the authority to punish "crimes against the environment." This had already been proposed to Brazilian President José Sarney when he stopped over in France on his way to Moscow last year. The same idea, of course, was openly promoted by Soviet boss Mikhail Gorbachov at the U.N. General Assembly last year. Rocard's ecology summit has the unconditional backing of the government of Holland, and also that of Norway, whose Socialist prime minister, Gro Harlem Brundtland, heads the U.N. World Commission on Environment and Development. The Soviets are well represented on that commission, which brings together "globalist" fanatics worldwide.

The campaign to halt Third World development under the guise of ecol-

ogy concerns is becoming increasingly transparent. Taking advantage of last month's high-profile orgy in Brazil, where rabid ecologists and Indians manipulated by Anglo-American intelligence gathered in the Amazon region of Altamira, a mob of European congressmen descended on the country.

European Parliament Deputy Paul Staes of Belgium faithfully represented the latest International Monetary Fund conditionalities by threatening to halt \$600 million worth of financing for the Grande Carajas mining project, "because environmental clauses have not been complied with."

The World Bank, meanwhile, has continued its campaign to shut down Brazil's nuclear program, by issuing its final verdict on the nuclear plant at Angra III. "It is unviable," the Brazil division chief of the World Bank, Mahan Nunasigne, arrogantly pronounced upon suspension of a \$500 million credit for the Brazilian electrical program.

Until now, the Brazilian government's response to this blackmail has been all tangled up in diplomatic warfare under the byzantine control of the Foreign Ministry. But pressure for an all-out confrontation with the financial institutions, and especially with the World Bank, is growing across Brazil.

Reflecting that pressure is a document distributed March 1 by the government at a cabinet meeting held at the Brazilian National Security Council, in which the Sarney government affirmed Brazil's right to "freely deliberate on internal affairs without discrimination by political conditionalities imposed on its financing requests to international agencies." The document concludes with a demand that the World Bank reconsider its veto of Angra III.



# International Intelligence

## Prince Charles visits Venezuelan Indians

Prince Charles Feb. 24 completed a three-day visit to Venezuela, exploring the rain forest of the Amazon, and discussing with Indian chiefs "how best to protect the environment," the *Times* of London reported.

Charles met with "Venezuelan environmentalists" on Thursday, Feb. 23 in Amazonian State, receiving a rousing welcome, which was attributed by the state government to "the environmental and ecological cause which he defends around the world."

The *Times* noted that Charles first catalyzed ecological projects in Venezuela approximately 10 years ago, in collaboration with Carlos Andrés Pérez, during his first term as President.

According to the newspaper's account, Charles's visit "coincided with the first joint political action by 20 Amazon rain forest tribes. More than 500 Indians gathered in the Brazilian jungle town of Altamira to protest against planned hydroelectric dams that would flood their land."

British press also featured the visit to the Brazilian Amazon of the British rock star Sting, who is offering to fund an Indian reserve "as big as Ireland" for the tribes.

## Book blames WHO for AIDS holocaust

Peter Gauweiler, state secretary of the Bavarian Interior Ministry, has just published a book accusing the World Health Organization of being responsible for the AIDS holocaust in Africa.

Gauweiler, who saw to it that, unlike much of the rest of the world, his state in West Germany instituted traditional public health measures to contain AIDS' spread, was recently stripped of his responsibility for Bavaria's AIDS policy.

In his book, *What To Do against the Spread of AIDS?* he cites two international conferences, the first in 1985, which revealed the enormity of the AIDS virus res-

ervoir in Africa, and several early studies reporting on the shocking rate of AIDS infection on that continent.

He comments, "This development has not led to an international epidemic alarm plan, which would have mobilized all available forces with the aim of reducing the misery of the ill, protecting the uninfected portions of Africa, and preventing the virus from spreading to other countries. The reality is that there was silence among the accomplices: The WHO told the public in 1985 that, to their knowledge, there were only 10 people sick with AIDS in Africa—at the very time that others were reporting infection throughout whole areas. . . ."

"The AIDS catastrophe in Africa is a condemnation of everybody who bore political, social, and medical responsibilities at the WHO. Today's prognosis of depopulation of whole regions of Africa could have been prevented, if the responsible persons at WHO had launched *in time* an international aid program worthy of the name. For this, one would have needed only a small part of the money and human energy that was wasted in the same period on U.N., UNESCO, and WHO discussions of all kinds of 'general political questions.' "

## Gorbachov discovers sabotage of perestroika

Soviet leader Mikhail Gorbachov has admitted that *perestroika* is a failure to date, but has also discovered that widespread "sabotage" is the cause.

In a Kiev speech Feb. 23, Gorbachov used the technique of quoting from "letters" he has received to tell leading Ukrainian party and government functionaries that a "paradox" now exists in the Soviet Union. There are actually "more food and other goods" being produced, but distribution "bottlenecks are more acute," and so, people think they "are worse off."

From his "letters," he said, "it's clear to see" that the workforce considers "hunger for goods, chronic long queues, and speculation in goods' scarcities, as sabotage of

*perestroika*."

One "letter" from a "Comrade Dimitriev" in the Dnieper town of Kakhovka, Ukraine, read, "It seems to me that in the Ukraine, sabotage is in full swing. Macaroni, confectionary products, candy, baked goods, matches, detergent, and soap have disappeared. The quality of baked bread is disgusting. And for all this, the stones are being thrown at *perestroika*." Gorbachov quickly interjected: "Such letters don't come only from the Ukraine."

Gorbachov stressed several major economic policy initiatives as a corrective. First, he blamed goods' scarcity on wages rising faster than labor productivity, thereby signaling wage controls in the future. He also signaled renewed economic centralization, citing as a problem the formula of "self-financing of enterprises," whereby many enterprises, now engaged in a rat race to turn a profit, have junked old production lines which produce cheap, subsidized products, for higher-priced, "new" products.

## Thatcher rocked by electoral setback

The Thatcher government of Great Britain has been "severely jolted" by the bad showing of the Conservative Party in a by-election in Richmond, south of London. The Conservatives won, but by only 2,634 votes. The last time there was an election in Richmond, the margin was 19,576.

The headlines in the British Establishment press were telling: the *Times*, "Richmond Jolt Raises Fears among Tories"; the *Financial Times*, "Tory Stump at By-Election Shows Rise in Discontent."

The latter stated that the government "narrowly escaped a spectacular defeat" which almost ensued from a last-minute surge for the candidate of the opposition Social Democratic Party of David Owen. The winning Conservative candidate, William Hague, "acknowledged that there was a protest vote against the government, and dissatisfaction with rising inflation and high mortgage rates."

## Briefly

Certain Tory policies are "apparently unpopular," such as plans to privatize the water industry and reform of the National Health Service, according to the *Financial Times*.

Owen, a member of the Trilateral Commission and said to be the "politician" closest to Prince Charles, was reported to be "elated" by the election result.

### *Five Soviet officers elevated to four stars*

Five important Soviet military officers were elevated from the rank of General Colonel (U.S. equivalent of major general, with three stars) to General of the Army or its equivalent (four stars) on Feb. 15, the Soviet military newspaper *Krasnaya Zvezda* reported.

The new Generals of the Army are: M.A. Moiseyev, the new Chief of the General Staff; V.N. Lobov, the First Deputy Chief of the General Staff; and V.M. Shuralev, Commander of the Belorussian Military District.

V.M. Mikhalkin, in charge of Rocket and Artillery Forces of the Ground Forces, was promoted from General Colonel to Marshal of Artillery, and General Colonel of Aviation A.N. Volkov, chief of Soviet Civil Aviation, became Marshal of Aviation.

Wide-ranging changes in the leadership of the general staff have also occurred, as well as the installation of a new command for the Warsaw Pact. New General of the Army Lobov has been appointed Chief of Staff of the Warsaw Pact, replacing the aged General Anatoly Gribkov, who had held that post since 1976. Lobov was a First Deputy Chief of the General Staff, and, with his new posting, remains one of the General Staff's three First Deputy Chiefs.

Another First Deputy Chief of the General Staff (since 1979), General of the Army Valentin Varennikov, has been named the new commander in chief of the Soviet Ground Forces.

*EIR*, in the second edition of its 1987 *Global Showdown* special report, had

stressed the role of Varennikov as a protégé of Marshal Nikolai Ogarkov, and one of the leading directors of the Soviet program to develop radio frequency and other "post-nuclear" weapons.

Varennikov, as head of the General Staff's Operations Main Directorate, worked out plans for a reorganization and modernization of Russia's Ground Forces. These plans included the establishment of a corps/brigade structure. Now, as commander in chief of the Ground Forces, Varennikov will oversee the implementation of what the general staff under his direction had planned.

### *Joint Mexico-U.S. raid on migrants*

The Assistant Attorney General of Mexico, Javier Coello Trejo, who organized the January military raid on the home of oil workers leader Joaquín Hernández Galicia, organized a joint raid of 470 Mexican police and U.S. Border Patrol officers, to assault 500 Mexicans trying to illegally cross the border to the United States Feb. 26.

Using attack dogs, helicopters, and armored vehicles with heavy fire power, 220 Mexican police and 250 U.S. Border Patrol agents descended on the workers, on the pretext of "arresting Central American drug traffickers." In the event, only 3 of the 500 turned out to be Central Americans.

As immediately pointed out in the press, the action violated the Mexican Constitution. It also is a 180 degree turn in Mexican foreign policy, even though it was apparently done without consultation with the foreign minister. Even the Attorney General's office later denied it had authorized the action.

It is believed that such joint actions were among the demands made by the United States on Mexico in order for Mexico to have its anti-drug program "certified" by the U.S. Congress, and so, qualified for aid. Washington is known to have been behind the Feb. 24 dismissal of top police officer Miguel Nazar Haro, as well as the attack on the oil workers union leadership.

● **COLOMBIA'S** anti-narcotics force numbers 3,000 agents. It has suffered a loss of 1,464 agents killed since 1985.

● **DENG XIAOPING** was responsible for hastening the pace towards a Sino-Soviet summit, not Mikhail Gorbachov, China watcher Jonathan Mirsky wrote in London's *Observer* Feb. 27. The "reforms" have brought spiraling inflation and other economic disasters, Mirsky wrote, quoting a source: "That is why Gorbachov is coming so soon: to protect the reforms."

● **BRITISH** social worker Judith Dawson is planning a conference of child-care agencies to discuss child sex-abuse linked to Satan worship. British press cited her on one case in which children "revealed things that happened that were beyond our normal experience. . . . They were probably involved in ritual abuse." Although the culprits were convicted, Satanism was not brought up in court; police feared it would undermine their case if they raised "oddball allegations."

● **TURKEY** wants to keep the Economic Cooperation Organization (ECO), comprising Turkey, Iran, and Pakistan, at the economic level, and not extend it into a military alliance, President Kenan Evren assured Indian Prime Minister Rajiv Gandhi during talks in New Delhi Feb. 24-25.

● A "MILITARY Eureka" proposal has been submitted by the French government to its European allies. Eureka is the name for the umbrella program whereby European governments jointly foster high-technology R&D. It was originally proposed by President François Mitterrand as an alternative to U.S.-European talks on joint development of the Strategic Defense Initiative.

## Satanism: When is an exposé just 'damage control'?

by Judy Hotchkiss

---

### **Ritual Abuse: Canada's Most Infamous Trial on Child Abuse**

by Kevin Marron

McClelland-Bantam, Inc., Toronto, Canada, 1989  
252 pages, paperbound, \$4.95 Canadian

---

"What graveyard? A real one?" Catherine asked.

"Yes, near the woods. A real graveyard where you bury people. It was terrible. I'm scared."

"Did you see the hand, Jan, did you see the cut-off hand?" Linda prompted.

"That's where Elizabeth is, our friend Elizabeth," said Linda. "She got dead by a killer."

Janis said, "Gary said he'd kill me if I told. They'll kill me if I tell. They said that."

"When you tell, the killer gets you," Linda confirmed. "Janis, did you see the hand at the graveyard? Did you see the woods in your dream? That's the killing place."

"Yeah, they tie them up and punch leaves in them, in the belly. They stick knives in them. They cut them. They stick big sticks in them. We have to do things too. I take them in the woods. The man from 11 is there, and so is the lady. Sometimes Mom goes back in Gary's car. Gary has a big shovel. Sometimes they cut the neck, ugh. They stick fingers in us too. They take pictures in the woods and the graveyard," said Janis.

She pointed towards her genital area and said, "They stick knives there too. They cut something off."

"What?" asked Catherine. Janis and Linda did not answer. Janis told Catherine, "Well, they tear the face some-

times, and Mom likes to break their hands all up. Gary too."

"Elizabeth's mother knew. She went phew. She breathed in when she found out that Elizabeth was killed," said Linda.

"The man from 11 helps Gary dig the graves. They use a flashlight," Janis said.

The two sisters, ages 7 and 8, involved in this exchange were the subject of a year-and-a-half-long custody trial in Hamilton, Ontario, ending just last year. These descriptions of dreams of satanic rituals were repeated, first to a number of foster parents, then to police officers, psychologists, and finally, via videotape, to the judge in the custody battle brought by the Hamilton Children's Aid Society against the children's parents.

The children would recount numerous stories of human sacrifices, sexual perversions, and cannibalism, involving a variety of sites and a multitude of people, including their parents. The custody case resulted in a victory for the social welfare agency, but no criminal charges were ever levied.

Kevin Marron, a reporter for Canada's *Globe and Mail* national newspaper, compiles the testimony given in the courtroom and presents excerpts from the videotape viewed by the court showing Janis and Linda telling their stories to a psychologist. Marron describes the lack of interest by the local police investigating these allegations, and gives an overview of cases in the United States where the same kind of apparent negligence or complicity is implied.

He compassionately describes the ridicule and abuse the witnesses for the children suffered. Marron himself appears to be convinced that the children's stories are truthful. But somehow, there is a peculiar tone to his analysis of the problem.

If the reader steps back and reflects on the structure of the

book's contents, a subliminal message begins to be laid bare. The book starts with a lengthy and dry discussion of Canada's child sex abuse laws. The next section presents details of the girls' mother's own experiences as a childhood victim of sex abuse by her father. The narrative here is in the form of a lurid, pornographic novel.

It is only in the next chapters that we hear the story of Linda and Janis, where the narrative may be explicit concerning the details of the allegations, but the focus is on the struggle of good people trying to find a way to intervene on the situation, legally and otherwise. The book ends with, again, a very dry discussion of the status of child sex abuse laws. Marron states:

"The bizarre allegations and the sensational nature of the parents' evidence resulted in the hearing attracting a level of public attention quite unprecedented for a child welfare case. Not only has the case helped to alert the public to the need for more research and investigation into the perplexing issue of ritual abuse, but it has also served to promote awareness about child sexual abuse in general, a problem of epidemic proportions, of which ritual abuse is an alarming new mutation."

New mutation! These horror stories represent no "sociological phenomenon." Marron had just spent 100 pages documenting the most alarming evidence imaginable proving that the entire "scene" which involved this family was organized on a massive scale. For example, the "man from 11" was described by the girls as someone who filmed similar scenes involving them inside the studios of Channel 11 TV, late at night.

Marron also cites similar court cases in the area indicating the involvement of a network of biker gangs throughout southern Ontario. Some of the children's stories point to a sophisticated operation worked out to avoid suspicion in the area, explaining why Canada has few incidences of missing children: Kidnapings are organized across the border in the United States, and the children transported into Canada for the rituals and the filming.

But all of this gruesome material is presented in a manner very strangely detached from Marron's analysis of the legal or political options for dealing with the situation. In fact, there are many references in the book to the idea that a successful criminal prosecution in this kind of case would be one that sticks only to the sex abuse charges, and didn't discredit the witnesses involved by testimony about "unbelievable" satanic ritual murders or cannibalism.

This book makes one wonder anew: how many court trials, and how many exposes in the media, dealing with these kind of cases serve the purpose of "damage control"?

Exposés on the horrors of drug abuse in the 1960s and 1970s were often accompanied with the advice that one should resign oneself to the problem, leaving the reader helpless.

Are we to see some future exposé that proposes the legalization of pederasty in order to keep it out of the hands of criminals?

## The making of popular myth

by Bruce Khouri

---

### **Guts and Glory: The Rise and Fall of Oliver North**

by Ben Bradlee, Jr.

Donald I. Fine Inc., New York, 1988

577 pages with index, \$21.95 hardbound

---

*Guts and Glory* is a dull plate of disinformation. The author ingratiate himself to conservatives by portraying Oliver North as a man of hero-like qualities, and seeks to establish his credibility as an "honest and objective" liberal journalist. He is, however, neither honest nor objective.

The life of Oliver North pre-1981 was nothing extraordinary. His childhood and later years at the U.S. Naval Academy at Annapolis show a young man not overly endowed intellectually. Oliver North was an ordinary guy with the aspiration to commit his life to a moral purpose, not unlike many who enter the United States' military academies. His service as a Marine platoon commander in Vietnam was likewise similar to the service of many other platoon leaders in many other wars. Oliver North was a "can do" man, with all the implied limitations of that term. It was that profile which was manipulated at the National Security Council. For North, his sense of "Duty, Honor, Country" became a romantic notion of subservience to authority because of his overriding ambition to be a "player" in the game of establishing a "New Yalta" deal with the Russians. Thus, Bradlee's attempt to liken Oliver North to a MacArthur or a Patton is, indeed, laughable.

Bradlee's sophistry is to define North as a renegade "Mac" (MacArthur archetype) as opposed to the "Ikes" who submit to "civilian" rule. On the contrary, North was "Ike" archetypical in the sense that Eisenhower was a notorious "brown-nose." Eisenhower was placed in command of the European theater precisely because Winston Churchill knew of Eisenhower's profile. Churchill demanded an American Supreme Commander who would not upset a postwar, liberal establishment "Yalta" deal with the Russians. Neither MacArthur nor Patton, both "senior" to Ike, fit this profile. Bradlee's problem is that he confuses the words "civilian rule" with "establishment rule." In the art of "brown-nosing," North

surpassed Ike by a long shot. The “Ike” archetypes don’t have the guts to stand up to the “powers that be” and say point blank: “Yalta-type deals with the Russians or any form of oligarchical empire stink to high heaven and are contrary to the fundamental interests and principles of the American Republic.” The “Macs” do.

Bradlee’s backhanded swipe at MacArthur, exposes his social-political pedigree. Ben Bradlee, Jr. is the son of the *Washington Post*’s Benjamin Crowninshield Bradlee Sr., one of those better known liberal establishment apologists for a “New Yalta” rapprochement with the ever-growing Soviet empire. A nasty and arrogant Boston Brahmin, Ben Bradlee, Sr. reserves nothing but the utmost hatred for the critical insights of a MacArthur, or Lyndon LaRouche, for that matter. As a journalist for the *Boston Globe*, Junior is a chip off the old block.

Significantly, Bradlee’s book was published exactly one year after *EIR*’s timely report *Project Democracy, the Parallel Government Behind the Iran-Contra affair* and one month after the devastating *Kalmanowitch Report: Moscow’s Moles in the Reagan-Bush Administration*. It is curious, but not surprising, that Ben Bradlee, Jr. devotes a significant portion of his book to carefully redefining the issues, motives, and players behind the Iran-Contra affair as identified in those two reports. Bradlee’s soap-opera writing style provides the basis for popularizing the cover-up initiated by the Tower Commission report.

Oliver North was no solitary overachiever up to his ears in a desperate project to stop Soviet penetration in the Americas, as Bradlee would have us believe. The cases of the arms-carrying vessels *Pia Vesta* and *Erria* completely discredit this fraud. Oliver North was in regular contact with Soviet military intelligence (GRU) regarding the provision of East bloc weapons to the beleaguered “anti-Communist” Contras.

In July 1986, the Panamanian government seized a suspicious cargo vessel, the *Pia Vesta*, in its waters. Examination of the crew and its destination revealed that the ship was commissioned by an NSC “cut-out” shipping firm, SA Shipping of Copenhagen, to supply the Contras. What was strange was the origin of the cargo it was transporting. From the East German port of Rostock, the ship carried 32 Soviet field trucks, 1,500 Soviet AK-47 rifles with ammunition, and 1,500 Soviet built anti-tank rockets! SA Shipping, founded by former CIA official Thomas Clines, had also used another of its ships, the *Erria*, for the same purposes. Examination of the *Erria*’s records reveal that between 1984 and 1986 minimally, it shipped hundreds of tons of Soviet and Polish weapons to the Contras from the Polish port of Szczecin. North proudly lists the *Erria* in his notes as the flagship of his “private” Contra supply effort.

Lt. Col. Oliver North was a willing pawn in a grand strategy to establish a joint U.S.-Soviet world condominium, and that’s the truth that Ben Bradlee, Jr. knows and protects.

---

## Recordings

---

# Trio offers ‘Schubert on Schubert’ on tape

by Elizabeth Kellogg and John Howard

---

### **Schubert: Works for Piano, Violin, and Cello**

Golub/Kaplan/Carr Trio

Arabesque Recordings, New York, 1988

Two cassettes

---

If you are an experienced Schubert listener or performer, you may want to acquire these recordings for their unique interest, as they present the complete works of Schubert for piano trio, including a version of Opus 106 that was later shortened by Schubert himself.

The recording, made in 1987, contains the original finale of the brilliant E-flat trio, Op. 100, from the autograph of November 1827. The performance of this version allows us to hear out Schubert’s thinking regarding certain excisions which he himself made in January of 1828, shortening the work to the version with which many listeners and performers are now familiar, as the first edition was based on that shortened version.

In these trios, Schubert combines the intimacy of his *lieder* (art songs) with the heroic idea direct from Beethoven’s great Op. 97 in B-flat, “The Archduke Trio,” particularly in the B-flat trio, Op. 99, with its four-movement plan and large, symphonic concept. In this context, it is instructive to carefully examine Schubert’s excisions to better understand his thinking process. In the E-flat trio, Op. 100, the Finale has three excisions: 1) m. 358 marks the beginning of the first excision of about 50 measures, which sounds quite “boomy” and unbalanced, as we lose a whole inner voice (the ’cello), here swallowed up in the bombast; 2) m. 415 starts another repeat (in large part) of the very beautiful *sottò voce* ’cello solo, the Swedish folk tune from the Andante second movement, now in C minor instead of formerly in B minor; thus, when the transitional material returns (m. 415), the task is to move from C minor down through B minor and further still to B-flat, as the real dominant tone of E-flat, and thus the “harbinger” of the “home-key” of E-flat. Schubert

rather plainly makes this very move! And finally, 3) Schubert deleted the full repeat of the exposition of this Finale, retaining it only in part.

### The question of steady tempo

The young artists of the Arabesque recording display the technical perfection expected nowadays, as well as a basic musicality, beauty of phrasing, and aptness of articulation. Their sense of the chromatic cross-relations early in the exposition of the B-flat trio (m. 41 'cello A-natural to m. 42 Violin A-flat; m. 45 'cello B-natural to m. 46 violin B-flat) is well emphasized, for example, by their refreshing precision of attack and decay.

They also have a good idea of *rubato*, which is the “stealing” of time from one place in the music to catch up at a different point. However, there is a fine line between flexibility of tempo and misapplication of the same, which can interfere with the listener’s ability to grasp the music. For example, as any score reader knows, Schubert rarely indicates tempo modifications, even necessary ones. Hence it is ironic that, in the Finale of the E-flat Trio, Op. 100, Schubert specifically writes *L’istesso tempo*, or “the same tempo” at which point, this ensemble speeds up instead. This violates both Schubert’s written instruction to the publisher (in a letter cited in the preface to the Henle edition), and the meaning of the term *L’istesso tempo*.

Steadiness of tempo, in the tradition of Furtwängler as distinct from that of Toscanini, is an audible reflection of the rigorous development in all music of the German classical tradition. The tempo chosen for allegro movements, in particular, must permit the players to “speak across the voices,” so that the listener can follow the cross-relations exactly. The Golub-Kaplan-Carr ensemble tends to yield to the common impulse to play louder sections faster. This mercurial approach emphasizes the details as more important than the crucial compositional shifts within each movement and between movements.

Finally: Schubert is full of irony. His musical ideas are curt, but he contrasts them against each other in such a way as to achieve fullness and a long line, a continuous idea. These performances could have been yet more interesting if the artists had even consistently maintained the already somewhat fast tempi they set. For example, in the Scherzo, the last movement of the B-flat trio, Op. 99, the violinist speeds up the tempo at m. 57, for no apparent reason, and thus destroys the tension being created over the long line. In m. 389-397, the violinist rushes through this passage, which is admittedly a hard bowing to maintain steadily; but again, this action takes the rollicking good humor and warmth of Schubert right out of it.

Speed is not necessary to achieve the robust humor for which Schubert is loved. Greater dynamic and timbral contrast within slightly slower tempi (as regards the fast movements) would give exactly the desired effect. The violinist

Kaplan and the pianist Golub need to follow the tempo- and timbral-ideas of the 'cellist Carr in order to make these performances have more content, rather than the present articulated “sheen.”

### Problem of the modern piano

Since Schubert’s music is so particularly associated with the laws of the human voice, thankfully, the pianist David Golub is not “just a pianist,” but a “singer on the piano,” a quality all too rare, even among most professional keyboard artists. He can both create and follow a singing idea, in this instance in the 'cello in the opening of the Andante of the B-flat trio.

One problem is that it is not always possible to hear the bass line in the proper balance with the strings, and yet the bass line would sound too “boomy” if he played it at its proper, somewhat louder dynamic. Perhaps one could compensate for the largeness of sound of this keyboard by actually shortening the note values, or pedaling in such a way as to slightly shorten the note values. Best of all would be to play the music on a real Schubert fortepiano, the ancestor of our piano today. This should most aptly convey a “singing quality” generally, through the fundamentals in the left hand. This idea may run against intuition, since one generally thinks of the “singing” as more associated with the right hand, and always more legato. We think pianists should “sing” with the left hand too!

Chopin had often complained of this very problem, saying that he liked a piano that he had to “work” to get the sound from. The modern pianist has to overcome the monumental size of the instrument in a different way; he or she can’t always create a feeling of intensity through strictly dynamic means. Often the character of the sound of the piano is not changed with intensity, as string players and vocalists can do. If the pianist tries to do this on a modern piano, the dynamic range shown will be just too great and will be out of balance with the strings and with the character of this music.

Should you buy these cassettes? The work of the artists is technically impressive, and initially, exciting. But after several listening sessions, we tired somewhat of the interpretation. Great art should constantly draw one to exploration, to a deeper understanding; and despite the limitations of the recording medium (“living material cast in stone”), repeated listenings should allow one to discover more fine details in each player’s performance, something that does not happen in this case.

Not yet, anyway. A chamber music ensemble needs to have the commitment to work together for years and become a seasoned and great musical institution. The example was set in our century through the musical work of, among others, the great Amadeus Quartet, who remained together with the same personnel for 40 years. Their devotion to the great classical works advanced the work of all persons fortunate to hear them live or in recordings.

## LaRouche case could expose Bush-Irangate link

by Jeffrey Steinberg

Even as President George Bush continues to stay one step ahead of those detractors who accuse him of major criminal involvement in the Iran-Contra affair, investigations by this news service continue to turn up hard proof of key Bush aides' witting roles in the political frame-up and jailing of Lyndon H. LaRouche, Jr.

Top among the list of Bush intimates caught up in the growing LaRouche scandal is ethics "guru" and White House General Counsel C. Boyden Gray. Gray served throughout the Reagan years as Vice President Bush's chief counsel, a position from which he also played a major role in White House intelligence operations, according to one retired senior military officer. At the outset of the Irangate scandal, Gray was caught drafting a doctored chronology of George Bush's involvement in the Iran-Contra affair that omitted crucial Bush meetings with such pivotal players as CIA operative Felix Rodriguez (a.k.a. Max Gomez) and Israeli counter-terrorism official and Oliver North intimate Amiram Nir.

Bush's by now infamous meeting with Nir at the King David Hotel in Jerusalem during the summer of 1986 prompted a British television network to air a 30-minute documentary on Feb. 16, asserting that Nir was the actual architect of the disastrous arms-for-hostages policy adopted by the Reagan administration. The Thames TV documentary, while never accusing President Bush of involvement in Nir's mysterious death in a plane crash in Mexico last December, strongly suggested that if anyone was in possession of the "smoking gun" proving Bush's Irangate role, it was Nir, and

that no one benefited more by Nir's untimely death than the President.

The London *Times* even more recently suggested that John Tower had been given the secretary of defense post as payback for his role in the Tower Commission whitewash of Bush's Irangate role. And the London satire sheet *Private Eye*, which is known for its leaks from Britain's intelligence services, ran an early February report on Robert M. Sensei, the London-based head of Republicans Abroad and an alleged Bush intimate, who was convicted in 1988 of stealing millions of dollars from Kuwaiti Airways while working as a secret agent for CIA director William Casey in the mid-1980s. Sensei defended himself (unsuccessfully) by saying that he was operating under secret permission of the Kuwaiti Royal Household to aid Oliver North in shipping arms to Iran in exchange for the release of American hostages.

The Bush-Irangate story, however, remains long on accusations and short on hard evidence, 18 months after the congressional probe, a presidential campaign that saw armies of investigative reporters crossing the globe seeking the Bush-Irangate connections, and a special prosecutor's investigation.

No such ambiguity or lack of a paper trail exists with respect to Bush's office and the LaRouche affair. In fact, any investigator out to lift the veil of secrecy surrounding the Bush Irangate connection would do well to focus on the LaRouche frame-up, which involved some of the very same players who were caught up in the middle of what Sen. David



Boren during Irangate hearings called the “secret parallel government.”

### **A paper trail to the White House**

On Oct. 6, 1986, over 400 federal, state, and local police invaded the Leesburg, Virginia headquarters of this magazine, seizing millions of documents and arresting three long-time associates of Lyndon LaRouche on phony charges of credit card fraud and conspiracy to obstruct justice. In a pair of superseding indictments over the next 10 months, four other individuals—including LaRouche himself—were indicted on the obstruction conspiracy count.

From the outset, the defendants labeled the entire affair a government frame-up, motivated by, among other things, recent victories of LaRouche-backed candidates in major regional elections around the United States, and LaRouche and *EIR*'s strident opposition to Reagan administration policies and covert operations in Central America, the Far East, and Europe. In effect, the defense attorneys charged, a “Get LaRouche” interagency task force had been created at the Reagan-Bush White House.

On Feb. 26, 1988, three months into the LaRouche trial in Boston federal court, Lawrence Walsh, the Irangate Special Prosecutor, declassified and released to the defendants a May 5, 1986 secret cable from Richard Secord to Oliver North that had been seized from the Old Executive Office Building safe of NSC staffer North. The six-line document, which had been transmitted over special scrambler transmitters, provided to *The Enterprise* (the “private” name given to the North-Secord Contra resupply operation) by the National Security Agency (NSA), stated:

“051625Z May 86. Our source reports that terrorists plan to use airfield near Texas border. Strip is at intersection of Marfa vor 280 radial and Hudspeth vor 168 radial. Lewis has met with FBI and other agency reps and is apparently meeting again today. Our man here claims Lewis has collected info against Larouche—let’s see how polygraph goes. Rgds, Dick. BT”

In a meeting between defense attorneys and Assistant U.S. Attorney John Markham at which the Secord-to-North cable was handed over, Markham told the LaRouche lawyers on the record that the “our man here” referred to by Secord was Oliver B. Revell, the deputy director of the FBI and the Bureau’s representative on the White House interagency task force that ran the Iran-Contra project. The government subsequently tried to backtrack on this admission, claiming that “our man here” was actually a reference to an aide to Secord.

The fact that a document seized from the safe of Oliver North proved that the National Security Council’s *Enterprise* was engaged in an anti-LaRouche effort in the spring of 1986, coincides precisely with the efforts of then-U.S. Attorney William Weld, who, according to documents released through the Freedom of Information Act (FOIA), held a war council

in Boston in February of the same year to plot out a nationwide series of phony criminal prosecutions against LaRouche and his collaborators.

On March 1, 1988, in response to an order from Judge Robert Keeton, defense attorneys were provided with a copy of another document referencing “Lewis” and operations “against LaRouche.” This highly unusual government memo, undated, with no letterhead or any other identifiable markings, was a cut-and-paste compilation of eight paragraphs from a four-page FBI secret document, apparently written on May 1, 1986, several days before the Secord to North communiqué.

The subject of the document was a series of interviews conducted by FBI agents in El Paso and San Antonio, Texas on May 1, 1986 with Frederick Lewis, Ron Tucker, and Gary S. Howard.

According to that memo, “A search of FBIHQ indices concerning Lewis, Tucker, and Howard determined that during 1984, they were in contact with supporters of Lyndon LaRouche. . . . During December 1984, the FBI attempted to interview Lewis concerning his contacts with LaRouche. However, Lewis advised that all inquiries directed to him should be directed through his attorney pursuant to an alleged agreement his people made through the headquarters of the Central Intelligence Agency (CIA) and the FBI. . . .

“The above FBIHQ indices information was provided to San Antonio and El Paso prior to their interview of Lewis, Howard, and Tucker. When asked about their possible ties to LaRouche, they claimed they had previously been requested by the FBI and CIA to penetrate the LaRouche organization.”

The memo also reported the following curious exchange between the three would-be LaRouche infiltrators and their FBI interrogators:

“Lewis, Tucker, and Howard indicated they have a very high level source in the Federal Government who advises them regularly concerning cooperation or the lack thereof between Lewis and his associates and the Federal Government.”

Who was the Texas trio referring to? Strong circumstantial evidence points to C. Boyden Gray in the Office of the Vice President.

The release of the memos, proving the defense’s charges of a government “Get LaRouche” interagency group, drew nationwide headlines. In a March 27, 1988 interview with the *Washington Post*, Gary S. Howard told reporter John F. Harris that the trio was in contact with C. Boyden Gray. The specific subject of one May 1986 meeting between Gray and the Texans was the information contained in the May 5 Secord to North cable, according to Howard’s statements to the *Post*. Subsequent inquiries by *EIR* and by other publications indicated that the Texas-based trio had regular access to Gray, due to George Bush’s close relationship with Midland, Texas

Sheriff Gary Painter. Howard and Tucker had been deputy sheriffs under Painter since his election in 1984. Midland, Texas is George Bush's hometown.

Furthermore, on June 29, 1987, Howard and Tucker had filed a multi-million dollar civil suit against the U.S. Customs Service in the United States Claims Court in Washington, D.C., charging that the government had failed to pay them expenses and a sizable "bounty" for their role in the Customs "sting" operation code-named Houston III, in which British arms dealer Ian Smalley was indicted and eventually acquitted of charges he sold arms to the Ayatollah. In an Oct. 22, 1987 affidavit by Gary Howard, filed in response to a government motion to dismiss the case, the Texan listed, among the leading witnesses he would call, none other than Boyden Gray.

According to court records in *Gary Howard and Ronald Tucker v. U.S.A.* (Civil No. 386-87 C), the two Texans had been working as "sting" agents for the U.S. Customs Service and other federal agencies nonstop since 1979, "in investigations ranging from dope smuggling, counterinsurgency, commando training, and covert military operations."

### The 'Get LaRouche' operation

By no later than August 1984, according to other, previously classified CIA and FBI documents released during the early phases of the Boston LaRouche case, Howard, Lewis, and Tucker were involved in a series of highly illegal "sting" operations targeted at associates of Lyndon LaRouche.

In August 1984, Frederick Lewis was introduced to this writer by a former Air Force sergeant named Bob McWilliams. At the time, a LaRouche colleague in Bogotá, Colombia, Patricia Londoño, had been kidnaped by associates of the Medellín Cartel and held for several days before eventually being released as the result of enormous international pressure. Londoño was in a hospital in Cali, Colombia recovering from the ordeal and preparing to travel to the United States under security escort.

Lewis had been interviewed in Washington in early August and was being considered for possible participation in a trip to Colombia to escort Mrs. Londoño back to Washington. He was not hired for the mission, and in a letter to this writer dated Aug. 12, 1984, Lewis expressed disappointment at not having been hired, but proposed a follow-up meeting, because "my guys in Dallas just called me, they have some very interesting information ref Iran/Nigeria."

This writer did indeed travel to Dallas in early September 1984 to interview Howard and Tucker on their investigations into arms smuggling to Iran. What the Texans were proposing was a high-priced contract to provide "exclusive" stories on their exploits in the world of undercover investigative work.

The contact with the Texans was terminated at that point. Late in the year, however, Howard and company surfaced in the middle of a harebrained scheme to "rescue" Soviet scientist Andrei Sakharov from a Soviet gulag and bring him to

the West. *EIR* learned of the scheme when two relatives of Sakharov, living in exile in Boston, Massachusetts, contacted Lyndon LaRouche for possible aid in the venture. LaRouche, in a series of discussions with the relatives, bowed out of the affair and cautioned them against any dreams of a "Mission Impossible" escape from Russia for their relative. Cautioning them more generally about con men posing as international soldiers of fortune, LaRouche offered to help the two relatives to steer clear of a possible scam.

When the pair referred a LaRouche associate to Gary Howard as the "mastermind" of the escape plot, price-tagged at \$2 million, alarm bells went off and the Sakharov family members were warned to stay away from Howard.

### Lies, infiltrations, and frame-ups

In September 1987, at the start of the LaRouche trial in Boston, the Central Intelligence Agency was ordered by the court to produce a series of previously classified documents which the court found to be exculpatory to the defendants.

Among those documents were a series of CIA "Memoranda for the Record." The first one, dated Sept. 20, 1984, within weeks of the Dallas meeting, described the Londoño escort project in the following terms:

"1) On 20 September, [redacted] the [redacted] called me to report the following: 'A very reliable contact of mine says that Geoffrey Steinberg is in the Washington area attempting to recruit former and present CIA employees. Steinberg wants them to work as a drug assassination squad in Columbia and Bolivia. Steinberg has some \$20 million in a Swiss bank account and \$1/2 million with him. He is associated with Linden LaRouche.'

"2) [redacted] says that he passed this information to the Federal Bureau of Investigation. I passed this information to Deputy Director for Security [redacted], Deputy Director for Personnel [redacted], Associate Deputy Director for Administration [redacted] and National Intelligence Officer for [redacted]."

The second document in the sequence, dated Sept. 26, 1984, was from the Director of Security of the CIA to the Director of the FBI, now CIA director William Webster. It stated, in part:

"1) On 20 September 1984, a former Central Intelligence Agency (CIA) employee, Mr. [redacted] telephonically advised a current employee that one Jeffrey Steinberg is allegedly attempting to recruit personnel to assassinate unnamed persons in Bolivia and Columbia. Steinberg is reportedly attempting to recruit Cuban nationals who worked for CIA as well as CIA retirees and active duty personnel with a paramilitary background. [redacted] advised that Steinberg has attempted to contact CIA employees in [redacted]. Steinberg is reported to have twenty million dollars at his disposal. . . .

"3) In a subsequent call to the same employee on 25 September 1984, Mr. [redacted] advised that an unidentified

U.S. Government installation in Texas dealing in armaments may be targeted by a LaRouche group. . . .

"4) The information concerning Steinberg's alleged recruiting was verbally passed to Federal Bureau of Investigation (FBI) Liaison Officer [redacted] on 21 September 1984. Mr. [redacted] advised that a U.S. Senator had also passed the information to the FBI and the White House."

As the result of these wild fabrications passed by Howard, Lewis, and/or Tucker into the official files of the CIA, the FBI, and the White House, an FBI criminal probe was conveniently launched into Lyndon LaRouche. Within weeks of the Howard-Lewis-Tucker triggered FBI probe, Boston U.S. Attorney William Weld launched his "Get LaRouche" assault.

According to the *Washington Post* interview with Howard, shortly after the trio planted their wild tale into the files of the FBI and CIA, a meeting took place at the office of Washington, D.C. attorney F. Keith Adkinson to discuss an infiltration of the "LaRouche organization." Representatives of both the FBI and CIA were present. Adkinson, in an interview with the *American Lawyer* in May 1988, largely corroborated the story:

"One abortive attempt to infiltrate the group was allegedly made in 1984 by Adkinson clients, Gary Howard and Ronald Tucker, two Texas soldiers of fortune who claim they were acting as informants for the FBI and the CIA. Adkinson says that he held one meeting with Howard and Tucker at which the subject of infiltrating LaRouche's organization was discussed. And in the classic tradition of a boastful spook, Adkinson hints that this meeting was attended by others—whom he refused to identify. He leaves the listener with the unmistakable impression that the unnamed others were government agents."

A former congressional aide to Sens. Henry Jackson and Sam Nunn, Adkinson was the 1980 chairman of Democrats for Reagan, a rightwing social democratic campaign organization that was co-chaired by Elliot Abrams, later the Undersecretary of State for Inter-American Affairs and a key Iran-Contra insider. Prior to his congressional work, Adkinson had been with the law firm of Hollywood lawyer Greg Bowsler, who counts among his longtime clients Henry Kissinger and mob figure Sidney Korshak.

### **Howard and Tucker's overseas exploits**

Simultaneous with their 1984 and 1986 anti-LaRouche efforts, Gary Howard and Ron Tucker were involved in their stock and trade of running "sting" operations for various federal agencies, including, apparently, the Office of the Vice President. It seems that the Texans, as part of their efforts against "covert military operations," went after a number of arms smugglers who were horning in on the business of The Enterprise—selling arms to Khomeini.

Considerable evidence of their exploits came out during a March 1988 trial at Old Bailey's Court in London. British

arms dealer Michael Aspin and three others were accused of plotting to sell 5,000 TOW missiles to Khomeini during 1985. Aspin's defense was that he had thought the effort was being conducted on behalf of the Reagan administration, and that he was operating under official sanction.

Aspin and his brother Leslie, who had longstanding ties to the CIA, both testified at the trial about meetings in West Germany with Irangate operative Ted Shackley, and in London with Ollie North. But the main contact between the American administration and the London arms traffickers, according to the court records, was through Gary Howard and Ron Tucker.

On April 20, 1988, the London *Daily Telegraph* carried a transcript of a taped conversation between Howard and Michael Aspin. The pair were discussing the proposed sale of TOWs to Iran. Aspin began by asking Howard, "What bank will this come from, Gary?" Howard responded, "One of the Chases." Then Aspin: "It's being worked officially now, is it?" Howard: "No, it's being worked unofficially. We can't play this kind of game officially to my knowledge." Aspin: "You mean you are getting the support of your government." And finally, Howard: "You've got it."

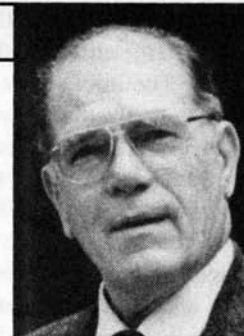
### **A line of inquiry**

Clearly, Howard, Lewis, and Tucker are three among a myriad of shady characters who managed to insert themselves into the middle of the Reagan-Bush national security structure. Literally scores of names came up during the course of the Iran-Contra congressional hearings of would-be covert operators who latched onto one or another of The Enterprise's fiascos. Yet, the case of Howard, Lewis, and Tucker bears the unique signature of one of the most critical figures in the immediate orbit of George Bush.

C. Boyden Gray, who has been called "the man who kept the secrets" for Bush, opened his doors, apparently on more than one occasion, to the Texans. According to eyewitness accounts in London, Howard claimed that he was involved in the establishment of a super secret bureau under the direct control of the White House, with support from the Pentagon and the NSC. Howard made these claims in April 1986—during the time frame in which Secord and North were tapping into Lewis for "info against LaRouche."

The Howard-Gray link may very well hold the key to George Bush's role in the secret government. Prior to entering the government as Bush's general counsel, C. Boyden Gray had been a law partner for over 14 years of Lloyd Cutler of Wilmer, Cutler and Pickering. Cutler, a Democratic Party power broker, was Jimmy Carter's White House general counsel. The Gray-Cutler law firm epitomizes the backroom dealings between the controllers of the two major political parties in the United States—backroom dealings that were covered up systematically during the course of all the Iran-Contra investigations.

—To be continued.



## 'If Bush wants to be bailed out, he had better come to me'

*Lyndon H. LaRouche, Jr. was interviewed at the Alexandria Detention Center by Nora Hamerman on March 3. Despite the ceaseless din of the prison background noise, he commented on the news events of the week and the long-range scientific project with which he is most concerned. He has now been unjustly held in jail for five weeks.*

**EIR:** I want to begin with the leading news item, the anti-International Monetary Fund riots in Venezuela. It would be fair to say that you have been warning about this kind of thing, wouldn't it?

**LaRouche:** Yes, Bush and company and their friends have passed out of the linear phase of their policy into a nonlinear one.

**EIR:** What about Carlos Andrés Pérez? What do you think the prospects are for him at this point?

**LaRouche:** At this point they are rather dim. I think there are some people around the world who out of humanitarian concern are trying to find him a suitable place of exile.

**EIR:** I guess you heard about General Noriega's remarks, when he said that before he "democratizes" the whole continent, Pérez should put his own house in order?

**LaRouche:** I thought they were sort of amusingly appropriate. Sometimes the most appropriate things are said in an amusing way, as General Noriega happily did on that occasion.

But what's happened, obviously, is that what Carlos Andrés Pérez did, at the behest of people such as the admirers of Katharine Meyer Graham and Company, has not come off the way they anticipated, and I am sure the CIA is walking around privately with something less wholesome than egg all over its face.

Because what's happened is that a potential has become actual. The country is now seized in the majority by an anti-IMF, anti-Rockefeller, anti-Cisneros attitude, which means an anti-Kissinger attitude, and unless Mr. Brady and Mr.

Baker and Mr. Bush distance themselves *rapidly* from the measures which CAP imposed on orders of foreign interests, then the entire hemisphere is going to blow up in a way quite contrary to what Mr. Bush apparently believed possible, and quite contrary to what the CIA has believed possible.

**EIR:** So you think they did not foresee the situation at all?

**LaRouche:** They did not *wish* to see reality. I have talked to these circles and related circles, about this matter over a period of more than a decade. It was a heavy fight within the administration, over my policy *Operation Juárez*, against the contrary policy of Kissinger, Donald Regan, James Baker III, and so forth, back in 1982. Now, in the fall of 1982, I lost that faction fight in and around the administration, and these fellows won. And since that time, I've told them, "Okay, you thought you won, but you didn't. What you did is you succeeded in postponing the solution of the problem, which means the problem is going to come out and hit you in the back of the head, harder than it would if you had faced it head-on now." That time has now come.

These fellows wanted to believe that what they were doing would work. It *could* not work. The CIA has gone down in history as one of the biggest failures in intelligence history, because of its 1985 distancing of itself from me, which makes it really look stupid right now. The CIA allowed its resources to be used in an undercover operation against me, and now the time has come that Mr. Bush and the CIA and other people of that sort, if they wish to be bailed out, had better come to me. If they don't come to me, they are not going to be bailed out.

### Comments on Tower nomination

**EIR:** Moving to the U.S. domestic political scene, this is an issue with very powerful international ramifications, for our alliances. I am sure you have been following the events around John Tower's embattled nomination to be secretary of defense. The Republicans have been charging that Sam Nunn has been running a partisan maneuver to destroy the

presidency in the way he has attacked Tower. I'd like to know how you see that, quite apart from whether you want to comment on Tower's qualifications for the job.

**LaRouche:** I think that what everybody says about everybody else is true.

Certainly, one of the most disgusting features of the thing is Sam Nunn's behavior. Sam Nunn's behavior is personally outrageous, and it is also a threat to the constitutional order of government, in the way he is doing it. Certainly if Tower is disqualified for some reason it can be done in a straightforward manner, in such a manner that it does not undermine the constitutional separation of powers, which is what Nunn is intruding upon.

Certainly Tower is just as good, and better than Nunn, on defense policy. The problem here, as has been pointed out by many sources, is that the Tower Commission was sort of a replay of the Warren Commission investigating the Kennedy assassination, with some differences in the problem.

What was done by Oliver North and Company, *except for the evil, illegal things he did against me, and my friends*, and maybe other things I don't know about, but of everything I know, that he is accused of having done, he did nothing illegal. That is, under the cover of the separation of powers, he did nothing illegal. What he did in part, in continuing the Carter administration's arrangements of gun-running to Khomeini's Iran was *evil*, but the blame lies on the President and the Vice President, in the sense that the Vice President supported this policy and was actively involved in it, through his office.

So what Tower, and Scowcroft, and Muskie, did was to create a bipartisan coalition, including people close to Kissinger, who agreed to cover up for George Bush, which strengthened their grip upon a Bush administration.

Tower for various reasons, was offered the position of secretary of defense. Tower over the years has been a bit of a bully, an inconsiderate bully, who has made himself unpopular with a number of diverse circles, because of his personal conduct. Also on a number of issues he is *incompetent*. Such as the SDI issue. And there are some people who are upset by his incompetence.

So in short, Mr. Tower is an unqualified person for the job, who gained the nomination by rather devious and complicated methods, being targeted, and being attacked by a man who is behaving like a scoundrel, Sam Nunn, who is much less qualified than even the unqualified Mr. Tower.

**EIR:** Whew! What would be the way out of this, as far as U.S. defense policy is concerned?

**LaRouche:** Well, I think a deal could be worked out, if Mr. Nunn gets his teeth flattened in. Politically, Mr. Nunn's teeth have to be flattened in on this. We cannot have the separation of powers being breached in this way. And we cannot have dirty personal ambition coming in and affecting the separation of powers. So therefore, Mr. Nunn has to be flattened

out, taught a lesson.

Now at the same time, otherwise, a deal might be made. A better-qualified appointee might be found, with a pre-understanding between the White House and the Congress that no more fun and games, we're going strictly for qualifications. Which is what I would do in a case like this. We cannot have a situation with the Defense Department totally unrepresented, in the process of formulating the budget and other aspects of policy.

**EIR:** That's something I was especially interested in.

**LaRouche:** We must have a secretary of defense, and preferably of course a qualified secretary of defense, meeting in the cabinet and participating in the shaping of policy on the budget and other relevant matters.

**EIR:** We certainly get the impression that while the "fun and games" is going on, the efforts such as Rep. Pat Schroeder's to pull 25,000 troops out of Europe, are moving ahead without anybody in the Pentagon having anything to say about it.

**LaRouche:** It's very difficult, as long as the Bush administration tolerates the Kissinger version of treason by salami slices—in other words, instead giving Moscow the piece of salami called the United States in one chunk, you slice off a piece at a time, and you call that "balance of power." But as long as the United States is going along with this crazy Kissinger policy of appeasing Moscow in the way that Chamberlain appeased Hitler, it's very difficult to deal effectively with ultra-left things such as Pat Schroeder. She, of course, is the cry-baby, it's a good thing she did not get to be President, she's afraid of the Soviet ogre and she wants to show how submissive she is. But she is just plain silly.

But when somebody comes along to make stupid policy even stupider, as she does—how do you fight that unless you fight on principle?

**EIR:** One of my associates wants to know if you have any questions you'd like to be putting to the Republican National Committee and the Anti-Defamation League concerning the election of [ex-Klansman] David Duke to state office in Louisiana on the Republican ticket.

**LaRouche:** Well, the point is they don't mind it if you're a bit of a racist, apparently—as long as you're not opposed to usury, they don't mind you too much.

## The frontiers of science

**EIR:** Last weekend you were briefly able to address the international conference of the Martin Luther King Tribunal on Crimes Against Humanity by telephone. The French paleontologist Jean-Michel Dutuit spoke about his sense of your contribution to science and he said that your enemies are "trying to lock up ideas," because LaRouche has "been an awakener." Dutuit particularly pointed to your assertion that

the self-generating laws of life are congruent on all levels of the universe. Evolution, he said, neither assumes a denial or a recognition of God, but “only a universe that is never abandoned to chance,” and that with the emergence of man, “human physical economy is now the only planetary ecology.” It is because of Lyndon LaRouche’s contributions to this science, Dr. Dutuit said, “that I cannot be indifferent to his imprisonment.” Can you speak to this question and indicate what activities you will be pursuing in this connection once you are freed, which I hope will be soon?

**LaRouche:** I am concerned with a very specific problem, which is central to all of my work over a number of decades, on the physical economy end of the matter, which expresses itself now in my focus on the problem of negative curvature. In mathematical-physical terms, all of my work, including the definition of negentropy, is centered around the notion of a Riemann Surface function. Now a Riemann Surface function has the advantage of representing the possibility of progression from lower to higher ordered phase-states of organization of the universe, and of processes, and does that adequately, but it does not prove that the progression from one lower state to a higher state must necessarily follow.

Only by introducing the issues of *negative curvature*, which are expressed as relatively strong forces in physical terms, can we say that the progression from a lower phase-state to a higher phase-state can under any circumstances be a necessary act as opposed to the only possible solution, or the paradoxes of the lower phase-state.

That’s the problem I would like to solve, or like to coordinate being solved. This problem bears on a great number of things. It bears upon the understanding of what we ought to mean by the verb, “to live.” For example, from the standpoint of molecular biology, it is impossible to make a rigorous distinction between living and nonliving processes, if they are of kindred chemical composition. That is one problem. We can, from the standpoint of nonlinear spectroscopy, make such a distinction, but we need the proper physics to understand what we mean by that nonlinear spectroscopy, and this problem of correcting a Riemann Surface function, to take into consideration the questions raised by Eugenio Beltrami on negative curvature, would tend to solve the problem.

Similarly, in more fundamental areas, beyond the limits of possibility of second-generation thermonuclear fusion as a controlled energy source, the only other one in sight is the matter-antimatter reaction, the reaction which we know to exist and know some parameters of the reaction, but we don’t really understand it ontologically. It is the type of process which can only be understood from the same standpoint, what we might call a Riemann-Beltrami Surface function. Since the matter-antimatter reaction is the next advance in mankind beyond fusion energy, which gives potentially two or more orders of magnitude of increase in mankind’s potential beyond the limits of fusion energy, that seems like the most

important thing to work on in physics.

Therefore, contributing to refining the notion of Riemann Surface functions into an adequate representation of a Riemann-Beltrami Surface function would seem to me a very important undertaking even for an old geezer like me.

**EIR:** On this question of the potential in physical processes to move to a higher phase-state, but that it will not *necessarily* occur, can you relate that to the science of economics?

**LaRouche:** Sure, that’s what happens all the time. We reach in the development of mankind a certain potential population-density. The population-density expresses itself in a number of terms of reference which might be called constraints, including what you might crudely call energy-density per capita and per hectare or per square kilometer. Take for example the case of mainland China or India. If we compare the per capita and per hectare density of energy consumption and generation in those economies with that of Japan, West Germany, and the United States, we can show that it is impossible for mainland China to survive with its present social and economic policy. Mainland China is now going into a period of collapse from which it will never recover under present policy.

In India, as long as the Indian bureaucracy continues carve up the development budget in the way it does, to prevent massive increases in energy development and other related infrastructure, such as water, rail system development on a large scale, India can never get out of the vicious cycle of poverty which it is in today.

Going beyond that, take the state of the art of technology globally; just as India is doomed unless it curbs its bureaucratic tendencies toward non-development, and mainland China is doomed to a terrible mass death and collapse unless it changes its policy, so on the global scale unless we continue to advance in technological progress, we will reach a limit of population density at which our society will just fold and collapse, unless we make the breakthrough to the next higher order of technology.

**EIR:** Do you see a particular point now in this nonlinear process that has been touched off in Ibero-America around the debt problem?

**LaRouche:** Yes—what the United States is doing in Central and South America is mass murder, which is comparable to and worse than what Adolf Hitler did in occupied Eastern Europe. This has been U.S. policy since October 1982, whether we wish to admit it or not; it’s a fact. We’re engaged in a process of mass murder. Unless we scrap IMF conditionalities, unless we go to the kind of program I proposed as *Operation Juárez* back in 1982, in other words unless what I proposed is adopted, and that which Baker, Don Regan, and Kissinger and Walter Wriston proposed is rejected, then there is no chance for the nations of Central and South America, except genocide.

# Trial of LaRouche associate Ascher evokes images of Nazi, Soviet justice

by EIR Staff

A mistrial motion due to prosecutorial misconduct was heard March 2, in the sixth week of the trial of Rochelle Ascher in Leesburg, Virginia. Mrs. Ascher, a political co-worker of Lyndon LaRouche, has been charged by the State of Virginia along with 15 other individuals, with violations of the state's securities laws, and is the first to stand trial in this ongoing political witchhunt against the LaRouche movement.

The motion was viewed by many observers as an effort to stop a railroad which has many of the same features of the fall 1988 LaRouche federal trial in Alexandria. The Ascher case is a show-trial, where the jury has been clearly rigged, the crime, "securities fraud," was created after the arrest took place, and new charges are being added to the alleged "conspiracy" by the day.

Judge Carleton Penn III, of the Loudoun County Circuit Court, after hearing the argument from defense counsel John Flannery concerning the mistrial, angrily stated in the courtroom: "To rehash things . . . abuses the court's role as a tryer of fact" and furthermore, the court finds "the motion to be without merit and denies it." Penn also said that he did not want these matters of misconduct discussed again.

## Prosecution's abuses

This outburst from the judge came after defense counsel Flannery eloquently recounted in detail the abuses by the prosecution since the trial began. Virginia prosecutor George Chabalewski continued that abuse on March 2 when he reiterated in the boldest terms yet, his statement that the "conspiracy" in the Ascher trial was being run by Lyndon LaRouche, despite the court's insistence that no such evidence on the involvement of LaRouche would be allowed in this case where LaRouche is not named in the indictment. In this argument, however, Chabalewski stated that the jury "would be dense" if they did not understand the relationship between LaRouche and the organization he headed.

Flannery indicated how the prosecution was "trying LaRouche" and was using various methods to play on the known prejudice of the jury. It was the government, Flannery said, that insisted on trying the case in Leesburg—where many of LaRouche's associates live and work—a center for media slander and government operations against associates of LaRouche. This existing prejudice and the jury's knowledge of the Alexandria federal proceedings, testified to during the questioning of the prospective jurors, was being used

to turn them against the defendant, Flannery said. This was the reason, for example, they put a federal postal inspector on the witness stand, where he stated that he investigates mail fraud—a clear reference to the Alexandria trial in which LaRouche himself and six associates were convicted of "conspiracy to commit mail fraud," and not the offense charged in this case.

Other prosecutorial actions cited by Flannery included:

- During the *voir dire* (questioning) of the jury, the prosecution stated repeatedly to the court, that the trial was "not about Lyndon LaRouche." In opening arguments, it was said that LaRouche's name would only be mentioned once. Despite this representation, prosecutors John Russell and Chabalewski have repeatedly asked witnesses about their understanding of the connection of various publications to LaRouche. Other testimony has been elicited by the government to show that LaRouche was head of the "conspiracy."

- New co-conspirators have been added throughout the trial, making it impossible for the defendant to exercise her right to confront the charges against her as the alleged conspiracy grows in size.

- Government witness Chris Curtis's lying testimony, where he mentioned LaRouche as being behind fundraising instructions, and fabricated stories about "many discussions" on the topic of how elderly ladies are the best for loans because they are "near the end of their lives."

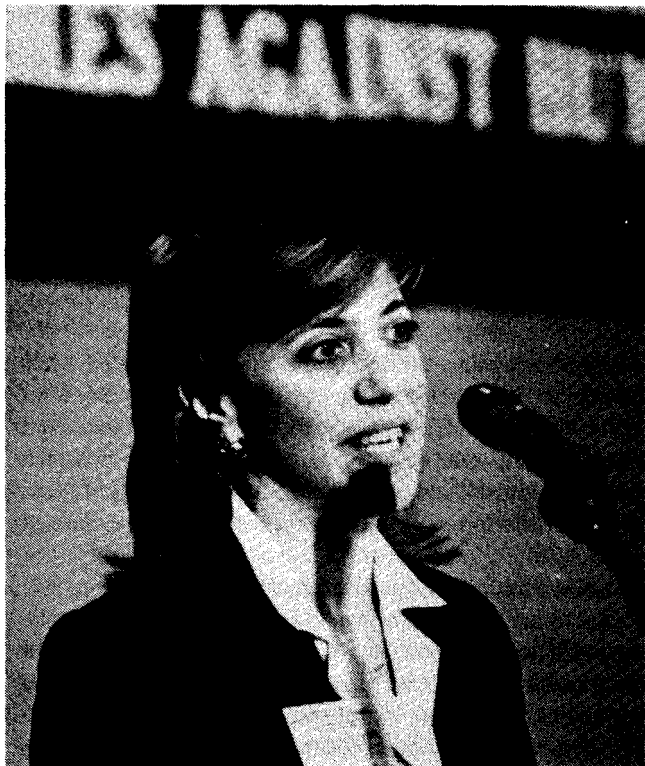
- The outrageous use by the prosecution of former LaRouche financial supporter Cathleen Waddell, who was clearly incompetent to testify because of a stroke which had eliminated much of her memory, and which occurred *after* she loaned the funds in question.

- A question by Virginia prosecutor John Russell to former contributor Curtis Bolton, where he implied that Bolton was only paid back for his loan to the Lafayette-Leesburg Limited Partnership (formed for a real estate deal in Leesburg) because that loan was a specific count in the Virginia indictment. Russell knew that the funds for that deal were under the control of the federal court, and were disbursed by the court, and not by the defendant's organization.

## Venue moved for all Virginia cases

On Feb. 21, Judge Penn ruled that the trial scheduled after Mrs. Ascher's, that of Michael Billington, would be moved out of Loudoun County. This decision came as a result





Rochelle Ascher addresses the international Martin Luther King Tribunal on Crimes Against Humanity on Feb. 25, 1989.

of the motion by James C. Clark, attorney for Billington, and it applies to all of the remaining Virginia "securities" cases.

Penn's concession on venue, according to legal experts, highlights the absurdity of the current proceeding. The reasons for the change of venue included the publicity surrounding the conviction and sentencing of LaRouche and six defendants in Alexandria, which occurred the same week of the beginning of the Ascher trial. The jury selection in the Ascher case set a record for Loudoun County, and perhaps for the state, by eliminating all of the prospective jurors available for the entire month. More than 100 people were interviewed, and most were eliminated due to their prejudice against LaRouche and the defendant.

Judge Penn, despite repeated objections from the defense, kept people on the jury panel who had openly displayed their hostility toward LaRouche. In one case, a prospective juror called LaRouche "anti-Semitic, a racist, and a neo-Nazi," and stated that if LaRouche ever got power "he'd be a threat to the nation." Another man, struck from the panel only after a special hearing, said that LaRouche brainwashed people, and that the American people had been fooled too long about LaRouche and his "illegal" fundraising practices.

More insidious than the overt hostility, were the deep impressions formed by most members of this Virginia community as a result of gossip, police raids, and massive doses of sensational slanders in the press. This led one juror to state: "Asking me what I read about LaRouche is like asking

me what I ate for dinner last night. All I know is that I had it." As the defense counsel examined these citizens further, he elicited the prejudices, although most had said they could "put their opinions aside" at the instruction of the judge.

All of the existing jury had heard of the publicity around the Alexandria trial and had read unfavorable articles about LaRouche. In fact, this prejudice erupted on Feb. 21, when juror Brian Seeley reported to the judge that someone connected to the defendant had improperly approached him with a newspaper with the title *EIR* on it. Seeley, it was later demonstrated, was false in his identification, but as Flannery pointed out to the court, this demonstrated the bias that exists in the jury.

Seeley not only accused the defendant of this "tampering," but then told other jurors about the incident. When Flannery attempted to have Seeley removed, and the rest of the jury questioned, Penn ruled that he believed Seeley was not prejudiced, and that no further inquiry would be conducted.

### Virginia acts to silence LaRouche movement

As clear as the court's desire to "make the railroad run on time," is the prosecution's openly stated desire to silence anyone associated with LaRouche, including any publications.

John Russell, assistant to Virginia Attorney General Mary Sue Terry, and senior prosecutor in this trial, on several occasions has accused the defendant's organization of deliberately attempting to cause a mistrial. One of the vehicles for this attempt, according to Russell, has been the use of the *EIR News for Loudoun County*, which is critical of the government's railroad, and if a juror reads it, Russell argued, he or she might get disqualified, causing a mistrial.

When juror Seeley falsely claimed contact by a relative of the defendant, Russell accused the defense of this offense, perverting reality. The reality is that the biased environment makes this trial impossible in this county, and that the only impropriety has been the court and prosecution's insistence on trying the case in a venue which is infected by prejudice.

After the six weeks of trial, most of the witnesses have either been a direct repeat of the Alexandria trial, such as Wayne Hintz and Chris Curtis, former associates of the LaRouche political movement, or have been the alleged victims in that prior case.

As Mrs. Ascher pointed out in a recent speech to the Martin Luther King Tribunal on Human Rights Violations (see page 29), she faces 120 years in prison. She stands accused of a crime which was not a crime in law until months after her arrest for that crime, when the State Corporation Commission then decided that political loans were securities. She stands trial in a location known by the public, the government, and Judge Penn alike to be unfair to her. Therefore, what stands on trial in the Ascher case, is not Rochelle Ascher, but the very legal system which now mimics the legal system of Nazi Germany and the Soviet Union.

## Kissinger would 'Finlandize' Europe

*His speech to the National Governors Association is a formula for handing Europe to the Soviets.*

**H**enry Kissinger confirmed that he wants a permanent Soviet-controlled "Finlandization" of Eastern Europe, in comments to reporters following his address to the National Governors Association here Feb. 26. Kissinger proposed an agreement between the U.S. and Soviets that would permit Eastern European countries to have free elections in exchange for constraints on their militaries.

"Those who oppose this idea only want a continuation of the current situation," he argued. "What would you prefer, Soviet troops in these countries, or free elections?"

When asked by reporters why these were the only alternatives, given that the Western Alliance has affirmed the right of these nations to full sovereignty, he said, "If you ask the people of these countries if they prefer Soviet troops or free elections, believe me, they will take the latter."

His address to the governors spelled out the need for a "balance of powers" approach to foreign policy based on the Treaty of Vienna of 1815. He said the U.S. has treated foreign policy as a subdivision of either psychiatry or theology—based, in the first case, on personal good relations or, in the latter, on a good-versus-evil world view. Both treat international quarrels as akin to personal quarrels, he said, which are resolved by individuals through conversion.

By contrast, Kissinger said, the "balance of power" approach does not seek "perfect satisfaction" of either side's perceived goals, and therefore involves a relative balance between con-

flicting notions of what is deemed just. However, he said, its success lies in making sure inevitable dissatisfactions of either side are not enough to compel either to war.

He said a unique opportunity now exists for the "restoration of historic Europe," with security guarantees to the Soviets, and that this must be the basis for the next round of conventional arms talks. He said he was sure that developing such a conceptual framework for foreign policy is a "top priority" of the Bush administration.

Kissinger added that the most pressing problem on the U.S. agenda is Third World debt, given that elections in Brazil and Argentina occur this year, and Mexico's new President cannot keep up the last six years of austerity without a blow-up. "These countries cannot maintain their progress toward greater democracy and free markets without enjoying real growth in a way that involves the U.S.," he said. "It is not in our national interest to continue our current debt policy. What we gain in debt repayment, we lose in exports. There are 50 technical solutions to the problem, once we make up our mind to do something."

Except for his vague reference to a "restoration of historical Europe," Kissinger was very unspecific about what he really meant in his speech—a quality not unusual for him. But this did not seem to bother any of the governors there, who asked a half-hour's worth of questions without pinning him down. Therefore, at the conclusion of the question period, a friend who came to sit in the audience to hear Kissinger

approached me and said, "Well, that didn't sound too bad. I could live with that."

I reminded him that Kissinger had not been specific. "Well, I think he's talking about something like the Swedish model for Eastern Europe," the friend said.

"I think it is Finlandization, which would mean surrendering all of Eastern Europe in principle to the Soviet sphere permanently," I said. "Finlandization" describes the satrapy relationship of Finland to the Soviet bloc. Even though Finland has nominal independence, it has no military capability to resist economical and political bonds to Moscow.

Such a "Finlandization" for Eastern Europe "would be a disaster because it would create a false illusion of peace, and result in the pull-back of U.S. commitment to NATO. Therefore, it would rapidly lead to the Finlandization of all of Europe," I said. "Well, I must go now and greet Kissinger before he leaves," the friend said. "But ask him to be specific when you talk to him. Ask him to tell you what he actually is proposing for Eastern Europe," I suggested.

After a few moments elapsed, I went to the foyer of the auditorium, and saw my friend talking with Kissinger. I overheard Kissinger saying to him, "No, what I envision would be more like Finlandization." That opened the door for the questions from reporters that drew out Kissinger's intentions more clearly.

"The Soviets need the security of knowing they would not be threatened by the Eastern European countries," Kissinger said. In exchange for the permanent satrapy status which defenselessness would impose on them, these nations could have "free" elections. This is exactly what Gorbachov wants.

## Congressional fears grow over 'Europe 1992'

Sen. Max Baucus (D-Mont.) and Rep. William Frenzel (R-Minn.) were featured speakers on Feb. 24 at a conference of several hundred American businessmen held in Washington to discuss "Europe 1992." The conference was the first in a series of meetings and discussions to be held in the coming months on the plans for European integration.

Under the Single Europe 1992 Act adopted by the European Commission in Brussels, all barriers to the movement of capital, goods, and people among the 12 member-nations of the European Community will be dissolved in 1992. It is the first step in not only creating a regional trade bloc, but in eliminating the sovereignty of European nations—at least according to the intentions of the European commissioners.

Accolades for European integration were heard at the Washington conference, but under the surface, there was an air of uncertainty and trepidation as regards what European integration would mean for U.S. business.

There was also a not-so-subtle undercurrent of warnings that Europe 1992 could become a bastion of protectionism. The threats were of a rather subtle nature in the remarks made by Commerce Secretary Robert Mossbacher, who spoke at the conference luncheon. "An economically stronger, more competitive, and technologically innovative Europe is in our strategic and economic interests."

Even so, he added, "There is still a substantial minority who will seek to maintain or increase their protection." In regard to what he called the isolated "strongholds" of protection-

ism, Mossbacher stressed that the Bush administration will "work to eliminate these where we find them."

Senator Baucus, the co-chairman of the American-European Community Association Roundtable and a key player in the "beef caucus" in the U.S. Senate, was more blunt. Expressing concern that the enlarged EC agreements might lessen European willingness to negotiate in the next round of General Agreement on Tariffs and Trade (GATT) talks, Baucus said that the United States "should not hesitate to use our 'crowbars' [the U.S. Trade Act] to keep the EC open to U.S. business."

He also said that if Europe 1992 leads to a "Fortress Europe," then the United States should increase its trade relations with the nations of Asia and create a "Fortress Pacific." "We must leave no doubt in anyone's mind that the U.S. will defend its interests."

During the question period, Baucus was asked if he thought a "Fortress Pacific" would be any match militarily for a Europe pushed into the arms of Moscow in such a decoupling scenario. Baucus declined to comment.

## Tower nomination goes to the floor

The dossiers are coming out from all sides as John Tower's nomination to become defense secretary becomes the focus of a power struggle between the Democratic-controlled Congress and the Bush administration.

The *Washington Post* on March 2 relates how Michele G. Markhoff, Tower's principal aide on arms control, interviewed senior members of

the U.S. delegation in Geneva at their offices about the negotiations and other topics, while Tower was under contract with LTV, Rockwell International, and another defense consultant. A spokesman for Tower said that the interviews were part of a project to collect information for a book Tower was writing on the relations between the Executive and Legislative branches of government—a project he later abandoned.

A report issued by the Armed Services Committee's Democratic majority said the incident "created the appearance of using inside information for private gain."

The *Post* reports that three members of the U.S. negotiating team who knew about these meetings did not recall any attempts by the consultants to garner details which might be of interest to their clients.

In response to the scandal-mongering of the liberal media about the Tower affair, the *Washington Times* published a March 2 lead article detailing a number of "sex and booze" scandals involving congressmen leading the fight against Tower. Tower himself had launched a counterattack against congressional hypocrisy the previous day at a luncheon speech at the National Press Club.

"Is it an acceptable standard," said Tower, "for senators to accept honoraria, PAC contributions, and paid vacations from special interests who have a vested interest in the legislative process? . . . I think in the course of formulating a standard for the secretary of defense or indeed for any other cabinet officer, that it is time that the Congress articulated what its own standards are."

The *Washington Times* article provides the gory details that Tower him-

self only intimidated:

- It speaks of a three-way extramarital affair which Sen. Donald Riegle (R-Mich.) was carrying on while a member of the House of Representatives.

- It relates the case of Sen. Edward Kennedy (D-Mass.) of Chapquiddick fame, who was discovered having sex with a woman on the floor of a private dining room at a Capitol Hill restaurant.

- Sen. David Durenberger (R-Minn.), then-chairman of the Senate Intelligence Committee, had a well-publicized fling with his young secretary, which led Sen. Barry Goldwater to complain that Durenberger's sexual shenanigans posed a risk to national security.

Numerous other incidents are reported in the article, as well as the excessive drinking habits of Sen. Daniel Moynihan (D-N.Y.) and others.

A Pandora's box has been opened in both the Executive and Legislative branches. In the heated partisan climate now building up, a lot more threatens to surface about our nation's political leaders.

## **Bank Board admits \$1 billion fled S&Ls**

M. Danny Wall, chairman of the Federal Home Loan Bank Board, in testimony before the Senate Banking Committee on March 1, said that the nation's 2,950 S&Ls suffered net withdrawals of \$4 billion to \$5 billion in February, \$1 billion to \$2 billion of it at the 220 institutions earmarked for takeover by the Federal Deposit Insurance Corp.

The magnitude of withdrawals represents a continuation of the "silent run" on S&Ls that began gathering steam with a \$7 billion outflow in November and a record withdrawal of \$8.1 billion in December.

Wall claimed that such overall withdrawals were normal, in an economic climate where depositors could easily get higher interest rates elsewhere.

Treasury Secretary Nicholas Brady, also appearing before the Banking Committee, said news accounts of the industry's problems were triggering the outflow. Brady said S&Ls have been forced to increase interest rates on savings by an average of three-fourths of a percentage point because of the increased public attention focused on the industry's problems. Brady claimed that the rates will drop once public confidence is restored.

## **Webster, Helms join German-bashing campaign**

In testimony before the Senate Foreign Relations Committee on March 1, CIA Director William Webster said that Libyan efforts to acquire an airborne refueling capability for their Soviet-made MiG jets make the chemical weapons plant at Rabta a strategic threat to the region. Webster said that he favored laws to impose trade sanctions on Western corporations that help Third World nations develop chemical and biological weapons.

Sen. Jesse Helms (R-N.C.), ranking Republican on the committee, jumped right on the bandwagon, claiming that the West German government has not moved to block companies from selling parts and services

to the Libyans, including technology for the chemical weapons plant and MiG refueling.

"For all we know," said Helms, "Germans are still in Libya helping Qaddafi get his poison gas plant on line or the delivery systems up and operating."

Helms is sponsoring legislation to punish countries that use chemical arms and penalize Western companies that deal in the components of chemical and biological arms.

## **Byrd warns Bush of budgetary 'train wreck'**

Senate Appropriations Committee chairman Robert Byrd (D-W.Va.) said the congressional budget process will end in a "train wreck" this fall if President Bush doesn't send specific amendments to former President Reagan's budget.

While administration officials continue to pressure congressional leaders to accept early budget negotiations, Byrd joined the ranks of the many Democratic lawmakers who have rejected the call for a budget summit.

In a further expression of the tug-of-war now going on between the Congress and the Bush administration, Byrd accused the administration of proposing a "political budget."

"We can't rush into negotiations without having hearings," Byrd told White House budget director Richard Darman. "Unless the administration fills in the blanks . . . we will be facing a massive continuing resolution this fall," said Byrd—i.e., a resolution to temporarily continue funding of government operations, etc. pending approval of a budget.

---

# National News

---

## Disarmament lobby hits weapons production

A coalition of anti-nuclear, arms control, and disarmament groups are gearing up a major lobbying campaign to press the Bush administration to conclude a superpower treaty limiting production of materials for new nuclear weapons instead of refurbishing old or building new U.S. weapons plants.

Representatives of 12 groups, including Public Citizen, the Union of Concerned Scientists, and the Environmental Policy Institute, wrote Congress in late February to oppose the administration's request for \$100 million to begin building two new reactors for tritium production.

Costs are currently estimated to be \$59 billion over 20 years for new and upgraded production facilities, and \$29 billion for cleanup of toxic wastes at current facilities. But Raymond Berube, deputy assistant energy secretary for the environment, told the House Armed Services Committee on Feb. 24, "It's a strong possibility these costs will go higher."

The groups hope to capitalize on the circumstance that all U.S. production facilities for plutonium, tritium, and highly enriched uranium are closed down and need extensive repairs before they can resume production.

The disarmament groups claim the Soviets are also having production problems, which could set the stage for some accord. But even the *Washington Post* reported on Feb. 24, "Some U.S. intelligence analysts believe the Soviets can produce needed quantities of tritium and plutonium in civilian reactors, however, and some analysts say construction of a new military plant in the Ural Mountains began last year."

---

## Bush administration in an 'astonishing mess'

The Bush administration "is in an astonishing mess less than halfway into the legendary first 100 days, when the tone is meant to be set," writes *Financial Times* of London

Washington commentator Anthony Harris Feb. 27.

First, Bush has staked his prestige on John Tower, who will make a gravely weakened Secretary of Defense, even if confirmed against the odds. By doing this, Bush has alienated many, including the Republican right wing, which blames him now for being "weak-kneed" in responding to Ayatollah Khomeini.

Second, there is chaos on the economic-financial policy front, including the discussions with Congress and the fight with the Federal Reserve over interest rates.

Third, Secretary of State James Baker III "came back empty-handed from his NATO tour," and the normally diplomatic officials of the State Department are complaining about his management style to every journalist willing to listen.

"Meanwhile, Baker's public squabble with Mr. Boyden Gray, ethics supremo, over his bank shareholding, has seriously dented his prestige and gossips are talking about a power struggle."

---

## New AIDS commission to include sodomists?

The new 15-member national AIDS commission mandated last year to advise Congress on political and health issues related to the AIDS epidemic will reportedly include a promoter of sodomy.

Among the five Senate nominees to the commission is reported to be Larry Kessler, an open homosexual and director of the Massachusetts AIDS Action Council. The council backs wide distribution of pornographic materials in grade schools and community centers to promote "AIDS education."

Other Bostonians expected to be named to the panel are Dr. Vernon Mark, a Harvard neurosurgeon, who is chairman of the conservative group called Americans for a Sound AIDS Policy, as well as Dr. Norman Zinberg, a Harvard advocate of legalizing drugs.

The *Boston Globe* reports other Commission members are expected to include: Rep. J. Roy Rowland (D-Ga.), a physician; Rev. Scott Allen, a Dallas clergyman; Don-

ald Goldman, president of the National Hemophilia Foundation; Diane Aherns, a county commissioner from St. Paul, Minnesota; Dr. June Osborn, dean of the University of Michigan School of Public Health; and bioethicist and AIDS researcher Peter Carpenter.

Finally, since what would "science" and politics be without Hollywood, pop singer Dionne Warwick will be a member.

---

## NDPC testifies on Bennett nomination

The National Democratic Policy Committee submitted testimony to the Senate Judiciary Committee March 1 on the nomination of William Bennett to become the first National Drug Director. The political action committee which Lyndon LaRouche helped to found in 1980 warned Bennett, the Bush administration, and the Congress that there never has been a war on drugs and could not be until fundamental policy flaws are corrected.

The NDPC warned, first, that the anti-drug effort must be funded. "If all that the nation is to be offered is a macho version of the ridiculous 'Just say no to drugs' campaign, it is better to be honest rather than demoralizing people by leading them to think something serious is being done when it is not.

"Second, there must be a definitive break from the ideological commitment that was rampant during the Reagan-Bush administration, and which was manifested more recently by Vice President Dan Quayle's endorsement of the work of Peru's Hernando de Soto and the 'informal economy,' to equate the black market economy, i.e. the drug economy, with the production of real wealth.

"Third, there must be a ruthless attack on drug money laundering which is being conducted by banks and financial institutions. Senator Bentsen recently admitted that one of the reasons that Congress was not more aggressively clamping down on leveraged buy-outs, for example, was the fear that such action could precipitate a general financial crisis. It seems that there is a sim-

ilar fear if the \$500 billion or more of drug laundered funds were to be denied to the major money center banks. This is an intolerable situation, where people and institutions engaged in this vile activity are able to blackmail and subvert the national interests."

The NDPC reviewed the scandal surrounding the case of former Assistant Attorney General William Weld and his protection of the drug banks, and finally warned Mr. Bennett that "efforts to cut off drugs at the source of supply must be pursued with the utmost respect for the national sovereignty of our Ibero-American neighbors. Yes, the cutoff of drugs must be conducted as a real military operation. Yet, proposals for supranational police and military bodies which would impinge sovereignty are offered to the nations of Ibero-America, while the most basic equipment allowing their own forces to conduct the war are denied them."

The NDPC statement concluded with Lyndon LaRouche's 15-point plan for a war on drugs.

## Major interest in anti-Satanism forum

An overflow crowd of over 800 residents attended a meeting Feb. 21 called by the Hillsdale, Michigan police on the spread of devil worship. The overwhelming interest in curbing the growing danger of Satanism reflects a nationwide pattern.

Police had expected only about 50 or 60 people to attend the meeting, held at Hillsdale High School.

Sgt. Jim Klebanowski said that police have discovered ritual sites in the city, a suburb of Detroit, remains of sacrificed animals, destruction of cemetery property, and vandalism. Slides of skinned animals with their hooves removed and insides gutted were shown. He explained how these were part of Satanic rituals he learned about through attending seminars for the last two years.

Klebanowski said that the meeting wasn't intended to "start a panic" but rather to inform parents, because they sometimes write off indications that their children are participating in Satanism as "just a phase."

## Judge dismisses LaRouche Boston case

Over the objection of attorneys for Lyndon H. LaRouche and other defendants, Judge Robert Keeton on March 2 granted a government motion to dismiss 124 of the 125 counts of the Boston case *U.S.A. v. The LaRouche Campaign et al.* LaRouche's attorney said that the dismissal violated his client's constitutional right to confront his accusers and to be vindicated of the charges against him.

The government filed a motion to dismiss the Boston case on Jan. 27, the same day that LaRouche and his codefendants in Alexandria, Virginia were sentenced to long prison terms. The government claimed that the Boston prosecution was no longer necessary because defendants LaRouche, Edward Spannaus, and Michael Billington had been convicted in Alexandria and the government had shut down and seized the assets of three businesses, two of which were also defendants in Boston.

## Judge halts water contracts renewal

U.S. District Judge Lawrence K. Karlton issued a temporary restraining order on Feb. 23 barring the Federal Bureau of Reclamation from renewing 40-year federal water contracts because the environmental impact must be studied.

The insane ruling came after a suit by 12 environmentalist groups led by the Natural Resources Defense Council to stop the automatic renewal of bureau contracts beginning with the Orange Cove, California Water District.

This contract will set the precedent for 300 contracts from Redding to Tehachapis for 7 million acre-feet of water, one-third of all river water used in California cities and farms. The ruling stands against the ruling by the Interior Department that the impact studies were not necessary or legal.

## Briefly

● **'NEW AGER'** Dr. Jean Houston will keynote the National Catholic Education Association convention for 15,000 Catholic educators in Chicago March 27-30. Author of *The Varieties of Psychedelic Experience*, she admits having used LSD. "In our own experience, the evidence would seem to support the contentions of those who assert that an authentic religious experience may occur within the context of the psychedelic drug state."

● **'SATAN'S Black Market: Sex, Slaves, Porn, and Drugs'** was the title of a March 1 program on television's "Geraldo" show, which featured experts on the growth of Satanism in the United States. Host Geraldo Rivera displayed a catalogue which offered human body parts for sale. According to undercover investigator "Rex," the Satanists are involved in ritual sacrifice, child pornography, and snuff films. They use the body parts in their murderous activities, or sell them to other Satanists.

● **'THE TUBERCULOSIS** problem seems to be worsening," Dr. Dixie Snider, director of the division of TB control at the Centers for Disease Control in Atlanta, said at a conference on tuberculosis in Houston Feb. 25. "The AIDS epidemic has had a marked influence on the increase in tuberculosis. . . . We are finding that many AIDS victims have TB, and we are now recommending that all TB patients be tested for AIDS."

● **STEPHEN ROSENFELD** of the *New York Times* attacks those who oppose a "New Yalta" in a Feb. 24 commentary entitled "Partners with Moscow?" "The very idea strikes deep alarm in the hearts of those who see any such talks as inviting a 'second Yalta,' a great power deal gratuitously confirming East Europe as a Soviet sphere of influence and disposing of its fate without consulting its members." He allows, "It is plainly an idea with an insistent logic behind it."

## Editorial

# *Butchers of Ibero-America*

Even before Socialist International spokesman Carlos Andrés Pérez took office as Venezuela's President, he was slated to become the policeman for IMF-World Bank policy throughout the continent. It was he, we were told, who would force Panama's General Noriega to toe the line, he who would act as a model in opening up Venezuela to foreign capital investment.

Now Venezuela has gone through a suspension of its constitution, a death toll of over 1,000 victims, uncontrolled rioting which has not only targeted over 20,000 businesses for destruction, but set slum dwellers against the middle classes in what threatens to become an ugly replay of social disintegration such as we saw in Iran.

There is good reason for bankers to fear that the situation in Venezuela is going out of their control. The present world financial system is so unstable that a continent-wide debt moratorium (already Brazil is threatening to pull out of the clutches of the banker's dictatorship), coupled with a threatened competitive upward slide in interest rates between the U.S., the U.K., the Federal Republic of Germany, and Japan could easily pull it down. And, indeed, every increase in U.S. interest rates makes the situation that much more intolerable for the indebted nations whose debt service is hiked up accordingly.

None of this need have happened, and there is still time to reverse the situation.

On Aug. 2, 1982, Lyndon LaRouche issued *Operation Juárez* which proposed a three-level approach to debt reorganization. At that time he wrote: "In much of the post-1974 period, the condition of finances of developing nations would not have occurred but for the virtual thuggery of Henry A. Kissinger and others, in enforcing the irresponsible and incompetent policies resolved at the 1975 Rambouillet conference and subsequent such conferences. Many of the debtor-nations were forced into refinancing debts at immorally usurious rates, and with other lunatic arrangements, at the point of a gun—sometimes quite literally, Kissinger's guns.

"Such features of the carried-forward debt of nations can not be considered exactly a debt contracted in

good faith. If there are any complaints of losses from debt-renegotiation among creditors, appropriate reference should be made to the injury to the debtors imposed by the wicked Kissinger and others, at Rambouillet and in related conspiracies."

LaRouche's plan for debt reorganization, unlike that of Pérez, Kissinger, and the international banking crowd, was for a reorganization of the debt at low (2%) interest rates, with easement of the extent of the loan—such a restriction not to be tied to any conditionalities or asset grabbing.

To allow the Ibero-American nations to maximize their own strength, he proposed a common market, since, "Given the limited means for creating technologically advanced industries of each and all, the attempt of the republics to meet their needs in parallel represents a costly duplication of investment."

This proposal is as valid today as it was in 1982, although of course, the economic situation of these nations has vastly deteriorated since.

The Kissinger team, which appears to be hegemonic in the present Washington administration, is following a diametrically opposite policy. They intend to use the debt crisis for an asset grab—the so-called debt-for-equity swaps—which would reduce the presently sovereign nations of Ibero-America to colonial status, as well as abject poverty.

The *Washington Post* proposed a similar future for the United States in its March 2 editorial. Citing Pérez's austerity program for Venezuela as a model which should be followed by President Bush in the United States, they wrote: "The great lesson of recent South American experience is that delaying the inevitable only makes it more costly and more painful in the end. There is no reason to think the same somber rule does not apply to North America."

The *Post* openly represents the plans of the bankers and the Kissinger crowd, who intend to repeat in the United States, the horror they are now visiting on the peoples of Ibero-America. There is another solution to the economic crisis, the LaRouche pro-development solution, but these same butchers are trying to silence his voice.





# So, You Wish to Learn All About Economics?

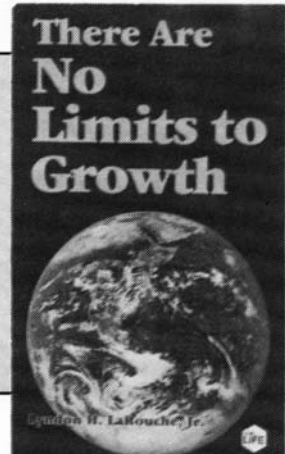
by Lyndon H. LaRouche, Jr.

A text on elementary mathematical economics, by the world's leading economist. Find out why *EIR* was right, when everyone else was wrong.

Order from:  
**Ben Franklin Booksellers, Inc.**  
 27 South King Street  
 Leesburg, Va. 22075

\$9.95 plus shipping (\$1.50 for first book, \$.50 for each additional book). Information on bulk rates and videotape available on request.

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



# There Are No Limits to Growth

by  
 Lyndon H. LaRouche, Jr.

Order from: **Ben Franklin Booksellers, Inc.**  
 27 S. King St. Leesburg, Va. 22075 (703) 777-3661

\$4.95 plus \$1.50 shipping (\$.50 for each additional book)  
 MC, Visa, Diners, Carte Blanche, and American Express accepted.  
 Bulk rates available

# Executive Intelligence Review

U.S., Canada and Mexico only

1 year ..... \$396  
 6 months ..... \$225  
 3 months ..... \$125

## Foreign Rates

Central America, West Indies, Venezuela and Colombia: 1 yr. \$450, 6 mo. \$245, 3 mo. \$135

South America: 1 yr. \$470, 6 mo. \$255, 3 mo. \$140.

Europe, Middle East, Africa: 1 yr. DM 1400, 6 mo. DM 750, 3 mo. DM 420. Payable in deutschemarks or other European currencies.

All other countries: 1 yr. \$490, 6 mo. \$265, 3 mo. \$145

I would like to subscribe to *Executive Intelligence Review* for

1 year  6 months  3 months

I enclose \$\_\_\_\_\_ check or money order

Please charge my  MasterCard  Visa

Card No. \_\_\_\_\_ Exp. date \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_

Company \_\_\_\_\_

Phone (     ) \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_

Make checks payable to EIR News Service Inc., P.O. Box 17390, Washington, D.C. 20041-0390. In Europe: *EIR* Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 166, 62 Wiesbaden, Federal Republic of Germany, telephone (06121) 8840.

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

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

**EIR**

SPECIAL

REPORT

**The  
Kalmanowitch  
Report:**

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

**with a preface by Lyndon H. LaRouche, Jr.**

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

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

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

120 pages Price: \$150

Make checks payable to:

**EIR News Service, Inc.**

**P.O. Box 17390**

**Washington, D.C. 20041-0390**