

EIR

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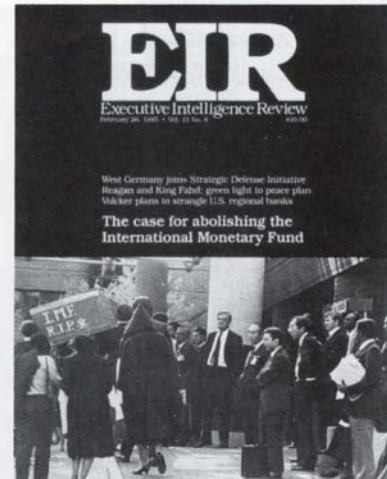
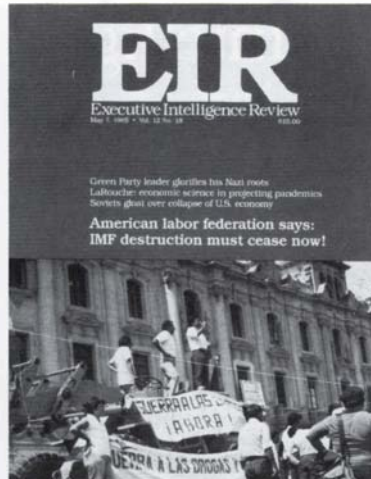
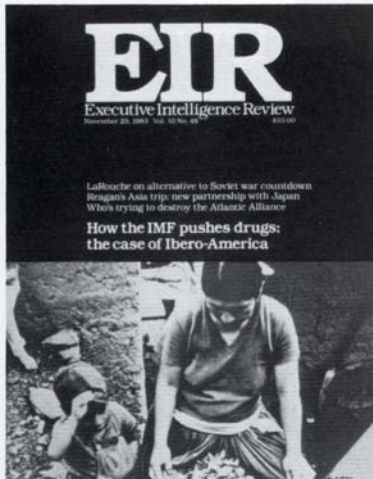
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Ramsey Clark: LaRouche frameup was political
Chicken Little flunked by atmospheric scientist
Does U.S. run guns to the drug cartel?

**LaRouche's SDI policy
cracked the Soviet empire**



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 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!

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EIR

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From the Editor

Mikhail Gorbachov, portrayed on our cover, is going downhill fast. With the Congress of the Communist Party of the Soviet Union slated to begin on July 2, there is a drumbeat of calls for Gorbachov to step down as boss of the party. The latest comes from Boris Yeltsin, a former Gorbachov protégé who has ridden the tide of nationalist rebellion to become President of the Russian Federation, the core of the Soviet empire.

In our *Feature*, the world's foremost political prisoner, Lyndon LaRouche, spotlights the process by which the current upheaval in the Soviet empire came about, and his own role, as author of the revolution in strategic doctrine that underlay the SDI, in sparking that historic change. He warns that Russia could now be dumping communism for an even worse form of oriental despotism.

We are proud to present the first installment of the EIR Statistical Survey of Physical Economy, which will appear at the end of the issue, shifting the placement of the editorial to page 65. This is a project suggested by Mr. LaRouche, and it manifests our commitment to providing real, not rhetorical, solutions to the physical economic problems confronting the world.

Other highlights of the issue include:

- Civil liberties crusader Ramsey Clark's speech to a Copenhagen conference, urging the "Helsinki" commission of the CSCE to take up the case of Lyndon LaRouche and his associates in the context of glaring U.S. violations of human rights both within its own borders and on a world scale (p. 38).

- The startling tale of U.S. government wrongdoing in the Caribbean, in the *Investigation*. Remember the invasion of Panama, supposedly to catch a big drug kingpin? What do you say to evidence that U.S. government agents are aiding the biggest drug kingpins of them all?

- Ammunition against the greenie fascists, in the form of scientist Hugh Ellsaesser debunking the claims that CFC's cause the ozone hole (p. 22), and on p. 56, the madness behind the "spotted owl" decision.

- In *Economics*, the scandal of the U.S. grab for Mexican oil (p. 8) and the approaching holocaust of refugees in China (p. 14).

- *EIR* said it first, and recent arrests prove it: The East German secret police ran West German terrorism (p. 41).

Nora Hamerman

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An atmospheric scientist who retired from the U.S. Air Force Air Weather Service after 21 years as a weather officer and from the Lawrence Livermore National Laboratory, provides the balanced scientific view that has been missing from the "ozone hole" debate.

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30 LaRouche's SDI policy cracked the Soviet empire

Lyndon LaRouche, now running for U.S. Congress, warns those who might be considering putting the Strategic Defense Initiative back on the "front burner," that they will fail, unless they follow LaRouche's original design for defense based on "new physical principles" as the driver for a fundamental shift in U.S. economic and cultural policy. LaRouche reviews the background of his initiative.

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Seven years ago, LaRouche predicted that Russia would dump communism for something far worse. Now it's happening.

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Bush police-state measures won't solve banking crisis

by Susan Welsh

The Bush administration on June 22 announced a plan to create a vastly expanded financial police and enforcement apparatus within the federal government, to crack down on what President Bush himself called the “cold-blooded snakes”—the savings and loan managers and others now under federal prosecution—who “will pay with years of their lives” for their alleged crimes.

The President proposed a list of amendments to the Omnibus Crime Bill which the administration will introduce immediately. These include:

- expanding the wiretap law to allow court-ordered wiretaps in cases involving financial fraud and related offenses for which this intrusive investigatory power is presently not available;
- giving the primary regulators of the bankrupt thrift industry power to seek court orders to freeze the corporate and personal assets of civil defendants in financial institution fraud cases;
- giving subpoena power to the Federal Deposit Insurance Corp. (FDIC) and Resolution Trust Corp. (RTC), applicable to failed, as well as operating, financial institutions, and including the power to “undo fraudulent conveyances dating back five years”;
- allowing federal prosecutors to seek restitution for all “victims of financial institution fraud schemes even where they were not specifically identified as victims in the charges underlying the conviction.” That means that the government can punish “crimes” which are not specified in the indictment itself, but are simply alleged to have occurred;
- permitting “the seizure of assets and property in mail fraud and wire fraud prosecutions involving a financial institution.”

These “get-tough” measures will do nothing to solve the banking crisis. Economist and political prisoner Lyndon H. LaRouche, Jr. had this to say recently on the matter: “I want

to debunk the hoax which is running around Washington, and the Justice Department in particular, suggesting that the cause for the collapse of the thrift institutions, the thrift banks in the United States, is a mass phenomenon of corruption by banking officers.

“Well, it’s just not true. That is a fraud.

“The reason for the collapse of the savings and loans is a bipartisan idiocy by both the Republican and Democratic leaders of the Executive Branch and Congress over the period since 1976.”

Where is the real fraud?

“The first thing to ruin the savings institutions, and the economy, was the deregulation process, the deregulation of banking and transportation, which occurred during 1978-79 under Carter.

“The second thing to ruin the banking system was the Volcker measures. Whenever the rate of interest goes to double or more the average rate of profit on real estate, or productive investments, what you are doing is sinking the economy and the banking system. And that’s exactly what the Carter administration and Volcker did, in 1979 with deregulation, combined with the so-called Volcker high-interest rate measures.

“Then, the Republicans took over. And the Reagan-Bush administration, with Bush playing a very active personal role in this, reinforced and worsened the application of deregulation, in 1982, in the context of ramming the so-called Garn Bill through the Congress.

“The creative financing, set into motion by Walter Wriston and others, by the Garn bill, and by the Bush group within the administration, caused the final process of collapse of not only the savings and loans, but a spillover of that problem into thrift institutions generally, and into the major commercial banks.

"We're not looking at the collapse of a few banks as a result of the speculations of a few extraordinary directors who have gotten involved in theft. We're not looking to jail Neil Bush. The problem is, Washington has been running on the wrong policy. It is both Republican and Democratic Washington, which has sunk the banking system. And it's about time that Washington, instead of trying to find scapegoats, like Neil Bush, should turn around and say, 'The government was wrong. Volcker was wrong. Carter was wrong. Reagan was wrong. Bush was wrong. Now, let the government take responsibility for the mess it created.' "

Banks hit hard

As *EIR* predicted, the banking crisis is burning out of control, fueled by the collapse of real estate markets—not only in the United States, but throughout the Anglo-American financial world. The afflictions which hit Texas, Arizona, New England, and other "isolated" areas have begun to hit the major U.S. banks, including the titans of Wall Street itself. Moody's Investors Services and Standard and Poor's Corp., the nation's two main credit-rating agencies, have been forced to downgrade the credit ratings of most of the nation's top banks, including Citicorp, Chase Manhattan, Chemical, Security Pacific, Wells Fargo, and dozens of others, because of mounting real estate problems.

Chase has announced a major restructuring, including the resignation of longtime chairman Willard Butcher, who is retiring early to help facilitate "organizational changes." Chase, Butcher told the *Wall Street Journal*, will have to "skinny down" its corporate financing business, and "grapple with the real estate challenge."

Bankers Trust New York announced staff cutbacks, and the *Journal* reports that memos are circulating at Manufacturers Hanover announcing 25% personnel cutbacks in selected departments. The Bank of Boston recently eliminated its takeover unit.

On June 20, the London IBCA downgraded the credit rating of the Hong Kong and Shanghai Banking Corp., saying it took the action "because of Hong Kong bank's general financial performance, combined with the inevitable uncertainty that must be associated with the takeover by the People's Republic of China in 1997." The bank's U.S. subsidiary, Marine Midland Bank, and its London brokerage, James Capel, have also performed poorly. IBCA also cast doubt upon HongShang's proposed merger with Britain's Midland Bank plc, citing Midland's problems and other difficulties. "It is by no means certain it will go ahead," IBCA said.

The following additional crisis areas are brewing as we go to press:

- The bondholders of Bond Corporation—a A\$6.7 billion Australian empire carrying A\$6.3 billion in debt—meet in London at the end of June to review Bond Corp.'s proposed financial reorganization. If the bondholders are unable to

agree, they may move for immediate liquidation of Bond Corp. The Hong Kong and Shanghai Banking Corp. has a large exposure to Bond Corp.

- Another large Australian outfit, Elders IXL Ltd., is expected to be forced to write off hundreds of millions of dollars in rapidly weakening investments, which will wipe out any earnings for the year.

- Campeau Corp. is reported to be considering selling all its holdings of Canadian real estate in a desperate bid for short-term liquidity. A major complication is that these holdings are the collateral on which is based the loans Campeau used to buy Allied and Federated Department Stores.

- The much-touted Rothschild-Goldsmith front, Anglo Holdings, is in the process of dissolving. The *Financial Times* of London writes, "The dissolution of the Goldsmith/Rothschild empire continues apace."

No 'Trump' card

The problems in the banking sector were aggravated by the failure of Donald Trump to meet some \$85 million in payments due June 15. Trump's total debt amounts to some \$3 billion, of which about \$2 billion is owed to Citicorp, Chase, Bankers Trust, and Manufacturers Hanover. Some of the debt is backed by real estate as collateral, but \$500,000 of it was loaned to Trump personally. His personal assets are in question.

"His adjusted net worth is minus several hundred million dollars, by my estimate, and he is alive only because his bankers are too red-faced to pull the plug on his life-support system," Martin Sosnoff, chairman of Atlanta-Sosnoff Capital, wrote in the *New York Post*.

By June 26, he must come up with \$65 million to mollify his creditors. But on June 22, he was dealt a potentially fatal blow, when the New Jersey Superior Court refused to dismiss an anti-trust suit against him brought by Pratt Hotel Corp., a competing casino operator. The ruling leaves Trump exposed to a potential personal liability of \$600 million.

Even if Trump is temporarily rescued by another infusion of cash from his bankers, he will undoubtedly be forced to begin liquidating his empire, which will further undercut the New York City real estate market.

That, in turn, will further undercut other New York City developers, causing further problems for the banks. Indicative of the problem is the situation faced by Toronto's Reichmann family, whose Olympia & York real estate firm is New York City's largest commercial landlord, with some 30 million square feet of office space. O&Y has several large holdings in the city's financial district, where cutbacks at Merrill Lynch and the collapse of Drexel Burnham Lambert have cost the company leases on over one million square feet of space.

This same vicious circle, where collapse begins to feed on itself, is occurring in all the major cities, as the real estate and financial bubbles pop.

California high technology collapsing

This sector is on the ropes, ignored by the Bush administration and hoping that Soviet markets really exist. Part II by Brian Lantz.

The California economy, touted as the fifth-largest in the world, has been home to the "post-industrial society" and its even uglier sister, the "Aquarian Conspiracy." Contrary to New Age rhetoric, however, California's wealth wasn't conjured up, but was the result of tremendous capital investment in infrastructure which enabled the buildup of its real economic base in agriculture, defense, and electronics. The illusion of a successful post-industrial economy dies slowly, however.

Today, talk in Silicon Valley centers around a desperate search for new markets. Until recently, the expectation was that high-tech research and development (R&D) investment would create its own markets, with new products creating demand, which in turn would provide profits that allowed high-flying electronics firms to re-invest and stay at the competitive, technological cutting edge. In those days, Jerry Saunders, chief executive officer of Advanced Micro Devices (AMD), proudly railed against "government interference." Free trade rhetoric carried the day, and greedy trading companies had a field day buying up advanced technology for application to the Soviet Strategic Rocket Forces.

But the high-tech sellers' market of the 1970s and early 1980s is no longer. Based as it was on consumer credit, government bureaucracy, and corporate indebtedness, the "information age" blew a fuse. The 1986 tax code revisions, coming on top of tough international competition, squeezed profit margins, and contracting markets, were described in the semiconductor industry as "Chernobyl." Today, thoughts are on a quick fix.

The search for Soviet markets

When Mikhail Gorbachov met with business and political leaders on June 4 in San Francisco, another low-profile "Silicon Summit" was occurring in Santa Clara, California, 30 miles to the south. A 10-member Soviet delegation from state-owned computer, space, and communications agencies—provided with specially arranged security clearances—began a 10-day conference with U.S. high-tech corporate representatives.

Discussion at the Silicon Summit was of complex deals which amount to little more than an agreement to take in each other's laundry. The Soviets propose to trade their technological "know-how" and "product breakthroughs" for U.S. man-

ufacturing abilities, advanced semiconductor technologies, and supercomputers. The talk is of "joint ventures," combining the Soviet's huge R&D facilities with U.S. corporate ability to develop basic technologies for the marketplace. Market-hungry Silicon Valley executives are willing to close almost any deal, but the unanswered, \$64,000 question is, "Where's the dough?"

Silicon Valley shorts out

Over the past decade, fully 19% of California's manufacturing work force has been employed by the electronics industry, which has paid out \$6 billion annually in wages. Over the last 12 months, that work force has been decimated by layoffs. IBM laid off 10,000 nationwide, with heavy layoffs in Silicon Valley. It had laid off 22,000 in 1988, and is planning as many as 10,000 additional firings in 1990. AT&T is doing the same. Other layoffs hit Wang, Unisys Corp., and Digital Equipment Corp. in the second quarter of 1989.

In the first half of 1990, the dynamic has continued. In January, financially troubled Apple Computer wrote its 12,000 employees that cutbacks and layoffs were in the offing. In May, Apple announced that its employees would take an effective 10-15% wage cut. Amdahl Inc. reported a 42% decline in earnings in the last quarter of 1989 and laid off 5% of its workforce. Raychem Corp. announced 1,000 layoffs April 5, and Varian Associates, Inc. announced the layoff of 600 workers—20% of its work force.

Perhaps most indicative of the depth of the crisis is the decline of the "Big Three" U.S. semiconductor giants. National Semiconductor lost \$200 million in 1989 and laid off 2,000 employees. AMD laid off 2,400 workers in 1989 and has turned to Sony Corp. for manufacturing advice. Intel has done somewhat better by comparison, due to a "lucky" microprocessor arrangement with IBM.

Back in 1985, Intel, National Semiconductor, and AMD had been forced out of the huge, advanced dynamic random access memory chips (DRAM) market—the key ingredient in computers and other electronic devices—with Intel losing \$203 million in 1986. The U.S. market share dropped from 70% in 1982 to 35% in 1989. Japan is projected to control the entire \$250 billion market by 1992. Hit with financial losses, mass layoffs, and declining market share, the "Big Three" have been pleading for government help, but the Bush

administration is not listening.

Last November, D. Allan Bromley, director of the White House Office of Science and Technology Policy, announced that the administration would not increase funding to high-technology R&D programs. The only news that wasn't bad, was that the administration said it would not cut Sematech funding. Sematech, the Austin, Texas-based consortium, was formed in 1987 to combine private industry and government to compete in manufacturing semiconductors, particularly DRAMs. However, Sematech funds will not be increased, and the Bush administration has ditched most other industry recommendations for Sematech as well. In April, Craig Fields, head of the Defense Advanced Research Projects Agency (DARPA), was fired. Fields had championed grants to help U.S. companies enter such strategic fields as high-definition television. According to industry analysts, the firing of Fields spells doom for DARPA's program for high-definition systems which are important for both military and commercial applications.

Other efforts to put together "Japanese-style" consortiums have died out. A proposal to create a Consumer Electronics Capital Corp. sank without a trace. CECC was conceived of as a for-profit company, offering billions of dollars in equity investments and low-interest loans using private, state, and local government money. U.S. Memories, launched in June 1989 by seven companies including IBM and Hewlett Packard, fell apart six months later amid bitter accusations that computer makers, such as Hewlett Packard and Apple, were not willing to invest in the industry's future.

A further blow to entrepreneurial activity in Silicon Valley has been the disappearance of U.S. venture capital, the life-blood of fledgling "start-up" electronics companies. Major Japanese corporations have stepped in as an investment source, in return for manufacturing and selling rights outside the United States. However, with the Japanese stock market crash, these investments will not last long.

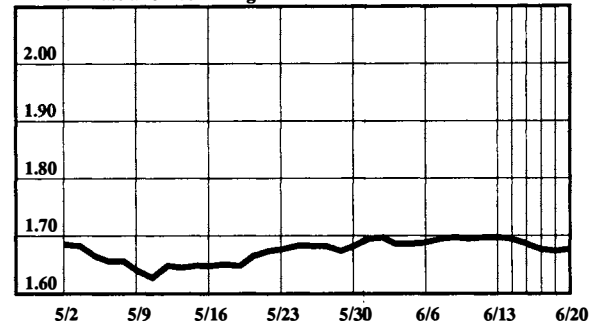
Bush offers nonexistent markets

It was President George Bush who set the stage for the Soviet-Silicon Valley summit, proposing earlier this year that barriers be lifted to computer shipments to Eastern Europe and the Soviet Union. The proposal will be formally presented to Western allies at the meeting of the Coordinating Committee on Multilateral Export Control (CoCom) in Paris in late June. President Bush's proposal came only months after his administration sank computer industry proposals for joint private and government R&D initiatives. Ironically, in killing the private-government development efforts, the Bush administration advanced the very free-enterprise rhetoric so popular in Silicon Valley only a few years ago. As a more "realistic" alternative to R&D, Bush has generously offered nonexistent markets in Moscow, Krakow, and Kiev. A good listen to Lyndon LaRouche, the world's outstanding physical economist, is long, long overdue.

Currency Rates

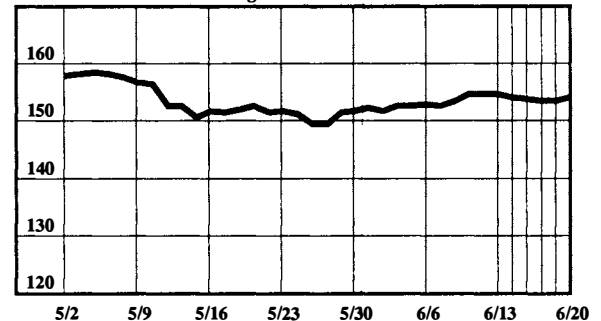
The dollar in deutschemarks

New York late afternoon fixing



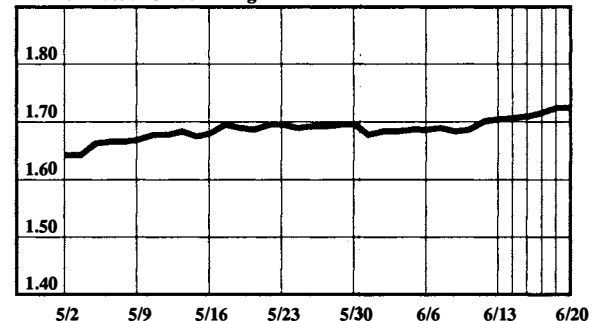
The dollar in yen

New York late afternoon fixing



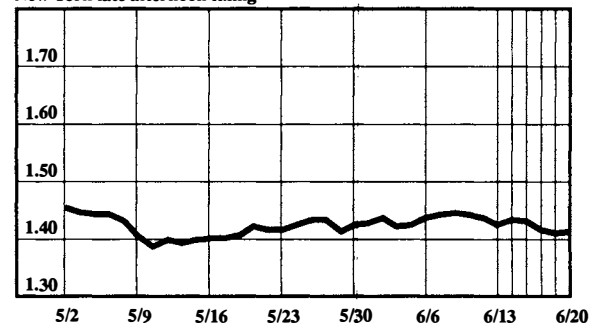
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



The Seven Sisters return to Mexico: the economic collapse of Pemex

by Carlos Cota Meza

Petróleos Mexicanos (Pemex) has long been unique as Mexico's most important state-owned enterprise and a pillar of the national economy because of its high degree of integration of the entire petroleum process from exploration through commercialization. Yet, this is what the political forces behind former President Miguel de la Madrid and current President Carlos Salinas de Gortari now view as the principal obstacle to handing Mexico's substantial oil reserves over to the Seven Sisters oil multinationals, under a "free trade" pact or a North American Common Market.

To carry out their intention, De la Madrid, Salinas, and their group are engaged in an effort to drive Pemex into bankruptcy. After that, it is to be dismantled as an integrated enterprise, for immediate delivery to the Seven Sisters oil cartel. This plan has now been incorporated into Mexico's new "National Program of Energy Modernization 1990-1994" (PNME), unveiled by the Department of Energy, Mines and State Industry in the *Diario Oficial* on May 7.

From the start, the PNME pamphlet admits that "as of 1983, a strategy for the energy sector was posed that was essentially oriented toward qualitative changes. . . [This strategy] opted for reducing the relative weight of the sector." Pemex's importance was magnified only in those areas considered "critical" to the previous De la Madrid administration, namely, "foreign exchange revenues and public finances—especially the latter."

In real terms, this "reduction of relative weight" meant that investment in Pemex in 1988 was a mere 23.5% of that invested in 1981, while the electricity sector received only 41% of its 1981 investment level. This policy had the effect of leaving the energy sector, and Pemex in particular, with "less maneuvering room in terms of its capacity for oil production and the composition of its export mix."

'Restructuring' means destruction

The PNME analysis concludes: "The production of crude shows symptoms of decline; primary refining operations are operating at maximum capacity; insufficient integration of the secondary processes limits production of higher-quality derivatives; and problems exist in areas of transportation and storage of crude and derivatives." The PNME strategy for dealing with these problems is dismemberment, under the guise of "restructuring" Pemex along the lines of a supposed restructuring of oil companies and markets worldwide.

The document continues: "Without requiring large amounts of investment . . . [Pemex's] production could increase with operational adjustments and corrective maintenance. . . . The feasibility of creating instruments of investment which permit adding private national savings to public savings to contribute to the financing of infrastructural works should be studied. . . . In Pemex's case, we must analyze the feasibility of having an integral business line organizational structure. Thus, a unit is proposed which could be responsible for exploration and primary production for the entire national territory, and another to cover industrial production and internal commercialization. In this case, one would have to consider the convenience of separating commercialization of petrochemicals from refining. To the extent that each unit would have its own management in areas such as budget, inventory, etc., a greater efficiency and productivity would be achieved, and the application of plans facilitated."

Regarding Pemex's relations abroad, the PNME proposes "advancing in the strategy of the internationalization of Pemex, selectively evaluating various plans. . . . In this sense, one seeks to strengthen the recently created Pemex subsidiary company, PMI." PNME also proposes "to broaden and deepen bilateral relations that would not only provide for promoting greater trade flows, but also encourage schemes of economic complementarity associated with energy, as well as agreements with such multilateral bodies as the United Nations."

Finally, the PNME cuts through all the "business-speak" and gets to the point: "The entities of the sector, in each case, constitute veritable giants, including on a world scale. . . . [Pemex's] administration, coordination, and control is made difficult by its very size."

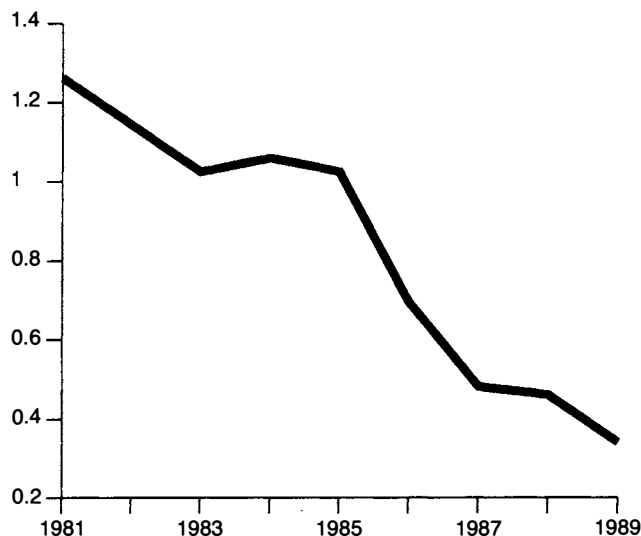
A brief history

Since 1938, oil has been considered the center of gravity of the Mexican economy. Its development as the national patrimony was zealously protected by all sovereign and nationalist governments. But it has also been the target of all those who have sought to "de-nationalize" the economy, so that it could be turned back into a typical banana republic sweatshop.

In 1952, after 12 years of minimal exploratory activity, Mexico's known oil reserves reached the figure of 2 billion barrels. During 1964-70, reserves grew to 5.6 billion barrels,

FIGURE 1
Total depth of wells drilled collapses

(millions of meters)



Source: Pemex

suggesting very slow growth. By 1976, reserves were officially estimated at 6.3 billion barrels, an increase of only 700 million barrels over six years. The College of Petroleum Engineers at the time issued a study which warned that, based on reserve levels and production of that year, reserves would diminish so severely that it would be necessary to import crude petroleum and its derivatives by 1979.

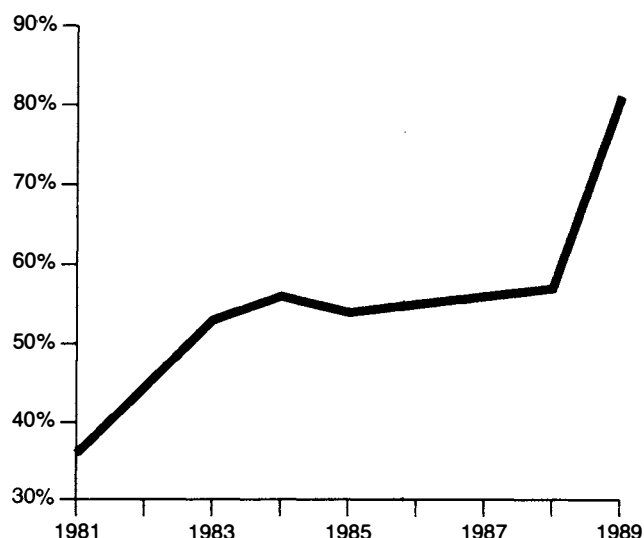
But in December 1976, combination of the new nationalist administration of José López Portillo along with the undeniable bounty offered by the 1974 oil price hike, led to a new development program and a reevaluation of reserves, along with a plan to double production, refining, and petrochemical output. In 1977, proven reserves (i.e., crude oil and natural and liquid gas in known deposits, calculated as economically exploitable with known technologies of petroleum engineering) were 11.16 billion barrels—not including the continental platform of Campeche or fields no longer under production.

By December 1977, proven reserves were already at 16 billion barrels, with a productive life of 30 years. Probable reserves (that is, in the process of being proven) were 31 billion barrels, while potential reserves (proven and probable combined) were estimated at 120 billion barrels.

Based on the rudimentary knowledge garnered in 1932, which posed the likelihood that there would be oil in the Gulf of Campeche, geological and seismological studies were modernized and expanded. With the discovery of the new deposits at Campeche, added to the oil found in Chiapas-Tabasco, a new chapter in the economic history of the country was opened. Since that time, maritime petroleum production

FIGURE 2
Drilling equipment increasingly concentrated in Chiapas-Tabasco

(percentage of all equipment nationwide)



Source: Pemex

has been the backbone of the new production.

By 1980, proven reserves had risen to 60.1 billion barrels, reaching 72 billion barrels in 1981. Production was up to 2.75 million barrels of crude a day. The relation of reserves to production was 60 years. Probable reserves were placed at 58.65 billion barrels, and potential reserves at 250 billion barrels.

Enter the 'Harvard barbarians'

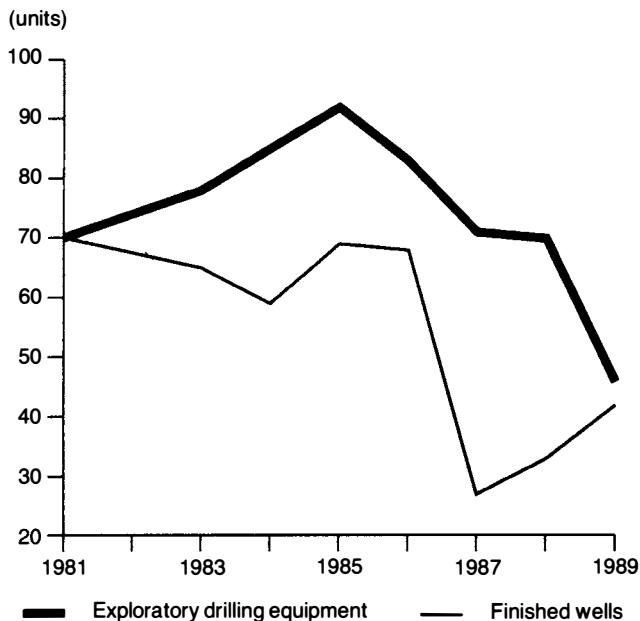
At the end of 1982, with the departure of López Portillo and the inauguration of the international bankers' friend Miguel de la Madrid, the decision was made to halt all new investment and to loot the economy in favor of giving the bankrupt international monetary system a few more years' lease on life. Pemex's growth came to an abrupt halt, and the industry suffered severe regression on all fronts, especially in exploration and quantification of reserves. Probable reserves were abandoned altogether. By 1988-89, reserves, exploration, and exploitation fell.

In 1987, after five years of coasting along on previously built-up wealth, the cannibalization of Pemex began to accelerate markedly. In that year, the depth of wells drilled was 30.3% less than in 1986, due in large measure to lost time in dismantling oil rigs in specific areas, transporting and remounting them in the areas of greatest drilling activity, as well as in the dismantling of rigs to use their parts in major repairs and in maintenance of other rigs (see **Figure 1**).

As of 1987, the only exploitation going on was what could turn a profit based on the new depressed prices, and

FIGURE 3

Finished wells cannibalized at expense of new exploration



Source: Pemex

this only involved the fields at Campeche and Chiapas-Tabasco. The concentration of land rigs in the Chiapas-Tabasco area increased from 56% of the national figure in 1987, to 81% in 1989 (see **Figure 2**).

In 1989, the depth drilled of both exploratory wells and wells under development was 25.9% less than in 1988, primarily due to the reduced availability of drilling rigs, which went from 115 to 99—a reduction of 36.1%—from 1988 to 1989 (see **Figure 3**). The result has been a drastic reduction in the number of finished wells, with the aggravating factor that no new fields have been discovered and only existing deposits are being exploited. As a result, proven reserves figures have fallen at an accelerating rate (**Figure 4**).

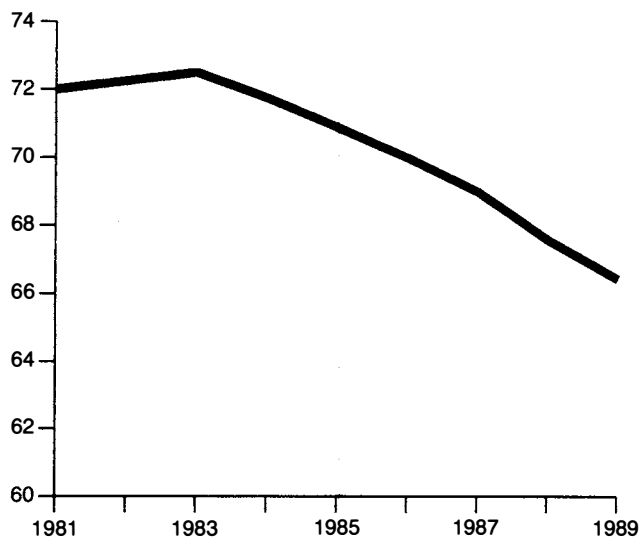
Cannibalization of secondary recovery

In identifying a deposit, the first action taken is to determine the volume of oil it contains, and then the volume of recoverable oil in its first phase, i.e., what can be extracted with the natural energy of the deposit itself. The volume of secondary recovery is also determined. Secondary recovery reestablishes the natural pressure lost through drilling, by the injection of water, steam, or through mechanical suction. Tertiary recovery is accomplished through injection of chemical solvents into the deposit, to loosen the oil adhering to the rocks and force it to the surface.

Between 10-15% of the crude oil in any deposit is recovered through primary recovery methods, while another 45%

FIGURE 4

Reserves of crude oil are dropping
(millions of barrels)



Source: Pemex

is usually obtained through secondary recovery, which begins during the first year of exploitation. Tertiary recovery usually offers small returns. In 1976, some 337,000 barrels of water were injected daily in secondary recovery efforts. By 1981, the volume of water injected had increased to 1.45 million barrels a day. The increase was in response to a policy of optimizing exploitation of the deposits.

In 1983, secondary recovery represented 19.6% of national production of crude oil, a percentage which slowly diminished through 1989, when it reached 8.4%. Not only has the volume of water injected fallen, but also the number of rigs and drilling systems subject to recovery went from 19 in 1981, to 11 in 1989 (see **Figure 5**).

The result of all this has been the accelerated exhaustion of reserves, with exploitation reduced for all practical purposes to primary production at the camps.

The damage is long term

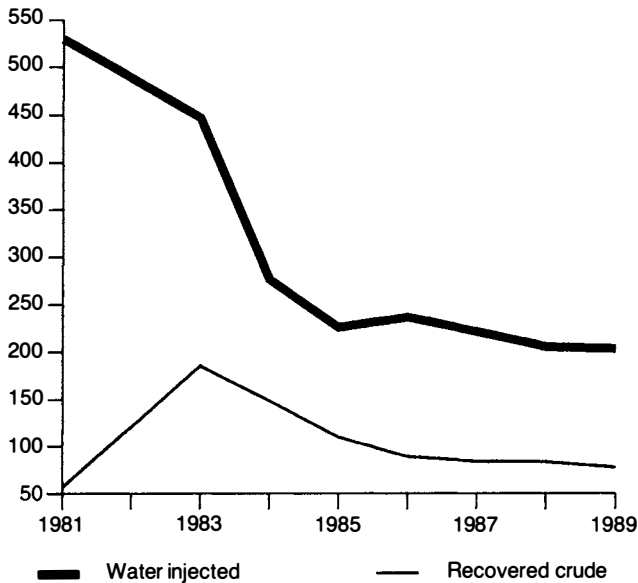
Can the decapitalization of Pemex be quantified? It is one thing to quantify technical inventory, and quite another to quantify the maturation time of investments no longer being made, or “deferred” production lost and unlikely to be regained. Exploratory work takes five to ten years to yield results. Refineries take four years to build, petrochemical plants even longer.

Yet another aspect to be considered is the critical role that has been given to Pemex as a “regulator” of public finances. This practice, in effect, establishes the price of a barrel of petroleum at below the market price, for purposes of determin-

FIGURE 5

Secondary recovery through water injection slackens

(millions of barrels)



Source: Pemex

ing the federal budget. The result was a “savings” based on the difference between the “budget price” and the real price; that savings, during the De la Madrid administration (1982-88), fluctuated from year to year between \$2 and 5 billion. These savings, of course, were never recorded in the budget, but have nonetheless given discretionary powers to the Executive Branch to monetize international reserves for the purpose of creating resources to service the internal debt.

Adding together the reduction of real investment, lost time, “deferred” production, and the “savings” looted from Pemex, decapitalization of the firm could easily reach \$50 billion. Given the government policy of budget “adjustments” applied from 1983 through the present, and of shrinking Mexico’s foreign debt by any means, it is very possible that any sort of recovery, expansion, or development of Pemex in the future will be handed over to what is euphemistically called “private national savings,” or to private national or foreign investors.

In the PNME, the Salinas government assumes the existence of a worldwide restructuring of the petroleum industry, from which Mexico “cannot exclude itself.” The supposed restructurings vary widely throughout the world, but the only country where there is actually talk of preparing for an “oil shock” happens to be the United States, whose government wants to gobble up Pemex.

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Canada's Atlantic Coast fish follies

by Lucylle Boikoff

A number of recent events designed to further impoverish Canada's East Coast fishermen have sent them reeling. These include the reported depletion of ground fish stocks, the proposed changes in the Unemployment Insurance Act, and the two-year-old ban on seal hunting.

The stated reason for the current low quota and bans on fishing generally, is that Maritime Provinces fishermen, as well as Russian, Japanese, U.S., and other foreign vessels, have "over-fished" Canadian waters. Some vessels have high-speed freezing and canning equipment aboard, competing with onshore operations in Canada. Such entities as National Sea Products are threatened, and may have to close their doors to more than 3,000 fish plant workers—*sans* pension and *sans* severance pay.

Federal Fisheries Minister Bernard Valcourt has come up with a \$584 million proposed aid package, but will require Canadian and foreign fish processors to pay "royalties" or "stump tax" on future fish harvests, just as lumber companies pay taxes on trees. This is in addition to steep licensing fees. The threatened fishermen recently joined the Canadian Auto Workers Union (a breakaway from the UAW) to strengthen their bargaining power. Larry Wark, the director of the Canadian Auto Workers, thought that the use of "royalties" to fund severance pay and pensions to those laid off, was an "excellent idea."

Another aggravation to the beleaguered Canadian fishermen will be the proposed revisions in the Unemployment Insurance Act, passed by the Canadian House of Commons and now before the Senate. The changes require a longer period of work in order to qualify, and will be paid out for a shorter time. Initially, the federal government was guided by policies which made up for regional disparities, but the new plan, according to Yves Rabeau, an economist with the University of Quebec in Montreal, will narrow the gap between the less-favored U.S. unemployment insurance plan and that of Canada.

The seal hunt ban

At one time, the fishermen of the North Atlantic Maritime region could supplement their income with the seal hunt, as well as providing employment in the fur industry. The seal hunt netted an income of \$1,400-5,000 per person annually, before 1987. In 1986, however, the Royal Commission on

Seals and Sealing put a ban on the seal hunt, which went into effect in 1988. They did this on the basis of a questionable video that consisted of songs on "eco-crime" donated to Greenpeace by U2, World Party, INXS, and Annie Lennox, showing film clips on the white coat hunt. Not shown, were the seal pups sprayed with aerosol paint and hugged by celebrities, whose seal mothers could not identify them because of their noxious odor.

Seals consume 1,400 kilograms of fish per year, do heavy damage to fishing equipment, and infest the fish harvest with parasitic worms. The last seal census took place in 1983, when there were about 2.5 million, allowing for a permissible catch of 200,000.

The organizations of Young Newfoundlanders Fighting Back and the Canadian Sealers Associated were not pleased with World Wildlife Fund's doctored postcards depicting blood-spattered sealing vessels, especially as some eco-fascists in this group were earning salaries 5 to 30 times higher than those of the seal hunters.

The 35,000 people making a living from fishing in Newfoundland alone would like to see quotas lifted, the present unemployment insurance structure maintained, and hatcheries and fish farms created to replenish fish stocks. If measures like these are not taken, Newfoundland might well become the 51st state of the United States.

Correction: In the June 22 issue, there were several errors in the article, "Canada drowns at Meech Lake" on page 48. The fifth paragraph from the end should have read:

Quebec passed a law in 1978 known as Bill 101 or 'Loi' 101. That legislation made French the only official language in the province. In December 1988 the Supreme Court of Canada declared a section of Bill 101 unconstitutional.

Quebec immediately passed a new language law and made use of a revised provincial override law providing that statutes of Quebec shall operate "notwithstanding" the fact they may violate the Canadian Charter of Rights.

The Canadian Charter itself has a "notwithstanding" clause, section 33. This results in certain rights and freedoms being fully entrenched in the Charter while others are entrenched unless overridden by the Parliament or a provincial legislature.

By establishing a legislative override in a such a constitutional context, Canada went beyond all bounds and has created a unique precedent with no equivalent in either international documents on human rights or in any human rights declaration issued by western nations.

East German doctors few, poorly equipped

by Jutta Dinkermann

With the great wave of refugees from East Germany this past year, there also came much concern about the health care system. In September, the first reports hit the West German press on the looming collapse of the East German health system, due to the exodus of doctors and nurses. "Whole regions are now without specialists," reported the *Frankfurter Rundschau* Sept. 18, and cited the numbers of workers who had left clinics and preventive health institutions. Though there were not yet any reports of the flow of refugees in the German Democratic Republic's newspapers, only denunciations of an "imperialist campaign," the first problems in providing care were already conceded by mid-September.

While Health Minister Thielmann, in the newspaper *Neue Welt*, scored the fleeing doctors as traitors to the patients and violators of medical ethics, on Sept. 15, for the first time, a medical official concretely described the personnel emergency in a Saxon newspaper. In October-November, more reports appeared in Western media—and with growing frequency in G.D.R. papers, too: "Between 8,000 and 10,000 doctors or related health care professionals have left the G.D.R. in the context of the current mass flights" (*Neue Ärztliche*, Nov. 2, 1989). "Six hundred doctors and related personnel of medical facilities leave the Dresden area" (ADN wire, Oct. 27, 1989). "Eleven hundred Berlin doctors and nurses from state institutions have left the state" (*Berlin Zeitung/G.D.R.*, Jan. 3). "Altogether it is estimated by the church that the departure in the health care area is 8-10%" (*Frankfurter Rundschau*, Nov. 8, 1989).

The fragmentary numbers reveal an overall disaster. The situation in the south is significantly worse than in the north of the G.D.R., and the capital stands out, as always, as the best. (The centralization of many resources in East Berlin is indicated, for example, in the waiting time for a routine gall bladder operation: two weeks in the capital, up to three years in the Dresden area.)

Health Minister Thielmann reported during the National Health Conference in September in East Berlin that there were 55,000 doctors and dentists in the G.D.R., without saying how many of these were still practicing. Twenty thousand were classed as clinicians, of which the majority worked in state clinics; only 417 doctors worked in private practice. East Berlin has 43.7 doctors per 10,000 residents—a West

European ratio—but in Rostock and Gera, this drops to 30 doctors per 10,000 residents, and in towns like Cottbus and Neubrandenburg, barely 19 doctors per 10,000 residents.

In 1987 a total of 187 doctors had left the country. In 1988 it was already 282. Between Nov. 6, 1989 and March, 533 emigré doctors registered with the National Health Ministry in Bonn, not counting some 100 former G.D.R. doctors who went to West Berlin. This exodus lost the G.D.R. in months more doctors than it had gained in a full year's new certification (about 100).

In an attempt to stem the tide, in 1988 many doctors' pay was raised, from 900-1,200 marks to 1,330-1,800 marks, above the average skilled worker's 1,100-mark wage. It was a big hike, but it was the first since 1954. And the higher figure is just a ceiling, attainable only under certain conditions with political strings attached. In at least one city, pay rises were linked to a pledge not to travel abroad.

Everything is scarce

"Imagine someone is operating on your brain. An experienced neurosurgeon. But the surgical gloves which he wears are a size too large or too small. If one needs a tumor operation, he had better be lucky. In Jena, tumor patients wait three-fourths of a year for their operations. And if in Gotha a computer tomograph is needed, the patient is out of luck, because there is none there. Then the inquiry goes to Erfurt, whether they have one available. And that could take three months." Thus Dietrich Steube of Erfurt describes the situation in his specialty. Laser surgery, already commonplace in West Germany, is in the experimental stage there. Cancer patients are evaluated, whether surgery is worth it or not, depending on how old they are. "The people who accuse me of leaving them in the lurch, must also do something, so I do not have to leave. I want decent working conditions."

Not only is the hemorrhage of personnel hurting. In reality "everything is scarce"—beds, mattresses, sterilizers, bandages, night tables, stretchers, desks. "The material basis of my practice is at the early 1960s level," complains a practicing physician in the Thuringian forest area. A doctor in Leipzig reports that the outside temperature of one of the three steam sterilizers in a polyclinic had fallen to -2°C .

"If a farmer needs a horse to plow his fields, he is not helped by three ponies." So the East Berlin pediatric surgeon, Prof. Harald Mau, criticized the sending of beginner medical professionals from West to East Germany as an initial aid measure. The many G.D.R. specialists who have fled can hardly be replaced by imported greenhorns. One solution may be to draw from the sizable portion of the 40,000 G.D.R. physicians who currently work in administration. The recently founded Virchow Federation of doctors is calling for a change in the conditions that have driven their colleagues from the land: for starters, to allocate not the current 5%, but at least 10% of the Gross Domestic Product, to pay for health care.

Chaos and hunger in China will deluge region with refugees

by Mary McCourt Burdman

People's Republic of China supreme leader Deng Xiaoping threatened to deploy China's ultimate weapon, in an astounding statement to foreign visitors to Beijing on June 15. But Deng's threat—that if civil war broke out in China, it would create such chaos that *tens of millions* of Chinese refugees would flood the nations of Asia—was made out of real desperation. Years of looting by the communist regime have wrecked China's agriculture, the basis of the economy, where 800 million of her 1.1 billion people work. Water and soil conservation projects, vital to agriculture, collapsed. Already there are at least 100 million unemployed people, most of them peasants, wandering north to south in a great *manu liu*, or “blind wave,” seeking work, or at least food. Industry is going under, due to the gross deficiency of energy and transport, and the vast growth of debt, adding to the army of internal refugees.

Southeast Asia has already been flooded with refugees. It is estimated that 2 million Vietnamese have fled their impoverished country since the fall of Saigon, although only about 1.6 million ever reached the ports of first asylum in Southeast Asia. The rest died of hunger, exposure, or were murdered by pirates. Thailand alone houses 500,000 refugees, some from Vietnam, but most from the two decades of war and genocide in Cambodia. With the refugee camps in Thailand, Malaysia, and Hong Kong filled to overflowing, impoverished Vietnamese and Cambodians are now trying to reach Indonesia and even Australia, where 200 Cambodians have arrived since November. Even Western Europe is now seeing its own “boat people”: A number of Vietnamese “guest workers” in Eastern European countries, whose contracts were canceled with the overthrow of the communist regimes, fled through East Berlin to the West, to avoid being sent back to Vietnam.

The situation in Southeast Asia is a tragic reenactment of events of 50 years ago, when European Jews fleeing the Nazi regime sailed all over the world trying to find a refuge and were turned away by the United States, Canada, and other nations. Right now, there are two ships, one Taiwanese and one Honduran, whose captains rescued “boat people” foundering at sea. The ships are sailing the South China Sea looking unsuccessfully for a port which will take the refugees. U.N. officials now fear that if the situation continues

unresolved, ships will no longer pick up refugees at sea.

So far, the Chinese authorities have sealed their borders, keeping the “blind wave” inside. Indeed, the number of Vietnamese refugees reaching Hong Kong, most of whom are ethnic Chinese from desperately poor northern Vietnam, has fallen off drastically this year, because the Chinese authorities have sealed off their escape route. Last year, many thousands crossed the Vietnamese-Chinese border and took buses or walked to the coast, where they set sail in ramshackle boats for Hong Kong. The Chinese have intervened to block the exodus, partially due to an agreement with the British colonial authorities in Hong Kong, but also undoubtedly aware that millions of Chinese could soon start pouring out of any open escape route. Last August, more than 600 southern Chinese, claiming to be Vietnamese, landed in Japan, only to be repatriated by the Japanese government.

In the midst of this crisis, it is a bitter irony that Deng's pleas and threats will net him nothing from the Anglo-American oligarchy with which he is trying to deal. The Chinese are now under even greater pressure to destroy their economy. The oligarchy's pagan “earth worshippers” are pressing China and other impoverished nations to further cut back development to “protect” the environment. The specter being raised by the environmentalists—of millions of “environmental refugees” fleeing barren land—is the environmentalists' own creation, and the creation of such faithful malthusians as the Chinese communists.

“Stabilizing” China, as George Bush wants to do, will only add to the agony. The only solution to the crisis, a massive development program, is something the current Beijing regime, by its very nature, is utterly incapable of realizing. What is happening now in China is full confirmation of the urgency of the “Food for Peace” movement, which U.S. economist Lyndon LaRouche and his associates called for in autumn 1988. One year ago, in Bangkok, *EIR* co-sponsored a Food for Peace conference on the time bomb of hungry China.

‘Chaos will break out’

Civil war in China could threaten the stability of the entire world, Deng Xiaoping told a group of foreign visitors, the Hong Kong publication *Wen Wei Bao* reported June 16. Sta-

bility "is of overwhelming importance for China," Deng said; and without a stable China, the whole world will not be stable. If civil war breaks out in China, "Who could stop it?" Deng asked. If China is in chaos, there will be an exodus of millions of refugees, which will mean chaos for the other nations of Southeast Asia. Suppose "10 million Chinese go to Thailand, 100 million to Indonesia, 500,000 to Hong Kong," Deng said. "Chaos will break out." The refugees would resort to armed rebellion in Hong Kong if they had to; therefore, Hong Kong should be the first to support stability in China, and "responsible politicians should understand" this, Deng said. "Stability, order, and productivity" are the three key issues for China now, he added.

Japanese leaders also fear the crisis in China, and a number are calling for a renewal of aid for China.

"If Beijing loses the ability to rule its 1.1 billion people, that will cause large-scale migration of poverty-stricken Chinese overseas," a senior Diet member of Japan's ruling Liberal Democratic Party said recently, the *Japan Economic Journal* reported June 9. "We cannot rule out the possibility that millions of people may set sail for neighboring countries, in particular, rich Japan. To prevent this from happening, we have no option but to resume helping the Chinese government promote economic reform. I fear the prolonged economic sanctions against China will destabilize its political and economic situation."

A Foreign Ministry official told the *Journal*: "There are tens of millions of Chinese migrating from rural to urban areas, looking for better-paying jobs. The Chinese government has been making efforts to prevent them from leaving the country. And yet, hundreds of Chinese impersonating boat people from Vietnam have arrived in Kyushu in the past year. The U.S. Congress should understand that the most immediate task for Beijing is not introducing democracy, but feeding its people."

Chen Yizhi, an adviser to former Communist Party head Zhao Ziyang, who fled China after the June 4 massacre last year, said in East Berlin in April that the great task facing China now is solving the disasters created by the communists. In 1950, mainland China's level of development was higher than that of Hong Kong, Taiwan, or Korea. Now, it has fallen far below. China is the biggest concentration of human poverty in the world.

The *Pai Shing Semi-Monthly* of Hong Kong estimated in its Feb. 1 issue that at least 26% of China's population—over 250 million people—live below the official poverty line, which is less than \$70 per year.

China is becoming a desert

Feeding its 1.1 billion people is indeed a great problem for China, but not because there are too many of them. Forty years of communist rule wrecked agriculture, and created an environmental disaster which must rival the disasters of Romania and the Soviet Union's Central Asian republics.

The official National Environmental Protection Agency reported June 2 that despite "tight environmental management and pollution control . . . the environment is still worsening, although the speed has slowed. Every year 1.3 million hectares of grassland are lost. The area of farmland polluted by industries totals over 6.7 million hectares," causing the loss of 10 million metric tons of grain output.

Vice Minister of Agriculture Liu Jiang said June 2 that China has been practicing "ecological farming," but despite progress in recent years, "China's agricultural ecological condition has not fundamentally improved." The area affected by soil erosion has reached 1.6 million square kilometers, *one-sixth* of China's total territory. Some 50 million hectares of grassland are endangered by serious desertification and deterioration, Liu said.

Northern China has always had a severe water problem, and China's per capita water consumption is one of the lowest in the world. Rainfall has been scarce over the past 20 years—undoubtedly due to the process of desertification, as in the Sahel region of Africa. Chinese government agencies estimate that by the year 2000, China will be short 70 billion cubic meters of water, while rivers, lakes, and reservoirs will be severely polluted. Japanese scientists reported at a United Nations conference on the environment in Nairobi, Kenya last year, that they fear that half of China will be a desert by the year 2050. Per capita grain production has shrunk steadily since 1974, in part due to soil erosion. A region approximately the size of the state of Connecticut is destroyed every year due to soil erosion.

The Beijing regime is right now afraid for its own survival. He Kang, the minister of agriculture, said May 14, "The grim situation in agriculture has aroused serious concern in the whole party and among the people throughout the country." A release by the official news agency Xinhua on Jan. 16 shows why: "The proportionate relationship between the growth of industry and agriculture has suffered grave damage, with agriculture in its current condition entirely unable to sustain any large-scale increase in sectorial production. . . . Over the past few years, agricultural production has been slow, with grain output falling for four years in a row. Figuring in the increase in population [about 15 million a year], per capita grain production has fallen to 365 kilograms, and cotton production has also fallen dramatically. . . . With the increase in industrial production, the nation's safety blanket is being spread that much further and wider.

"Among other problems is the pervasive state of disrepair of the regional irrigation and water conservation systems, many of which have become unusable and have actually been put to other uses. The peasant, the collective, and the nation has reduced its investment in the land. One can say, China's agriculture has already entered the precarious condition of being balanced on a weak foundation with no back-up strength to call on in a crisis."

Pressing ahead on Soviet trade

A few obstacles to German investments in the U.S.S.R. have been removed, in return for Soviet support for German unity.

Horst Teltschik, Chancellor Kohl's national security adviser, got the "permit" from U.S. Secretary of State James Baker near the end of June, for West Germany to go ahead with its plan for a \$20 billion package of joint Western economic assistance to the U.S.S.R.

The Germans argued that if the West can't manage to put an emergency package on the Soviet table, the chief "hard currency" that can buy Soviet approval for German reunification would be withheld at the very moment that it could have a maximum political effect.

West Germany committed itself to contribute most of the funds, which made it easier for the U.S. to accept: Baker told Teltschik that the plan will have verbal support, but no money, from the Americans. The U.S. maintains that aid to the U.S.S.R. shall be limited to food sales, and that no basic investments in the Soviet economy shall occur.

Washington, Teltschik learned, thinks the Europeans are misled, but knows it can't prevent Western Europe from investing in the East. Being verbally involved in the Western package at least offers the U.S. an opportunity to keep certain political controls—similar to the veto the Americans intend to have in the newly established Bank for European Recovery and Development (BERD).

The basic U.S.-German controversy is still there, but a kind of truce has been called for the time being. Informed sources in West Germany say that the U.S. government does not want to risk an open clash with the Europeans at this moment, when cer-

tain fissures are emerging in the deals between Moscow and Washington. A clash would provide Moscow with the opportunity to drive a deep wedge between the U.S. and Europe, at a moment that doesn't fit the political interests of the Bush administration.

The Soviets realize that "crisis management" deals with the Americans can't solve their own severe economic problems, and that help from the West Germans is crucial to deal with at least the worst short-term aspects of their economic and social crisis.

This is the reason that Moscow has given up its months-long obstructionism on the German question and turned more conciliatory since the end of May.

The new Soviet view was summed up by Gorbachov's chief German policy adviser, Valentin Falin, who met Lothar Späth, prime minister of the West German state of Baden-Württemberg, in Moscow on June 18 and said, "The German question shall be settled in the frame of an all-European security structure that also extends to the field of economic relations."

The same view was presented to Späth on June 20, when he met Gorbachov in Moscow and mainly discussed economic questions. Gorbachov had arranged some spare time in the middle of a heated debate on his policy at the Communist Party Congress in Moscow, which shows the big Soviet interest in Germany.

The linkage between strategic and economic questions was also discussed at the two German-Soviet foreign ministers' meetings in Brest on June 11 and in Münster on June 18. Soviet

Foreign Minister Eduard Shevardnadze told German Foreign Minister Hans-Dietrich Genscher that the Soviets want a preferential trade and credit status with Western Europe, through extended relations between united Germany and the Soviet Union.

Shevardnadze portrayed the future Germany as Moscow's main road of access to technology in the West. He endorsed Genscher's idea of an accelerated diplomatic timetable to make way for all-German elections in December.

The sooner Germany is united, the sooner large-scale deals between Germans and Soviets can get off the ground, the two foreign ministers agreed. Genscher promised that the West Germans will make substantial economic aid to the U.S.S.R. a top item on the agenda of the European summit in Dublin on June 23 and at the Group of Seven world economic summit in Houston on July 9-11.

Shevardnadze's "yes" to Genscher was seen in Bonn as a big step forward. Two days after the Münster meeting, government sources in Bonn gave leaks to the media about another credit of DM5 billion, granted by a group of West German banks to the Soviet state bank.

It still has to be negotiated, though, where the money is going to be invested. The Soviets are pressing for investments in and near the Russian heartland: Moscow and Leningrad regions, the oilfields and coal mines of western Siberia, the Ukrainian farm areas, and the Baltic ports of Wyborg and Kaliningrad are all under discussion.

The Germans are trying to make sure that other promising regions like the ports of Klaipeda, Riga, Parnu, and Narva in the three Baltic states, and the industrial district of Kiev in Ukraine are included in the investment package.

'Menem's Maneuver' prepared for Peru

President-elect Fujimori is walking in the footsteps of Argentina's Menem, who quickly became a bankers' boy.

In Lima, it's called 'Menem's Maneuver.' You win the elections with the murky populist message of the classic Latin American mold, then move your government to the right." Thus wrote columnist Carlos Alberto Montaner in the *Wall Street Journal* June 18 concerning the post-election situation in Peru. His coinage "Menem's Maneuver" refers to Argentine President Carlos Menem, who was elected as a Peronist, but who adopted a radical monetarist, free market program as soon as he was safely installed in the presidential palace.

Montaner's reference was in the form of a warning to Peru's President-elect Alberto Fujimori that if he doesn't junk what Montaner called his "leftist, demagogic guise," he runs the danger of being overthrown in a coup. Montaner painted a picture of tanks surrounding the government complex, and said that "to avoid this nightmare, it is possible that Mr. Fujimori will have to govern as Mr. Vargas Llosa would have done."

Mario Vargas Llosa was the ultramonetarist candidate whom Fujimori defeated June 10 in a landslide election.

While Fujimori has still to name his cabinet, or define his economic program, most signs indicate that Fujimori has needed little prompting to do just what Montaner called on him to do, despite his vague rhetoric about national development programs.

The strongest signal of Fujimori's intent is his manifest connection to Hernando de Soto, head of Lima's

Liberty and Democracy Institute (ILD). He has met with de Soto twice, for several hours each time, in the first ten days since his election, and he told *Expreso* newspaper that he was considering appointing De Soto as his prime minister.

De Soto is one of the most dangerous men in Lima, because he combines the worst free market, anti-development perspective with a populist base among Lima's millions of poor people. De Soto, born to a Peruvian oligarchic family, trained in Switzerland, and on the board of several Swiss companies, published a book *El Otro Sendero (The Other Path)* in 1987, now the bible of his movement.

His decade-long campaign has targeted what is known in Peru as "mercantilism," that is, the partnership of the government and private business to develop the economy, with the state having the role of investing in infrastructure, protecting developing new industries from cheap imports, and ensuring available credit.

De Soto opposes to this the total deregulation of state controls, the ending of protection for domestic industries, and, above all, the primacy of the "informal economy"—e.g., drugs—as the engine of development. He claims to see in the micro-industries that have proliferated in Lima, from street vendors to microbus drivers, and handicraft and home pieceworkers, the basis for regenerating the moribund Peruvian economy.

At the same time, De Soto and the ILD have close ties to Gustavo Gutierrez, the father of "liberation

theology," making the ILD a happy marriage of Marxism with economic liberalism. The ILD appeals to Lima's poor by telling them that their poverty is really "people's capitalism" and should be the basis for growth.

Although De Soto maintains that he will not accept a post in the new government, Fujimori's first vice president, Maximo San Román, spewed out De Soto's line on mercantilism at a recent forum on "working together" held in Lima. "One condition for achieving a national consensus is that businessmen must renounce mercantilism and speculation" he said.

Fujimori has announced that he will visit the United States, Japan, and South Korea before his inauguration in order to secure Peru's reinstatement into the international financial system—and he intends to take De Soto with him. Fujimori has made clear for some time that he intends to resume paying interest to the International Monetary Fund, despite the extreme bankruptcy of the Peruvian government's finances.

The international press has joined the chorus "warning" Fujimori that the only hope for him, and for Peru, is to follow the example of Argentina, Brazil, and Venezuela in adopting strict liberal economic measures. Harvard's Jeffrey Sachs, the designer of Bolivia's disastrous economic policy, and whose program is now wrecking Poland, arrived in Peru on June 17 to peddle his "shock" policy of draconian cutbacks in government budgets and employment, sharp devaluation, and free trade. CONFIEP, Peru's premier businessman's association, announced June 18 that it is co-sponsoring a program designed at the Brookings Institution of Washington, D.C. being supervised by none other than Jeffrey Sachs.

Beatle swarms at Iowa State

Paul McCartney once crooned "give peace a chance"; grayer now, he's singing "we all live in a green submarine."

On July 18, aged former Beatle Paul McCartney is to give a big bash concert at Iowa State University in Ames, which is billed as McCartney's expression of concern for the environment. The *Des Moines Register* of June 13 called McCartney "a man of the land," because of the heavy Green public relations by his Chicago-based promotion company, Ogden Allied Presents. More than 55,000 are expected to attend.

According to director Fred Ordower, of Ogden Allied, McCartney "was very impressed to hear of the historic and unique nature of Iowa State University's role in the world of agricultural education. He's very keen on working the land and farming. . . . I'm not just saying this. This has nothing to do with money. Mr. McCartney is very sincere and heartfelt about this."

McCartney is probably as sincere about his new-found interest in agriculture—meaning the genocidal low-technology and "organic farming" voodoo—as he was in the late 1960s about the virtues of taking drugs, or in the 1970s about the benefits of Eastern mysticism and "giving peace a chance."

McCartney and the Beatles' entire career has been to act as a promoter for whatever popular insanity certain intelligence circles in Britain deemed useful: For instance, EMI, the recording company that "made" the Beatles in the 1960s, is a division of a top British defense contracting company that is active in intelligence operations. EMI head Sir Joseph Lockwood, who has since retired, created

the Beatlemania as part of "mind control" campaign to hang the drug counterculture like a millstone on society. The 1960s Beatles releases, "Lucy in the Sky with Diamonds" was named for LSD, and the "Norwegian Wood" album promoted marijuana.

Today the Maggie Thatcher wing of British intelligence, along with Eastern Establishment powers behind the Reagan-Bush administrations, have been collaborating with Soviet agencies to promote environmentalist paganism to impose killing austerity and primitivism on millions around the world. As usual, the entertainment "industry" has geared up to do its cultural darndest on behalf of Mother Earth.

McCartney's promoters are discussing having him tour an Iowa farm, very possibly the one run by the Thompson family, which is played up as the model "alternative agriculture" example for the nation. The high-publicity farm is a low-technology operation, which fertilizes with municipal sludge (not available to 90% of U.S. farmers), and uses other sleight of hand to promote primitive farming.

McCartney may also tour the Leopold Center for Sustainable Agriculture at Iowa State University. Aldo Leopold was a "naturalist" socialist, who was a founding member of the Wilderness Society.

The Leopold Center is part of the transformation of traditional university research and extension service centers away from science, and into becoming agencies that help farmers acquiesce to the austerity demanded by dominant commodities cartels and

banks. Hence, Paul McCartney, the "People's Beatle," joins the biggest funders of the New Age "alternative agriculture": the Rockefellers, Mellons, the Kellogg Foundation, and their like.

An Iowa State finance officer says that McCartney may donate 25¢ from each of his concert tickets, at \$33 per head, for a McCartney scholarship fund for music and agriculture.

The McCartney tour is not principally aimed at luring farm families toward "environmentalist rock and roll," however. Rather, the McCartney deployment is to add the blood-and-soil counterculture to the political environmentalist movement now subverting the United States.

This counterculture operation is taking place across the board. For the past two years, a stream of airhead Hollywood stars has trekked to Washington to testify to Congress about their concerns for "pure food" and "organic" farming. Actress Meryl Streep was the most ludicrous, with wild statements about how children were being poisoned by Alar (a chemical that helps apples mature and stay appetizing). The older, "socially concerned" entertainers, such as Paul Newman, who markets salad dressing and spaghetti sauce, and gives the proceeds to charity, may not be quite as disgusting as the Streep types, but they both derive from the Hollywood of Aldous Huxley, the pagan father of the counterculture.

The Willie Nelson Farm Aid IV bash this year in Indiana was a Mother Earth love-in. Singer Bonnie Raitt crooned, "When we restore the honor and sanctity of the family farmer, we restore . . . Mother Earth herself." Hippie has-been Arlo Guthrie rhetorically asked the crowd about marijuana, "I just want to know one thing. Is the Number One cash crop in this state still illegal?"

Organic farming grows . . . deserts

Underdevelopment is the real environmental disaster, a recent FAO conference in Morocco proved.

A recent conference of the United Nations Food and Agriculture Organization in Morocco proved that the advance of the African desert is due to what the Greenies called "organic farming," a practice known in the black continent for millennia: Soil cultivated with scant natural fertilizers, if it is not enriched with chemical fertilizers, gets degraded to the point of turning into sand.

The 16th annual Regional Africa Conference of the FAO opened in Marrakesh on June 11. Ministers and high-ranking officials from the 51 countries that belong to that area of the world, where malnutrition and desertification threaten the life of one out of three inhabitants, participated in the sessions, which closed on June 15.

In the keynote, FAO Director General Edouard Saouma stressed that the aims of the meeting were to find a solution to the problem of food shortages and soil degradation.

"Africa," he said, "is and remains a reservoir of raw materials; the problem is that the natural resources, such as minerals, forests, fertile land, and water resources, are used without any plans to build them back up. These resources have been used for centuries without ever being built back up, and therefore today, over 20 countries live in emergency conditions. This situation, together with the stagnating market demand, the collapse of raw materials prices and the erection of trade barriers against African products, means that the foreign debt can only grow, forcing African states to depend totally on international aid."

Saouma concluded by recalling that more than half of FAO's projects are concentrated in Africa, and more than 40% of these in sub-Saharan regions, for a total of \$1 billion invested in 18 agricultural projects.

Despite these efforts, it is evident that Africa needs much more significant aid to conquer hunger. According to FAO statistics, 35% of the African population lives below the minimum nutritional level. One in three inhabitants suffers hunger. Moreover, the number of the underfed in the last 15 years has almost doubled. In 1969-71 there were 86 million of them, in 1979-81 there were 100 million, and in 1983-85 they had gone up to 142 million.

The increase in desertification of fertile lands is growing in tandem with the number of the underfed inhabitants. Again by FAO figures, in the last 50 years just in the Saharan belt, some 650,000 square kilometers of productive land (twice the area of Italy) turned into desert. In Africa as a whole, every year 50-70,000 square kilometers of fertile land is lost by this process. This area, if it were cultivated by more modern techniques, could produce all the food needed to sustain the 600 million people now living in that region.

"These changes," says the FAO, "are encouraged but not caused by periodic droughts. It is the bad exploitation of the land which causes the desertification." The arable land is in fact ravished by primitive farming methods. The soil is robbed of nutritive substances which are not replen-

ished, since the African countries do not produce chemical fertilizers, and lack the hard currency to buy it from abroad. The soil is only fed with the few natural fertilizers available in the locality. Thus the fields become poorer every year, until they turn into sand.

Similar damage is caused by the lack of weed killers. For this reason, useless, harmful, and very resistant plants, like the *calotropic procera*, get the upper hand over crops and reduce the per hectare yield, as is occurring in vast zones of the Sudanese Sahel.

Also, the use of wood as the only fuel pushes people into cutting down forests, thus eliminating much of the woodlands, which are natural antagonists to the desert's advance.

Thus it is underdevelopment that is destroying the quality of life and the environment on the African continent, and not population growth, as the United Nations Fund for Population (UNFPA) maintained in its latest report, which proclaimed, among other unscientific claptrap: "Whatever the level of poverty or technological development, population growth remains an essential cause of the degradation of soils in most developing countries and the slowing of demographic growth will help to stop future degradation." UNFPA's prescription was simple: Kill man to save nature.

But a study conducted in 1982 by the FAO and by UNFPA itself actually showed that rational and modern cultivation of the land in the developing countries alone—not counting China—would guarantee a food production capable of feeding some 33 billion people, more than 6 times the current world population.

So, the solution is known; it is now up to the governments of the richest and most powerful countries in the world to show the will to fulfill it.

Business Briefs

Banking

London times finally recognizes crisis

"There is growing awareness that the banking crisis so often forecast over the past 20 years may now be for real," wrote the London *Sunday Times* on June 17.

"But if the banking scene is gloomy in London, in New York it verges on the apocalyptic," Ivan Fallon and John Cassidy wrote. "The troubles of Trump and [Texas S&L head Don] Dixon are significant and catch the headlines, but in the context of the real difficulties now facing America's banking system, they are only a drop in the ocean. Right across corporate America there is a growing awareness that the banking crisis so often forecast over the past 20 years may now be for real. Even the big American insurance companies are reeling from the collapse of the junk-bond market. 'If they had to revalue their portfolios, which are stuffed with junk bonds, to market prices, many insurers would be insolvent,' said one bank analyst."

Fallon noted, in referencing the eruption in 1980 of the Third World debt crisis, the collapse of oil, and other major shocks of the past, "The difference today is that America's banks face not just one potential disaster area but a myriad of them."

Infrastructure

French plan major role, investments for TGV

France's rail industry wants the TGV to service the entire high-speed grid of Europe by early next century, and plans to build 3,400 kilometers of new tracks inside France alone.

One of the priority projects, according to remarks June 12 by French Minister of Transportation Michel Delebarre, is to extend the Rhine-Rhône line into West Germany, to have access, via the German ICE high-speed grid, into Eastern Europe. There are three main West-East transverse routes the TGV wants to service, making the entire distance in less than

10 hours each: 1) Paris, Brussels, Cologne, Hanover, Berlin, Warsaw; 2) Paris, Strasbourg, Munich, Vienna, Budapest, Bucharest; and 3) Paris, Lyon, Turin, Milan, Zagreb, Belgrade, Sofia.

A new TGV, capable of operating on all four different electric currents used in Europe, will be positioned to reach 55 big cities throughout Europe by the year 2015. The French daily *Libération* carried three pages on the plans showing average future traveling times for each route and graphs showing the entire planned high-speed grid in Europe. Articles in other French journals aimed at giving maximum exposure of TGV projects to the general public.

Pensions

Supreme Court rules LTV must restore plan

The U.S. Supreme Court ruled June 18 that the Pension Benefit Guaranty Corp. could force the bankrupt LTV Corp. to restore its pension plan, which it terminated after filing for Chapter 11 bankruptcy in 1986. The decision, which overrules two lower courts, holds that the PBGC does have the power to force such a bankrupt firm to restore its retirement system when it has abused the insurance features of the federal program.

The case arose after LTV filed for bankruptcy, claiming that it could not afford to pay into the retirement fund. The PBGC picked up the plan's obligations, but under the federal retirement income law and the PBGC's limited funds, benefit levels were reduced. The United Steel Workers threatened to go on strike unless the company made up the difference in lost benefits to retirees. Such an "abusive follow-on plan" was considered to take unfair advantage of the federal program, and the government sued LTV to force restoration of its private pension plans.

The PBGC has \$4 billion in obligations but only \$3 billion in assets, and insurance premiums to restore the program would have had to be raised if the PBGC were stuck with the tab. The PBGC fund already has a deficit of \$1 billion, but a handful of big corporate bankrupt-

cies could push that to \$8 billion in the red, PBGC executive director James B. Lockhart told a House Ways and Means subcommittee June 13.

AIDS

Cases expected to leap tenfold by year 2000

According to AIDS researcher Luc Montagnier, speaking before a Paris conference on June 18, AIDS cases will increase tenfold by the year 2000.

The 260,000 AIDS cases reported by the World Health Organization "are an underestimate, especially in areas where medical surveillance is difficult . . . so, we can actually double that figure to establish the number of AIDS cases. . . . We can predict that the number of cases of AIDS will multiply tenfold before the year 2000," Montagnier said.

Dominican epidemiologist Dr. Antonio De Moya also recently estimated during a seminar on National Policy on Hemotherapy and Blood Transfusion in the Dominican Republic, that there are at least 60,000 undiagnosed AIDS cases in that nation. Dr. De Moya said that about 1,263 people contracted AIDS recently through blood transfusions.

Health

Supreme Court gives hospitals reprieve

The U.S. Supreme Court handed down a 5-4 decision June 14 that hospitals can collect from states for reimbursement of Medicaid services. The decision is being hailed for hospitals across the country which have been crippled by low state reimbursement rates for hospital and medical care rendered to Medicaid patients.

The Virginia Hospital Association, whose hospitals are losing \$1 million a week, sued the state of Virginia. A lower court ruled in the Hospital Association's favor. The state of Virginia responded by taking the case to the Su-

preme Court, claiming that only individual Medicaid patients, who are already indigent, can sue, not the health providers.

From 1972 until 1981, Congress required "reasonable costs" reimbursement to be paid by states to hospitals and nursing home providers, linking the reimbursement to the actual costs to assure that payment would reflect the cost necessary to provide services of adequate quality. This "reasonable cost" was abandoned by Congress in 1981, allowing states to effect more stringent cost-containment.

By 1989, state governments' reimbursement policies were so consistently damaging to hospitals, they were being challenged in court by state hospital associations for: 1) not reimbursing hospitals at all for their Medicaid services; 2) reducing the percentage of the reimbursement rates to hospitals; 3) setting the rate arbitrarily or annually to reflect budget cuts.

The decision will immediately hit hospitals in over 40 states that are now being under-compensated.

Agriculture

Genetically engineered beef shows promise

Scientists in Texas announced June 9 that they had produced four calves, each of which contains genes from other species, including humans, which have been spliced into their genetic material to increase their rate of growth.

"This technology has tremendous implications. For the time being, most people are looking at improving efficiency; the amount of feed it takes to produce a pound of meat. In the future, we're looking at manipulating growth and other characteristics," stated Dr. Caird Rexroad, a USDA research physiologist, according to the *New York Times*. One of the key ones is resistance to disease.

Vice President of the Humane Society Dr. Michael W. Fox objects to the project. "We have 2 billion cattle, 1.6 billion sheep and goats, and 800 million pigs in the world today," he stated. "That population needs to be drastically reduced because of adverse environmental impacts. This focusing on enhanced

productivity might look good to investors but is the last thing the world needs." Fox did not comment on the needs of people who eat.

Finance

Appeals court strikes down anti-takeover rule

The U.S. Court of Appeals for the District of Columbia struck down June 13 a rule by the Securities and Exchange Commission that required all common stock issued by listed corporations to have an equal vote in corporate governance.

The SEC rule was passed in response to the attempt by many U.S. corporations to fend off hostile takeovers by creating a special category of stock with lower dividend claims, but more heavily weighted voting power, designed for corporate management in order to defeat unwanted bids for control by corporate raiders. The SEC said it was acting under its authority to control the market for corporate securities.

The court ruled that the SEC overstepped its authority in issuing the rule, noting that laws regulating corporate governance are traditionally and properly made by the states. The ruling was decried by United Shareholders of America, a group heavily backed by corporate raider T. Boone Pickens.

Computers

India's role grows for software development

India is emerging as the new center for computer software development.

British business houses are moving software development projects to India as a way to reduce costs. An average Indian software programmer costs £3,000 annually in wages—about a sixth of the British average.

In terms of productivity, the Indian software programmer is about 150% more productive than his British counterpart. The Indian export of software is now close to \$1 billion annually.

Briefly

● **BRITISH** Prime Minister Thatcher has decided not to fund the high-speed rail link to the English Channel tunnel, according to the June 13 *Financial Times*. "Britain's transport policy is in danger of becoming the laughingstock of Europe," London *Guardian* transport editor Patrick Donovan commented in response June 15.

● **YUGOSLAVIA** reported a record 14.6% drop in industrial production in May, two weeks before a second economic reform package is to be announced, the London *Financial Times* reported June 18.

● **NASA** Associate Administrator for Space Flight Bill Lenoir announced June 13 the cancellation of the Orbital Maneuvering Vehicle, the small space tug which could stay in orbit between missions, be attached to Space Station Freedom, and do jobs such as boost satellites into higher orbits, due to budget constraints. Such a vehicle will be necessary, he said.

● **CHINESE COMMUNIST** Party General Secretary Jiang Zemin called for direct trade and communication links with Taiwan, the June 13 *Journal of Commerce* quoted Red Chinese news service Xinhua. It was his first detailed response to Taiwan's call for government contacts in trade, academia, and science.

● **THE WORLD BANK** forbade Venezuela to build railroads for the rest of this century in a report presented to the government. The daily *Diario de Caracas* of June 11 said the report demands Venezuela "postpone railroad projects, both for freight and passenger lines, until at least the end of the century."

● **BORON** in the diet has a direct effect on aiding motor function and brain wave activity, according to three studies from the Grand Forks, North Dakota Human Nutrition Research Center. Boron is most abundant in apples, pears, grapes and broccoli.

Atmospheric scientist disproves Chicken Little

Dr. Hugh W. Ellsaesser shoots down the scaremongers who claim CFCs and the 'ozone hole' spell the doom of man. Part I of an interview assessing the scientific evidence.

Atmospheric scientist Dr. Hugh W. Ellsaesser retired from the U.S. Air Force Air Weather Service after 21 years as a weather officer and from the Lawrence Livermore National Laboratory after 24 years in climate research. He is continuing his studies at Lawrence Livermore as a Participating Guest Scientist. Rogelio Maduro interviewed Ellsaesser for 21st Century Science & Technology on March 1.

In the 1970s, Ellsaesser gained a reputation for being extremely rigorous in his search for the truth on the most heated scientific debates of the period. These centered around claims that such diverse phenomena as atmospheric nuclear explosions, the Supersonic Transport, the Space Shuttle, fertilizers, acid rain, and sundry other man-made things were going to poke holes in the Earth's "fragile" ozone layer. Newspaper headlines warned that a barrage of ultraviolet rays would result from man's degradation of the ozone layer, thus starting epidemics of skin cancer.

Ellsaesser and his colleagues fought to demonstrate that such fears were unfounded, and the subsequent scientific evidence has proven them correct. The only one of the "Chicken Little" claims that survived, is that chlorofluorocarbons (CFCs), one of the most useful and benign chemicals ever used and created by man, is going to deplete the ozone layer.

The CFC-ozone depletion theory was proposed by F. Sherwood Rowland in 1973 and was discounted by the scientific community. During the early 1980s, horror stories of "Nuclear Winter" abounded and the CFC issue lay dormant. Nuclear Winter was the thesis that a nuclear attack would

cloud the atmosphere and cool the Earth so that even if humans survived, the plant life to support them would not be able to continue. Then, as the evidence began to prove the Nuclear Winter theory to be a hoax, the sky fell in once more, in 1985, with the discovery that there was an "ozone hole" in Antarctica, a hole in the ozone layer allegedly caused by CFCs from Earth.

The idea of a dangerous and growing "hole" captured the hysteria of the environmentalists, and the headlines. No matter that the supposedly sudden hole was actually first noticed in 1956 and deemed a natural, seasonal phenomenon by scientist Gordon Dobson. With the media's help, plugging the ozone hole became popularly accepted as a civic duty. At the end of June, officials of more than 70 nations met in London to draft a treaty mandating a complete ban on CFCs and other indispensable industrial chemicals, such as methyl chloroform, by the year 2000. The proposed treaty will have devastating impact on society; most existing refrigeration systems will have to be scrapped, and the replacements will be as much as 20 times more expensive. Many people will die from food poisoning and hunger, especially in developing nations.

Are CFCs depleting the ozone layer? Is the Antarctic ozone hole a result of voracious CFCs molecules eating away at the ozone, or is it a natural phenomenon?

In this interview, Ellsaesser examines the scientific evidence in detail, presenting a clear case for shooting down the "Chicken Littles" on the basis that there is nothing to back up their scare stories. Ellsaesser also examines the flip

side of the ozone controversy. The same ozone molecules that are seen as the saviors of human skin when they are up in the stratosphere in the ozone layer, are maligned in the lower atmosphere, where they are the main component of "smog."

The interview presents the kind of rigorous scientific argument that is missing from the environmentalist and media accounts of man-made ozone.

Q: Chlorofluorocarbons (CFCs or freons) have been taxed and are about to be banned because it is alleged that they are destroying the ozone layer. The immediate concern is the creation of an ozone hole in Antarctica. Do you believe that the ozone hole in Antarctica is a result of the use of CFCs on Earth?

Ellsaesser: The ozone hole is limited observationally to the interior of the Antarctic winter polar vortex, and it is limited theoretically to areas of temperature below about -80°C for periods of something like 60 to 90 days, the latter half of which must also have sunlight. Neither of these requirements is met on a global scale, so even if ozone is being destroyed by freons, it is limited to very specific regions of the atmosphere and specific periods of the year.

Q: What happens to the ozone hole after that?

Ellsaesser: We have the spring breakup of the winter polar vortex, and it disappears. Ozone is brought in from other latitudes and levels and fills up the hole.

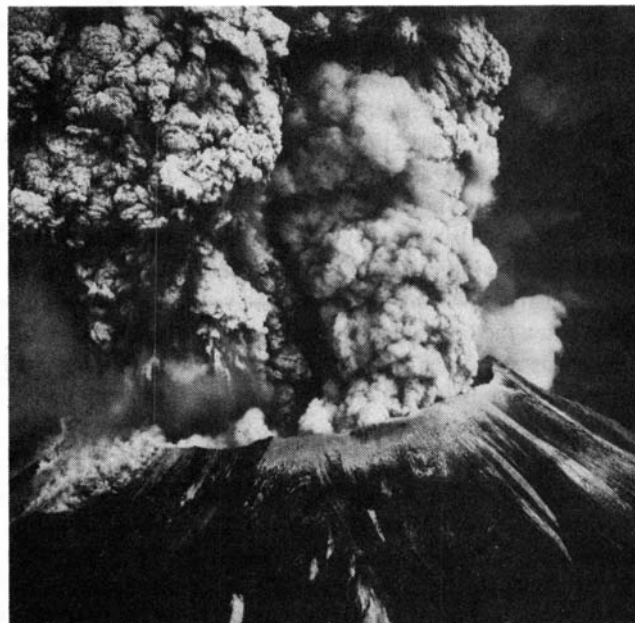
Q: Would you say, that despite the claim of the environmentalists, this is not a permanent hole?

Ellsaesser: No, it has been sporadic. In fact we have seen a two-year cycle: 1985, 1987, 1989 being particularly deep, with the intervening years being closer to normal. We don't know whether this is connected to a solar cycle or not. It is suggestive of a solar cycle, but we haven't seen enough of them to be sure. But in terms of total ozone, at the present time we have no evidence that stratospheric ozone is being depleted. All of the recent trend analyses that have been reported begin from 1969 or later. If you look back in the literature, you will find at least four reports for the period after 1962 which claim increases of 5 to 11% in global ozone in roughly a decade after 1962; that is, up to around the 1969-1972 period. Now those percentages—5 to 11%—are larger than the percentage of decrease we have seen in these trends reported since 1969. So presumably the levels of ozone we have now are higher than they were in 1962.

Q: Do we have more ozone than we did 30 years ago?

Ellsaesser: Yes, more than back in 1962. Everything I see says that and I haven't seen anyone come out with a report that contradicts that.

Q: What is the presumed role of CFCs in causing the ozone depletion?



The surest way to get ozone-destroying chlorines into the upper atmosphere is through "direct injection"—i.e., a volcanic explosion. Shown here is the May 18, 1980 eruption of Mt. St. Helens, which ejected an estimated 1 km^3 of rock and ash. The plume reached over 20 km into the atmosphere.

Ellsaesser: Everyone now admits that a very special combination of dynamics (atmospheric motions) and chemistry is required if chlorine is actually the cause of the ozone hole. While I am not convinced that chlorine is responsible for the hole, I see no way to rule it out at the present time. If chlorine is responsible, then several things have to occur in sequence:

First, the chlorine-containing compounds such as freons (CFCs), stable enough to survive in the troposphere, must ascend through the tropical tropopause into the stratosphere to a high enough level to encounter sufficiently energetic (sufficiently short wavelength) ultraviolet solar radiation to break them down chemically and release the chlorine atoms.

Second, air temperatures of about -80°C or colder must occur to condense the vapors of nitric acid and water into solid particles of nitric acid or water and nitric acid. (Such temperatures occur only within the vortices that form as a result of radiative cooling in the absence of sunlight in winter over the poles—and at the tropical tropopause where there is very little ozone to be destroyed.) These particles must not be warmed and reevaporated before they undergo gravitational fallout—a matter of weeks.

Third, after the particles have fallen out, sunlight must return, converting the ambient gaseous chlorine compounds into forms capable of catalytic destruction of ozone. (Had the nitric acid not been removed, the sunlight would have converted it into oxides of nitrogen which would combine with the chlorine and keep it from attacking the ozone.)

Fourth, this latter state must persist long enough for the catalytic destruction to become significant—again a matter of weeks. Premature termination of this process by the early spring breakup of the north polar vortex is believed to be the reason the ozone hole is limited to Antarctica.

It is noteworthy that in 1987, in the 12- to 20-km layer in which the ozone hole occurs, ozone was reduced to essentially zero—that is, there is no room for the Antarctic ozone hole to become larger or more severe than it was in 1987.

It is also noteworthy that during the years 1985, 1987, and 1989, when the ozone hole was deepest, the Antarctic polar vortex was no colder than normal but it persisted later into the spring by a matter of weeks, resulting in colder monthly mean temperatures.

Q: You mean it did not warm up as soon as it should have under normal circumstances?

Ellsaesser: It did not warm up as soon as it normally has in the past. In those particular years, the longer the delay in the warming, the deeper the hole. And at the same time that you have these unusually cold mean temperatures at those levels, you had unusually high mean temperatures at levels much above there. In other words, it's indicative of what we see in the Northern Hemisphere when we have a sudden polar stratospheric warming. It's a dynamic overturning. Any time that there is that much going on in the atmosphere in terms of dynamics, there is no way of ruling out the possibility that the dynamics alone might be responsible for the ozone hole.

Q: In his original papers on the ozone layer, Gordon Dobson [the scientist who first noticed the seasonal thinning in the ozone layer in 1956] made the observation that the colder the temperatures in the stratosphere, the more the ozone would be depleted.

Ellsaesser: But the Dobson observations do not show the low levels that we are now finding in what we call the ozone hole. It was lower than we found in comparable seasons in comparable latitudes in the Northern Hemisphere by something like 150 units, but the ozone hole itself goes on down below that another 50% or so. We have only been able to see that since about 1979, when it started dropping rather drastically down to these levels in the Southern Hemisphere's spring. But people have admitted in the literature that if we had seen these data in prior measurements, before we had satellites to confirm them, we would not have believed them; we would simply have thrown them out, thinking there was something wrong. So it's quite possible that such measurements were made, and nobody recorded them or accepted them, so we have no record of them. We don't know.

Q: Dobson did observe a very pronounced thinning of the ozone layer during September and October.

Ellsaesser: Yes, compared to the Northern Hemisphere for that season and latitude, but still not to the low level of the

ozone hole.

Q: A recent study that was published by Joseph Scotto of the National Cancer Institute states that the amount of ultraviolet radiation reaching the Earth has significantly *decreased* since they started measuring in 1974. Would that not also contradict the ozone layer depletion theory?

Ellsaesser: Yes, it does. It says at least that something else is operating. The so-called decrease in ozone we have seen since roughly 1975 or so—and I don't think there is much question but that there appears to be a decrease since 1975—is still not to the level we had in 1962. In other words, ozone appears to go through rather long-period oscillations. We don't know why it does.

Q: Might it be completely independent of the amount of CFCs in the atmosphere?

Ellsaesser: It could possibly be. But I don't know of any way at the present time we can completely rule out a role for chlorine. It may play the role that they have prescribed for it. But, as I said before, it has to be a very special role. The temperature must fall low enough to form ice particles large enough to precipitate, taking the nitric acid with them, for the chlorine to be able to destroy the ozone at these levels—which it ordinarily does not. However, depressed levels of nitric oxides and elevated levels of chlorine and chlorine oxide have also been found in the Northern Hemisphere, but decreases in the ozone in the Northern Hemisphere have not been found, except for one very small little dip. Now it may be that the Northern Hemisphere polar vortex breaks up so early in the year that there is not enough time for the sunlight to get there and cause the ozone destruction. That is a possibility.

Q: But more than 90% of all CFCs released are released in the United States, Japan, and Europe. . . .

Ellsaesser: There is little question that freon will eventually get to those regions. It mixes through the troposphere, ascends in the normal circulation between the troposphere and the stratosphere up through the tropical tropopause, and spreads into the stratosphere, where it is decomposed by solar ultraviolet and releases chlorine. I don't see any particular reason to question that.

Q: If the CFCs were to deplete the ozone layer, would it not happen first over Europe, Japan, and the U.S.?

Ellsaesser: No, not at the levels of 12 to 20 km where the ozone hole occurs, because before it can act at that level, you have to have the very cold temperatures to remove the oxides of nitrogen, in the form of nitric acid, and then you have to maintain those low temperatures during a period in which you have sunlight.

Q: So, even if it were true that CFCs are depleting the ozone layer, it would never happen at the latitudes of the United

States, for example.

Ellsaesser: No, not at these lower levels according to our present understanding of the process forming the ozone hole. They presumably can cause ozone destruction over the United States and elsewhere, but at levels up near 40 km.

Q: Is it true that if the ozone layer were depleted by a few percentage points—I believe 5 to 7% is claimed as the final depletion one hundred years from now if CFC production and use continues—there will be an increase in ultraviolet radiation at the surface of the Earth?

Ellsaesser: The numbers they get depend very much on the other things that are included, like carbon dioxide, nitrous oxides, and many other things, because they all tend to interact. But basically, the argument that the National Academy came up with is that a 1% decrease in stratospheric ozone is equivalent to a 2% increase in skin cancer incidence. Well, a 2% increase in skin cancer incidence in the United States, where we have data, is equivalent to a 12-mile displacement toward the equator. So if you are talking about a 5% decrease in stratospheric ozone, that's equivalent to a 60-mile displacement toward the equator. I don't think many people find that very serious.

On the other hand, ultraviolet radiation is a two-edged sword. It not only causes sunburn and skin cancer, it is also the only source that vertebrates, including humans, have for getting vitamin D, except for humans who are starting to put vitamin D in our milk. But while we have something like 300,000 to 600,000 cases of skin cancer a year in the United States—the figures tend to vary a little—we have twice that many bone fractures a year due to osteomalacia, which is degeneration of the skeleton that occurs among the elderly. Presumably the main cause of this degeneration is that during their growing years, these people didn't have sufficient vitamin D and/or calcium, or some other needed mineral. So an increase in ultraviolet—which would presumably result from a decrease in ozone—would presumably give people more vitamin D and help them develop better skeletons, so that they would be less likely to suffer from osteomalacia and bone fractures in later life.

These bone fractures from osteomalacia are really a far more serious medical problem than the ordinary type of skin cancer. As I say, we have twice as many cases in this country each year as we do of skin cancer. So an increase in ultraviolet might very well yield a net benefit for the population, although it might take a few years before it was noticeable.

Q: Do you think the news media should not be creating alarm about an alleged increase in ultraviolet?

Ellsaesser: I don't think so. I think there is good reason to believe that it might very well be a net benefit. If you think about it a little bit, our bodies, which both need ultraviolet and suffer from too much of it, are much better at telling us when we are getting too much than they are at telling us when

they are not getting enough. If we get a sunburn, we realize something has happened and we can start protecting ourselves. If we are developing bad bones or rickets, we don't know what is causing it and we don't do anything about it—unless we go to a doctor and he tells us. And recovering from rickets is not as easy as recovering from sunburn.

Q: What about the scare stories that minimal increases in ultraviolet would destroy entire crops and vegetation?

Ellsaesser: I don't find any evidence of that. Ultraviolet varies on an annual mean basis about fiftyfold between the equator and the poles. It doubles in about 15,000 feet in elevation at any particular location. I don't know of any case where a plant has been found not to be able to grow because of ultraviolet—even over that extreme range.

Q: Then where does the evidence come from for the scare stories being circulated by groups like the Natural Resources Defense Council?

Ellsaesser: It apparently comes from laboratory experiments. I mean, it's very clear that there are some places where ultraviolet is causing damage. We see it with sunburn, we see it with skin cancer. There are some animals and plants that live in the ocean that apparently undergo damage, but it is something that has been going on all the time. It is going on now—without any of the projected increase. And they have been able to survive. They have ways of surviving—it may simply be their very rapid multiplication. The ones that are protected by deep enough water survive, the others don't, possibly.

Q: Do you mean that it's no different than the existence of shifts in temperature that kill crops and other plants?

Ellsaesser: Yes. We've got frosts killing plants every year, after all.

Q: Coming back to the study by Scotto, what is actually being measured on the ground is exactly the opposite of what the ozone depletion doomsayers claim. No increase in ultraviolet has shown up.

Ellsaesser: That's true. There is something else that is counteracting the so-called decrease in ozone. The decrease in ozone has not shown up as an increase in ultraviolet as of now. What that other thing is, we don't know. Some people think it might be urban pollution, but I am very skeptical of that, because all the data we get from the EPA shows that urban pollution has been going down over this period.

Q: Is there no explanation as to why ultraviolet is actually decreasing?

Ellsaesser: No, no definite explanation. But some believe it is because cloudiness has been increasing.

Q: Now in terms of the stratospheric chemistry itself, have

CFCs ever actually been observed destroying ozone molecules in the stratosphere?

Ellsaesser: CFCs have been observed. CFC decay products—chlorine—have been observed. The chemistry has been reproduced—in certain stages at least—in the laboratory. But any observational evidence is at this point rather questionable. Now there was a rather sharp drop in stratospheric ozone in 1983, which was just after El Chichón, the volcano [in Mexico], erupted in 1982. It may well have been that that was due to chlorine. But I don't know of any way to substantiate that. We don't have any other explanation for that rather rapid drop in ozone at that time. That is one possibility—that it might have been due to chlorine from El Chichón.

Q: This is natural chlorine emitted by a volcano. Are there any other natural sources of chlorine in the atmosphere?

Ellsaesser: Yes, there are other compounds that are released—not in as large a volume, perhaps—that take chlorine up. There is lots of chlorine that comes out of the ocean and gets released into the atmosphere. But most of these compounds are washed out before they can get carried to the stratosphere. The only way you can hope to get significant chlorine into the stratosphere is by direct injection from a volcano, or by a compound which is nonsoluble and stable, such as the freons, until it gets up to the stratosphere, where it is exposed to very energetic ultraviolet that decomposes it. . . .

Q: One of the questions that certain volcanologists have raised concerning depletion of stratospheric ozone, is whether what the satellites are reading is really an increase in the amount of sulfur dioxide, because sulfur dioxide will brighten the stratosphere. They argue that the increase in the amount of volcanic activity in the 1980s—compared to the 1970s when the satellites were launched—would account for the increase in the brightness of the stratosphere.

Ellsaesser: Particles of any type interfere with the so-called Umkehr method of measuring ozone in the stratosphere. This is a measurement made from the ground by measuring scattered sunlight at different zenith angles. Particles, which are the things that ultimately result from sulfur dioxide in the stratosphere, interfere with that and give you erroneous readings—either an increase or decrease depending on the relative positions and when you are taking the observation. There is reason to believe that the El Chichón eruption in 1982 put enough sulfur dioxide into the atmosphere that it interfered with these Umkehr soundings during the period. But people have gone back and made corrections for this on the basis of what we know about the particles, which have been observed from satellites and lidars. So I don't think that is a serious criticism of what they are coming up with. It might help explain the dip we saw back in 1983, which we haven't been able to completely eliminate, and there was another dip—I

Glossary

Ozone layer: Layer where ozone molecules, O₃, are created and found. Starts at approximately 80 km altitude all the way down to the surface of the Earth. While the highest concentration of ozone molecules are found at the bottom of the stratosphere, around 30 km altitude, most popular press have incorrectly drawn an imaginary thin line at 30 km altitude, as if that were the layer's location.

Troposphere: Layer of the atmosphere extending from about 11 to 16 km altitude and characterized by clouds and convection. Temperature decreases rapidly with increasing altitude.

Tropopause: Upper limit of the troposphere.

Stratosphere: Layer of the atmosphere above the troposphere, in which temperature changes little with altitude and clouds are rare.

Thermosphere: Highest layer of the atmosphere that begins at about 50 miles altitude. Its temperature increases steadily with increasing altitude.

think about 1985; I don't remember specifically.

This so-called decrease since around the mid-1970s was concentrated in these two rather sharp dips. One around 1983 after El Chichón, and the other approximately at the time of an El Niño, and people have suggested that these events may have been responsible for the dips. But we haven't yet seen a recovery—as would be expected if these were the causes.

Q: Do you see any relation between the amount of ozone in the stratosphere and the solar cycle and the very intense solar activity going on right now?

Ellsaesser: Several people have tried to make such claims, and the models compute that there will be something like a 1.5% change in total ozone—I believe—between solar minimum and solar max. But those numbers are rather small compared to the trends that have been claimed for the last 10 years, or the earlier trends after 1962, so I don't think they are sufficient to explain all that we are seeing.

Q: Faraday described how ozone and other gases react to magnetic fields, which would explain how changing the magnetic field of the poles would affect the ozone layer at the poles.

Ellsaesser: The magnetic fields themselves change rather slowly—requiring thousands of years—so I don't think they would be involved. You might get a more rapid change from solar effects—the so-called solar magnetic storms.

Q: Concerning the current claims about the ozone hole being a result of CFC emissions, does the theory proposed by Sherwood and Molina predict the existence of the ozone hole?

Ellsaesser: Their original theory did not. None of the models up until the hole was observed in about 1981—rather, using 1981 data—had ever predicted it. And they had to come up with a new, ad hoc chemistry to try to explain what was going on. The ad hoc chemistry, as I have explained before, begins with the requirement of very cold temperatures and goes on from there. It has all had to be developed as a result of the observations, rather than before the observation of the hole. I don't think anyone feels very comfortable with the claim that the slow increase in chlorine from freons caused the ozone hole to appear and proceed to the 1987 stage of essentially zero ozone in the 12-20 km layer in less than a decade.

Q: So perhaps the polar ozone hole—the only direct evidence that there is any ozone depletion—may just be a dynamic phenomenon without any CFCs involved?

Ellsaesser: In my opinion that cannot be ruled out. On the other hand, neither can the action of the chemistry that they have claimed be completely ruled out at the present time.

Q: In the history of the debate over the ozone hole, there were claims in the 1970s that many different human interventions, including atmospheric nuclear explosions, the Supersonic Transport (SST), the Space Shuttle, and fertilizers, were all going to destroy the ozone layer. Whatever happened to those claims?

Ellsaesser: My colleague Don Wuebbles here at Livermore still believes that the dip in 1962 was due to the Russian H-bomb that was exploded at that time. But several other people who are meteorologists or have a meteorological background, including Jim Angell, have looked at the data several times, and they don't think that the H-bomb could have had that effect. The reason is that the change was substantially smaller than the model computed it to be, and the recovery period afterwards was substantially longer than would be anticipated from a single injection of nitric oxides from the explosion. For these reasons, they discount that claim.

Q: What about the other claim, that the SST was going to obliterate the ozone layer?

Ellsaesser: It is based on the same type of chemistry—the chemistry of the nitrogen oxides. We have never tested that, because we didn't put the SSTs up. I personally have felt that we have had an observational contradiction to that theory for some time—in the so-called sudden stratospheric warmings. This is what happens in the Northern Hemisphere polar vortex about every fourth spring. It is quite suddenly destroyed and warmed up. When this occurs, large amounts of air from higher levels are brought down to around 30 kilometers, and this air from higher up has substantially higher levels of nitric

oxides in it, because it is created up in the thermosphere. And yet, in the years in which that happens, we not only have an elevated ozone level in the springtime; it remains above normal throughout the summer. This says to me that the oxides of nitrogen that were brought down haven't had any effect on it. I don't know of any other observational evidence for it.

Q: That would indicate that the nitrogen oxides that would be released by the Space Shuttle and the SST would not affect the ozone layer.

Ellsaesser: Yes, but this is a rather extended extrapolation of the data in terms of observational evidence. We know that the oxides of nitrogen increase with altitude, and we know that when this air comes down from above, it will bring elevated levels, but we don't have any quantitative measure of what those levels are or whether there is some other factor involved that might keep them from attacking ozone at that time.

I think the main point to make here, is that to create almost any one of these environmental "hazards," you have to use a one-way filter in looking at the effects cascade of man's actions. In other words, examine only those pathways that lead to detrimental effects, and carefully seal off the others, so that nobody is aware of them. Otherwise, you would wind up with as many of man's actions having effects that people would consider net benefits. I think the destruction of some of the ozone layer may very well be a case of net benefit.

Q: The Clean Air Bill has an entire title devoted to stratospheric ozone depletion and the measures to deal with it. The bill calls the ozone layer "an exhaustible natural resource." Could you give us an idea of what the ozone layer is and how it is created and maintained?

Ellsaesser: It is created by energetic ultraviolet light impinging on molecular oxygen (O_2), and causing it to separate into oxygen atoms. These atoms then combine with another oxygen molecule to form ozone (O_3). There is less-energetic ultraviolet which then impinges on the ozone and causes it to go back the other way. But the ozone layer is a net result of these processes going on in our atmosphere.

I don't see any way in which we could hope to destroy that layer completely. We might be able to put something up there that might reduce it somewhat, but anything that you mix up into the stratosphere has a lifetime of about two years, because of the continual circulation between the troposphere and the stratosphere, so it will eventually be brought back into the lower troposphere. It doesn't just stay up there.

So it is not easy for it to have an effect, unless something that is being released continuously, like the freons, could do it. But the estimate on freons, even at the 1975 rate of production, was on the order of a 5 to 10% decrease in ozone at equilibrium. Equilibrium occurs when we get to high



Virginia Division of Tourism
The Blue Ridge Mountains of Virginia. Areas such as this that are heavily forested with evergreens create a large amount of what we refer to as "ozone pollution."

enough concentrations in the stratosphere that the destruction rate equals the injection rate at the surface. This eventually would happen, but it would take something like 75 to 100 years before you reached that equilibrium. But even so, the models computed something like a 5 to 7% decrease in ozone at that time.

I think a 5 to 7% decrease in ozone might very well be a net health benefit, because of the additional ultraviolet and vitamin D we would get here at the surface. And the only way you can make a disaster out of it is to look at it through this one-way filter that ignores the benefits, and to refuse to let the public know that a 1% decrease [in the ozone layer] is equivalent to a 12-mile displacement toward the equator. Again, I don't think the public would think that was very serious.

Q: It has been a very popular thing to move to Florida for retirement. What would be the equivalent in ozone depletion?

Ellsaesser: Suppose that involves a move of a 1,000 miles to the south. A thousand miles is essentially the doubling distance for skin cancer incidence caused by ultraviolet exposure. That's a 100% increase.

Something else that is interesting: If the Environmental Protection Agency ever succeeds in removing the smog layer from Los Angeles, they are going to get about a 30% increase in ultraviolet, and a comparable increase in skin cancer. Nobody seems to be concerned about *that*.

Q: You mean the EPA could give us skin cancers by fighting smog?

Ellsaesser: By removing smog, yes.

Q: But the environmentalists maintain that ozone at low levels is poison, and at high levels is of the greatest benefit to man. How is that?

Ellsaesser: Because they don't care what they say. They look only at the detrimental consequences, as I said.

Low-level ozone has several very beneficial effects. It is one of the chemicals that helps to scavenge all of the things that get released into the atmosphere. The hydrocarbons from plants, for example, which cause most of the hazes you see around the country. Those are decomposed by ozone and other energetic chemical reactions going on in the lower troposphere. It's what keeps the atmosphere clean. There is also a lot of bacteriocidal action accomplished by ozone, and by ultraviolet light as well. This keeps odors down and bacteria down. A lot of things are kept down by these processes that otherwise would become more noticeable, more odoriferous, more dangerous. There are substantial beneficial effects, that nobody wants to look at.

It is probably no accident that most early civilizations began in semi-desert areas—areas with lots of direct sunlight and therefore lots of ultraviolet.

Q: Could low-level ozone, which is supposed to be a poison, actually be an essential element for life to exist on Earth?

Ellsaesser: It has *beneficial* effects, yes. It keeps the atmosphere clean, if nothing else.

Q: Is it possible that the EPA standards for ozone pollution and other forms of pollution are simply not attainable because they are trying to regulate the natural atmospheric levels of these chemicals?

Ellsaesser: It is my opinion, and the opinion of several peo-

ple including the man who was in charge of the Air Pollution Control District in Los Angeles, back in the 1970s, Robert L. Chass, that the present EPA standard for ozone could not be attained in Los Angeles even if they evacuated the entire basin. In other words, the prescribed standard is *below the background* that would exist there even in the absence of man.

Q: Where would the ozone come from then?

Ellsaesser: The most likely source—suggested already by the occurrence of high ozone levels before—is hydrocarbons from plants. If you look at the records, you find that ozone goes up very sharply on hot days. There is nothing in the chemistry that explains that. The only thing that makes any sense is that on those hot days the plants have the hydrocarbons essentially boiled out of them to try to keep their temperatures down, and to keep from being scorched by the heat.

Q: You mean, instead of transpiring water, they are transpiring hydrocarbons?

Ellsaesser: Right. Plants put out hydrocarbons instead of water because they run out of water in trying to keep their temperature down. If you take the release over a whole year, it may not be very great. But it could be very significant during particular periods when temperatures are very high, particularly since the plant hydrocarbons are more reactive.

Now, not only do you have this temperature effect, if you look at the individual stations around Los Angeles and the [San Francisco] Bay Area, you find that the stations consistently recording the highest ozone are the ones that are near to slopes on which there are evergreen plants. This also suggests something. If you look back in *Science* magazine, you will find that Jim Sandburg who works for the Bay Area Air Pollution Control District found that he could explain something like 30 to 50% of the excesses in ozone for the next year from the winter precipitation. In other words, in California, we get all of our precipitation in the wintertime. That determines how much the plants can grow, and therefore how much hydrocarbon they can release the next summer. Using that argument, Sandburg was able to get a statistical relationship that explained something like 30 to 60% of the variations in ozone exceedences for the following year. That paper was published in *Science* over a decade ago [June 2, 1978].

Also, William Chameides, who is very active in this field, came out with a short paper in *Science* [Sept. 16, 1988] in which he points out that plants do put out significant amounts of hydrocarbons on the hot days, so it is there at the time you need it to produce ozone. There is also an editorial in *Science* [Sept. 23, 1988] that also points to this same thing—that in the United States as a whole, two to three times as many hydrocarbons are produced by plants as by man—and preferentially on hot days, which are favorable for ozone formation.

Q: Do you mean that the amount of hydrocarbons produced by cars and other industrial sources is smaller than the amount produced by plants?

Ellsaesser: Yes. That's correct.

Q: Is that why there are such high levels of pollution in the middle of the Smoky Mountains?

Ellsaesser: I think so, yes. That's one area in which reductions of hydrocarbons appear to have had no effect on ozone levels. They seem to have little effect in Los Angeles, as well. In fact, the Bay Area stands out as one of the few areas around the country that *claims* to have been able to reduce the ozone substantially. I think it raises questions about their measurements. If you look at their data, you find that essentially all of their improvement had occurred by 1972. By 1972, we did not have catalytic converters or any controls on nitrogen emissions in our autos. So I think that the Bay Area measurements themselves are questionable. If you look at EPA and the Air Resources Board here in California, they specifically do not compare observations since 1979 with previous ones, because in 1973 we switched from oxidant to ozone, and in 1979 there was an abrupt jump in all the data that no one understands. So they don't consider the data comparable over these two points. The Bay Area has never let that bother them.

Q: Are you saying that we cannot really compare the levels of ozone "pollution" today with those of the 1950s and 1960s?

Ellsaesser: That's right. You are looking at different things. You are looking at ozone now. Back then you were looking at what they called *oxidant*. No one has come up with a way to make these comparable.

Q: Does this mean that, no matter how draconian the policies imposed by the Clean Air Bill Congress, you may still not get rid of all this ozone "pollution"?

Ellsaesser: In Los Angeles you will *never* meet the present ozone standard, even if you take everybody out of there and let no one live there. Only by also taking out all of the measuring stations will EPA ever achieve the standard there. If you close all of the stations, of course, you will meet the standard, because you won't have any observations that exceed it!

Q: Is there any truth to the claim that this low-level ozone is toxic to human beings?

Ellsaesser: There is very skimpy evidence that it is hazardous. Almost all of the studies that appear valid to me indicate that you could triple the standard before you had any health effects. This would not bother EPA, they would simply claim that it's the "adequate margin of safety" mandated by the law.

To be continued.

LaRouche's SDI policy cracked the Soviet empire

Congressional candidate Lyndon LaRouche recently reviewed his work in developing a Strategic Ballistic Missile Defense, a policy which President Reagan announced on March 23, 1983, as the Strategic Defense Initiative (SDI). LaRouche stressed that he viewed SBMD as a military and an economic and cultural policy which was key in cracking the Soviet-Communist empire without having to fight a war. The following statement is edited from verbal remarks made on June 17.

Let me tell you a true story, which will make for many of you, I believe, a lot of things much clearer.

Back in the period 1977 through 1979, I worked on the germ of an idea. The problem that occupied me was as follows: On the one hand, we had an insane drift of economic, financial, and monetary policy inside the United States. At the same time, we had an increasingly brutish, forced collapse of the economies of the so-called developing nations, largely under emerging U.S. and British policy influence. And thirdly, we had this menace of Bolshevism from Moscow and Beijing. This had reached the point, also, that, by about 1977, with the disastrous Carter administration coming in, we were moving toward increasingly short-range, thermonuclear warhead-tipped missiles facing the Soviets from Europe, and facing the other states in such forms as the Soviet SS-20 missiles. The short-range missile had the specific significance, that it gave the party being attacked, or believing that it was attacked, only a few minutes to decide whether to go to full-scale, intercontinental thermonuclear war.

Obviously on all these counts, there had to be a better way. I looked at this problem from many standpoints. I had become a leading, controversial figure by 1975, because of my work on behalf of an international monetary reform which would provide justice for developing nations and at the same time open up the development of the developing sector for a capital goods export boom in Western Europe and the United States, as well as Japan. I worked toward reform inside the

Philip Ulanowsky



Claudio Rossi



Stuart Lewis

Clockwise from below: LaRouche and Ronald Reagan chat during a 1980 New Hampshire campaign debate. National Democratic Policy Committee rally in September 1983 presents 50,000 signatures in support of SDI to the U.S. Congress. LaRouche in Rome in 1983, briefing allies on SDI program.

United States and Western Europe, in the form of pushing advanced technologies to launch what some would call a "new industrial revolution," to revitalize these economies from the inside.

I fought against those, such as the radical environmentalist cults, which were destroying our culture, the morals of our citizens, and our economy from the inside, and which were leading advocates of policies causing genocide literally on a scale greater than that attributed to Hitler, under the influence of International Monetary Fund (IMF) and environmentalist policies then emerging in the mid- to late-1970s.

Strategic defense must replace MAD

But I looked particularly at this problem of the missile crisis. We were going on a shorter and shorter fuse, toward World War III, almost by miscalculation; or by the instability represented by a three- to five-minute short fuse on missile attacks. Obviously, on the latter account, we had to eliminate a policy called Mutual and Assured Destruction (MAD), the policy advocated by such figures as Henry A. Kissinger, the former secretary of state, and by the evil, curious fellow, Robert Strange McNamara, one-time butcher for the United States at the Defense Department and later a butcher through malthusian weapons at the World Bank.

So, what we had to do, it was obvious to me, was to go to a defensive capability; it was obvious that Soviet doctrine and Soviet capability were moving in the direction of an appropriate sort of doctrine of Strategic Ballistic Missile De-

fense. The first important traces of this emerged in the famous Soviet military strategy, the Sokolovsky Doctrine, so-called, from the 1962-63 period. Marshal V. D. Sokolovsky emphasizes that the ability to destroy a significant percentile of the total weapons launched by an adversary—nuclear weapons—made war fightable; that this could not be accomplished today by what we call kinetic energy weapons, but would require weapons based on new physical principles, such as—Sokolovsky said at the time, back in 1962—lasers. So, from that point on, kinetic energy system weapons were essentially an obsolete form of defense, for very simple, elementary physical reasons.

Now, it was obvious to me, through work with physicists who I was coordinating or otherwise associated with, that we had the technologies to mount an effective form of SBMD. That did not mean, however, that you could build one kind of, sort of, safety system—one fence system—and leave that fence standing for 20 years. It wouldn't work: The other side would be developing new methods of offense, and better methods of defense. So, when we're talking about defense, we're talking about what military people and others call technological attrition. The defense meant, adopting a policy of developing effective defensive weapons against thermonuclear missiles and later weapons, and constantly advancing our technology for coping with these kinds of weapons, as the years pass; that is, constantly updating our system. This all had to be done within a realm, which was known in diplomatic arms control language, then, as "new physical

U.S.-U.S.S.R. SDI cooperation raised

The possibility of Soviet reconsideration of its rejection of the U. S. March 23, 1983 offer for U. S.-Soviet cooperation on the Strategic Defense Initiative (SDI) was raised in the lead editorial of the June 13 *Wall Street Journal*. Decrying the "animist religion of nuclear deterrence," the *Journal* references recent articles in the Soviet press which might signal a potential shift in Soviet policy towards acceptance of the SDI.

One article cited, by Mikhail Aleksandrov in *Soviet Military Review*, suggested that the SDI might "result in a better model of strategic stability" between the two superpowers than the one now existing.

The editorial, entitled "New thinking on SDI," fails to address the broader policy issues raised in the accompanying piece by the SDI's designer, Lyndon LaRouche. The editorial, in part, prompted LaRouche to review the broader economic and cultural issues involved with the SDI because, as LaRouche noted, without action on these issues, "it's not going to go anywhere."

principles"; that is, physical principles of warfare not covered by existing arms control treaties, including the so-called Anti-Ballistic Missile Treaty of 1972. As a matter of fact, the treaty of 1972 had left the door open, explicitly, for the development of these kinds of weapons systems of defense, based on new physical principles.

That indicated a partial solution. But we have to look more deeply at the problem.

Technological attrition boosts the economy

What would be the effect of such a defensive system, based on technological attrition, on the economies of the respective parts of the world? Well, provided that the United States abandon the so-called monetarist policies, which have dominated the United States—and ruined it, since the assassination of President John Kennedy—and went back to a kind of policy which John Kennedy, as President, had proposed in connection with a crash program of aerospace development, the benefits we would get in the civilian economy from this military development of defensive weapons would vastly outweigh the costs of developing such a new military system.

The taxable portion of the increased tax-revenue base generated by physical economic expansion and improved productivity, would give the U.S. federal government, at

existing tax rates, more revenue from the SDI's impact, than the government would spend on the SDI; that's the way to think of it.

If the Soviets were to agree with the United States, to go this way, to use these new defensive weapons as a way of getting out of the deployment of short-range missiles, which put a hair-trigger on thermonuclear war, that would produce a fundamental change in the world; particularly since this would require the United States to abandon the monetarist system, which has been characteristic so far of the Carter and Reagan-Bush administrations, and go back to the policies of Treasury Secretary Alexander Hamilton, President Lincoln, or so-called dirigist or mercantilist system policies, which built the United States in all its great building phases. That would mean the Soviets would have to go that way; that would mean the opening of the developing sector, or large amounts of new technologies, capital goods technologies, flowing in; a great global infrastructure development; a general, global expansion.

Soviets must change or fall behind

Now, this would solve two problems for the Soviets. First of all, it would provide what you would think every Soviet citizen would wish: an alternative to a hair-trigger on thermonuclear war. Seems like a pretty good idea, since we get the same benefit. Also, it would change the context as an integral part of a general, international economic boom—also a good idea—and the Soviets would benefit from this. Well, there's only one problem for the Soviets in the whole system: They would have not only a problem in keeping up with us, because of the problems with their system; but it would force them to adapt their economy and their practice, culturally, to a philosophy of practice which was once known as the "American System" of political-economy, so named by Hamilton; and also associated with Gottfried Leibniz, in terms of principles; and in modern times associated with me as a leading exponent of that brand of political-economy, or economic science.

So this would mean we could win, if we could hold war off, we would win war without fighting it, through the cultural influence associated with what came to be known after March 23, 1983, as the SDI.

But, beginning very late-1981, two things happened. First of all, there was a Soviet feeler in my direction from a leading known Soviet diplomatic channel. I reported this Soviet approach to the relevant U.S. institutions, and the answer from them was the recommendation that I play it. So I had some discussions back and forth with these sources, and I agreed to play it, provided I could select the Soviet official with whom I would set up discussions, and choose my own Soviet back channel, which I did. That went into operation in February 1982, under sections of our intelligence services which I worked with, with the understanding that I would be accountable to the President, and not working



Dean Andromidas

Lyndon and Helga LaRouche visiting the Memorial of German Resistance to the Nazis in West Berlin in October 1988, after a speech by Lyndon LaRouche proposing Western economic aid to rebuild Eastern Europe, in exchange for Soviet agreement to the reunification of Germany.

as a service to some other intelligence institution, but I'd be working on behalf of President Reagan, in this case. So that went into effect in February.

About the same time, I came into close relations with the National Security Council (NSC), with whom I discussed a number of matters which were agreed to be of mutual interest, and on which we seemed to vibrate in the same direction; as opposed to those issues, such as some economic issues, on which we did not vibrate in the same direction.

In due course, the two things became coordinated; so that, while I was working with the NSC and other services on outlining what became known as the SDI, I was dealing with the Soviets on this subject through a back-channel arrangement, which continued up until the beginning of April 1983.

I was also running around the world, forewarning key sections of allies, such as the top ranks of the French military, the relevant military planning centers in Germany, and others in Italy and elsewhere, that this might happen, in the sense of saying, "What if—I'm proposing this—what if the United States accepted it? What are the implications, for Europe?" Say, in discussions with French officials, discussion at the end of 1982; or in discussion with German officials in late 1982-early 1983, before the announcement of the SDI; or discussions with top military circles in Japan, and others, in Thailand, or in India, in Argentina, and so forth, and so on, "What if?" this sort of thing, to make sure they had the full appreciation of what this thing was, on the table, understood it, and would know how to react to it, because the United States government directly was doing nothing on this, and as a matter of fact, did virtually nothing to inform or consult with our allies even after the SDI was announced. So, I was carrying the SDI, both in dealing with the Soviets, in discussing the possibility with them, and discussing with key institutions, and briefing key institutions among our allies on what this would mean.

Soviets 'blew' when SDI announced

Well, the Soviets were confident that certain forces in the Democratic Party, and Trilateral Commission types of Republicans, would successfully oppose my proposal, to the point that they said, confidently, it was their view, that my proposal on strategic policy would never reach the President's desk for approval.

Well, of course, as we all know, it did reach the President's desk for approval. And on March 23, 1983, the President read an address, the last part of which was prepared by a particular speechwriter who was working closely with one of my close associates, who worked up the details of that part of the speech on behalf of the President, to give him a technically competent representation of what this would mean in simple language which the American public, as well as statesmen around the world, would tend to understand.

At that point, the Soviets blew.

Their friendliness to me in the back-channels ceased, once it was apparent that what I had proposed had been adopted. As of the end of March and the beginning of April, the Soviet government of Yuri Andropov, his apparatus, demanded my head. This demand was an attitude which was echoed by certain circles in the U.S. liberal establishment, from Democratic Party circles, including a fellow close to McGeorge Bundy, John Train, a New York banker close to the Rothschild interests in the United States, but also generally known as an errand boy for circles such as those of McGeorge Bundy, out of the Council on Foreign Relations circles. They both launched an operation against me, which was picking up on an operation which had already been set into motion, on the initiative of Henry Kissinger, about a year earlier, and also pushed by such members of the President's Foreign Intelligence Advisory Board, such friends of Freedom House as social democrat Leo Cherne, as the late Edward Bennett Williams, David Abshire, and so forth; who had all, according to the record, gone after my head.

So they decided to dispense with my head; and the Soviets made a number of very demonstrative pressures, including a close associate of Andropov dubbing me, personally, publicly in the Soviet press, as a *casus belli*. Fyodor Burlatsky, a close friend of the Mondale circles in Minnesota, and a very close adviser to Yuri Andropov, a top KGB official, associated with the magazine *Literaturnaya Gazeta*, identified me publicly, to the world, as *casus belli*: That is, if the Reagan administration continued to have any relations with me, and the U.S. government continued to have relations with me, in connection with the SDI, that could lead to World War III. That's what was said; it was said, repeatedly. In 1984, a major campaign was run to break the LaRouche connection to the Reagan administration, telling the Reagan administration, it had better do that openly, as a sign of good faith for any dealings with Moscow. So we had Sen. Daniel Moynihan (D-N.Y.), as a voice echoing the Soviet demand, in the Congress, and elsewhere at that time. A number of other dupes, witting and otherwise, echoed the Soviet demand: "Get him out of there, at all costs!" A barrage of press, mass media, black propaganda, the wildest lies you ever heard against me, were not only issued, but repeated over, and over, and over, and over, and over again.

Soviets demanded LaRouche's head

It didn't work. We continued to function. The Soviets ran into trouble. From August through October 1986, the Soviet government—the Gorbachov government—demanded my head, and demanded that the United States government put me promptly in prison. In response to this pressure from the Soviet government, a massive, 400-man, armed raid was done on the city of Leesburg, in Loudoun County, Virginia, at the beginning of October 1986, *under Soviet orders*; and orchestrated with complicity of a well-known Soviet intelligence channel inside the United States, the drug-pushing Anti-Defamation League, the friends of Edgar Bronfman, and other such scoundrels from the organized crime repertoire. By 1986, the Soviets were in real trouble. They had to respond to the SDI. And despite the Reagan administration's capitulation on many points, the Soviet efforts to preclude the danger that the United States might develop an effective ballistic missile defense, *wrecked* the Soviet political system. The strains *wrecked* it.

This was apparent already in 1986: For example, in October 1988, I gave an address in the Kempinski-Bristol Hotel in West Berlin as a part of the 1988 election campaign—broadcast later throughout the United States—in which I forecast the imminence of the circumstances in which Berlin might become again the capital of a united Germany. This had been in the wind since 1986. What caused it? The SDI. What caused it? Well, in a larger sense, I caused it.

Well, here I sit in jail, as a reward for setting into motion the process which successfully *cracked* the Soviet-Communist empire, *without war*.

Soviet 'Third Rome' outlook rejected SDI

Congressional candidate Lyndon LaRouche addressed the issue of why the Soviet outlook of the "Third Rome" led the Kremlin to so vehemently reject the Strategic Defense Initiative (SDI). The following is edited from remarks made on June 16.

It is now just over seven years since I, together with a number of my associates, published our first warning in the *EIR* that the Soviets were moving along a new track in the direction of establishing a Moscow-dominated world empire, and that all Soviet behavior must be seen from a new standpoint corresponding to this fact. This warning, published in May 1983, was the result of an evaluation of the Soviet personal threats against me, prompted by President Ronald Reagan's announcement of the SDI on March 23, 1983.

In back-channel discussions conducted prior to President Reagan's announcement, I presented to the Soviets the option that the United States might 1) decide to move to a global Strategic Ballistic Missile Defense based on new physical principles; 2) that the United States government, in making this proposal, would offer to the Soviets cooperation in proceeding toward this in the least destabilizing way; and 3) that the new technologies forced into being by development of strategic defense, would be of the greatest benefit to the respective powers and the global economy in general.

The Soviets, in the course of these back-channel discussions, had stated they agreed with my analysis of 1) the feasibility of Strategic Ballistic Missile Defense based on new physical principles (what most people would think of as the SDI); 2) that there is no doubt in the Soviets' mind at the highest level that the development of these strategic military technologies would result in a great benefit for the civilian economies, through technological progress. But, they said, 3) we will oppose this because our economy cannot match the U.S. economy in digesting such types of technological progress. . . .

Once the SDI was announced, within a matter of weeks, top Soviet agents around the world at the highest level, said that what I had done (they blamed me personally for what Reagan had announced and Defense Secretary Caspar Weinberger had backed up) was a threat to the entire life's

work of General Secretary Yuri Andropov, which meant to the apparatus of Marshal Nikolai Ogarkov, and Mikhail Sergeyevich Gorbachov, the putative crown prince, the political heir of Andropov. At that point, the Soviet press launched an escalating campaign for my elimination from the scene. . . .

Designs for world empire

Why would the Soviet government reject the most effective war avoidance policy to come from the U.S. government in decades, which is obviously the only way to get honorably out of the danger of an early thermonuclear conflict, through the introduction of defensive means?

We looked carefully at some of the symptoms here, and we looked also more deeply at Soviet culture, or Russian culture, to find out how, in terms of the Russian mind, this response to SDI worked; and what we saw is that Andropov et al., were in the process of dumping the facade of Marxism-Leninism as such, and were going rapidly toward what we call today perestroika, of the type which had been intended by Soviet ideologues from the very beginning back in the early 1920s.

The long-term intent of the Soviets, to sum it up—or the Russians, those behind the Soviet experiment—had been to eradicate from Russia the heritage of Peter the Great as a channel of influence for Western philosophical thought and practice, such as that of Gottfried Leibniz, who had influenced greatly the successful but rather short-lived economic reforms of Peter the Great.

The Russians were determined to exterminate these Western influences from the Russian Orthodox Church, that is, the Muscovite Church, which Peter had attempted to reform, and from various aspects of Soviet culture. What the Russians were doing, was going back to a more barbaric, pre-Peter the Great culture, an Ivan Grozny, the so-called Ivan the Terrible, kind of culture, and adopting Ivan the Terrible's commitment to establishing Moscow as the capital of an eternal, pagan Roman Empire, a so-called Third Rome.

Let me interpolate something here, because that helps understanding.

The idea of a Third Roman Empire, successor to Rome and to Byzantium, has been floating around for a long time. The Russians, the Muscovites, that is, picked it up about the middle of the fifteenth century, and it was made an official doctrine of the Czars from about 1510 on, the famous pronouncement of Philotheus of Pskov, is the referenced policy document. The very title of Czar, or Caesar, was adopted by the Russians, by both Ivan Grozny and some of his immediate predecessors, as a way of affirming the commitment to making Moscow the worldwide capital of a Third Roman Empire, a Roman Empire based on pagan Imperial Rome, not Christianity, despite the pretensions for a very shallow, dubious form of gnostic Christianity, which infested the Muscovite monasteries.

So, the Russians were going, back in the spring of 1983, toward that. They had a master plan; and the master plan was based on the assumption that the Anglo-Americans would continue with their monetary and financial policies, in which case Moscow saw that the Anglo-American economies—already collapsing physically—would also reach a point of a financial collapse, a 1929-32 sort of phenomenon. And they hoped that by inducing the United States and Britain to disarm, significantly, under the pressures of financial and economic collapse, that Russia, or Moscow, by living out and surviving through this stormy period of a new financial collapse of the Anglo-American system, would emerge as hegemonic; and, thus, be on the road, in the course of the nineties some time by aid of military threat potential, to achieve the foundations of a global empire for Moscow.

Others dreamed of a 'Third Rome'

The idea of the Third Rome is not new. There were elements in this in the Holy Roman Empire, particularly the Hapsburg phase of it, or the people who financed the Hapsburg venture, particularly from the period of Charles I (Charles V of the Holy Roman Empire, the famous Charles I of Spain). Then, after the defeat of the Spanish Hapsburgs, things became less decisive. Napoleon Bonaparte, as emperor, saw France as the instrument of establishing a pagan Imperial Rome, and Europeans defeated that. The British liberals associated with the British East India Company in particular, had also adopted the idea of a British Third Roman Empire.

The Holy Alliance was considered a transitional approach to establishing a new Roman Empire, and many of the people involved with that were Third Rome advocates. Russia came to the Third Rome again, in the nineteenth century, through such influential circles as Fyodor Dostoevsky's sponsors. Dostoevsky explicitly proposed the establishment of a Third Reich, on the basis of the general philosophical principles which are now advocated by the leading Soviets around Gorbachov and others. Despite disagreements among some of these personalities, rivalries, so to speak, there's a general agreement on the Dostoevskian formula. Dostoevsky was translated literally into German, for the Nazis, as *das Dritte Reich*—the Third Reich. So, Hitler was actually carrying out a Russian idea, taken directly from Dostoevsky. Hitler aspired to establish Berlin, in his view, as the capital of a worldwide revival of pagan Imperial Rome; a Third Rome; and Hitler made no bones about it. His killing of the Jews was considered merely a matter of removing the root of Christianity, that is, by removing Yahweh, to destroy Christ. Hitler's wartime objective was to reach the point at which the military victories in Europe enabled him to eradicate Christianity from the face of this planet, a goal which is very close to many Muscovites' hearts.

It is now seven years later, since the spring of 1983. What do we see?



Clockwise from top left: St. Basil's cathedral in Red Square, built by Ivan the Terrible. Fyodor Burlatsky, who called LaRouche's influence in the Reagan administration, a casus belli. A Soviet caricature attacking the SDI as an academic cover for a military offensive.

Uwe Pappart



Stuart Lewis

We see that everything I, together with my associates, wrote back in the spring of 1983, has been thoroughly confirmed. Russia is on a Third Rome track. Those in the West who refuse to recognize it, those who are the opponents of the SDI then, such as the friends of New York banker John Train, who were plotting my destruction with NBC-TV and so forth, at that time, had established their condominium with Moscow. There are funny games going on, in which some people in the West think, well, maybe Moscow is going to collapse, and then they will take over the world, while those in Moscow say that even though they're making retreats on the order of Lenin, two steps backward, one step forward, that they're making retreats in the face of adversity, pending the debacle in the West, the financial collapse in the West, after which the Russian influence over Europe will become dominant; and once the Russian influence over Europe becomes dominant, then Moscow will be in a position to retake everything it has given up, recently, and more, and to conquer the entire world.

The 'authoritarian personality'

As part of this, Moscow is proceeding, culturally, on the basis of a scheme worked out by a top Communist International agent, Georg Lukacs, back in the early 1920s. It was not only Lukacs's plan, but was the general view of the Communist International of the early 1920s, particularly from 1923 on.

The Soviets said, "Ah, we have failed to make the revolution in Western Europe, as we made it in Russia. Why is that? Why could we make a revolution in Russia, and not make it in Western Europe?"

Lukacs said, to sum up his description, "Western Europe has an immunological potential against the Bolshevik virus. That immunological potential is the heritage of Socrates, and the influence of Christianity. Unless we destroy those features of Christianity, or those features of a Socrates converted to Christianity, which represent this immunological potential, we cannot conquer. If we do, we can conquer."

So, on the basis of Lukacs's proposal, a number of ven-

tures were launched including what is called the Frankfurt School of people like Theodor Adorno. And what was adopted as the key feature of this Soviet subversive propaganda, this communist subversion, was called the doctrine of the authoritarian personality, as associated with the work of Adorno.

You look at the subversive work of, for example, the Stasi, the State Security Ministry of East Germany, of the devilish KGB agent, Gen. Markus Wolf, and you see—coming out of the old East German television, cultural recreation, and its literature—you will see this virus of Lukacs, this virus of the satanic Berthold Brecht, the satanic virus of Adorno, the attack on the authoritarian personality.

The authoritarian personality is nothing more nor less than the person who believes two things: number one, that there is a difference between right and wrong. The Soviets wish to eliminate that, just like our pragmatists in Washington do today. Secondly, the understanding that the difference between right and wrong is not an arbitrary thing, but is something which is accessible to all developed human reason; that we as individuals, and as groups of people, have the means, reason, to discover principles where we can know infallibly the essential difference between right and wrong, between that which we must do, and that which we must not do.

So, the Soviets recognize that by destroying this respect for reason, the authority to know the difference between right and wrong, that they could destroy the West. Now, that is proceeding.

How is it proceeding?

Well, in Western Christianity, there has been a long fight against a kind of paganism in Christian clothes called “gnosticism.” It’s been around for a long time, there was a fellow called Simon Magus from the time of St. Peter, who was spreading gnosticism around Rome; so that’s been hanging around for a long time.

But the fight centered, in due course, about something which came to be known as the *Filioque*; the principle that the Holy Spirit, the *Logos*, was made manifest in Jesus Christ. Christ as God and Man. That therefore, the Holy Spirit flows from Christ as it does from God.

What’s tied up here is the idea of the individual as in the image of the living God. That we, through the powers of creative reason, given to us as our potential, a potential which sets mankind apart from and above all the beasts, have the power to know the difference between right and wrong, and to create new conceptions of practice by which the right can be better served. That is the essence of Western Christian civilization; it is known sometimes as the *Filioque* principle, or the principle of reason. And that is what Russian culture, particularly Muscovite culture, opposes, from an Oriental standpoint. Russian culture says that the *Filioque* is the enemy. They reject Christ, in short. And Russian, or Muscovite theology, or Muscovite pseudo-Christianity, is essentially

what’s called a syncretic adaptation of some of the mere terms of Christianity, and outward forms of ritual, to the continued heritage of outward worship of Satan’s mother, Matushka Rus, the Earth Mother goddess.

The Devil changes clothes

Look at what is happening now, around the world. Look at what’s happening in the Protestant churches, for example.

The Church of Scotland now proposes, among others, along with the Anglican Church, the Church of England, to tear up the Book of Genesis, and to tear up, largely, the Gospels and Epistles of the New Testament. They propose, at the same time, to go into Judaism and do the same thing with the Torah, to bring the Bible, Christianity, and the Torah into conformity with a satanic dogma, which teaches that man is nothing but another animal, and must not place himself above the beasts in the moral scheme of things. That is Lukacs’s dogma. That is the essence of satanism, that is the essence of bolshevism.

This is what we warned against in 1983. People said, “Well, communism is going to go away, the Russians are going to dump communism, that’s good.”

We said, “What is good about the Devil changing his clothes, to change a relatively modern costume, Marxism-Leninism, for his old costume, the doctrine of the Third Rome, a pagan Imperial Rome?”

So, we’ve come full circle. All of the signs are about us. Environmentalism, which is an outgrowth of this kind of satanism proposed by Lukacs, is becoming hegemonic. We have Environmental Protection Agency administrator William Reilly in the U.S. government, who’s pushing this kind of garbage. It’s coming from Prince Philip, the consort of the Queen of England. It’s coming from all kinds of sources, but it’s coming especially from an axis which includes Ivan Frollov, close adviser to Gorbachov. It runs through the Laxenberg, Austria, International Institute for Applied Systems Analysis, around people like Dzhermen Gvishiani, the Soviets’ KGB spy, Gvishiani’s friend, Lord Solly Zuckerman of Britain, and Dr. Alexander King, the professed racist mass murderer of Britain, into Cambridge University’s Apostles circle, in the so-called Cambridge Global Systems Analysis Group. It runs sideways from this branch of economics, and runs into the churches, into the top levels of the Church of Scotland, into the top levels of the World Council of Churches, into the attacks on the *Filioque*, the Book of Genesis, and the New Testament. It runs into the top levels of the Church of England. Satanism pours out of the crypts of New York’s leading Episcopal Church, the Cathedral of St. John the Divine and its Lindisfarne kook center in Long Island.

So, what we warned against, in the spring of 1983, comes true, comes full circle. It’s all here now. What conclusions are we obliged to draw from the fact that that analysis, which my friends and I circulated first in 1983, has been so fully vindicated by events seven years later?

Ramsey Clark warns Europe about U.S. rights violations

by Mary Jane Freeman

Speaking before a packed audience in Copenhagen, Denmark on June 21, former U.S. Attorney General Ramsey Clark warned that the conference on Human Rights Violations being held there by the Conference on Security and Cooperation in Europe (CSCE) should carefully study the pattern of massive violations of human rights in the United States, which has gone hand-in-hand with the increased degradation of the growing ranks of the nation's poor people—many of whom are darker-skinned.

Clark's trip was sponsored by the Schiller Institute's Commission to Investigate Human Rights Violations, a non-governmental organization which is urging the CSCE to take up the case of Lyndon LaRouche, the United States economist and statesman who is now that country's most prominent political prisoner, railroaded into jail by opponents of his strategic and economic recovery policies. Also in Copenhagen urging consideration of the LaRouche case was LaRouche's wife Helga Zepp-LaRouche, who is a leading political figure in her own right in Germany.

Clark, who has long been a defender of civil rights and who authored the Voting Rights Act of 1965, went before the U.S. Supreme Court in June to ask that body to reverse LaRouche's railroad conviction. The Supreme Court refused to even consider it. At Copenhagen, Clark explained that he has no political identification with LaRouche and disagrees with many things LaRouche has said, "but I would defend to the near-death his right to say it."

U.S. prison system is intolerable

But before going into the LaRouche case, Clark spoke about many other things happening in and around the United States, "because I think it's the only context in which you

can understand what the LaRouche case is about."

"We have a prison population of a dimension that you can hardly believe in Europe," he said. "Our prison population in the United States right now exceeds the population of the city of Copenhagen. . . . Our prison population . . . is a multiple of up to 20 times, and not less than 10, of any country in Western Europe, and as far as we know, not less than 10 of any country in Eastern Europe. We have five states that have a higher prison population than the total [prison] population in South Africa. Our prisons are brutalizing places. They manufacture crime. Our prison population is the biggest growth industry in the United States—15-25% a year increase. Construction of prisons is one of the biggest businesses.

"Do you want to know who's in those prisons?" Clark continued. "Overwhelmingly, poor, young—very young, black, Hispanic, other minority men. . . . They're only slightly different from the homeless in the United States. . . . The people who live without any shelter in the United States exceed, again, the population of Copenhagen." The current estimate, he said, is about 850,000 sleeping outside on any given night.

Clark cited numerous examples of people who had been indicted and sent to prison for nothing but political reasons. Among these he included Jolla Martínez, a defector from the Salvadoran military was on the track of CIA involvement in the murders of six priests and two women in El Salvador, and who, out of the 12 million "illegals" currently residing in the United States, was singled out for indictment for immigration violations. "None of [the illegals] have been indicted. None of them will be indicted. . . . Jolla Martínez? We'll indict him to silence his voice!"

U.S. injustice abroad

These U.S. practices extend abroad:

- “Grenada was the biggest news story by all surveys in the United States in 1983, and nobody even knows that they may hang 14 people on one day in Grenada, financed by the United States—directly by the United States. . . . The symbolism is powerful. It is: If you defy the United States in its own lake, we’ll invade and we will kill, and will indict the survivors, and they’ll be hung.”

- “What about the thousands killed in Jakarta [Indonesia] in 1965 who were simply listed by the CIA—just listed. How good was that information. What was the charge? Communism!

- “While that goes on, you see the National Endowment for Democracy. Another one of these euphemisms—it ought to be called the National Endowment for Destruction of Democracy, because it’s U.S. funding for the subversion of democratic processes in other countries by the expenditure of U.S. electoral knowledge and U.S. money to . . . install leadership in a foreign country of U.S. choice.

“How many elections in East Europe involve activity by the National Endowment for Democracy? Does that concern this conference? It ought to! It’s done the same thing in the Philippines to support Marcos when he was there; it’s done the same thing in Salvador for Duarte and Cristiani. Watch Liberia—where people have lived under a brutal military dictatorship for a decade—but the United States doesn’t express outrage when Master Sergeant Samuel K. Doe murdered Tolbert in the President’s mansion! Dragged his son out of the French embassy to kill him in the streets in front of the embassy! Took the leadership of the government down to the beach at Monrovia, tied them to stakes in the morning and let them wilt through the day before blasting their heads off that night.”

- Clark recounted his trip to Panama in January, following the U.S. invasion, and how after the U.S. military told him that only 83 Panamanians had been killed, he went out to the “Garden of Peace” cemetery and discovered a mass grave of hundreds of bodies wrapped in green bags—and that was only one of many mass graves.

- Clark noted that the “Thornburgh Doctrine” actually began in December 1986 with an Executive Order signed by President Ronald Reagan authorizing kidnappings overseas. “You ought to pay attention,” he warned the Europeans, “you could be kidnaped right from this room, under U.S. law, by U.S. agents.”

Method to the madness

Returning to what is happening on U.S. territory, Clark explained that “there’s method to this madness. Why is it that virtually every major black elected official has been the subject of a criminal investigation or a prosecution? . . . Why is [Washington, D.C. Mayor] Marion Barry on trial right now? . . . At the same time, there have been several

columns written that a principal associate of the Attorney General [Richard Thornburgh] . . . is permitted to resign and return to Pennsylvania under charges that he was using cocaine. And no investigation and no prosecution.

“Political control! You talk about American democracy, and I tell you it’s a plutocracy—without question. . . . Money absolutely dominates politics in the United States. Never doubt it. Hundreds of millions of dollars is going to our elections. That’s the way we do it. . . . Very few people in the United States have name recognition. I’m not talking about issues—you don’t know their names, much less what they stand for! There’s no discussion of the issues—it’s money, pure and simple.”

The two parties are actually one

“Then you come to someone like Lyndon LaRouche, and you see what the problem is. We have always had what we call a two-party system. It’s been called the genius of American politics. It really fools you. I’ll tell you—I’m a slow learner and I admit that—but I was 40 years old before it occurred to me that this two-party system wasn’t the greatest thing since apple pie. Then one day I realized, there’s no difference! . . .

“The two-party system is a one-party system with two names, and it’s a personality contrast. Oh, you can have a difference of opinion about flags or anything, you can have a difference of opinion about abortion—any collateral issue you can emotionalize the public on—but you find a candidate for United States Congress . . . who has favored during the last four years a significant cut, a real cut, in military expenditures, and you don’t find him. It’s a one-policy system of plutocracy. It shouldn’t be, it seems to offer choice, but it doesn’t.

“Then a Lyndon LaRouche comes along and offers an alternative in politics. Whether it’s good or bad, he is a danger to the system, just as black elected officials are. . . . You see years and years of prejudicial publicity, and then you see certain clues: He is rushed to trial. . . . If you take the biggest drug cases, 45 of the major dealers in one case, it won’t go to trial in 15 months, I guarantee you. Take Noriega, with all the fanfare. How long has he been in custody now? Since January. When does he go to trial? Maybe next January. Lyndon LaRouche—you’ve got to indict him three weeks before an election.

“I was in the Department of Justice for eight years,” Clark continued. “We never indicted a political figure before an election. . . . Because if you do, then how do the people know whether you’re using the prosecution power to manipulate the political process? And there he is, indicted, three weeks before the election! You couldn’t wait! He was on the ballot in 20 states. . . . He had a right to get as many votes as he could. He could have gotten quite a few votes—a million, 2 million, who knows. . . .”

As for the trial against LaRouche in Alexandria, Virginia,

the rigged jury selection alone was proof that “there was no intention of having a fair trial. . . . You make three sentences for five years each to impose a 15-year sentence on a man who’s 66 years old. To destroy a political movement—obviously.”

In conclusion, Clark admonished, “If you want to have change in the United States, it will have to come through the political process. . . . Unless you can wrench that free from plutocracy that absolutely controls with an iron hand that essentially one-party system, you won’t have change. And that’s what the Lyndon LaRouche case is about.”

His only crime: offending the Establishment

Mrs. Zepp-LaRouche opened her presentation by challenging the delegates to the CSCE conference that if they did not intend to become the new Congress of Vienna in which supranational power structures would be established at the expense of the “sacredness of the individual,” then they would have to seriously take up the case of her husband. “If the serious human rights violations, like the politically motivated prosecution of Lyndon LaRouche, are not taken up, then the CSCE has failed utterly. The LaRouche case is the crucial test for the CSCE.” She explained that “the only crime my husband committed, is that he offended the Anglo-American Establishment. He didn’t play by their rules.” Their rules, she was quick to add, have meant suffering and genocide, as well as the greatest threat of war throughout the world since the end of World War II.

The historical import of what choice the CSCE delegates make was detailed by Zepp-LaRouche in citing the current delicate strategic crisis unfolding inside Russia and the resulting war danger. Without the economic proposals put forward by her husband for a Just New World Economic Order, the world will most probably plunge into World War III. “This is totally unnecessary,” she pointed out, since the proposals for development and the elimination of the threat of nuclear war have been detailed by LaRouche over the last two decades. She recounted details of LaRouche’s consistent fight against genocide, for a New World Economic Order, and for the Strategic Defense Initiative.

LaRouche’s fight against genocide

Zepp-LaRouche began on this point with a strong attack of Prince Philip’s “animal rights” policy. “Everybody who knows me, is aware that I love animals—in fact I have a zoo at home,” she quipped. “But what Prince Philip and the like are proposing is too much: They spend billions of dollars for so-called ‘animal rights,’ but in reality they want to implement a policy against the rights of human beings.” She decried the policy of the Club of Rome co-founder, the late Alexander King, who wanted to eliminate the darker-skinned races because he considered them a threat to the supremacy of the white Anglo-Saxon race. On the other side, LaRouche, she pointed out, from the very beginning had fought for a

policy which would guarantee human rights to all human beings. “That my husband created a worldwide movement to defend and protect the sacredness of human life, is one of the reasons he sits in jail today.”

Already in the early 1970s, LaRouche had presented his ideas for what later became known as the New World Economic Order. In 1975 he proposed the creation of an International Development Bank; in 1978 the European Monetary System was an elaboration of the 1975 proposal; and then came his 1982 proposal for Ibero-America, called Operation Juárez. The 1982 proposal was the result of LaRouche’s discussions with Mexico’s then-President, José López Portillo. “When the Mexican President took up this proposal and implemented it in September 1982, the financial establishment went berserk. ‘If this guy from the North is accepted by the countries of the South, and they even accept and implement his proposals, then it’s time to stop him.’ And they immediately moved to crush the potential for Operation Juárez. Today, there is another opportunity to implement a similar concept with the ‘Development Triangle’ proposed by my husband from his jail cell. This would be created in Europe and then spill over into a new, just economic order.” On this aspect of LaRouche’s life’s work, the political prisoner’s wife concluded: “Had any one of these economic proposals by LaRouche been adopted, we would not face these disasters in Africa, Latin America, etc., today.

“This was probably the worst threat to the Establishment, since it was designed to prevent the superpowers from using the Third World as the playground for their genocide policies.” Mrs. LaRouche described the role of her husband in shaping the SDI policy which was formally adopted by President Ronald Reagan on March 23, 1983. “When Reagan announced this policy as official U.S. policy, shock waves went through the Establishment, at which point both they and the Soviets called for my husband’s head. Immediately thereafter, the ‘Get LaRouche’ task force was created.

“This multi-agency task force,” she explained, “including then-Vice President George Bush, knew my husband was innocent,” but they framed him up and put him in jail anyway. She asked, “What does this say about the U.S. government, about the U.S. Establishment?” It means that the U.S. government “is as corrupt as the Chinese regime.” Furthermore, she stressed that the East German secret service, the CIA, NSC, the FBI, and the KGB are no different than the Chinese secret service.

Mrs. Zepp-LaRouche assailed President Bush’s role in supporting the bloody Beijing regime, and the condominium generally, as indicative of the corruption now prevailing in the United States. She recalled the statement which LaRouche issued one year ago, immediately after the bloody massacre in Beijing, where he spoke of how a river of blood now divides people all over the world, into those who support fascism and tyranny on the one side, and freedom fighters on the other. “There is no middle ground anymore.”

Arrests prove Stasi-KGB control of Baader-Meinhof terrorists

by Jeffrey Steinberg

Since June 6, at least eight of West Germany's most wanted terrorists have been arrested in East Germany at safehouses formerly under the control of the notorious Ministry of State Security (Stasi). The evidence that has emerged in the wake of those arrests proves beyond a doubt that the terrorism of Andreas Baader and Ulrike Meinhof's Red Army Faction (RAF) that stalked continental Western Europe throughout the 1970s and 1980s was steered from the East—particularly by Edgar Bronfman's friends Erich Honecker and KGB general and Stasi Foreign Intelligence Service (HVA) chief Markus Wolf.

The individuals arrested in East Germany made up the core of the RAF's "second generation":

- Susanne Albrecht was arrested by East German police just days after she returned to the country from the Soviet Union. Albrecht is wanted for the June 1977 assassination of Jürgen Ponto, chairman of the Dresdner Bank. According to news accounts since her arrest on June 6, Albrecht entered East Germany from Czechoslovakia in 1980 and was immediately provided with identification papers in the name Ingrid Jaeger, and was set up in a job and an apartment. She was granted privileged *Reisekader* status, which enabled her to travel and work abroad. She apparently spent several years working in Syria and in the Soviet Union.

- Inge Viett was arrested in Magdeburg on June 12. She had been sought by West German police since 1974. Before living in Magdeburg, Viett had lived in Dresden, which was also the home of another RAF fugitive, Silke Maier-Witt, who has also been arrested.

- Monika Helbig was arrested on June 15 in Frankfurt-Oder, along with Ekkehard Seckendorf. Both were involved in the autumn 1977 kidnaping and assassination of West German industrialist Hanns-Martin Schleyer. Helbig is also a prime suspect in the Ponto assassination and in the ambush killing of West German Federal Prosecutor Martin Buback.

- Ekkehard Seckendorf, arrested along with Monika Helbig, is wanted by Italian authorities for his suspected role in the kidnaping and assassination of Italian Premier Aldo Moro in 1978. Seckendorf was also sought by West German police for a March 25, 1984 bank robbery in Würzburg. The fact that Seckendorf was involved in a RAF action in West Germany years after he had been given safehousing in the German Democratic Republic is further evidence of the top-down Stasi hand in the RAF.

- Werner Lotze was arrested in Cottbus district of East Germany on June 15. Lotze is believed by West German police to have been the trigger man in the Feb. 1, 1985 assassination of Ernst Zimmermann, the chairman of the MTU Corporation, in a Munich suburb.

- Christine Dümlein, another RAF fugitive, was arrested along with Werner Lotze in Cottbus on June 15.

According to reports in the West German press on June 19, one ex-RAF member, Peter Jürgen Boock, has provided authorities with a detailed profile of the West German group's close collaboration with Arab terrorist groups believed to have been behind other such massacres, such as the LaBelle discothèque bombing in West Berlin in 1985, and even the PanAm Flight 103 mid-air bombing over Lockerbie, Scotland in December 1988, in which 270 people perished.

According to Boock, RAF members would frequently transport sophisticated weapons to Arab and Palestinian terrorists via three major Middle East airports: Damascus, Baghdad, and Aden. All three airports are secured by specially trained Stasi units. According to Boock, RAF members, escorted by Stasi officials, would carry weapons, including bazookas, through customs check points at these three locations and turn them over to Arab terrorist squads.

A clear chain of command

According to a front-page account of the ongoing debriefings of the arrested RAF terrorists in the June 20 *Süddeutsche Zeitung*, every single one of the fugitive terrorists, upon their arrival in East Germany, were processed through the same Stasi compound in Briesen in the Frankfurt-Oder district. There they were provided with new identity papers, jobs, apartments, automobiles—all "perks" that most G.D.R. citizens might have had to wait five to ten years to acquire, if ever.

Apparently, numbers of the RAF terrorists who were to be deployed for further operations inside West Germany were also provided with advanced irregular warfare training at a Stasi-run camp located on a lakefront site near Springsee—also in the Frankfurt-Oder district. The camp is referred to as the DKP (West German Communist Party) "secret army camp."

Counterintelligence specialists familiar with the operations of the G.D.R. Ministry of State Security have emphasized to *EIR*'s Bonn bureau Soviet experts, that it is possible

to precisely identify the Stasi officials who were the immediate overseers of the RAF commandos, by reviewing the Stasi command structure at the time the RAF deployments were occurring. The district Stasi chiefs in the areas where the RAF members were processed and then relocated, were the immediate handlers of the terrorists.

The roles of several top-ranking Stasi officials in the RAF terrorism particularly stand out. First, the minister of state security throughout the period of the Stasi's deployment of the RAF, who would have had principal oversight for the G.D.R. government, was Erich Mielke, who ran the ministry from 1958 until the end of 1989 when the Honecker regime crumbled.

From 1974-86, the chief of the Main Intelligence Administration (HVA) of the Stasi, its chief of foreign operations, was Gen. Markus Wolf. Wolf holds a similar rank in the Soviet KGB.

During the period of RAF operations staged out of East Germany, the Stasi director in the Frankfurt-Oder district was Lt. Gen. Wolfgang Schwantz. At some point in the mid-1980s, when Schwantz was promoted, he was succeeded in the Frankfurt-Oder district by Maj. Gen. Heinz Engelhardt, his protégé.

Post-November cosmetics

Following the revolutionary events of November 1989, when Erich Honecker was driven from office and the hated minister of state security was forced to resign with him, it was none other than General Schwantz who was appointed to replace Mielke as the director of the so-called "reformed" Office of National Security. And according to a published account in the Feb. 5 issue of the West German weekly *Der Spiegel*, Schwantz's deputy was General Engelhardt.

Even as late as February 1990, as the final communist government of East Germany was scrambling to hold onto power under Hans Modrow, a three-man committee was appointed to oversee the dismantling of the Stasi. The members were Schwantz, Engelhardt, and Gen. Werner Grossmann, who ran the Main Department XX of the Stasi, the Department to Combat Political-Ideological Diversion and Political Underground Activities.

The guiding hand of the KGB

Soviet bloc counterintelligence specialists also emphasize that at every command level, particularly the district commands and the main departments of the Stasi, the Soviet KGB had a permanent liaison officer. In other words, the Stasi was guided at every level by KGB central headquarters.

Throughout the period in question, the KGB chief was the late Soviet General Secretary Yuri Andropov, a close friend and mentor of Markus Wolf. Wolf's immediate liaison at KGB, its own director of foreign operations, was Viktor Kryuchkov. Kryuchkov, a leading member of the "Andropov Kindergarten," is today the head of the KGB, as well as a

member of Mikhail Gorbachov's Presidential Council.

Thus, the revelations now spilling onto the pages of the German press represent the most significant scandal vis-à-vis KGB involvement in international terrorism on a grand scale since the 1981-82 revelations of the role of the Bulgarian secret police in the attempted assassination of Pope John Paul II.

'Official' cleanup is under way

While that story has been deliberately downplayed in the U.S. news media, and has been totally ignored by the Bush administration in its quest to prove that the Cold War is "truly over," the magnitude of the revelations has not been lost on East and West German politicians. At a meeting in Bonn of East and West German parliamentarians on June 19, members of the Christian Democratic Union-East called for the prosecution of Stasi officials, members of their various front groups, and former senior East German communist party (SED) officials for a wide range of crimes against humanity. Labeling the Stasi and the SED as little more than a "continuation of national socialism," the parliamentarians charged that they were a criminal organization engaged in running concentration camps, engaging in abuse of psychiatry, and providing privileged status for terrorist criminals. Even officials of the East German Social Democrats demanded that the Stasi officials responsible for the terrorist war be put on trial with no prospect of pardon.

Stasi-KGB "superstar" Markus Wolf began feeling the heat of the revelations, after enjoying months of creampuff coverage in major Western outlets, including the *New York Times*, which praised him for practically singlehandedly bringing down the Honecker-Mielke apparatus, and ABC News, which aired a 20-minute interview segment with him. Pressed to reveal his own knowledge of the Stasi's safehousing and deploying of the RAF throughout the 1980s while he was chief of foreign operations, Wolf claimed to *Bild Zeitung* and *Junge Welt* on June 19 that he was unaware of the Stasi role. Confronted with the evidence that officials of Main Department XXII of the Stasi had been documented as aiding the arriving RAF killers, Wolf asserted that the job of the department, to combat terrorism, involved helping "former" terrorists to reintegrate into the mainstream of society. It was "charitable" work, he insisted.

Defeating 'Operation Trojan Horse'

The friends of Edgar Bronfman who have now been nailed as protectors and deployers of the most brutal international terrorists of recent decades must not be allowed to avoid prosecution and severe punishment for their crimes. That applies doubly to the top-ranking KGB and Soviet government officials whose hands are equally stained with the blood of Jürgen Ponto, Hanns-Martin Schleyer, Aldo Moro, Alfred Herrhausen, and the victims of Pan Am 103.

What is at stake here is not simply justice for past crimes.

Even as the revelations pour out of East Berlin of the Stasi-KGB-RAF relationship, an ambitious redeployment is under way of an even more dangerous international subversive structure, which threatens to regroup the capabilities formerly associated with the Communist International in league with Western-based networks committed to the same evil world order.

American political prisoner Lyndon LaRouche, who was himself high on the hit-list of the KGB-Stasi-RAF assassins during the summer of 1977, has labeled this redeployment "Operation Trojan Horse." Moscow, in league with its Bronfman-linked collaborators in the West, including among the circles of Ariel Sharon in Israel, is putting into place an expanded capability for unleashing chaos against the West.

According to a June 21 article by Maurizio Blondet in the Italian daily *L'avvenire*, sometime in 1986-87 senior officials of the Warsaw Pact intelligence services began secretly plotting a redeployment of their key cadre in response to the growing likelihood of the breakup of the old communist order in Eastern Europe and inside the Soviet Union itself. According to Blondet, thousands of KGB and East bloc secret agents were organized into underground cells and maintaining contact through elaborate communication links. Key among the restructured East bloc secret police networks cited by Blondet was the reassigning of Markus Wolf's Stasi foreign agent networks directly to the KGB—now conveniently headed by his longtime KGB liaison and controller Kryuchkov.

Strong circumstantial evidence exists that this regroupment is taking advantage of agreements struck at the Malta summit between Presidents Bush and Gorbachov, in which Romania and Bulgaria have been conceded by the U.S. as "Gorby's turf." Bloc intelligence operations formerly staged out of East Germany, Czechoslovakia, and other now-"liberated" zones of Central Europe may very well be already relocated into those two hardline states.

U.S. intelligence sources have also reported to this news service with alarm, that they have detected a massive increase in communications between East Germany and certain precincts in South America known to be dominated by narco-terrorist forces and old remnants of Nazi networks believed to have been recruited by the postwar Stasi as a fifth column inside the West. Sophisticated satellite communication link-ups reportedly have been established between these networks in South America and sites in the East.

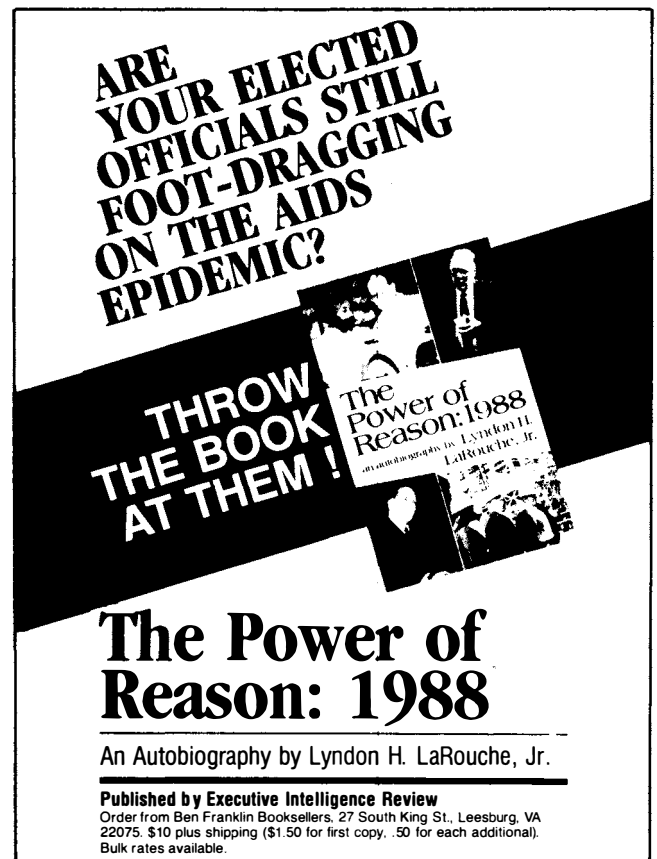
Higher levels of the operation

Perhaps the most dangerous sign of the emerging Trojan Horse threat is to be found in certain Israeli and Israeli-connected international networks. In the May 18 issue of *EIR*, Founding Editor Lyndon LaRouche first warned of the Trojan Horse danger upon learning of a major Berlin conference of Edgar Bronfman's World Jewish Congress, which

prominently featured operatives of the KGB- and Stasi-founded "anti-fascist front" consisting of the Association of Victims of the Nazi Regime (VVN) and the London-based *Searchlight* magazine. LaRouche warned that this apparatus, including circles of Israeli warhawk Ariel Sharon, have gone over to the Gorbachov side all the way, and now constitute a major capability at the disposal of Moscow for wreaking havoc in the advanced sector, particularly inside the United States and continental Europe.

Among the likely consequences of the Bronfman-ADL deal with Gorbachov cited by LaRouche were: the sudden reemergence of a so-called "anti-Semitic" threat within the West; a dramatic increase in cheap drugs flooding the continental European markets, utilizing guns-for-drugs channels typified by the recently exposed Col. Yair Klein's dealings with the Medellín Cartel; and a resurgence of Israeli-Soviet "false flag" espionage activity modeled on the mid-1980s operations of Jonathan Jay Pollard and Shabtai Kalmanowitch.

On a more profound level, LaRouche emphasized that the "cosmopolitans" in Moscow—at the very moment that they are abandoning Bolshevism—will help fuel the spread of other forms of dionysian ideology and practice throughout the West, relying on the offspring of Georg Lukacs and the Frankfurt School networks of Theodor Adorno, Herbert Marcuse, and the Tavistock Clinic's various New Age offshoots.



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Iliescu creates a Romanian Nazi state

by Konstantin George

Between June 12 and 15, television viewers around the world were witnesses to an orgy of organized violence and brutality by fascist-communist thugs, who appeared in the streets of Bucharest, Romania, ordered by Romania's President Ion Iliescu. Directed by the secret police, miners and workers beat up, arrested, or carted away to jails and camps thousands of helpless Romanian citizens.

Under Soviet direction, and with full Anglo-American complicity, the reign of terror against Romania's anti-communist opposition is creating a national socialist tyranny. Iliescu the Bolshevik has emerged as Iliescu the national socialist, installing in "post-communist" Romania, the first fascist state in Europe since World War II.

The superpowers granted the new totalitarian system a clean bill of health via the Western observer teams sent to the May 20 elections. They turned a blind eye to the massive vote fraud committed by Iliescu's National Salvation Front, which transformed a narrow absolute majority into an over two-thirds landslide for Iliescu.

Iliescu's 'Reichstag fire'

The results of the elections led to daily demonstrations of thousands of anti-communists in Bucharest, which continued into June. These demonstrations were often noisy, but always peaceful. For three weeks, Iliescu issued threats and warnings against the demonstrators and the opposition, but nothing happened, or so it seemed. But behind the scenes, the miners' shock troops were being organized into stormtrooper formations, and the 70,000 cadres of the allegedly disbanded secret police, the Securitate, were being regrouped and reorganized into a Romanian version of the Nazi SS.

On June 12, in the midst of continuing anti-regime demonstrations, a provocation occurred which was the equivalent of the Nazis' torching of the Reichstag building. Numerous police buses were set on fire, and secret police agents-provocateurs staged fire-bombing attacks against the headquarters of the Interior Ministry. A cassette recording made of police radio conversations that day in Bucharest, excerpts of which were published in the June 21 *Daily Telegraph* of London, document the secret police provocation. Police officer Number 53 is quoted reporting to police officer Number 52: "Do

you see any possibility of informing the President? *We* are starting to burn all the buses. This was the agreement."

Iliescu had his pretext to declare that a "fascist coup" had begun, and to inaugurate the reign of terror, every detail of which had been planned in advance. He "appealed" to Romania's "miners" to come to Bucharest and smash the "coup." The miners in question were a hand-picked force of 10,000, who were rushed to Bucharest aboard waiting trains, well-stocked with food and drink. Along with the miners, the Securitate, on cue, reappeared in the thousands, on the streets of Bucharest. The miners from the provinces had no trouble getting around the unfamiliar streets of the capital. Each squad of miner toughs had Securitate officers to lead them. The orgy of Nazi violence began.

The reign of terror

Carrying clubs, iron bars, and miners' pickaxes, Iliescu's stormtroopers roamed the streets of Bucharest, beating up demonstrators and anyone else whom they thought looked like an opponent of the regime. As one thug boasted to Romanian television: "You can tell from their ideas, their dress, their behavior, the way they speak."

The pogrom went on for three days. The grisly toll by nightfall, June 15: at least seven people killed, thousands injured, of whom 460 required hospitalization, and up to 2,000 persons arrested, carted away with no trace of them since.

How well-organized the terror was, was shown by the destruction and vandalism of every single opposition party office, newspaper, and the private apartments of all leading figures from the two main anti-Iliescu parties, the National Liberal Party and the Peasants Party. The same scenes occurred in university buildings and students' dormitories. Western journalists and camera crews were ordered by the miners to go back to their hotels, which were sealed off by squads of miners and Securitate agents. Hotel personnel were told that if the journalists did not remain in the hotels, then the hotels would be attacked and vandalized.

On June 15, Iliescu appeared to address a "farewell rally" for the miners. "You did very good work," he told them. "Thank you for coming. If I need you again, I will call you." The miners roared in reply, that they would return to Bucharest if the city needs "further cleaning up."

The next day, Iliescu, in a televised address, announced the formation of a National Guard, to be drawn from the miners and other workers' formations, and the Securitate, to "restore order" in Romania. The very name was deliberately chosen to evoke the image of the pre-war Romanian mass fascist organization, the Iron Guard.

The reasons why Romania is becoming the first postwar fascist state on the European continent do not only lie in Bucharest. Iliescu is a lifelong Soviet agent, a close associate of Mikhail Gorbachov, who was put in power last December in a coup d'état ordered from Moscow.

Israel may start new Mideast war to hold shaky coalition together

by Joseph Brewda

The formation of a new Israeli government headed by Likud bloc leader Yitzhak Shamir on June 11 may mean an Arab-Israeli war is back on the agenda in the Middle East. One of the major characteristics of the new regime will be its impulse to go to war to solve the "Palestinian problem" once and for all. This danger is aggravated by the fact that Israel maintains excellent relations, despite appearances to the contrary, with both Washington and Moscow. Both superpowers seek to expand the influence of Syria and Israel in the region at the expense of their neighbors. A little war, it is thought, may be one way to do that.

That the new government is planning a possible military action in the near term, was indicated by circumstances surrounding a Bush administration leak to the *Washington Times* on June 19. According to a purported Central Intelligence Agency report cited by the paper, Libyan strongman Muammar Qaddafi is covertly building an underground chemical warfare facility in the remote desert town of Sabha. While the allegation was discounted by a U.S. government spokesman the next day, Arab diplomatic circles have been quick to observe that the story was designed to provide a pretext for an Israeli "surgical strike" against the supposed facility. Israel's 1981 strike against a nuclear facility in Iraq was preceded by similar stories. A strike against Libya would be supported by many within the Bush administration.

No dearth of potential provocations

Other possible, but less likely, near-term Israeli targets, according to both Arab and Israeli sources, include the Palestine Liberation Organization's headquarters in Tunisia, which Israel had previously attacked in 1985, and the Palestine Liberation Front's headquarters in Iraq. The PLF, formally a part of the PLO, attempted a raid on an Israeli beach north of Haifa a few weeks ago. The raid was used as a pretext by the Bush administration to break off official U.S. negotiations with the PLO on June 20.

There are two major reasons why Israel might launch a military strike in the short term, analysts say. One reason is to place the Arab states into a "put up or shut up" situation, regarding Israel's regional superpower status. This possibility was enhanced by Iraqi President Saddam Hussein's reaction to the *Washington Times* leak: Within hours of the arti-

cle's publication, Hussein threatened that he would consider any attack on any Arab state as equivalent to an attack on Iraq.

It is no secret that the Shamir government is dedicated to the annexation of the occupied territories, which it intends to populate with some 750,000 Soviet Jews who will go there according to the deal worked out by Edgar Bronfman and his Russian friends. A military strike would establish the new rules of the game.

The second reason for potential Israeli military actions bears on Israeli domestic politics. The government is new, and has a fragile parliamentary majority. It needs to gain legitimacy in the eyes of the population. The best way to do that in Israel is through actions that are considered strong and decisive, especially if they are seen as also in defiance of world opinion.

Shamir's expansionist regime

Several features of the new Israeli regime make for an explosive combination. Although led by the Likud bloc, which holds 40 seats in the Israeli Knesset (parliament), the government is based on a coalition of several other parties including the National Religious Party (5 seats), the Shas movement (6 seats), the Tehiya party (3 seats). The Moledet, Tzomet, and Degel haTorah coalition partners each hold 2 seats. There are, additionally, two independents, one of whom, Rabbi Yitzhak Peretz, is a cabinet member. Altogether, the coalition has only 62 seats; 61 is the minimum required to form a government.

With the exception of Shas, which is largely a Sephardic (Oriental Jewish) constituency organization, every other coalition member is defined by its commitment to "strengthen, expand, and develop" new settlements in the occupied territories, in the words of the coalition's stated policy guidelines. The defection of any single coalition member would bring the government crashing down. The government is, by its nature, expansionist and xenophobic.

Although the cabinet is formally led by Shamir, its actual power is a triumvirate made up of General Ariel Sharon (housing), David Levy (foreign affairs) and Yitzhak Modai (finance).

Henry Kissinger's friend Ariel Sharon, perhaps the most

vocal military expansionist, was the defense minister who oversaw the 1982 Israeli invasion of Lebanon. His ministry, despite its title, is crucial, since it oversees settlement policy. Sharon will continue the provocative policies followed by his immediate predecessor, David Levy.

In the previous Likud-Labor government, Levy used the ministry to finance the illegal occupation of a Greek Orthodox church building adjoining the Church of the Holy Sepulchre in Jerusalem, by "settlers" from the Aterit Cohanim yeshiva. The settlers provoked a riot the day before Good Friday, by covering up Christian crucifixes on the building's facade with Jewish Stars of David. Israeli police tear-gassed the area; the aged Greek Patriarch was felled by the fumes. The yeshiva, which had been formed by the Israeli intelligence agency Shin Beth, had earlier been caught attempting to blow up the Al Aqsa Mosque on the Temple Mount in Jerusalem. Levy is one of those who would like the Israeli government to take over all Christian and Muslim holy sites altogether.

'We couldn't help it'

With such figures dominating his cabinet, Shamir is well situated to claim that moderation on his government's part is impossible. "How can I possibly negotiate," he can always complain, "since, if I did, my government would instantly collapse?"

Yet there are indications that the new government will undertake several diplomatic initiatives designed to give it the appearance of reason. One tactic will be to offer negotiations to all neighboring Arab governments, negotiations made farcical by excluding the PLO.

A second tactic is an initiative to establish Israeli-Palestinian negotiations, possibly in Cairo, Egypt, which would lead to supposed "self-government" of the occupied territories. The plan, as reported by Arab diplomatic circles, would be based on the phased removal of Israeli troops from the territories upon the conclusion of the ongoing Palestinian uprising. An election in the territories would follow—excluding PLO candidates, of course.

The 1979 Camp David agreement provided for a five-year transition to the occupied territories' sovereignty. In the new Shamir "plan," the territories, even in their ultimate status, will be Israeli controlled, possessing strictly limited self-governing features. Since the plan is provocative, it will necessarily fail, and its sole intent, the Israelis hope, is that it will give the world the impression that they have become accommodating.

'Jordan is Palestine'

But, diplomatic tactics aside, the new government's real policy is summed up in the phrase, "Jordan is Palestine." Back in early March, even before the formation of the new Israeli government, Jordan's King Hussein reportedly told a meeting of the Arab Coordination Council in Amman, Jor-

dan, that he had concrete evidence showing that the Israeli government was planning an operation east of the Jordan River.

The ambitious plan reportedly entailed expelling the Palestinians from the West Bank into Jordan, overthrowing the Jordanian king, and declaring that Jordan was now Palestine. No longer could the Palestinians claim to be stateless, according to the plan; they would nominally control Jordan. To ensure the success of the mass expulsion, certain strategic points on the east bank of the Jordan would have to be taken, at least temporarily.

Other sources have since reported that when former Israeli cabinet official Yitzhak Rabin traveled to Washington in the spring, he also proposed such a military operation. The assessment in several capitals then was that the success of such an operation would require, as in 1956, simultaneous crises in the Middle East and elsewhere. Developments in Lithuania and Kashmir now—as in Hungary then—could provide the context to strike.

New Israeli-Soviet deals

One reason for the Israelis' bold schemes is the rapid deepening of relations between Israel and Russia. Relations with the United States may be the rockiest they ever have been, but there is no cause to fear that the Bush administration will ever stop supplying them the funds and arms that they need. The Soviets, on the other hand, are providing them a population.

According to the latest predictions of the Israeli government, Moscow will send between 750,000 and 1 million Soviet Jews to Israel over the next three to five years, increasing the Israeli Jewish population by one-third. Because of new agreements struck between Moscow, Jerusalem, and Washington, these emigrating Soviet Jews will be denied international refugee status. They will consequently be denied easy entry into the United States, where virtually all would prefer to go. Direct flights to Israel from such locations as Budapest, and the immediate granting of Israeli citizenship (which will subject them to other nations' immigration quota systems for Israelis), will ensure that most remain in Israel.

Other ominous Soviet-Israeli arrangements are proceeding in tandem with this. Last May, World Jewish Congress chairman Edgar Bronfman traveled to Budapest on issues officially concerned with emigration. A deal was struck to have the Israeli Mossad take over the security of Hungary's national airline, supposedly to guard against Arab terrorist attack. In fact, the Mossad services will extend throughout Eastern Europe under this cover. This extension of Israeli intelligence operations in Eastern Europe is not only sponsored by the Soviet KGB, it is said, but also U.S. intelligence. This intelligence agency relationship provides for joint operations—for example, stemming the growing influence of the Roman Catholic Church in Eastern Europe, which both superpowers fear.

Will Algeria take the Iranian road?

by Thierry Lalevée

The upset victory in Algeria's June 12 provincial and municipal elections of the Islamic Salvation Front (FIS), which advocates turning Algeria into an Islamic republic, was not a total surprise to anyone who was paying attention; neither is it decisive of Algeria's future. The leadership of the National Liberation Front (FLN), which has ruled Algeria since the revolution in 1962, did not seem overly shocked, and very visibly do not want to give way to panic. The elections are but a phase in the struggle for power in the country—which, since October 1988, has been characterized by popular outbursts and a thoroughgoing shakeup in the state apparatus.

To avoid demoralization among its members—following the discovery that an Islamic fundamentalist official does not necessarily have any more economic or social power than a non-fundamentalist official—the FIS is mobilizing in the streets, to throw itself as rapidly as possible into another electoral campaign, this one for the legislature. The government will resist its demands, and the coming months will see a far more decisive test of power.

Will Algeria collapse into an Iranian-style crisis? One can only speculate. Very little is known of the leaders of the FIS. One of them, the populist Abbasi Madani, who proudly drives a Mercedes, recalls his past of struggle side by side with the FLN, and speaks of his studies in London; another, the younger and apparently more radical Belhadj, harangues the working-class districts and slums of Bab el Oued. Where do they really come from? How was the FIS created so rapidly? And what are their sources of financing? Until these questions are answered, no competent judgment can be made.

Turmoil across Africa

The Algerian developments come in the aftermath of recent weeks of turmoil in the African continent overall. Faced with their difficulties, the Algerians turned toward Islam; in Central Africa, people are turning toward new political parties—or, in some cases, toward Christian and even animist sects. Despite the militant rhetoric of its government on behalf of Arab causes, Algeria has more to do with the rest of the African continent, than it does with the Middle East. Algeria suffers from the same problems as the rest of Africa: For example, since 1988, the debt service on the foreign debt has amounted to more than 77% of the value of exports, so that revenues, as in Gabon, collapsed after the

fall in the price of oil. Even a miraculous economic recovery cannot save the present institutions of Algeria. From the moment that the communist dictatorships of Eastern Europe crumbled, it was inevitable that the 30-year military dictatorship of the FLN would be transformed, at the very least.

Whether Algeria does or does not fall into Islamic fundamentalism, will be an economic issue, and this has implications for France as well. Some French politicians have already begun screaming about the “boat people” which the Algerian fundamentalist victory creates. A radical brand of Islam in Algeria would allow these French politicians to affix the label of “fundamentalist—dangerous” to the entire Maghreb community in France, creating the basis for massive expulsions which would be favored by the stated desire of the FIS and the other mullahs to bring back home all Algerian emigrés. Racial politics—that too is an economic program.

It was symbolic, unfortunately, that, at the moment the elections were taking place in Algeria, there occurred in Marseilles an economic seminar of the European Community and the Maghreb Arab Union. To the appeals of the MAU that Europe create a European-Maghreb investment bank similar to the one created for Eastern Europe, the representatives of the EC, as well as of the French government, turned a deaf ear. That decision was as heavy with consequence for the Maghreb, as were the Algerian elections.

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International Intelligence

Sajudis opposes freeze of Lithuanian independence

The Lithuanian independence group, Sajudis, urged the Lithuanian parliament on June 19 to reject the Kremlin's proposal for a freeze on its Declaration of Independence. Sajudis, whose deputies hold a majority in parliament, said the freeze was unacceptable.

"The Lithuanian Sajudis . . . Council proposes to the Supreme Council of the Republic of Lithuania that it decline to confirm the decision," the statement said. "All the motives behind the decision are not clear and therefore the idea of a moratorium is unacceptable. We all—parliament, the government, and the public—have to look for new ways to start negotiations with the Soviet Union."

The Lithuanian government is not only under pressure from Moscow to freeze its Declaration of Independence, but also from the United States. A U.S. State Department official told Reuters that the United States was "getting a little frustrated with Lithuania" and had made its views known to the government in Vilnius. "The Lithuanians can't seem to get their act together. They're being a little pedantic. They understand the need for pragmatism, but emotions sometimes get the better of them."

NATO brass in first meeting with Japanese

NATO officials met for the first time on June 18-19 with senior Japanese government officials, including Deputy Foreign Minister Hisashi Owada. They discussed the perceived Soviet military threat in Asia and possible closer cooperation between Japan and Western democracies on security questions. The meeting took place in Belgium.

"This partnership is now becoming more vital, more substantive," NATO Secretary General Gen. Manfred Woerner was quoted by Reuters at the end of the meeting.

U.S. Undersecretary of Defense for Policy Paul Wolfowitz said that Asia had traditionally been regarded in the United States as less important than Europe in security matters, but "this is no longer the case and cannot be so."

Polls say LaFontaine is losing support

Oskar LaFontaine, the chancellor candidate of West Germany's Social Democratic Party (SPD), is losing support among the voters, according to the latest poll by the INFAS polling agency, released on June 17. LaFontaine, prime minister of the Saar, is a radical pro-environmentalist and opponent of German reunification.

LaFontaine's support among voters dropped from 52 to 46%, putting him below his opponent, Chancellor Helmut Kohl (49%), for the first time in recent weeks.

The reason cited is widespread dissatisfaction with LaFontaine's opportunistic exploiting of uncertainty over the costs of German economic and social union.

In a related development, the SPD leadership finally agreed to back a Bonn government proposal for combined nationwide elections on Dec. 2 to select a government and parliament for all Germany, essentially completing the process of political unification.

'Ecumenical' deal would destroy Christianity

Self-styled "ecumenical" theologians in Western Europe are calling for the elimination of the *Filioque* from the creed of Western Christianity, in order to establish "peace" with the Eastern Church, according to a commentary published in the *Mainzer Allgemeine Zeitung* June 2-3.

One example cited is theologian Yves Congar, who maintains that "no major problems" would be created by eliminating the

Filioque.

In fact, the *Filioque* is the cornerstone of Western Christianity, the basis of Western civilization's belief in the sacredness of the human individual. In opposition to the Eastern Orthodox belief, it asserts that the Holy Spirit proceeds from God the Father and the Son.

The clause was brought into the creed of the Western Church through the efforts of St. Augustine and then of Charlemagne. At a meeting called in 794 by Charlemagne, the clause was introduced into the Frankish liturgy: "I believe in the Holy Spirit, which proceeds from the Father and from the Son" (in Latin, "qui ex Patre Filioque procedit"). The words "and from the Son" have always been the "determining reason for separation between the East and West Church," as the article correctly points out.

Gorbachov meets new Orthodox patriarch

Soviet leader Mikhail Gorbachov met for an hour with the new patriarch of the Russian Orthodox Church, Aleksii II, on June 12. Aleksii criticized pending Soviet legislation that would try to strictly separate church from state, calling this "a step back in the development of the democratic process."

According to sources in the West, the appointment of Aleksii as patriarch will intensify the Russian Orthodox Church's contacts with gnostic elements in the Western churches. Aleksii (born Aleksei von Rüdiger, from a Baltic-German family) is close to the leadership of the West German Evangelical Church, the EKD, and also to Milan's Cardinal Martini.

Cardinal Martini was the head of a Catholic delegation to a conference of the World Council of Churches in Switzerland last year, on the theme, "Justice, Peace, and the Integrity of Creation," which was chaired by then-Metropolitan Aleksii. That event, covered in *EIR*'s May 26, 1989 issue, was the occasion for a speech by Orthodox Metropolitan Kyriell of Smolensk, attacking the Renaissance as the source of the problems

of civilization.

Intelligence sources hint that the selection of Aleksis involves important behind-the-scenes deals between Russian and German church influentials, possibly involving, among other things, agreements to eliminate the *Filioque* from the Western Christian, or at least Protestant, creeds.

KGB organized violence in Soviet Armenia

The violence in Armenia in May was organized by the KGB to create a situation of "divide and rule," and to divert from the legitimate fight for Armenian sovereignty, claim Armenian nationalist parliamentary candidates Vladimir Arutunyan and Andranik Kevorkian, in statements made to the British *Independent* newspaper of June 12.

Referring to an episode in which Armenian militants opened fire on Soviet soldiers at the railway station in the capital of Yerevan, Arutunyan said the attack was a provocation by Armenians with an interest in increasing instability in the region. "I know this is a very serious accusation to make, but we suspect the militants have links to the KGB," stated Arutunyan.

The two candidates said that the manufactured unrest is in the interest of Gorbachov, "the result of a divide-and-rule policy by the Communist Party . . . to divert people from campaigning peacefully for independence."

Kevorkian drew attention to the matter of who was actually carrying weapons in Armenia. It was not, he said, the legitimate political movements, but the criminal mafia with links to the corrupt local Communist Party leadership. The Armenian National Army, he said, had obtained weapons with suspicious ease. "It is strange how, in a strict regime where it is difficult even to steal a match, the ANA could get these things. We can only conclude that it is to somebody's advantage to establish that army. And when in this country we say, 'to somebody's advantage,' we mean Moscow."

EIR said it first: In our Jan. 19, 1990 issue ("Moscow regroups to crush demo-

cratic revolutions"), Konstantin George analyzed the KGB's role in setting up violence in Azerbaijan, Armenia, and Georgia.

In related news, Maj. Gen. Oleg Kalugin, the former head of KGB counterintelligence, denounced his former employers in an address before the Democratic Platform group of the CPSU on June 16. Kalugin said that Gorbachov's assertion that the KGB has changed under glasnost is a "farce." "The role of the KGB hasn't changed. It's got a new image, but it's the same old horse. . . . The KGB is everywhere . . . as long as they are an instrument of the party they are going to do this."

French military boosts alliance with Germany

A Franco-German military alliance must be the heart of European defense, according to the French Defense Ministry journal *Armée d'Aujourd'hui*. The May issue of the journal publishes several articles on this theme.

In one article, a French liaison officer to the West German Bundeswehr summarizes current relations and outlines the perspectives for cooperation with reunified Germany. "In 1982, twenty years after the friendship treaty, France shows an even more ambitious determination: the creation of the Franco-German pillar, pivot of European defense."

The author underlines that nobody can really predict what will happen to NATO and the Warsaw Pact. "One thing is certain, however: in the future, the Europeans will put in more effort to build their own political and military interests. Because the core of the future defense will be constituted by France and reunified Germany. . . ."

"On the relationship between the two countries depends the defense of Europe. And the idea formulated by General de Gaulle in the sixties, of a fusion of German and French units . . . is once again conceivable. In the midst of the present uncertainties, the absolute necessity to conceive and harmonize their defense efforts emerges for France and Germany, in a way to best insure the defense of Europe."

● **NORWAY'S** Defense Command announced on June 14 that the Soviet Union has for the first time deployed fighter-bombers on the Kola peninsula. "The deployment of a fighter-bomber regiment to the air branch of the Soviet northern fleet represents a notable increase in the offensive capacity of the Soviet air assets in the area," the statement said.

● **SOVIET HARDLINER** Yegor Ligachov called on June 18 for a national referendum to decide whether the Soviet Union should switch to capitalism or stay with socialism. In an interview to *Pravda*, he expressed alarm that moves approved by parliament to shift to a market economy from a centralized economy could lead to the restoration of capitalism.

● **THE IRISH** Republican Army may be making use of former secret police sharpshooters from the East German Stasi "who are hiring themselves out as hit-men wherever they see the chance of destabilizing Western society," reported the *Daily Telegraph* of London on June 16.

● **THE RUSSIAN** Federation's parliament elected Ivan Silayev as its prime minister on June 15. As a Soviet deputy prime minister, he was one of the negotiators between the Soviet Union and West Germany. He pledged to "draw the curtain on my past methods, principles, and views, and devote myself completely to the welfare of Mother Russia."

● **THE ITALIAN** press agency ANIPE has published a report on the dirty career of Mira Lansky Boland, the Anti-Defamation League's "Get LaRouche" coordinator. The article described the ADL as "an organization founded in the U.S.A. in the 1920s to defend persons like the notorious Meyer Lansky from accusations of involvement in illegal activities, labeling the accusers as anti-Semites."

Does U.S. run guns to the drug cartel?

by Carlos Wesley

On June 19, Colombian police reported that during a single week in June, 640 people died violent deaths, the majority of them victims of drug cartel terrorism. Responsibility for their deaths rests in large part with the United States government.

U.S. government agents, and private persons working on their behalf, have been supplying weapons to the drug armies. In this article, we will follow the trail of one Yair Klein, a reserve colonel in the Israeli Army, who purchased a cache of weapons discovered earlier this year at a ranch owned by Medellín cocaine cartel kingpin José Gonzalo Rodríguez Gacha. In early 1989, when Klein got the weapons that were later found in the hands of the Colombian drug lord, Klein was employed in a U.S. government-sanctioned project, training mercenaries employed by the U.S. government to overthrow the head of the Panamanian Defense Forces, Gen. Manuel Noriega. Klein was also employed in the training of Nicaraguan Contras, according to reports published in Colombia.

We will follow Klein as he moves from indoctrinating assassins for the cocaine cartels in the jungles of Colombia, to the Caribbean nation of Antigua and Barbuda, where the CIA supported his attempts to set up a school for mercenaries recruited by Washington to topple General Noriega. The trail will take us to Panama, to the drug cartel-linked government installed by the U.S. invasion of last Dec. 20, and to Col. Eduardo Herrera, a CIA agent installed by the United States as chief of police after Noriega's ouster. It was to Herrera that Klein says he sent the weapons found in the hands of the drug cartel.

The trail will lead us back to Washington, to the State Department, where former Assistant Secretary for Inter-American Affairs Elliott Abrams gave \$1 million of Panamanian government money seized by the U.S. Treasury to

Klein's project. That money helped pay for the cartel's weapons.

The trail will also take us directly to the White House, to the Oval Office, and to the networks responsible for the drugs-for-arms-for-hostages Iran-Contra scandal.

Lawrence Walsh, special prosecutor for the Iran-Contra affair, has been meeting since May with a second grand jury, to deal with still-unanswered questions, such as the extent of the involvement of former President Ronald Reagan and Vice President George Bush in the scandal. So far, Walsh has not made public his investigations into the drugs-for-weapons aspects of the affair.

The Klein affair is by no means an exceptional case. Rather, it is part of the ongoing pattern of collaboration between U.S. intelligence agencies—particularly the CIA—and the drug cartels, that characterized the whole Iran-Contra operation. For example, according to reports published this year, the CIA protected the murderers of Drug Enforcement Administration agent Enrique Camarena, because they were collaborating with the CIA in the Nicaraguan Contra resupply effort (see box, p. 53).

With very few exceptions, the full extent of U.S. government involvement in the arming of Colombia's deadly drug gangs, a story which goes to the heart of the Iran-Contra scandal, is being kept from the American public.

Finding the weapons

On Jan. 24, the Colombian Army raided a ranch, the "Fredy 2," in the town of Guaduas in the western part of Colombia. At the ranch, owned by Medellín Cartel capo José Gonzalo Rodríguez Gacha, the soldiers found several brand-new Israeli-made weapons, including 40 Galil rifles. Four days later, on Jan. 28, the Army raided another one of Rodríguez Gacha's properties, "Finca Veracruz," and found

another 100 Galil rifles and other weapons.

Rodríguez Gacha had been killed in a shootout with Colombian police the previous month, on Dec. 15. When the police moved in on the town of Pacho, the drug trafficker's lair, they also found caches of Israeli-made weapons, including Uzi machine guns, infrared nightscopes, R-15 rifles, and other armaments.

Following these discoveries, the Colombian government submitted a formal request to the government of Israel: Could Israel please explain how the weapons got into drug kingpin Rodríguez Gacha's hands? The Israeli government replied that it had sold the arms to the tiny Caribbean nation of Antigua and Barbuda—named for the two islands in the Lesser Antilles that constitute its territory—for use by its 90-member security forces. The weapons, Israel claimed, were ordered by Antigua's "minister of national security"—a nonexistent post—and that the purchase was arranged through Maurice Sarfati, an Israeli living in Antigua who claimed to be a representative of the Antigua government.

CIA role is uncovered

While Israeli officials still insist that the weapons were sold to Antigua, no one believes them. For one thing, there was no end-user certificate for the weapons. Antigua denies ordering them. And, according to the Reuters news agency May 9, one unidentified Israeli official has admitted, "The weapons were shipped to Panamanian exiles who had links with [Rodríguez] Gacha, and they sent the weapons to Colombia."

Two days later, on May 11, Colombia tore up a long standing free-travel agreement with Israel, and announced that it would henceforth require visas from Israeli citizens traveling to Colombia. Colombia's Foreign Ministry said it was breaking the agreement in protest against Israel's supplying weapons and mercenaries to the drug traffickers.

By then it had become known that the weapons were obtained by Klein for a group of CIA-sponsored anti-Noriega mercenaries led by Col. Eduardo Herrera, now chief of police of the U.S.-installed government of Panama. Several newspaper stories appeared reporting on the Panama connection, noting that it raised questions about U.S. government involvement. But then, the State Department clamped down, and the press began to limit its coverage to the Israel-Colombia-Antigua aspects of the story, leaving out references to the Panamanians and their CIA sponsors, for the most part.

In 1988, Colonel Herrera was Panama's ambassador to Israel. In April of that year, U.S. Assistant Secretary of State for Inter-American Affairs Elliott Abrams sent State Department official William Walker to Tel Aviv to recruit Herrera to run an operation against Noriega. In an account published in the *New York Times* on Oct. 29, 1989, Herrera said he was told by Walker, "We have a problem with Noriega and we want to fly you to the United States to discuss things, to see what can be done."

Herrera came to the U.S. and met with officials at the White House, the Pentagon, and the CIA, and then returned to Tel Aviv.

Recruiting the Panamanian 'Contras'

One month later, having been fired by General Noriega, Herrera moved from Israel to the United States, where the CIA put him on the payroll at a monthly salary of \$4,500, using Panamanian funds impounded by the U.S. administration. The plan, he said, was to enter Panama with force, and stage a coup against Noriega. "We would have seized him, arrested him, maybe burned him," he said. To finance the operation, he requested American approval for the release of several million dollars in Panamanian government funds illegally impounded by the U.S. as part of the Reagan and Bush administrations' economic warfare measures against Panama.

Abrams released at least \$1 million of the funds. According to a report from the U.S. General Accounting Office, the "disbursement for \$1 million appears to be outside the scope" of the allowable uses for the Panamanian money. But the U.S. Treasury "certified payment based on assurances by the then Assistant Secretary of State for Inter-American Affairs"—Elliott Abrams—"that the Department of State would assume responsibility for the decision."

Herrera said he began to work on CIA "psychological operations" against Noriega, but eventually drew up his own plan for a military strike.

In fact, the military plan was developed together with Colonel Klein, who was brought in to assist in the training of Herrera's CIA-sponsored Panamanian "Contra" force.

High-powered Republicans

Among those who arranged to bring the Israelis in on the operation was John Zagame, a former aide to New York's Republican Sen. Alfonse D'Amato, probably the most rabid Noriega-hater in the U.S. Senate. Zagame had set up a consulting firm and hired himself out as an adviser to the Panamanians, to the tune of \$15,000 per month, plus expenses—all paid out of the same impounded Panamanian funds used to finance Herrera. These funds were conduited by the U.S. government through a fictitious "government of Panama," nominally headed by former Panamanian President Eric Delvalle and run out of a luxurious condominium in Coconut Grove, Florida.

At the time Zagame was hired in early 1989, he was sharing an office at 1001 Prince Street in Alexandria, Virginia with Bond Donatelli, another consulting firm owned by cronies of the administration. Bond Donatelli was also on the "Panamanian" payroll—\$10,000 per month, plus expenses. Partner Richard Bond was Vice President George Bush's deputy chief of staff and former deputy chairman of the Republican National Committee, while Frank Donatelli was the political director of the Reagan White House.

In an interview with the *Washington Times* published on Jan. 23, Zagame said that for a "significant" amount of money, the Israeli government provided a consultant for Herrera. "What we got was a very detailed intelligence-military-political blueprint on what to do to destabilize Noriega," Zagame said. Zagame did not return calls from this author.

According to an article in the *Miami Herald* on May 14, Klein and Herrera met several times in Miami in 1988 and 1989 to plan the anti-Noriega operations. Toward the latter part of 1988, Klein traveled to Antigua to negotiate the establishment of a school, which he told authorities would train "VIP security guards." In truth, the proposed school would be used to train Herrera's mercenaries and other hitmen. It would be modeled on the one operated by Klein's Hod Hahanit ("Spearhead, Ltd.") in Colombia since the latter part of 1987, and which the government of Colombia says was a training center for the killer squads of the drug cartels, specifically for Rodríguez Gacha's people.

Authorities say that graduates from Klein's Spearhead mercenary school in Colombia were involved in the bombing of an Avianca jet last November, in which 117 people were killed, and in the murder of presidential candidate Luis Carlos Galán in August of last year.

This was the man the U.S. government hired to train the anti-Noriega mercenaries that were to be led by Col. Eduardo Herrera.

Middlemen: Sarfati and Rappaport

Klein was introduced to Antigua officials in early 1989 by an Israeli named Maurice Sarfati. Sarfati, who would eventually become the middleman for the arms deal, operated a melon farm in Antigua, initially established in 1981 with financing from Swiss-American Bank of Antigua. That institution was owned by Bruce Rappaport, a golfing partner of the late William Casey, the former director of the CIA. Rappaport played a role in the Iran-Contra scandal by helping to set up a shipment of U.S. weapons from Israel to Iran, which led to the release in 1985 of the Rev. Benjamin Weir, an American hostage held in Lebanon. Among the many companies controlled by Rappaport, is his oil refinery in Antigua, which, according to sources in Antigua, has not refined a barrel of oil in several years. Intelligence sources in the United States say that the primary purpose of Rappaport's refinery is to provide cover to various intelligence agents from the CIA and the Israeli Mossad.

In March 1985, Sarfati's melon farm, Roydan Ltd., was approved for a \$700,000 foreign aid loan from the U.S. State Department's AID program. He made one interest payment, and U.S. AID gave him yet another loan in 1986 for \$600,000, which was guaranteed by the U.S. Overseas Private Investment Corp. (OPIC). Sarfati did not make any further payments on the \$1.3 million he owed the U.S. government, so OPIC sued him in 1988. However, it turned out that Rappaport's Swiss-American Bank had first lien on the

melon farm, meaning that the loans were unsecured and that American taxpayers are out \$1.3 million. Who in the U.S. government approved the loan to Sarfati, and why?

'Spearhead is all right'

Being a small nation with limited intelligence resources, Antigua requested the help of the United States to determine if it should approve the "VIP security guards" school being proposed by Klein and Sarfati. Col. Clyde Walker, former commander of Antigua's defense forces, said in a report published in Antigua on April 13 this year, that in January 1989, he met with Colonel Klein to discuss the proposed school. "About two weeks after this meeting I prepared an intelligence report on Colonel Klein and all the other names in the pamphlets with their complete CVs [curriculum vitae]

Camarena case shows CIA's ties to drugs

One of the more dramatic cases of links between the CIA and drug traffickers emerged around the 1985 case of the kidnaping and murder of Drug Enforcement Administration (DEA) agent Enrique Camarena, in Mexico. On March 2, 1990, *EIR* published an exposé of CIA connections to José Antonio Zorrilla Pérez, the former head of Mexico's now-disbanded Directorate of Federal Security (DFS), a domestic intelligence unit which has been accused of extensive involvement in Mexican drug trafficking and specifically in the Camarena killing. That article revealed that Zorrilla had been repeatedly fingered by the DEA office in Mexico as an accomplice of Camarena's drug-trafficking assassins, but that he had been protected by his close association with the CIA.

In an earlier, July 28, 1989 story, *EIR* reported that the Mexican Attorney General's office announced possession of undeniable proof that DFS credentials had been provided to drug traffickers, and that those credentials bore Zorrilla's signature. Among the traffickers who carried such credentials were Ernesto Fonseca Carrillo and Rafael Caro Quintero, both ultimately arrested and jailed for their role in the Camarena kidnaping and murder.

The March 2 *EIR* story reported that the U.S. Justice Department issued a Feb. 2, 1990 indictment against Miguel Aldana Ibarra, a former Mexican police official, for complicity in the Camarena assassination. However, the indictment failed to mention the fact that Aldana was Zorrilla's right-hand man during much of his tenure as

and I gave the report to United States CIA agent Robert Hogan,” said Colonel Walker. Walker said he requested from both Hogan and Hogan’s superior, CIA station chief for the Eastern Caribbean Robert Kenning, stationed at the U.S. embassy in Barbados, an “investigation into Spearhead Ltd. and the colonel [Klein] and his trainers.”

The CIA vouched for Klein and his operation. According to Walker, he was told by CIA station chief Kenning, “Spearhead appears to be all right.”

Despite the CIA endorsement, Antigua turned down the school’s application in March 1989. But the weapons were already aboard the Danish ship *Else TH* of the Swenborg Enterprises-Dinamarca lines. (Danish ships were the preferred transport for Ollie North’s Contra resupply operation. In 1986, General Noriega’s forces captured the Danish ship

Pia Vesta with a cargo of Soviet bloc weapons purchased by the Iran-Contra group for use in Central America. The capture of the *Pia Vesta* was another reason Washington wanted Noriega’s removal.)

The *Else TH* illegally offloaded the weapons in Antigua on April 24, 1989, where they were transferred to the Panamanian-registered *Sea Point*, which delivered them to Rodríguez Gacha in Colombia.

In a recent statement obtained by *EIR*, Colonel Klein said he had obtained the weapons for Panamanian Col. Eduardo Herrera and his CIA-recruited forces, which were to undergo training in the proposed school in Antigua. Klein claims his partner Sarfati was not aware of the intended use of the weapons.

“The understanding between myself and the Panamani-

DFS director. According to documents in the possession of the Mexican Attorney General’s office and released to the public in July 1989, Aldana had given Zorrilla approximately \$10 million *per month* to protect drug shipments coming into Mexico from Colombia.

Also, according to *EIR* sources, Mexican authorities had repeatedly tried to arrest Aldana for his criminal ties to Zorrilla, but had been blocked by open interference of the CIA on Aldana’s behalf. Zorrilla was finally arrested on June 13, 1989, for the assassination of prominent journalist Manuel Buendía, who had been preparing to reveal Zorrilla’s links, among others, to the drug traffickers. Zorrilla was also formally accused of running protection for drug smugglers.

On March 25, 1990, the *New York Times* ran a feature on CIA ties to drug running. The *Times* noted that Francis M. Mullen, head of the DEA until 1985, became enraged at the CIA office in Mexico City when, during his investigation of the Camarena case, he was taken by his CIA colleagues to Zorrilla, “who might be involved in the whole thing—his guys were actually involved.”

The Contra connection

The *New York Times* even hints that CIA involvement with the drug traffickers might have had something to do with the Nicaraguan Contras: “A 1987 Drug Enforcement Agency report on the Camarena case indicates that Miguel Angel Félix Gallardo, described in the indictment as a top drug trafficker and principal in the kidnaping, supported the CIA-backed Nicaraguan contras by smuggling arms and providing them money, according to court records.”

In fact, according to a DEA investigative report from September 1989 which recently fell into the hands of Mexico’s Notimex news agency, the CIA “had promoted drug-trafficking operations in Mexico throughout the past de-

cade, to provide weapons to the Nicaraguan contras.” The report cites DEA informant Lawrence Victor Harrison, a longstanding confidant of the Mexican drug traffickers, who told the DEA that CIA officials “promoted corruption among Mexican and U.S. officials to carry out drug-trafficking operations in Mexico,” and that sanctioned CIA pilots were used to fly weapons for the Contras into Mexico and to fly drugs back into the United States. Harrison further charged that the CIA deliberately protected from the Camarena case investigations of those individuals primarily responsible for the kidnaping and murder. During June of this year, Harrison testified at the ongoing Los Angeles grand jury investigation of the Camarena case.

Link to Matta Ballesteros

Also testifying at Los Angeles federal court on June 19 was an FBI expert who revealed that hair fibers discovered in the house where Camarena was murdered matched those of Juan Ramón Matta Ballesteros, the Honduras-born drug trafficker considered a key liaison between the Mexican and Colombian drug cartels. Matta Ballesteros is another glaring example of the CIA’s drug connections. Matta’s defense lawyer told the court of the existence of “a 1987 DEA report stating that Félix [Gallardo] and Matta had arranged with U.S. officials to engage in arms smuggling and drug smuggling in aid of U.S.-backed Nicaraguan Contras.”

According to a report of the Senate Foreign Relations Subcommittee on Narcotics and Terrorism, chaired by Sen. John Kerry (D-Mass.), Matta Ballesteros ran his weapons-for-drugs smuggling operation from Honduras under the company name SETCO. More than \$100,000 was paid to Matta from Oliver North’s secret Contra funds *after* Matta had been declared a wanted fugitive by the DEA.

ans was that absolutely nobody should be aware of this information except CIA, who, I was told, gave its blessing and approval,” Klein said. He added: “When I was informed that the training school was not approved, I was most disappointed and shocked and had no other alternative but to divert the equipment to the Panamanian entity who paid for it and decided on its final destination.”

While the Panamanians paid for the guns with the funds stolen by the U.S. government from Panama, the financing for the weapons was arranged through Bank Hapoalim, an Israeli bank in New York.

The CIA’s involvement would never have come to light, had it not been for Antiguan officials who made public everything they knew, as soon the Colombians told them that the Israeli government said it had sold the weapons to Antigua. Publication of Colonel Walker’s report, which identified the local CIA agents by name, forced the “U.S. government to remove every CIA agent in the area, from Guyana in South America, to Key West,” said one official. U.S. Chargé d’Affaires Roger Gamble finally told Antigua’s Governor General Wilfred Jacobs that publicity about the case “was embarrassing the American government,” and it should stop, says one source.

The coverup continues

The State Department’s favorite Antiguan official, Foreign Minister Lester Bird, who is also the deputy prime minister, announced on April 10 the hiring as special investigator of Washington Attorney E. Lawrence Barcella. But in a preliminary report submitted to the Antiguan government, Barcella omitted any mention of the Panama connection, or that of the CIA.

Barcella, a senior attorney with the Washington law firm of Laxalt, Washington, Perito and Dubuc, is a former prosecutor with a lot of involvement in intelligence-related cases. He is most famous for his role in the Wilson-Terpil investigation. He was also the Justice Department’s lead prosecutor in such cases as the hijacking of TWA Flight 847, the bombing of TWA flight 840, the *Achille Lauro* hijacking, and the assassination of former Chilean official Orlando Letelier.

Besides his legal work, Barcella is a partner in a security company, CounterTerrorism Consultants, L.P., which includes among its associates “a former senior level CIA operations officer” and former intelligence official Gerald Walker, who “spent 10 years in Panama, Colombia, and El Salvador,” according to company brochures.

This raises the strong possibility of conflict of interest. Worse, Barcella’s law firm handled some of the legal work related to the consulting arrangements between the fictitious “Panamanian government of Eric Delvalle” and Bond Donatelli and John Zagame, who played such a key role in getting the Israelis involved in Colonel Herrera’s operations.

The Antiguan government also named British lawyer Louis Blom-Cooper to conduct an investigation and hold

hearings on the arms shipments. Those hearings, which are scheduled to take place in July, could provide answers to a number of unresolved questions about the case.

An unsolved murder

Finally, there is the question of Arik Afek, another one of Klein’s associates. In April 1989, as the weapons were being delivered to Rodríguez Gacha, Afek warned Klein that Colombian authorities were getting ready to shut down his terrorist training center in that country, and to arrest him. Afek helped Klein escape from Colombia. According to an Interpol wire dated Oct. 19, 1989, Afek had been placed under surveillance by U.S. authorities in Florida, where he ran a flower business.

But, on Jan. 24 of this year, the same day that Colombian authorities were uncovering the Galil rifles at Rodríguez Gacha’s ranch, Afek’s bullet-riddled body was found in the trunk of his car at Miami’s International Airport. The Israeli daily *Yeduit Aharonot* reported that U.S. authorities suspected Sarfati was involved in the murder of Afek, “who knew about the Klein-Sarfati deal.” The question is, why didn’t his American watchdogs prevent Afek’s murder?

Documentation

‘The CIA gave its blessing and approval’

Excerpts from the following affidavit submitted by Israeli Lt. Col. Yair Klein (ret.) to Antiguan investigators, were first published by Antigua’s The Nation on May 4, 1990.

. . . I negotiated with a group of Panamanian exiles headed by Mr. Eduardo [Herrera], the present Defense Minister of Panama, who at the time was interested in training his own forces in the intended school in Antigua. *The funds for the purchase of the material was provided by the Panamanian organizations.* This information was held and known only by myself and was not shared with anybody, neither the Antiguan authorities nor Mr. Maurice Sarfati, since the understanding between myself and the Panamanians was that absolutely nobody should be aware of this information *except CIA, who I was told, gave its blessing and approval.*

Therefore, when I was informed that the project of the training school was not approved I was most disappointed and shocked and had no other alternative but to divert the equipment to the Panamanian entity who paid for it and decided on its final destination, which to my understanding was a *bona fide* one. For the sake of clarity, the equipment consisted

only of 200 Uzi and 200 Galil rifles which initially were intended for the Antigua Training School and were shipped to Panama. All costs for the transshipment were paid by us from the Panamanian funds.

The 'Spearhead' case

Excerpts from the affidavit submitted by Col. Clyde Walker, former commander of Antigua's Defense Forces. The affidavit was first published by Antigua's The Nation on April 13, 1990.

Between October and December 1988, the Hon. Vere Bird, Jr. gave me three (3) sets of reading materials headed *Spearhead Ltd.* Personal Security and Anti-Terror Units. The Minister asked me to read them and that I should advise him if the proposed training school would be beneficial to Antigua.

... I studied the materials and at first thought that the training would be good for both the Defense Force, the Police Force, and tourism in general.

Sometime early in January the Minister told me that the owner of Spearhead Ltd. will be coming to Antigua to discuss the setting up of the training school providing the Antigua Cabinet approves their application.

Later the same month one Col. Yair Cal Klein and another Israeli who was never identified to me came to my office where the minister and I had a meeting with them.

The proposed training school was discussed at length. . . . Colonel Klein drew our attention to pages 7 and 8 of the course—*V.I.P. Security Guards*—pamphlet and said to Minister Bird that if the Cabinet approves the setting up of the training school they would have to approve the weapon list on those two pages (7 and 8) but they could be kept either at the Police Station or the Defense Force and when the students are being taught weapons training they could be drawn and returned after use. . . .

About two (2) weeks after this meeting I prepared an intelligence report on Colonel Klein and all the other names in the pamphlets with their complete CVs and I gave the report to United States CIA agent Robert Hogan in his hotel room at St. James Club and I requested of him some investigation into 'Spearhead Ltd.' and the Colonel and his trainers. I had also discussed Spearhead Ltd. and Colonel Klein with Chief of the CIA Eastern Caribbean Mr. George Kenning, Barbados embassy, in my office, and also in the VIP lounge at Grantley Adams Airport.

Some months passed and I didn't hear anything about Spearhead Ltd. or the Colonel from the CIA, so I contacted George Kenning and he told me Spearhead Ltd. appears to be all right. . . .

Sometime in April 1989, Minister Vere Bird Jr. told me that he discussed the matter with the Deputy Prime Minister at Cabinet and that the Deputy told him not to bring it up in Cabinet because Israel still has a South African connection

The Toliver case: 'It stinks to high heaven'

In April of this year, the U.S. government settled a civil suit—to which it was not a party—for considerably more than the loss claimed by the plaintiffs. This strange occurrence took place in the Wichita, Kansas court of Federal Judge Patrick Kelly in the case of *Midland National Bank v. Puritan Insurance Co.* The government rushed to settle after Judge Kelly ordered Attorney General Richard Thornburgh into his courtroom to explain the government's conduct in the case. Judge Kelly accused the U.S. government of engaging in "criminal conduct." This case "stinks to high heaven," he said. "It involves the transport of drugs by agents of the United States, or with the acquiescence of the United States."

The case involved an aircraft leased by the U.S. government from a Kansas businessman. In 1983, the plane crashed off the Cayman Islands while returning with a cargo of drugs from Colombia. Pilot Michael Toliver, a convicted smuggler, said he had been hired to deliver weapons to the Nicaraguan Contras and he often brought back drugs on the return flight. Toliver once testified before the Senate Foreign Relations Subcommittee on Terrorism and Narcotics, that at one point he had flown 20 tons of marijuana to Homestead Air Force Base in Florida in exchange for weapons for the Contras.

The Wichita civil suit was brought by Midland National, which financed the plane, against the insurance company, Puritan, when the latter refused to cover the loss of the crashed aircraft, claiming that it was not used for the purposes stated in the policy.

and he doesn't think other Cabinet members would support it.

The Minister then communicated this to Colonel Klein by telephone in my presence. . . .

At no time did the Antigua and Barbuda Defense Force, which is under my command, give Colonel Klein or Spearhead Ltd. permission to send weapons to Antigua. . . .

At no time did I or any member of the Antigua and Barbuda Defense Force collect any weapons or ammunition from any boat or vessel on behalf of the force or anyone. The first time I heard of a boat coming here with weapons on it was yesterday, Thursday 5th April 1990, when the Deputy Prime Minister Hon. Lester Bird told me so.

'Owl' ruling is new proof of Bush policy insanity

by H. Graham Lowry and Nora Hamerman

The U.S. Fish and Wildlife Administration ruled on June 22 that the spotted owl is a "threatened species," throughout the entire timber range of the Pacific Northwest. The decision, set to be enforced July 23, threatens the U.S. lumber industry with extinction. It will deal the already embattled national housing industry a body-blow, and promises to bring new, unheralded dangers to the environment of the Northwest.

This pagan decree by the "Mother Earth" worshippers known as the Bush administration will set aside an additional 4 million acres of public forest land in California, Oregon, and Washington as "preserved habitat." On top of 4.5 million acres already off limits to timber harvesting, the spotted owl will rule an area equivalent to a four-mile wide corridor stretching from Portland, Oregon, to Washington, D.C., and larger than nine individual states.

Within this area, there will be no timber harvesting, no road building, and no salvage of timber in case of fire, insect epidemics, or other threats to the trees—if the full provisions of the Endangered Species Act are applied, requiring the protection of each tree in the owl's potential habitat.

'We're talking about eliminating wood'

The specific blueprint for economic ruin will be released June 26. If it includes the same restrictions on private timberland as well, the industry estimates the resulting loss to the economy will be doubled. Chris West, vice president of the Northwest Forestry Association, estimated June 22 the annual loss in board feet of lumber alone at "30-40% of the wood consumed by the entire nation"—for much of which the U.S. is already dependent on Canadian timber. "We're talking about eliminating wood in both domestic and international markets; we're talking about eliminating our country's productive capacity."

If the "threatened species" rules are applied to both public

and private timberlands within the spotted owl's supposed habitat, Northwest timber production will drop by 6-8 billion board feet per year—enough lumber to build a million homes, and equal to the output of approximately 200 sawmills. In that case, 50-60% of all the mills in Washington, Oregon, and California will disappear, industry sources predict. The resulting unemployment will be staggering, with estimates running as high as 60,000 jobs lost.

One indication is the situation in Skamania County, Washington, just north of the Columbia River. The county's unemployment rate already stands at 19%, directly resulting from the loss of timber production following the creation by Congress of the Columbia Gorge National Scenic Area during the mid-1980s. Further losses due to the spotted owl ruling will push unemployment as high as 66%, according to projections made by the state's Department of Employment Security before the June 22 announcement.

Lunacy of summer solstice

The "spotted owl" travesty is only one of a series of extremist decisions taken against the U.S. economy under environmentalist pretexts, during the period of the summer solstice—which happens to be a religious holiday for the pagan Earth-worshippers.

- On June 18, the federal government filed suit against eight companies for pollution that occurred as far back as 50 years ago. Under a little known, and never before used, clause of the 1980 Superfund law, the government has now decided—as trustee for public natural resources—to assess polluters for restoration of decimated wildlife and habitat. Companies that discharged 30 to 200 years ago what was then considered safe effluent, are now liable for damages and huge penalties.

While the EPA has collected huge amounts to clean up

spilled oil, toxic waste, and polluted drinking water, this is the first time "polluters" are being forced to pay to restore lands, wildlife, and the ocean to its original "pristine" state. In the lawsuit, for example, the government charges that some of the plants discharged pollutants into the ocean in the early 1940s, and they now have to restore the Los Angeles harbor to 1930s conditions.

Defendants in the suit are the Montrose Chemical Corporation of California, Atkemix Thirty-Seven Inc., the Stauffer Management Company, ICI American Holdings, Inc., Chris-Craft Industries Inc., the Potlach Corporation, the Simpson Paper Company, and most incredibly, Westinghouse Electric, which does not even have a plant hundreds of miles from the areas "polluted."

● In the latest twist of the *Exxon Valdez* oil spill case, the National Wildlife Federation, the Natural Resources Defense Council, and others are suing Exxon in Alaska for \$1 billion on the premise that environmental groups are "trustees" of the environment. Leonard Schroeter of the green legal team told the *Los Angeles Times*, "What we are saying is that the law permits the citizenry" to bring suit, "and it is the environmental groups who best of all speak for the birds, the bees, the animals, the fish, the natural habitat." If the greens succeed, it opens the floodgates to tens of billions of dollars in lawsuits, in which the money will end up in the pockets of the greens.

Pagan policymaking

The Bush administration's decision on the spotted owl follows the dictates of the pagan cult of environmentalism currently attempting to take over the United States. It was released just two days after the terrorist cult Earth First! blockaded logging trucks in Eureka, California, demanding an end to timber harvesting in their "ancient forests." Factions of the cult have publicly threatened to "resort to violence if necessary" to turn the timberlands into desolate wilderness, until federal or state interventions impose the same result. Moreover, as *EIR* reported in our June 8 issue (p. 65), some of Earth First!'s actions seem designed to enrich a Wall Street raider, Charles Hurwitz, at taxpayers' expense.

With bomb-making charges pending against two Earth First! leaders, the Establishment media stepped in with a massive propaganda blitz designed to rehabilitate the cult's shattered image as "non-violent" lovers of nature. Local police in California have released a 1989 photograph of Judy Bari, arrested in last month's bomb incident, posing with a machine gun.

But 150 U.S. and foreign media representatives were on hand June 20 to cover Earth First!'s carefully staged, "peaceful" obstruction at Louisiana Pacific's loading docks near Eureka, where 44 demonstrators were arrested, while others danced in condor and owl costumes to conga drums, flutes, and bells. The reporter for the *New York Times* gushed, "The protesters evoked memories of the Summer of Love in

1967 and provided rich photo opportunities for journalists from as far away as London."

The face of genocide

The actual picture of Earth First! is much uglier. Its founder, Dave Foreman, is an open advocate of genocide. Asked about the mass famine in Ethiopia during 1988, he told the Australian magazine *Simply Living*, "The best thing would be just to let the people there starve." Foreman was arrested in 1989 on charges of conspiracy to destroy electrical transmission lines supplying nuclear power plants in three states. Foreman has previously called humans a cancer on the earth. Two members of his group nearly killed themselves recently, when an explosive went off in the car they were driving.

The *Earth First! Journal* in its Sept. 22, 1989 issue, urged people with terminal illnesses to tie dynamite to their backs, and carry out kamikaze attacks on dams on the Colorado River, and other targets. The piece begins, "Are you terminally ill with a wasting disease? Do you have AIDS, ALS, brain cancer, or syphilis? Don't go out with a whimper; go out with a bang! Undertake an eco-kamikaze mission.

"Yes, terminally ill Earth defenders can perform the ultimate act of Ecodefense while cheating the Grim Reaper of all the wasting and suffering that precedes these hideous, industrial age deaths.

"Seek martyrdom at Glen Canyon Dam. Blow up yourself and that monstrosity. Free the Wild Colorado!

"The possibilities for terminally ill warriors are limitless. Dams from the Columbia and the Colorado to the Connecticut are crying to be blown to smithereens, as are industrial polluters, the headquarters of oil spilling corporations, fur warehouses, paper mills. No doubt you already have a favorite target in your own watershed.

"Here's how it works: Your doctor tells you have [sic] 6-18 months to live. Your condition will steadily worsen. You decide that, rather than endure all that suffering, you'll go out in a flash—taking out, say, the Southeast power grid," the newsletter suggests.

Earth First! also welcomes the AIDS epidemic. In its newspaper of May 1, 1987, a columnist stated, "If the AIDS epidemic didn't exist, radical environmentalists would have to invent one." The same columnist declared in the Dec. 22, 1987 issue, "The AIDS epidemic, rather than being a scourge, is a welcome development in the inevitable reduction of human population."

Given these murderous objectives of the environmental cultists, it should come as no surprise that their public reaction to June 22's ruling on the spotted owl, was that the decision "does not go far enough." Industry observers believe the environmentalist lobby may use the Fish and Wildlife decree to seek court injunctions shutting down all timbering, to further "protect" a bird which has been thriving during more than a century of logging—and already has 4.5 million acres of wilderness preserves to nest in.

ADL-FBI 'liaison' revives Cointelpro political vendettas, dirty tricks

by Scott Thompson

A document received by *EIR* shows that since Feb. 4, 1985, by order of then-FBI Director William Webster, there has been horizontal "liaison" between every major regional office of the Federal Bureau of Investigation and the corresponding regional offices of the Anti-Defamation League of B'nai B'rith (ADL). But, the FBI is running a coverup of the full dimensions of its criminal collusion with the ADL, arguing that other documents must be protected because of Executive Orders and because the ADL is an important source. Nonetheless, documents released to date, when combined with testimony of ADL officials and members of the "Get LaRouche" task force who have been biased by ADL "animus," show that the ADL-FBI collaboration portends a revival of the bureau's dreaded "Cointelpro" program of the 1950s-1970s.

The Webster Airtel directive culminated a decades-long effort by the ADL to cement a marriage of convenience with the bureau, an effort that began when J. Edgar Hoover was FBI director. Steps leading up to this FBI-ADL liaison are proven both by FBI documents released to *EIR* under the Freedom of Information Act (FOIA) and by statements of top ADL officials appearing in their 1984 six-volume memoirs, *Not the Work of One Day*.

FBI documents released under FOIA prove that for years the ADL collaborated with the notorious Cointelpro program which has been shown in congressional hearings to have employed provocateurs to set up the murder of leaders on both sides of the civil rights dispute, to foment race riots, and to harass American political leaders such as the Dr. Martin Luther King. Cointelpro sought to deny the aspirations of minorities for equal legal and economic rights, and nearly plunged the U.S. into civil war. Today, this ADL-FBI collaboration includes political vendettas against American leaders, such as that which led to the railroading of statesman Lyndon H. LaRouche.

Benjamin Epstein, ADL national director for over 30 years, reports in the ADL memoirs that this ADL-FBI collaboration is longstanding: "We cooperated very closely with government bureaus. The FBI was terribly important in those days and we made our files and information available to the FBI and other government agencies."

At one point during the 1940s, according to the ADL memoirs, the FBI was invited to photocopy thousands of ADL files containing venom on American citizens, such as neo-isolationists prior to Pearl Harbor. But, the February

1985 Airtel from Director Webster to the Special Agents in Charge and Assistant Directors in Charge of major FBI Regional Offices, put this "liaison" almost at the level of governmental "inter-agency" cooperation.

The Airtel states that after a Jan. 18, 1985 meeting between the New York Division of the FBI and ADL officials, the ADL acknowledged "the primary jurisdiction of the FBI in civil rights matters." "Civil rights matters" is here a bureau codeword for the sort of Cointelpro activity that had FBI informants in the Ku Klux Klan, such as Gary Rowe, provoking the assassination of civil rights organizer Viola Liuzzo. It also, for example, applies to how ADL New Orleans regional director Adolph "Sam" Botnick paid KKK provocateurs to provoke a bombing attempt, where the FBI shot Klanswoman Cathy Ainsworth. The Webster document notes that an ADL official "expressed his desire to cooperate and stated he would notify all regional ADL Offices of the FBI's responsibility."

The Webster document concludes: "It was also established that each FBI Office contact each Regional Office [of the ADL] to establish a liaison and line of communication. . . . Each receiving office should contact the Regional ADL Director(s) listed in your Division and establish this liaison. FBIHQ need not be notified of the results of these contacts with the exception of any significant cases or problems. These contacts should be documented in each filed office 44-0 file."

Enclosed with the Airtel was a listing of ADL regional offices, their regular telephone numbers, the names of the directors, the time difference between each ADL office and New York, and even "speed call numbers" for rapid communication. A sampling of documents received from FBI Regional Offices show that they followed Director Webster's instructions to set up liaison with their ADL counterparts.

Joint FBI-ADL Cointelpro operations

ADL reporting to the FBI was not limited to such groups as the KKK and neo-Nazis. It appears that the ADL has long been spreading lies on anyone who might be a political opponent, whether on the left, right, or mainstream of the political spectrum. The ADL's liaison with the bureau for such political vendettas raises serious questions about why the ADL continues to have tax-exempt status. It also raises questions about why the bureau has protected a source whose

only apparent purpose is to spread malice.

A sampling of some of the ADL documents in bureau files includes:

- FBIHQ main file 100-530 contains a Research and Evaluation Report by the ADL dated Oct. 22, 1968 entitled “The Meaning of the SNCC-Black Panther Split” which was co-authored by Jerome Bakst and Carl Gershman. It concludes with a warning to law enforcement to expect “increasingly frequent and increasingly violent encounters . . . between the Panthers and the police.” Questioned by *EIR*, former ADL Research Director Bakst apologized for the document saying: “Well, it was not just the Panthers who provoked the violence”—an allusion to the cold-blooded murder of several leaders of this militant black organization by police primed with inflammatory statements. Bakst added: “Carl Gershman, who had been a student radical at Yale, gave us his knowledge of how the Left then worked, when he joined us.” Gershman, now president of the government-funded National Endowment for Democracy which figured prominently in the Iran-Contra scandal, refused to talk about his role as an FBI informant.

- FBIHQ main file 161-895 on former ADL national director Dore Schary shows longstanding contact between Schary and ADL officials to inform on liberal Communist Party fellow-travelers in the film industry, while Schary was president of Metro-Goldwyn-Meyer. FBIHQ main file 353399 shows that Schary was on a first-name basis with top Hoover “insider” L.B. Nichols, who protected him in many ways—e.g., from charges that, as head of MGM, Schary worked closely with his former childhood neighbor, “Lil Abner” Zwillman, who ran the organized crime operation to take over Hollywood in the 1950s and 1960s.

- FBIHQ main file 100-530-506 contains correspondence from then-ADL Acting Director Justin J. Finger to FBI Acting Director L. Patrick Gray, III dated Nov. 13, 1972, that requests a meeting between ADL General Counsel Arnold Forster and Gray to discuss a newly published ADL *FACTS, Danger on the Left* allegedly exposing “anti-Semitism” among leftists.

- FBIHQ main file 100-530-511, dated March 22, 1974, is a letter from an ADL official to FBI Intelligence Division executive W. Raymond Wannall that requests a new liaison be assigned between the New York FBI Regional Office and the ADL National Headquarters because of the “untimely death” of James Brody, who “was for several years your liaison man with us here in New York.” A notation shows Wannall did assign a new “liaison man.” Included with the mailing is a defense of the bureau’s role in securing the execution of Ethel and Julius Rosenberg.

The ADL and ‘Get LaRouche’ task force

FBI documents released under the FOIA also confirm that one of the main vehicles used by the ADL to curry favor with FBI Director Webster prior to Webster’s directive, was

the ADL’s role in fomenting the “Get LaRouche” task force. FBIHQ main file 62-118203, which dates from 1978-1979, contains a complaint to Attorney General Griffin Bell that ADL national director Burton Joseph of Minneapolis, Minnesota, had unwittingly bragged to investigators associated with LaRouche that:

“I saw Judge Webster back in February [1979] in Washington and I mentioned [LaRouche’s organization] and he . . . led me to understand that he, they [the FBI] were watching them closely. . . . Well, we have a full exchange of files [on associates of LaRouche]. . . . Where? You see, you can do that locally, Judge Webster will not admit to anything like that or agree to anything like that at that level. I know what happens locally. [Laughter.]”

FBI files released by the FBI Regional Office in Minneapolis, Minnesota confirm that there had been correspondence between local ADL officials, led by Joseph, and the FBI with regard to Lyndon LaRouche at this time. But, the local FBI, in complicity with FBI national headquarters, is running a coverup. It is refusing to release most documents on grounds that disclosure would violate an Executive Order—presumably E.O. 12356 governing classified information—could reveal internal practices of the bureau, and could disclose the identity of a confidential source, i.e., the ADL. The Minneapolis FBI office has even refused to release its copy of the February 1985 Airtel from Director Webster ordering local integration with the ADL or any of the reports in its 44-0 files arising from such contact, claiming that the document should never have been released since the ADL must be protected.

The Principal Legal Adviser to the New York FBI Regional Office, James J. Roth, similarly claims that all FBI local documents on the ADL, likely thousands of pages, cannot be found.

Protecting the ADL as a source is buncombe. Not only did Virginia Judge Clifford Weckstein of Roanoke, whom the ADL sought to bribe in a case against an associate of LaRouche, stipulate that the ADL had animus as a source on LaRouche, but the liaison highlighted between Judge Webster and Burton Joseph might almost as well have been with the Russian intelligence services.

As *EIR* has documented, one of the main Minnesota ADL benefactors and a close friend of Epstein and Joseph is Dwayne Andreas, whom the *Wall Street Journal* has identified as Mikhail Gorbachov’s “pal,” superseding Armand Hammer for close ties with the Soviets. Another ADL official close to the ADL “Minneapolis Mafia” is Edgar Bronfman, whose father built their fortune on booze-running and prostitution. Bronfman himself was decorated by East German dictator Erich Honecker shortly before he was toppled by the democratic revolution. Andreas began to pump hundreds of thousands of dollars into the ADL in 1978-79 (helping to save it from bankruptcy), precisely when Joseph was trying to get Webster to target LaRouche.

Senate sustains Bush on Hatch Act revisions

President Bush succeeded in arm-twisting two senators, enough to sustain his veto of the proposed revision of the Hatch Act. The Senate voted 65 to 35 on June 21 to override the veto, two votes short of the two-thirds needed.

The revision would remove many of the restrictions on federal employees from engaging in political activity, allowing them to participate in partisan politics while off-duty, to solicit funds from fellow union members, and to canvass neighborhoods door-to-door for political candidates. The revisions, according to Rep. William Ford (D-Mich.), chairman of the House Post Office and Civil Service Committee, would "give our federal workers some of the basic fundamental rights that the rest of us enjoy."

President Bush claimed that federal workers must be barred from actively participating in partisan politics "to preserve the impartial, evenhanded conduct of government business."

On May 10, the Senate had voted 67 to 30 to override, and then on June 20 the House voted 327 to 93 to override; but frenetic lobbying by White House officials succeeded in getting the Senate to reverse itself. The Congress has so far failed to override any of Bush's 12 vetoes.

Bush administration strong-arms airlines

Robert Aaronson, president of the Air Transport Association, who was scheduled to testify before the House Public Works Subcommittee on Aviation the week of June 19, abruptly canceled his appearance after Transportation Secretary Samuel Skinner telephoned airline executives.

Aaronson had already written a draft of the remarks he planned to deliver where he described Skinner's proposal for a user fee on passengers in order to raise money for airports, as "flawed," according to industry sources cited by the *Washington Post*. Aaronson was also to explain how the proposal was opposed by the airline industry.

According to the *Post* account, the awarding of lucrative new Pacific Rim air routes was used to convince the industry to back off its attack. Skinner and Jeffrey Shane, Assistant Secretary for Policy and International Affairs, said international routes were never mentioned during Skinner's phone calls. One airline official commented, however, "What they did was highly unusual and it was stupid on their part. Sam's Chicago-style politics is such that he has almost no qualms about littering the landscape with twisted arms."

After the calls, United, American Airlines, Continental, and Southwest sent letters to the subcommittee expressing support for the administration's proposal.

House withholds funds for nuclear plant

The House voted 413 to 7 on June 19 to withhold funds for a proposed plutonium reprocessing plant at Rocky Flats, Colorado, until the administration completes a long-term plan for rehabilitating its nuclear weapons program.

The Department of Energy argued that the reprocessing plant would provide a medium-term solution to the problem of handling the nation's plutonium wastes, while it tackles the long-term problem of waste disposal. The new plant would recover plutonium

from nuclear waste and scrap, as well as from decommissioned nuclear weapons. The Rocky Flats plant would replace an aging plant where reprocessing has been halted.

House subcommittee cuts \$828 million from NASA

In its markup of the fiscal year 1991 budget on June 15, the House Appropriations Subcommittee on Veterans Administration, Housing and Urban Development, and Independent Agencies, cut \$828 million from the administration NASA request of \$15.5 billion.

Although an increase over the FY90 level of \$12.3 billion, the cuts are slated to come from the most advanced programs. Nearly \$200 million will be cut from the request of approximately \$2.5 billion for the Space Station Freedom. Most of the remaining cuts are from the advanced technology development and mission studies for the Moon-Mars program, which will remain at last year's level, rather than starting to increase.

Hills demands pound of flesh from Mexico

In testimony before the House Ways and Means Committee, U.S. Special Trade Representative Carla Hills said that in return for some kind of free trade agreement for Mexico, the Bush administration was demanding several concessions in return.

The demands included the elimination of the requirement for export licenses for U.S. agricultural exports to Mexico, which are presently required for nearly 60% of U.S. agricultural exports to Mexico; the opening of the Mexican oil and financial ser-

VICES markets to U.S. investors; and the relaxing of curbs on banking, securities, insurance, and transportation industries.

The Mexican daily *El Nacional* called Hills's demands "irrational posturing" which would require changes in Mexico's constitution.

Flag-burning amendment soundly defeated

An attempt to amend the U.S. Constitution to outlaw desecration of the flag was defeated in the House on June 21 in a 254 to 177 vote.

The Supreme Court had declared unconstitutional an earlier measure passed by Congress banning flag desecration. GOPers were prepared to tamper with the Constitution in order to "wave the flag" during their election campaign.

Supporters of the amendment conceded that the issue was not galvanizing the public as they hoped it would. "People have just lost interest back home," said Rep. G.V. "Sonny" Montgomery (D-Miss.), a co-sponsor of the amendment. "There isn't as much interest as a year ago, for what reason I don't know."

Clean Air bill goes to conference committee

The Clean Air bill has been sent to a House-Senate conference committee to resolve differences between House and Senate versions of the bill, which is expected to cost the economy a minimum of \$30 billion per year.

According to Bill Fay, head of the Clean Air Working Group, an industry group which is hoping to slow final passage of the bill, the committee probably won't finish its work until

October. But, he said, he fully expects a final version to be finished by then, after which President Bush could sign it into law before the November elections.

Catholic Reps perturbed by O'Connor's warning

Some Catholic congressmen were disturbed when New York's John Cardinal O'Connor on June 16 warned Catholic politicians that their pro-abortion stand could lead to excommunication from the Church. Excommunication means that a person can no longer receive six of the seven sacraments.

But Rep. Robert Dornan (R-Calif.), a Catholic and pro-life leader, said that O'Connor's words would "make them [pro-choice politicians] think of the gravity of how they conduct themselves in public life."

O'Connor warned that Catholics are at risk of excommunication if they are "perceived not only as treating Church teaching on abortion with contempt, but helping to multiply abortions by advocating legislation supporting abortion, or by making public funds available for abortion."

O'Connor said, "If such actions persist, bishops may consider excommunication the only option."

The Cardinal said this was not only a matter of the Catholic faith, but also of "natural moral law," common to persons of all religions. Of the 133 Catholics in Congress, according to one survey, 39% favor abortion.

Hill told: 500,000 fewer farmers by 1995

A Congressional Budget Office report has informed Congress that there will

be 500,000 fewer farmers in 1995 if real farm income between 1988 and 1995 remains constant. The report embarrassed congressmen from farm states on the House Agriculture Committee to the point that they have reportedly rejected a compromise with the administration on the farm bill and are arguing for higher support payments.

The CBO has had to issue a special memorandum explaining away the significance of the drop, which represents a 21% decline in the number of farmers. The projection was based on taking real income per farm in 1988, and adding in assumptions about where the farm law is going, market factors, and expenses. The report also assumes normal weather and a certain rate of growth of exports.

According to a CBO staffer, the drop in the number of farmers will not present a problem for the food supply, but only for those who are dislocated and for local economies.

Secret documents released on Neil Bush

An Office of Thrift Supervision (OTS) report was released by congressmen on June 19, detailing previously secret charges that Neil Bush, the President's son, and several other officials of the bankrupt Silverado savings and loan violated their financial responsibilities to the thrift and contributed to its failure.

The document recommended that the officials be banned from banking for life; the others agreed to the ban, but Neil Bush decided to fight it. When Bush challenged the charges, OTS officials agreed to alter them and lower the recommended penalty, but he refused the deal. The matter is now under administrative review.

National News

U.S. workers sacrificed to Soviet timber deals

Logging in the United States may be being shut down, with the loss of thousands of jobs of U.S. workers, because of deals between the lumber cartels and the Soviet Union.

EIR has learned that a deal is being worked out between Gorbachov and giant American and European lumber cartels led by Weyerhaeuser. The deal, which is about to be finalized, would grant concessions in Siberia to the cartels, making lumber the number-one export of the Soviet Union, according to an individual who recently met with Gorbachov and is involved in arranging the concession. One of the key elements of the deal is to ensure that logging of American tree stands is shut down.

The shutdown of U.S. logging is effectively taking place because of the Spotted Owl controversy and the activities of the eco-terrorist Earth First! group. The federal government plans to cut logging in Washington State's Mount Baker-Snoqualmie National Forest by 46%, costing about 1,800 jobs, in order to protect the Northern Spotted Owl. The U.S. Fish and Wildlife Service is expected to declare the owl a threatened species in late June. One government panel estimates that saving the owl will necessitate slashing half of all timber harvesting on federal lands in the Northwest, costing 28,000 jobs by the end of the decade. "When you go to buy a two-by-four, you're going to be paying through the nose for it," said Forest supervisor Doug MacWilliams.

On June 13, President Bush came out against any form of federal aid for affected workers.

ADL briefing of Guard sparks protests

Nebraska State Senator Ernie Chambers has demanded that the trip of the Nebraska Air National Guard to Israel be canceled, and

further objected to an eight-hour briefing session of the Guard by the Anti-Defamation League (ADL) prior to the trip.

The Israel trip, scheduled for mid-July, is to teach the Guard how to rebuild airport runways under battle conditions. Chambers, in a letter to the governor, said he opposed having "members of a state organization, paid by tax money, attend sessions which can be described as political indoctrination, propaganda, or political proselytizing by an organization dedicated to the advancement of a specific political position," referring to the ADL briefing session which took place June 10.

According to Lt. Col. Leonard Krenk of the National Guard, the purpose of the ADL briefing was cultural and sensitivity training.

The U.S. Supreme Court recently upheld the right of the federal government to schedule training missions abroad over the objections of state governors.

NSA joins Webster in attack on allies

The supersecret U.S. National Security Agency, claiming that the Soviet threat is "easing" and facing a projected cutback of its electronic surveillance watch on the Soviet military, is considering switching to monitoring world trade and financial transactions in Western Europe and Japan, according to the June 18 *New York Times*.

"The temptation to use espionage as a weapon in the world's trade wars is fast becoming the hottest issue in intelligence circles," the *Times* commented, as the NSA follows the lead of CIA head William Webster in waging war on traditional U.S. allies.

Congressional candidate Lyndon LaRouche (Va.-10th C.D.) condemned the retargeting of intelligence assignments to economic competition in remarks on June 19. "This is insane," LaRouche said. "Economic intelligence is fine, but the first thing that economic intelligence ought to do is to tell the President of the United States that his continuing economic policies are clinically insane."

Reviewing the economic decline of the

U.S., the inferior number of patents, discoveries, and investment in research and development per capita, LaRouche said, "The only place that stealing can be done of any significance is by the U.S. from these countries."

Kissinger planned monarchy in U.S.

Former Reagan White House press secretary James Brady stated in an April 2, 1990, Public Broadcast Service program entitled "The Presidency, the Press, and the People," that Henry Kissinger planned to establish an American monarchy in the United States.

Asked about President Ronald Reagan's "laid back" style, Brady responded: "Henry [Kissinger] wanted to talk him into a monarchy. Henry thought that was the way to go. A President for life. And Henry could be foreign minister or something. Henry believed that. And it would just involve changing a little here, change a little there, and change a little over here and change a little over there and, poof, a monarchy."

Newsweek exposes Bush's lies on Panama

Newsweek magazine, in its June 25 issue, exposed the fraud of President Bush's justification for the invasion of Panama.

"The Bush administration has always insisted that the invasion was a last-minute response to provocation—the shooting and harassing of American citizens in Panama by [Gen. Manuel] Noriega's thugs. This is not true. In fact, *Newsweek* has learned, the plans to invade were set into motion much earlier, and the sheer momentum of preparation—along with President Bush's desire to get Noriega—made the invasion inevitable. In the weeks before the invasion, officers posing as tourists visited the parts of Panama they would attack," *Newsweek* wrote.

Newsweek also cited "well-placed military sources" for a report that 9 of the 23

Briefly

U.S. deaths were at the hands of other U.S. soldiers, and that as many as 60% of all injured U.S. soldiers were injured by "friendly fire" from other U.S. troops.

The Pentagon denied the story, but conceded that 2 deaths and 19 wounded were victims of fire from their own forces, and another death and 21 wounded were also possibly from U.S. forces.

Smith 'competency' trial decried by newspaper

The persecution of du Pont heir Lewis du Pont Smith for his support for the ideas of Lyndon LaRouche in a West Chester County, Pennsylvania, court, was denounced by the *West Chester Daily Local News* on June 8. Smith has been attempting to overturn a 1986 ruling that he is mentally incompetent. The latest testimony in the trial was by a so-called "neutral" psychiatrist called by Judge Lawrence Wood.

It's ironic, the editorial concluded, that in "Chester County, long a bastion of individualists, its folk reared to be self-reliant, its Quaker tradition of questioning the status quo a hallmark, this is the site where an individualist must fight for his right to be different.

"The court, by declaring Smith incompetent, fears the man somehow is a danger.

"We see the danger in this case coming from another quarter entirely, from those who would seek to stifle others' options of how they will conduct their lives."

LaRouche certified on Virginia ballot

A spokesman for LaRouche for Justice, the principal campaign committee of Virginia congressional candidate Lyndon H. LaRouche, Jr., announced June 20 that they had received official notification from the state board of elections in Richmond that LaRouche had been certified for ballot status in the November election.

Mr. LaRouche will be running as an In-

dependent Democrat against incumbent Frank Wolf, the Republican congressman from Virginia's Tenth District, and MacKenzie Canter, the Democratic nominee.

In May, supporters of the well-known physical economist had filed 3,715 nominating petitions, more than double the number needed to qualify. Many of the petition signers came from Loudoun County, where he resides.

The campaign moved into high gear with a series of new radio advertisements, airing on the all-news station WTOG in Washington and elsewhere in the district. In one of the ads, LaRouche invokes the separation of church and state to keep the "Gaia" "Mother Earth" cult out of government policy. "If someone wants to practice ecologism from their back yard, I suppose we can tolerate it," LaRouche says. "But if they try to impose it on their neighbor, with the use of the forces of the state, we have to say 'no.'"

LaRouche candidates net solid vote in N. Dakota

Several candidates for the U.S. Congress and state and local offices in North Dakota, campaigning in support of Lyndon LaRouche and his policies, received double digit vote totals in the June 12 primary.

The unofficial results showed Avone Kukla, running in the Republican primary for U.S. Congress, getting 14% statewide and 24% in his own county. Gerald Kopp, running in the Democratic primary for U.S. Congress against the incumbent, polled 7%.

Annabelle Bourgois, in a three-way race for county-wide State Senate seat, garnered 21%. Joe Harn, Alfonse Friese, John Birdzell, and Duane Rub, each of whom were in three-way races for State Representative seats, polled 13%, 11%, 15%, and 19% respectively. Don Rudnick polled 14% in a race for State Senate.

Jim Moseanko, in a race for county commissioner, polled 25% and will be on the November ballot. Delbert Chadwick, also running for county commissioner, received 11% in a four-way race. Ron Brakke polled 12% in a race for county sheriff.

● **FBI** guidelines for use of deadly force are being expanded. The June 13 *Washington Times* said that under new guidelines "agents may shoot fleeing suspects of violent crimes who are armed and considered likely to commit another crime. . . . Deadly force may be used if the agent also has a reasonable belief that the suspect could not be arrested without firing shots."

● **DON DIXON**, the former owner of Verson S&L of Texas, was indicted by a federal grand jury on 38 counts, including campaign contribution irregularities. Dixon was a key figure in the witchhunt which toppled former House Speaker Jim Wright, to whom he made campaign contributions.

● **FELIX ROHATYN**, the Lazard Frères partner who heads New York's Big MAC, suggested in a speech to the National Press Club June 15 that a 5% income tax surcharge be levied to pay for the thrift bailout. The tax would raise \$25-35 billion a year for four years, and, if more is needed, he said, the tax could be extended.

● **NELSON MANDELA** began a tour of the U.S. on June 20 with a three-day stay in New York as the guest of Mayor David Dinkins. Mandela arrived in the U.S. after a European tour which included a 25-minute audience with the Pope.

● **GREYHOUND** workers rallied in support of a boycott of Greyhound in Washington, D.C. on June 19. The rally was addressed by Jesse Jackson who suggested Greyhound owner Fred Curry should let the workers buy out the near-bankrupt company.

● **U.S. OFFICIALS** purged potentially embarrassing documents from the inventory of those seized in January from Panama's General Noriega, according to papers filed by Noriega's defense team in Miami. The withheld documents could number in the thousands, according to defense attorney Michael J. O'Kane.

Michigan Nazi doctor uses death device

by Linda Everett

Americans can be very stupid. Not only are they sterilizing and aborting themselves out of existence, but now—after weeks of being spoon-fed the details of an out-of-work Michigan pathologist's plan to use his "suicide device" on "anyone who's in distress or who thinks he is," and to set up "obitoriums" where he can oversee a team of "Untouchables" who will do the killings—they are fighting over who is going to be first in line to get this new "medical service."

The Nazis, at least, had to *lie* to get their victims to walk into the Zyklon-B gas "showers."

Like the Nazis, however, Jack Kevorkian, 61, has always been quite open about the "rational utility" behind his plan. To him, the dignity of man is reducible to the sum of his body parts. Besides his experiments in using cadaver blood in live patients in Michigan's Pontiac General Hospital, he modeled his direct transfusions of blood from corpses to humans along the same lines that was routinely done by the Soviet Union during World War II. Kevorkian has introduced several bills to kill death row prisoners using an "irreversible anesthetic," so that their organs could be harvested. He says, "Every time you execute someone in this country, you lose two kidneys, two lungs and a heart, a liver, a pancreas."

After his last job in 1982, Kevorkian specialized in "death counseling." For over a year, he had been looking for a victim for his death machine, and after the pro-euthanasia Hemlock Society hailed Kevorkian in their newsletter, a victim was found.

The suicide machine

Hemlock Society member Ron Adkins of Portland, Oregon, sought out Kevorkian because his wife, Janet, 56, wanted to commit suicide after she was unable to remember a favorite song—possibly a result of early Alzheimer's disease. After Mr. Adkins planned his wife's "suicide" death for months with Kevorkian, the couple flew to Michigan, where Kevorkian arranged the killing with his sister Flora Holzheimer. Unable to find a facility willing to allow a "suicide" on its premises, Kevorkian took Mrs. Adkins, whom he had met for the first time less than 48 hours before, to a camping park, where he and his two sisters hooked her up to the suicide machine's intravenous line in the back of his rusted Volkswagen bus. They report that Mrs. Adkins pressed the button that stops the saline solution and injects

thiopental, which induced a coma, and potassium chloride, which stopped her heart.

Both Oakland County Prosecutor Richard Thompson and the Michigan Board of Medicine are investigating the death, but neither office, nor Oakland Circuit Court Judge Alice Gilbert, who ordered Kevorkian on June 8 not to build another machine, seem to know *whether* a crime had been committed. There is no Michigan law against suicide. While one Michigan court ruled that supplying the means to commit suicide and encouraging suicide were grounds for a charge of first degree murder, another held that it is not murder. *No* action—other than a call by the Club of Life, signed by tens of nurses, doctors, and pro-life leaders, and another by the full Michigan slate of LaRouche for Justice candidates—has been taken to revoke Kevorkian's medical license (no. 020480). Kevorkian has clearly abrogated any right to practice medicine.

The last time doctors used their medical expertise to kill, Americans prosecuted them at Nuremberg for euthanasia crimes against humanity. That precedent stands.

Murder as soap opera

So how have Americans come to demand that such crimes are now their "rights"? First, the media created a totally encompassing brainwashing environment, where the Adkins family was intimately questioned, amid many tears and memories immediately after losing their mother. The screen is filled with sobbing family members, tearful members of the TV talk-show audience. The appropriate response to losing a loved one is shifted to something totally barbaric: standing by and allowing that loved one to kill herself; "because we respected her wish to die." Also, the death of Mrs. Adkins was presented as a soap opera in which Americans, as often occurs after watching soaps, no longer distinguish between reality and the emotional "experiences" they "share" with TV characters. On another level, the show-host presents gruesome "facts" about patients forced to stay alive, or "heroic treatments" that leave families impoverished. Would you rather be a "vegetable" or commit suicide? Kill a sick relative? The audience, by now a Roman circus, gives a Nero-style thumbs-down on this patient or that.

What Americans have missed in this campaign is its point: giving doctors a legal license to kill and getting Americans to *accept* being killed. No expensive medical research for cures are needed! There is no difference between the "compassionate" death mob's Hemlock campaign to legalize assisted suicide in four states, and the government and insurance companies' plan to cut major chunks of health services. The victims are the same: those whose lives "are not worth living." The method is also the same: active killing by injection or by denial of life-saving medical care.

The goal accomplished, no wonder the Michigan Hemlock Society says that Kevorkian has done a "great, great service."

Editorial

Who are the guilty?

As Ramsey Clark emphasized in his speech at Copenhagen, Lyndon LaRouche is in jail today because he was considered to be a danger to the system. Not only were LaRouche and his associates innocent any crime, but the people who convicted them knew that they were innocent. President Bush, the Supreme Court, and the justice apparatus knew it. They knew it then, and know it now.

Clark identifies the brutality of the political process in the United States today. We would go still farther.

LaRouche was deemed to be a danger by those among the Anglo-American elite who were and are hell-bent on making a deal with the Soviets and on keeping Mikhail Gorbachov in power. He was and is a danger to them because—ironically—the Soviets recognized LaRouche as their number-one enemy: the man who could undo the debacle of American economic and foreign policy.

This was perceived by the Soviets to be a threat to their long-range imperial goals; therefore, after the Strategic Defense Initiative became U.S. policy in 1983, LaRouche was seen, by them, as a dangerous force to be eliminated from the policy-making circles of the U. S. government. The Soviets did not oppose the SDI as such—they opposed the economic conceptions which underlay LaRouche's policy for strategic defense.

Thus LaRouche is in jail, and an unholy alliance is still in force between Margaret Thatcher, George Bush, and Mikhail Gorbachov. LaRouche and his associates are innocent of any crime, save the crime of refusing to capitulate to prevailing opinion; it is their opponents who will be judged by history.

As Clark emphasized, the LaRouche case is one of a series of precedents in which the process of justice is being overridden; in which the Constitution of the United States is being abrogated, and with it the rule of law. In the LaRouche case, for example, there is a written court record proving that the prosecution and the judge knew—personally—that enterprises run by LaRouche enterprises had been illegally and summarily bankrupted by the government. The defense was refused permission to bring this exculpatory information into the

courtroom and to the attention of the jury.

What, then, is to be said about a country in which the federal court system, and the President, allows political opponents to be jailed, knowing that they are innocent?

The plain fact is that the Anglo-American attempt to form a condominium with the Soviets cannot work. The Anglo-American financial system is collapsing, and the Soviet system is collapsing. Moreover, the Soviets have no respect for the Bush administration or for the nanny who is British prime minister. The problem is that the Bush administration, which wishes to keep LaRouche and his associates in jail, does so as an outgrowth of its stubborn determination to push through unworkable policies, including those financial, economic, and related policies which are responsible for the collapse.

Only the policies which LaRouche has advocated, modeled upon what is known as American System economics, can rescue the world from plunging into another, murderously brutal dark age. If the tottering condominium holds together, and if the united Anglo-Americans or Soviets combine to prevent the potential of Europe and Japan from being tapped for the realization of projects such as LaRouche's Triangle project, then civilization as we know it is finished in the foreseeable future.

That is why LaRouche is now in jail: because the policies which he advocates, the only policies which offer any hope for humanity, are opposed by Henry Kissinger and his cronies, and by President George Bush.

There is no hope, there is no solution for the world's problems, as long as the present policy matrix continues. As long as LaRouche remains in jail, it is a clear signal that the present administration is fully committed to maintaining the present course. Every crisis management solution which these idiots come up with only makes the situation worse, the crisis deeper, the road to recovery more difficult. What the Bush administration presents in place of the cure *is* the disease.

LaRouche and his associates are innocent. The same cannot be said of their enemies.

Statistical survey of world land use

by the Editors

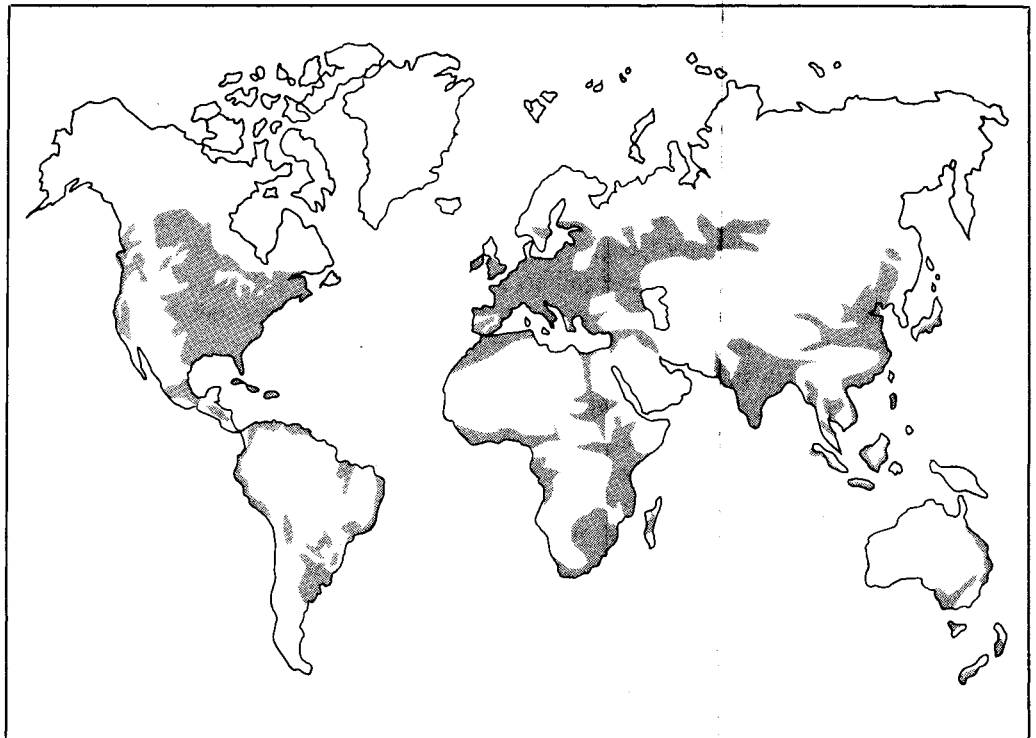
We are initiating, with this issue of our magazine, a new feature, *EIR's* Statistical Survey of Physical Economy. The survey is designed to meet several needs that are encountered among several classes of our readers.

Chief among them is this. The world financial system is truly bankrupt. More than \$22 trillion of debt and speculation, and another nearly \$6 trillion in "contingent liabilities" of the U.S. government, have been accumulated on the back

of the dollar credit sector alone. The claims generated by the combination of debt and speculative activity during any one quarter exceed the economy's annual production of new wealth. The debt and speculative claims are unserviceable, fictitious; they are in the process of collapsing under the general deflation triggered last Sept. 15 with the development of the Canadian "developer" Robert Campeau.

So far, the Anglo-American financial establishment con-

FIGURE 1
Arable land



Source: *Oxford Economic Atlas*

TABLE 1

Land survey 1985

(thousands of hectares)

	Area	Land area	Water surface
World	13,392,215.0	13,077,440.0	314,775.0
North America	1,933,926.0	1,834,777.0	99,149.0
Ibero-America	2,055,218.0	2,020,050.0	35,168.0
Central America and Caribbean	273,367.0	266,596.0	6,771.0
South America	1,781,851.0	1,753,454.0	28,397.0
Europe	487,084.0	472,778.0	14,306.0
Western Europe	385,177.0	373,104.0	12,073.0
Eastern Europe	101,907.0	99,674.0	2,233.0
Eastern Europe and U.S.S.R.	2,342,127.0	2,326,874.0	15,253.0
U.S.S.R.	2,240,220.0	2,227,200.0	13,020.0
Africa	3,033,103.0	2,966,447.0	66,656.0
Asia	2,757,496.0	2,679,071.0	78,425.0
India	328,759.0	297,319.0	31,440.0
China	959,696.0	932,641.0	27,055.0
Oceania	850,969.0	842,919.0	8,050.0

Source: United Nations Food and Agricultural Organization

tinues to insist that its Bush administration can do the job, and keep the collapse in progress "under control." This is no more true now than it was when King Canute ordered the

TABLE 2

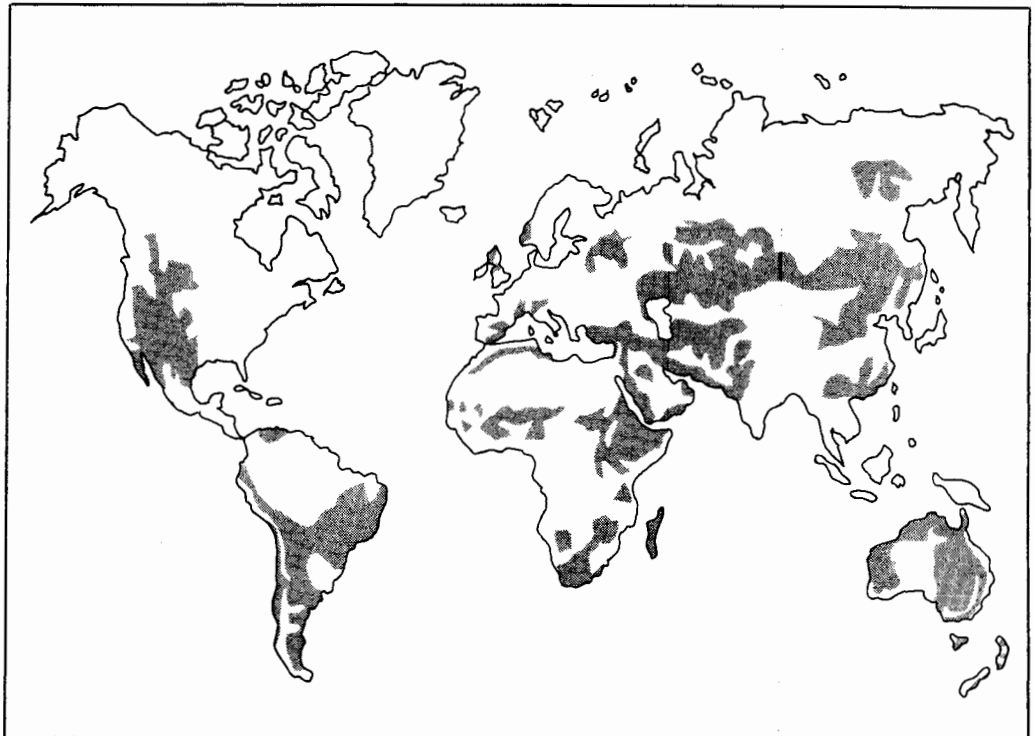
Potential cropland

(millions of hectares)

	Source	
	FAO Agriculture Towards 2000	Global 2000 Council on Environmental Quality
World	4,139.7	
North America		
Ibero-America	889.6	611.5
Central America and Caribbean	74.5	
South America	815.1	
Europe		564.6
Western Europe		225.1
Eastern Europe		114.4
Eastern Europe and U.S.S.R.		666.9
U.S.S.R.		552.5
Africa	840.7	
Asia (excluding China)	412.5	
India	169.0	
China		217.5
Oceania		
Major Exporters (U.S.A., Canada, South Africa, Argentina, Australia)		784.5

Source: United Nations Food and Agricultural Organization

FIGURE 2

Pasture land

Source: Oxford Economic Atlas

TABLE 3

Agricultural land

(thousands of hectares)

	1960	1965	1970	1975	1980	1985
World	4,173,414.0	4,514,968.0	4,586,527.0	4,622,632.0	4,629,406.0	4,634,838.0
North America	491,429.0	493,518.0	498,850.0	496,868.0	497,183.0	504,162.0
Ibero-America	622,329.0	653,155.0	671,369.0	695,922.0	717,284.0	728,824.0
Central America	123,141.1	131,861.0	126,916.0	128,511.0	130,014.0	131,905.0
South America	499,187.9	521,294.0	544,453.0	567,411.0	587,270.0	596,919.0
Europe	203,075.0	236,958.0	234,814.0	229,828.0	227,214.0	225,200.0
Western Europe	148,517.7	159,949.0	172,818.0	168,370.0	166,086.0	150,219.0
Eastern Europe	54,557.0	77,009.0	61,996.0	61,458.0	61,128.0	74,981.0
Eastern Europe and U.S.S.R.	646,059.0	679,146.0	668,805.0	665,665.0	666,794.0	680,845.0
U.S.S.R.	591,502.1	602,137.0	606,809.0	604,207.0	605,666.0	605,864.0
Africa	858,133.7	947,403.0	954,384.0	961,362.0	965,380.0	966,076.0
Asia	1,016,693.7	1,101,612.0	1,110,581.0	1,119,003.0	1,104,507.0	1,100,048.0
India	174,692.4	177,143.0	178,050.0	180,858.0	181,130.0	180,450.0
China	390,130.0	390,130.0	388,195.0	386,317.0	386,097.0	386,580.0
Oceania	477,423.1	499,809.0	509,482.0	515,204.0	511,934.0	504,662.0

Source: United Nations Food and Agricultural Organization

waves to stop rolling in toward the shore.

Whether establishment and government are yet prepared to face the matter or not, the question to be faced is, what kind of economics will succeed their doomed usurious system? What kind of actual economic problems will have to be solved, worldwide, after their system of usury destroys itself?

Statistics are, of course, in and of themselves an inferior form. Counting arrays of objects is a very limited form of activity. And, the reliability of the numbers is always open to question. Nevertheless, we are providing in assembled form, from the data bases of various international institutions, a selection of data, which will, no doubt, be found to be useful—useful in that such data will help to shift thinking

TABLE 4

Arable land

(thousands of hectares)

	1960	1965	1970	1975	1980	1985
World	1,333,035.5	1,351,963.0	1,412,822.0	1,433,917.0	1,461,336.0	1,474,992.0
North America	218,843.3	220,386.0	232,400.0	231,578.0	235,794.0	236,462.0
Ibero-America	130,436.9	137,219.0	145,537.0	156,762.0	170,875.0	177,056.0
Central America	31,379.3	34,034.0	34,513.0	35,483.0	36,311.0	37,549.0
South America	99,057.6	103,185.0	111,024.0	121,279.0	134,564.0	139,507.0
Europe	134,907.0	133,126.0	146,008.0	142,145.0	140,865.0	140,133.0
Western Europe	93,223.1	91,936.0	99,299.0	95,862.0	95,025.0	86,657.0
Eastern Europe	41,684.0	41,190.0	46,709.0	46,283.0	45,840.0	53,476.0
Eastern Europe and U.S.S.R.	262,943.0	284,855.0	279,518.0	278,490.0	277,806.0	285,740.0
U.S.S.R.	221,258.1	229,283.0	232,809.0	232,207.0	231,966.0	232,264.0
Africa	168,053.8	161,435.0	169,110.0	175,858.0	180,997.0	184,037.0
Asia	428,080.5	437,263.0	443,474.0	451,435.0	455,036.0	455,629.0
India	161,080.0	162,379.0	165,060.0	168,010.0	169,130.0	168,550.0
China	104,440.0	104,440.0	102,505.0	100,627.0	100,407.0	100,890.0
Oceania	29,545.0	39,029.0	43,481.0	43,929.0	45,800.0	49,411.0

Source: United Nations Food and Agricultural Organization

TABLE 5

Pasture and grazing land

(thousands of hectares)

	1960	1965	1970	1975	1980	1985
World	2,840,378.5	3,163,005.0	3,173,705.0	3,188,715.0	3,168,070.0	3,159,846.0
North America	272,585.7	273,132.0	266,450.0	265,290.0	261,389.0	267,700.0
Ibero-America	491,892.0	515,936.0	525,832.0	539,160.0	546,409.0	551,768.0
Central America	91,761.7	97,827.0	92,403.0	93,028.0	93,703.0	94,356.0
South America	400,130.3	418,109.0	433,429.0	446,132.0	452,706.0	457,412.0
Europe	68,167.0	80,890.0	88,806.0	87,683.0	86,349.0	85,067.0
Western Europe	55,294.6	68,013.0	73,519.0	72,508.0	71,061.0	63,562.0
Eastern Europe	12,872.0	12,885.0	15,287.0	15,175.0	15,288.0	21,505.0
Eastern Europe and U.S.S.R.	383,116.0	394,291.0	389,287.0	387,175.0	388,988.0	395,105.0
U.S.S.R.	370,244.0	372,854.0	374,000.0	372,000.0	373,700.0	373,600.0
Africa	690,079.9	785,968.0	785,274.0	785,504.0	784,383.0	782,039.0
Asia	588,613.2	664,349.0	667,107.0	667,568.0	649,471.0	644,419.0
India	13,612.4	14,764.0	12,990.0	12,848.0	12,000.0	11,900.0
China	285,690.0	285,690.0	285,690.0	285,690.0	285,690.0	285,690.0
Oceania	447,878.2	460,780.0	466,001.0	471,275.0	466,134.0	455,251.0

Source: United Nations Food and Agricultural Organization

away from the so-called "economics" of money prices and money costs, the collapsing monetarist economics, toward the considerations of physical economy, land cultivation and use, water management and availability, population and demographics, employment, power availability and use, pro-

duction, and consumption of agricultural and industrial commodities.

The statistical tables provided will be accompanied by illustrative maps and charts. Some readers may find such useful, for example as the series proceeds, for the preparation

FIGURE 3

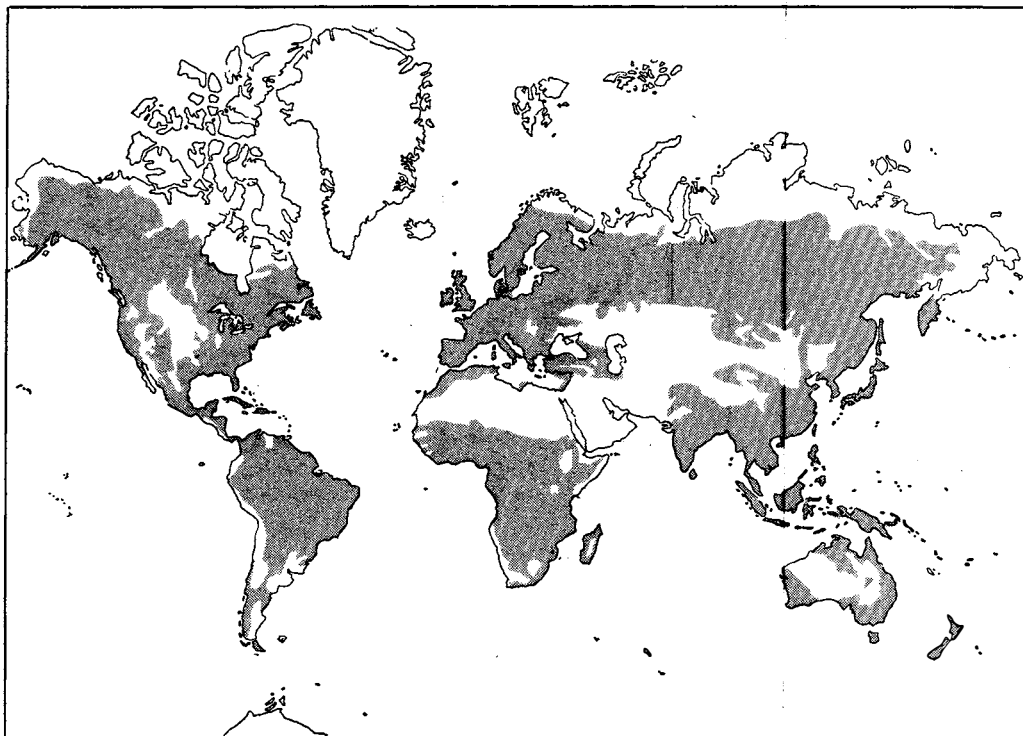
Forested landSource: World Resources Institute, *World Resources 1986*

TABLE 6

Forests

(thousands of hectares)

	1960	1965	1970	1975	1980	1985
World	4,273,111.7	3,967,606.0	4,214,627.0	4,173,760.0	4,097,839.0	4,363,578.0
North America	578,363.0	615,935.0	615,900.0	616,771.0	610,593.0	519,317.0
Ibero-America	964,841.7	940,899.0	1,062,454.0	1,040,621.0	1,013,472.0	991,491.0
Central America	139,405.8	85,525.0	81,266.0	77,134.0	72,596.0	68,757.0
South America	825,435.9	855,374.0	981,188.0	963,487.0	940,876.0	922,734.0
Europe	144,351.0	144,236.0	150,137.0	153,494.0	155,106.0	155,260.0
Western Europe	104,363.0	103,844.0	121,451.0	124,528.0	125,855.0	116,703.0
Eastern Europe	39,988.0	40,392.0	28,686.0	28,966.0	29,251.0	38,557.0
Eastern Europe and U.S.S.R.	868,717.0	897,403.0	948,686.0	948,966.0	949,251.0	967,557.0
U.S.S.R.	828,729.6	857,011.0	920,000.0	920,000.0	920,000.0	929,000.0
Africa	787,593.6	640,320.0	729,084.0	711,984.0	696,880.0	695,388.0
Asia	548,356.1	553,895.0	554,682.0	548,755.0	551,550.0	528,416.0
India	56,440.0	60,819.0	66,040.0	65,617.0	67,480.0	67,327.0
China	107,884.0	107,884.0	111,524.0	115,124.0	121,465.0	134,532.0
Oceania	121,854.3	188,629.0	182,358.0	182,123.0	150,226.0	157,694.0

Source: United Nations Food and Agricultural Organization

of class or lecture material. Others may, in different circumstances, be more interested in what can be assessed from such data as to investment and other opportunities that ought to be coming up, in light of what can be assessed about the world's requirements. The data tables are available to

subscribers, for a small charge, on computer diskette. This way owners of personal computers can build up their own data files, and use software, such as the Lotus 1-2-3® spreadsheet package, to do their own manipulations of the numbers, as the series proceeds. Readers who are interested in such a

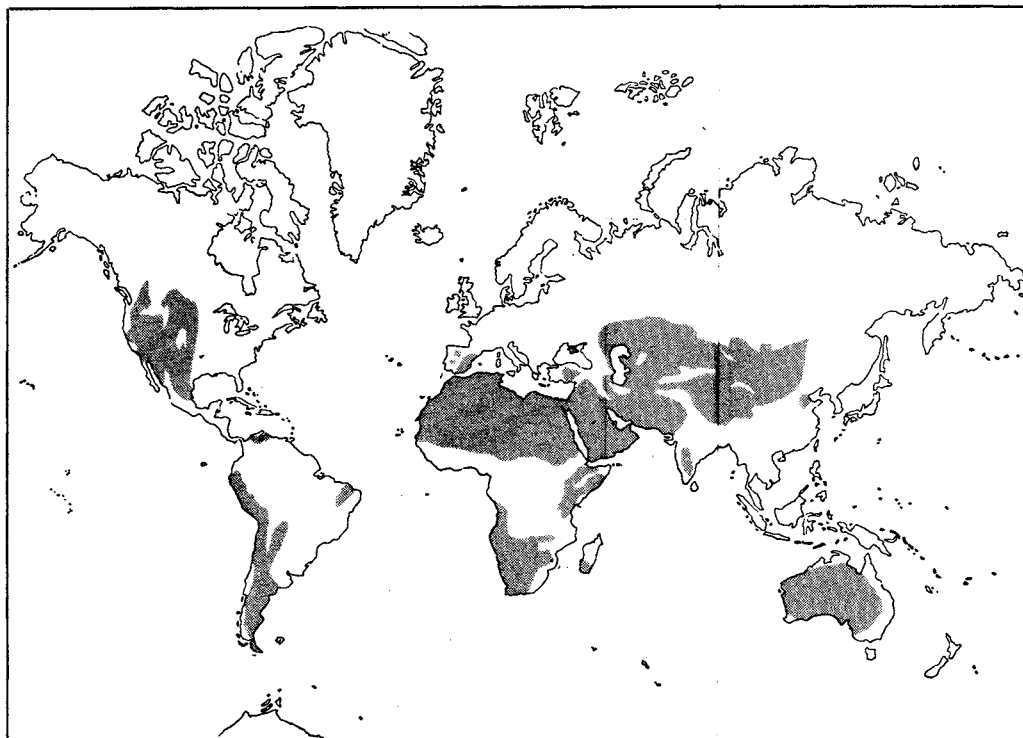
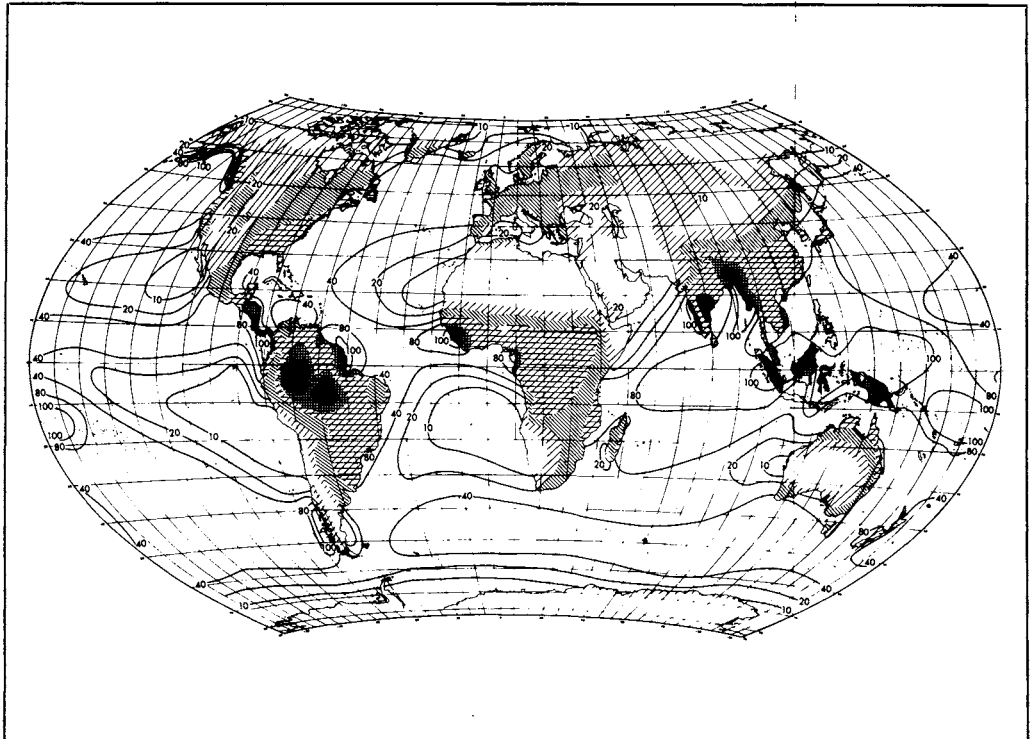
FIGURE 4
Dry landSource: World Resources Institute, *World Resources 1988-89*

FIGURE 5
Annual worldwide precipitation

Precipitation (inches)

- Under 10
- ▨ 10 to 20
- ▩ 20 to 40
- ▧ 40 to 80
- ▦ 80 to 100
- Over 100

Source: U.S. Department of Commerce, 1969



service should address their inquiries to the Special Services director Richard Freeman.

This first part of the series presents data on land usage. The data is organized by world, and by major continental

grouping: North America, which includes the U.S. and Canada; Ibero-America, including also the islands of the Caribbean; Europe, including Western Europe, as well as the newly liberated former satellites of Russia; the U.S.S.R.; Africa;

FIGURE 6
Major rivers and drainage basins

- Drainage basin boundary
- River

Source: World Resources Institute, *World Resources 1988-89*

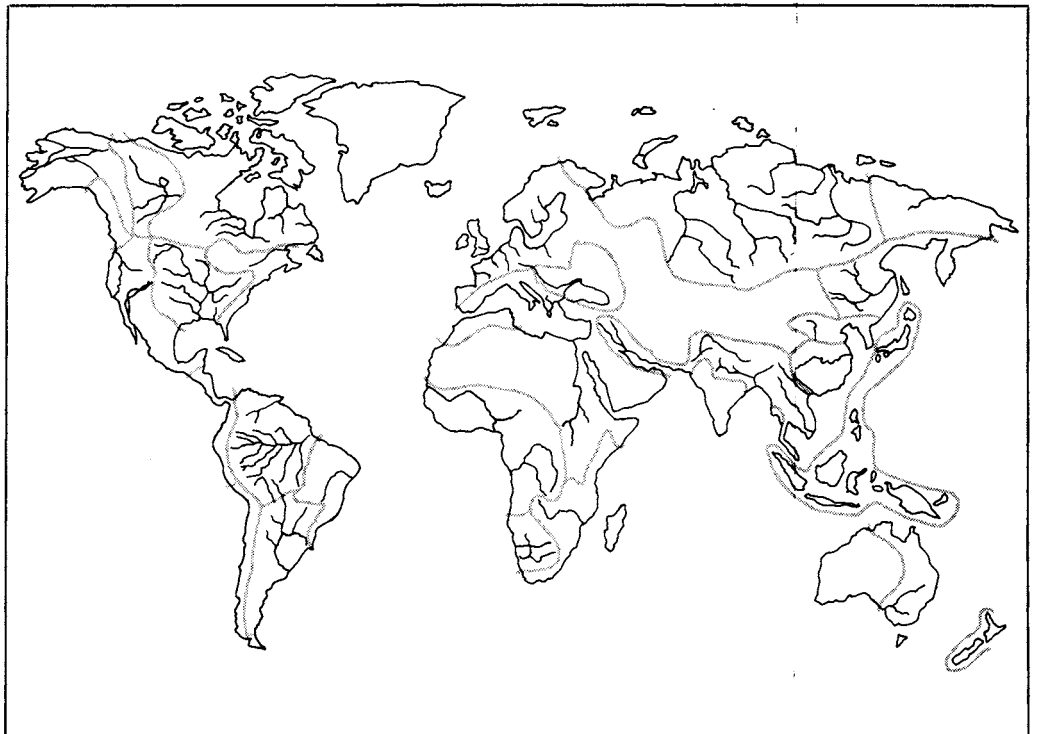


TABLE 7

Precipitation, evaporation, and runoff

	Precipitation	Runoff	Evaporation
North America*	11,093	4,917	6,236
Ibero-America*	32,172	11,423	20,689
Central America and Caribbean	2,817	1,043	1,714
South America	29,355	10,380	18,975
Western Europe*	2,740	1,531	1,209
Eastern Europe Only	922	276	646
Eastern Europe and U.S.S.R.*	15,122	4,629	10,493
Africa*	20,780	4,225	16,555
Asia (including Turkey, Cyprus)*	20,996	8,982	12,014
India	3,862	1,673	2,189
China	6,238	2,687	3,551
Oceania*	6,405	1,965	4,440
World	110,303	38,830	71,475
Total from above	109,308	37,672	71,636
Difference	-995	-1,158	161
Error	-0.90%	-2.98%	0.23%

* Items Included in total
Difference = Calculated total - World

Source: Frits van der Lede, *Water Resources of the World*

Asia; and Oceania, including Pacific islands and territories. Subcontinental-level regional groupings are included. The data are tabulated in five yearly intervals from 1960 to 1985.

TABLE 8

Estimated world water supply and budget

Water item	000 km ³ volume	% of water total
Water in land areas:		
Fresh water lakes	125.00	0.0090%
Saline lakes and inland seas	104.00	0.0080%
Rivers (average instantaneous volume)	1.25	0.0001%
Soil and vadose water	67.00	0.0050%
Ground water to depth of 4,000 m (about 13,100 ft.)	8,350.00	0.6100%
Icecaps and glaciers	29,200.00	2.1400%
Total in land area (rounded)	37,800.00	2.8000%
Atmosphere	13.00	0.0010%
World ocean	1,320,000.00	97.3000%
Total, all items (rounded)	1,360,000.00	100%
Annual evaporation:		
From world ocean	350.00	0.0250%
from land areas	70.00	0.0050%
Total Annual precipitation ¹ :	420.00	0.0310%
On world ocean	320.00	0.0240%
On land areas	100.00	0.0070%
Total	420.00	0.0310%
Annual runoff to oceans from rivers and icecaps	38.00	0.0030%
Groundwater outflow to oceans ²	1.60	0.0001%
Total	39.60	0.0031%

Notes:

1. Evaporation (420,000 km³) is a measure of total water participating annually in the hydrologic cycle.
2. Arbitrarily set equal to about 5% of surface runoff.

Source: Nace, U.S. Geological Survey, 1967

TABLE 9

Worldwide stable runoff, by continent

	Stable runoff (km ³) ¹				Total river runoff ²	Total stable runoff as % of total runoff
	Of underground origin	Regulated by lakes	Regulated by water reservoirs	Total		
Europe	1,065	60	200	1,325	3,110	43
Asia	3,410	35	560	4,005	13,190	30
Africa	1,465	40	400	1,905	4,225	45
North America	1,740	150	490	2,380	5,960	40
South America	3,740		160	3,900	10,380	38
Australia ³	465		30	495	1,965	25
Total ⁴	11,885	285	1,840	14,010	38,830	36

Notes

1. Excluding flood flows.
2. Including flood flows.
3. Including Tasmania, New Guinea, and New Zealand.
4. Except polar zones.

Source: Lvovitch, M.I., *Eos*, Vol. 54, No. 1, Jan. 1973, © American Geophysical Union

FIGURE 7

Water surplus and deficiency

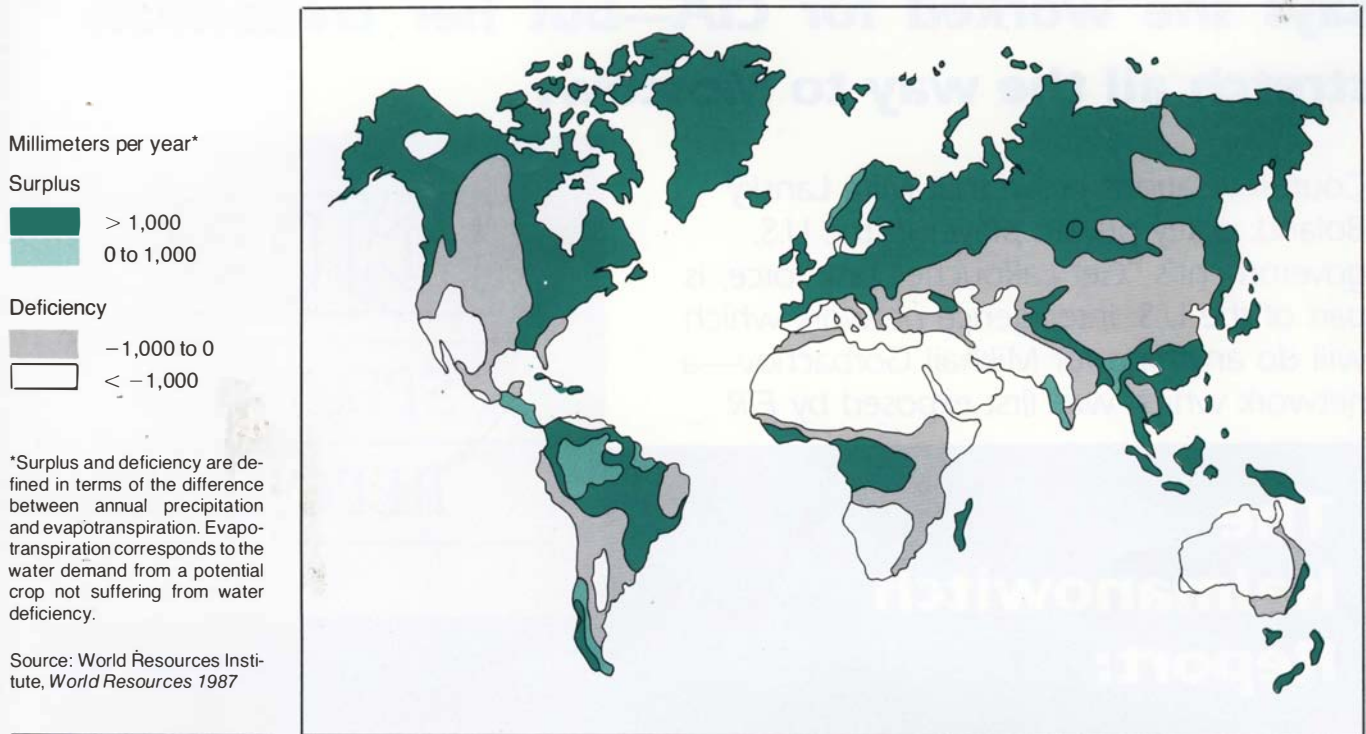
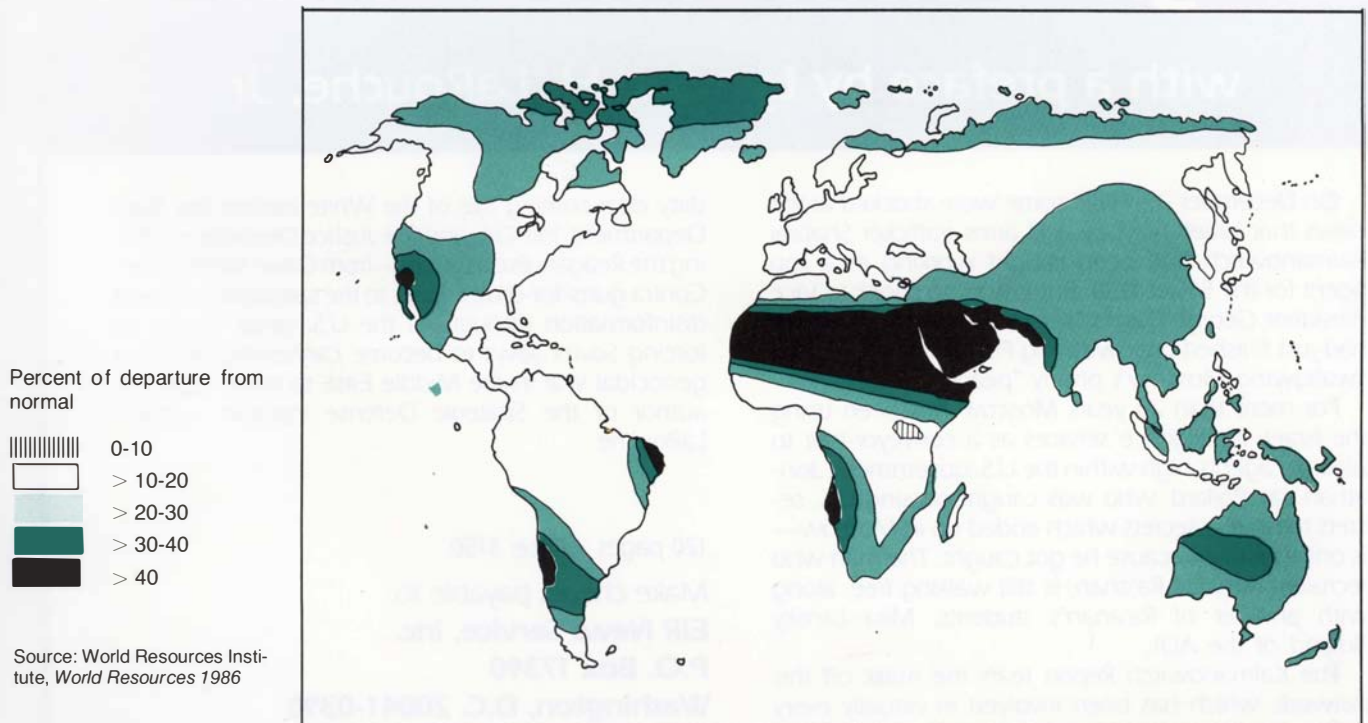


FIGURE 8

Year-to-year variability of rainfall



The Anti-Defamation League's top "fact finder" says she worked for CIA—but her credentials stretch all the way to Moscow.

Court revelations prove that Mira Lansky Boland, a key private player in the U.S. government's "Get LaRouche" task force, is part of the U.S. intelligence network which will do anything for Mikhail Gorbachov—a network which was first exposed by *EIR*.

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SPECIAL

REPORT

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