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Why the U.S. framed up FEF leader Paul Gallagher

The former Fusion Energy Foundation executive director tells how his foundation's influence on what became the SDI, prompted an illegal forced bankruptcy and judicial frameup by the government.

Paul Gallagher tells how he is the victim of a judicial frameup because of his association with Lyndon H. LaRouche, and because of his role as the executive director of the prestigious Fusion Energy Foundation (FEF), which the U.S. government illegally bankrupted. He is interviewed by Science Editor Carol White, who was also a member of the FEF Board of Directors.

White: Paul, will you explain the scope of the railroad against you and the FEF?

Gallagher: This is definitely a continuation of the attempt by the multi-agency, federal, state, and local "Get LaRouche" task force, which has succeeded in getting unjust convictions against LaRouche and several of his associates. This grouping was determined to eliminate the publications—and the influence—of the foundation, along with the publications of other organizations with which LaRouche had some connection.

Besides *Fusion* magazine and the *International Journal of Fusion Energy*, *Campaigner* magazine, and *New Solidarity* newspaper (not connected with FEF) were also bankrupted in the same proceedings. Cumulatively, these publications had reached a circulation of nearly 300,000 at the time that they were liquidated, shut down through phony bankruptcy proceedings.

But this was not sufficient for the government task force which was intent on pursuing its vendetta against LaRouche and his associates. Many of the individuals who were most closely involved in putting them out, and in raising the money to put them out, have been prosecuted since. That's been one of the purposes of these trials against LaRouche and his associates.

While LaRouche and his six associates are now serving

unjust federal sentences, and associates of his are appealing a similar railroad by the Virginia courts, I and my fellow defendants—my wife Anita, and Larry Hecht—expect victory in this trial, because for the first time, the government will not be able to prevent our telling the true story of the bankruptcy of the Fusion Energy Foundation and Campaigner Publications.

We are in a new situation, which was created by the fact that the ruling on the bankrupting of FEF, in favor of the foundation, is now definitive. The Solicitor General has announced that the government will not appeal the ruling that the bankruptcy was in fact a fraud committed by the government, on the court.

This is now uncontested; it is a final, legal fact, that the Justice Department was culpable in attempting to eliminate the existence of ideas and publications associated with Lyndon LaRouche.

Therefore, in the criminal trial against me, now ongoing in Roanoke, Virginia, my fellow defendants and I will be able to enter the government's illegal actions against the foundation in evidence as part of our defense, and also by implication, retroactively, in the defense of LaRouche and his associates. We will prove that they were the victims of a railroad, and unjustly prosecuted.

We are being charged—and they were convicted—of a conspiracy to take loans without sufficient regard to how they would be repaid. In past trials defendants were not permitted by the court to enter into evidence the fact that the U.S. government was responsible for closing down the foundation, and therefore it was the government action which prevented repayment of loans. Now the issue of government interference is clearly substantial material evidence, and cannot be kept out of our defense. In this case, the government's



Paul Gallagher

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role in creating the hardship, for which we are being prosecuted, the financial hardship to our supporters, for which I am being prosecuted, will be fully placed before the court, and before the jury.

The ideas which the courts have tried to silence will be a key issue of this trial, which comes at a crucial moment for the United States, when the breakdown crisis of the economy, which LaRouche warned about for decades, is becoming generally recognized. This is going to be an unusual legal fight.

White: Can you clarify what the charges against you are?

Gallagher: For a year before the bankruptcy, the majority of the money that sustained the foundation was in the form of contributions and sales, but a certain fraction of it was loans. For the year before the bankruptcy, the repayment of those loans was slowed up by an incredible barrage of adverse publicity against the FEF and against LaRouche personally. This was in the wake of the March 1986 victories of LaRouche-linked candidates in the Illinois primary. Eighteen thousand slander articles appeared in a nine-month period in American newspapers alone, making it next to impossible to raise the money necessary to keep going. After that period in which repayment was held off by that means, for a year, the foundation was liquidated by the government, and could no longer even attempt to repay the lenders. That repayment has now been made the subject of prosecution.

Furthermore, the government is making the incredible charge that by taking loans on behalf of the foundation I was

acting as an unregistered securities dealer, selling stocks in the FEF, which was a tax-exempt, public foundation. These charges have now been made the basis of criminal securities violations prosecutions.

White: Will you explain just what the foundation did?

Gallagher: The testimony in the trial will come in part from scientists who collaborated with the foundation. Because of the objectives which it was achieving, for example, in the period from 1979 to 1981 the foundation, which was founded by fusion scientists, along with Mr. LaRouche and his associates, succeeded in initiating and eventually getting passed a law which committed the United States officially to the development of fusion energy as a commercial energy source by the end of the current century. That enabling legislation was one of the most important scientific acts of Congress passed in this century. This was the McCormack bill, the Magnetic Fusion Act of 1981.

I had just become director of the foundation when the act was signed by President Carter in January 1981. From that point, the possibilities of taking advanced fusion development and related laser technologies and giving a new impetus to the U.S. economy, as well as U.S. defense strategy with beam weapons, was a prospect which excited scientists and engineers throughout the country. The foundation had eventually tens of thousands of collaborators in one form or another, and published the articles of scores of such scientists and engineers in the issues of *Fusion* magazine.

White: Even before then, when you and I both worked in a voluntary capacity with the foundation, it played a dramatic role in defending nuclear energy, particularly after the Three Mile Island incident. In that period, the FEF's presence at airports was a rallying point for the pro-science faction in this country.

Gallagher: People now, of course, are coming to realize that we were right throughout the last decade about the need for nuclear energy. Even before the present Gulf crisis, we were at the mercy of energy shortages of all kinds. The FEF for years was the only pro-nuclear organization in the U.S. that fought for what it believed after Three Mile Island. All other scientific publications lost their nerve; although they may have maintained a technical respect for nuclear power, they lost their nerve to fight for it. That was typical of what happened.

Another critical point, in the year before the foundation was forced into bankruptcy by the government, we waged a campaign to save the space program. This was after the Challenger disaster, when the very existence of manned exploration of space by the U.S. was completely in question. In that year alone, supporters of the foundation donated 28,000 subscriptions for the magazine, to high schools in the United States. Schools would take from 50 to 100 to 150 per school, and these were used in science classes.

Our aim was to make sure that the excitement and support for a manned space program—with civilians in space—was maintained. This was vital in holding the line on the decision that President Reagan announced in late 1986 to maintain civilian flights of the Shuttle, and to adopt the policy which LaRouche had initiated of going back to the Moon and eventually colonizing Mars. These 28,000 high school students and teachers all lost their subscriptions in one stroke, in April 1987 with the liquidation of the magazine.

I remember when President Reagan went to a classroom in Jefferson High School in northern Virginia. *Fusion* was used as a major teaching tool there, and almost every one of the 400 students in that “magnet school” had a subscription to *Fusion*. That was the purpose of the drive to place *Fusion* in the nation’s schools, to achieve such a result, and \$600,000 was raised from supporters for that purpose.

FEF, Fusion magazine seek millions in damages

The Committee to Defend Scientific Freedom announced that the Fusion Energy Foundation, along with two political publishing companies associated with Lyndon H. LaRouche, Jr., filed a multimillion-dollar claim on Oct. 19, 1990 for damages against the U.S. government for its illegal shutdown of the three organizations on April 21, 1987.

The damage claim follows more than three years of litigation in which a federal bankruptcy judge and an appeals court judge both ruled on behalf of the three companies, finding the government’s “forced bankruptcy” illegal, conducted in “bad faith,” and a “constructive fraud against the court.” After the ruling by Federal Bankruptcy Judge Martin V. B. Bostetter in 1989 and the appeals court in August 1990, the Solicitor General of the United States announced on Oct. 1 that the government would not appeal further.

At the time of its shutdown, the nonprofit Fusion Energy Foundation had several thousand members and 114,000 subscribers to its bimonthly magazine, *Fusion*. It also published a technical journal, the *International Journal of Fusion Energy*. Over its 15-year history, the foundation had made a name for itself in popularizing thermonuclear fusion, aggressively promoting nuclear energy, exposing environmentalist hoaxes, campaigning for a new Apollo program to go back to the Moon and on to

When *Fusion* was shut down, those supporters were denied the continuing fruits of what they were trying to do, and incredibly, one of the charges being made against me in the trial, is that the money which I raised in that period, was not being used for the scientific purposes of the FEF, but for the purpose of these subscriptions—as if that was not one of the purposes of the foundation. This example alone shows the lying nature of the charges that are being made in this trial.

White: We should not neglect to mention that FEF is still functioning as an important institution internationally.

Gallagher: While the foundation was started in the U.S., it remains alive today in Mexico, Germany, Sweden, Italy, France, and Japan. The U.S. government has now become so insane as to attempt to eliminate this kind of a voice from science.

Mars, and educating the public on beam defense and the need for a program like the Strategic Defense Initiative even before President Reagan’s famous speech of March 23, 1983. The foundation also published for the first time in English many classical scientific works, including works of Bernhard Riemann and Eugenio Beltrami.

“These decisions represent a victory for the U.S. Constitution and free speech. Now we are suing for damages to rebuild the fighting scientific institution that the government deliberately squashed,” said Carol White, speaking for the Committee to Defend Scientific Freedom, a group initiated after the forced bankruptcy.

“The shutdown of the Fusion Energy Foundation, and with it *Fusion* magazine and the *International Journal of Fusion Energy*, was unprecedented. Never before in the peacetime history of the United States has any newspaper or magazine been put out of business under any pretext. This extraordinary action of forced bankruptcy was devised by the government because it was determined to stop publication of *Fusion* magazine and the activities of the foundation in general. Why? Because Lyndon H. LaRouche, Jr. was a member of the foundation’s board of directors and a contributor to its scientific work. This political vendetta against LaRouche summarily put out of business a nonprofit scientific institution,” White said.

Speaking for the Constitutional Defense Fund, its staff director Warren J. Hamerman noted, “Legal observers have told us that they believe if there is no continuing fraud on the court system by the ‘Get LaRouche’ faction in the government, the innocent LaRouche shall gain an early release.”

Hamerman described the ruthlessness of the forced bankruptcy: “In the early morning of April 21, 1987, from coast to coast, without any warning, U.S. Marshals

The one most important thing, I think, that brought down the vengeance against us, was the collaboration between LaRouche and the FEF on the question of an anti-ballistic missile defense. This made us and LaRouche the target of the Kissinger-McNamara gang in the United States, and the British establishment and the Soviet government.

The popularization and circulation of LaRouche's strategic defense doctrine by the FEF, was—in my opinion—the turning point which set the Anglo-American establishment on the path of destroying the FEF. The point when they realized that Reagan had adopted this doctrine, which then became known as the SDI—the Strategic Defense Initiative—led in a straight line to the attempts of the government to close down this whole area of work and the foundation itself. Even so, on a broader scale, history is already proving that LaRouche's ideas cannot be silenced—for example, his

launched a raid—bursting in, seizing, inventorying, and sealing the offices of three nationwide publishing, distribution, and scientific organizations. Approximately 150 persons were robbed of their family's livelihood. Clothing and personal belongings, books, and papers of journalists and scientists were seized. A scientific magazine with a 114,000 circulation and a twice-weekly newspaper with 150,000 circulation was destroyed. Books and pamphlets were confiscated in utter contempt for the Constitution. A leading scientific association which was making vital contributions on scientific policy to the White House, Congress, and the scientific community was snuffed out.

“Not only were the very creditors the government claimed to protect severely harmed by the government's own actions, because the companies could no longer repay loans to their supporters, but, in an act of ‘double bad faith,’ the government turned around and falsely prosecuted Lyndon LaRouche and his associates for not repaying these same loans. This is the so-called ‘crime’ for which political prisoner Lyndon LaRouche was thrown into prison one and three-quarters years ago to rot and die.

“LaRouche and his associates were imprisoned in the same week as the inauguration of George Bush as President of the United States,” Hamerman added. “Bush has personally suppressed secret files which prove beyond all doubt that LaRouche is innocent and that the government deliberately framed him up. Now the government must pay for its bad faith actions.”

Three of the editors of *Fusion* magazine formed a new company in late 1987 and started a new magazine, *21st Century Science & Technology*, to continue the *Fusion* tradition.

Food for Peace policy.

White: Will you describe some of your own activities as executive director of the FEF, in organizing the campaign for anti-ballistic missile defense, both before and after the President declared the SDI to be U.S. policy?

Gallagher: In 1982, publicizing the need for a U.S. strategic defense capability was practically the main focus of my activity. Besides literary activity, we participated in international conferences, and conducted forums on campuses throughout the country. Today, in 1990, the campuses in the United States are becoming hotbeds of student upheaval against economic depression and against war—the impending war in the Middle East.

The last time the campuses were alive with real debate was in 1981 and 1982, when there was a battle between the so-called nuclear freeze movement and the FEF. The nuclear freeze movement had more or less swept Europe, was completely destabilizing the governments of Europe over the issues of short- and medium-range missiles in Europe. The movement was attempting to monopolize and take over the campus intellectual debate in the United States. The FEF challenged that, and effectively turned it upside-down, by counterposing, first, what we called the higher peace movement, which would render nuclear missiles impotent through a multi-layered ABM system.

In those days we referred to anti-ballistic missiles as beam weapons. The idea had been put forward in detail as a doctrine in February of 1982 by LaRouche, in a Washington conference, and then in a political statement which he issued. We also reported on it in *Fusion* magazine, and we conducted independent research on the spinoff benefits to the civilian economy, which would come from crash development program of laser defense weapons. Our point of reference was the ten-to-one payback of research and development money spent by NASA to get us to the Moon.

We counterposed the approach of using science to defeat war, to the so-called peace movement, the nuclear freeze movement being led by the Robert McNamara and William Colby crowd. It was very easy for students, once they realized what the nuclear freeze was (and the role of its supporters in Vietnam), to see that something else was needed. Students began to support ABM defense before Reagan ever announced the SDI.

This created an environment in which Dr. Edward Teller, who had been a private mover for beam defense, became a public spokesman for it, and this helped to tip the balance to a significant extent. Then, on Jan. 1, 1983, LaRouche made an extraordinary speech in New York City in which he declared that the Reagan administration had to change its strategic doctrine from mutually assured destruction (MAD) to anti-ballistic missile defense, and said that it had to make that change within 90 days, or the alliance with Europe would be hopelessly lost because of the nuclear freeze movement.

It was 83 days later, in the environment that we had created with the campus debates, with activating Teller's initiative on his own, with the discussions among military professionals all over the world that were going on—it was just 83 days after that speech that Reagan actually went on television and announced the new doctrine.

This was done not one moment too soon. It was done when the NATO alliance was literally falling apart, and the tremendous inroads in Europe of the nuclear freeze movement, which had destabilized and overthrown European governments for several years. We warned at the time not only that the Soviets were well on the way to mounting a sophisticated beam weapons defense system over their own country, but that they had the advantage over NATO in many strategic areas. The SDI was crucial if NATO was to be able to defend itself.

A crucial feature in LaRouche's doctrine was the difference of the role of SDI development in the United States and the Soviet Union. Where we would get a great boost in productivity from applying developments in laser technology to the civilian economy, the Soviets, because of their moribund economic system, would find such a development a severe tax on their economy. To counter this, LaRouche proposed—and Reagan offered—joint development of the SDI, an offer which the Soviets rejected. Since then, as LaRouche foresaw, the balance has swung, and the Soviet economy is at a point of collapse.

White: Things were really hopping at FEF after March 23, weren't they?

Gallagher: In the public shock after Reagan's SDI speech, the new doctrine was semi-publicly admitted to be LaRouche's intellectual influence, as well as Dr. Teller's. I was interviewed on CBS News, the next day, as the *only available* spokesman they could find to say what Reagan was talking about, and to support it. FEF's Research Director, Uwe Parpart, was called onto ABC's "Good Morning America" the following day, for the same purpose. That's how it was.

Only later, as the "Kissingerian budgets" for SDI made crash development of lasers and particle beams impossible, did many people dishonestly claim that SDI was only meant to be a kinetic projectile defense, with limited objectives and using existing, off-the-shelf technologies. Today the program has been watered down to the defense of existing ICBM sites, or to defense against "accidental" or terrorist launches of a few missiles. But this was a great setback from LaRouche's initial conception; or from President Reagan's proposal of mutually assured survival and a defensive shield which would cover the whole of the United States, with similar such shields for our allies.

In 1983, I edited a popular science book, *Beam Defense*, to make that conception accessible to citizens, to students, to military men and so on. The book particularly emphasized the development of new technologies. This book had a large

impact. Not only was it translated into Japanese, but a later version of it was written in the German and French languages, by our FEF collaborators there. I also directed a video on the same subject, which circulated here and in Japan.

White: At that time Mr. LaRouche and we ourselves did not anticipate the vehemence with which the Soviets rejected the SDI. We assumed that they would be willing to support a program of joint development, as LaRouche had suggested to them, and as President Reagan had laid it out. But that didn't prove to be the case, did it?

Gallagher: I was not myself involved in any of those kinds of discussions with the Soviets, except in the settings of conferences—meeting them and discussing the technology. We certainly were hopeful at that time that Reagan's offer, which was a public offer to negotiate and share the technologies that were the basis of the SDI, would work with the Soviet side. But it was clear very quickly that they were going to reject it. It was also almost immediately made clear that they were going to attempt to destroy the man whom they correctly considered to be the intellectual author of this policy. They were going to do everything possible to destroy LaRouche personally, as well as to destroy his political influence.

All through 1983 and 1984, we read articles in the Soviet press, which described conferences which we, the FEF, were holding in the U.S. and elsewhere in the world, particularly in Europe. They would describe these conferences—where the speakers were scientists and technicians—as gatherings of murderers, clandestine meetings of troglodytes, conclaves of savages out to destroy the world. It became very clear that the FEF and LaRouche particularly, personally, had been marked by the Soviets as the target of their rejection of the SDI offer.

White: This Soviet attack did not cause the FEF to hold back, but in fact convinced us that they had hoped to catch the U.S. flatfooted on the issue of ABM defense. It made us fear their aggressive intentions toward empire building.

Gallagher: Right. In 1984, 1985, 1986, we involved every supporter we had in the world in one way or another in holding 125 conferences, some of them major conferences, on the SDI, and on the technologies involved in laser-based anti-missile defense, all over the world, so that the doctrine could be turned into an actual new form of economy in which the laser would be the basic machine tool for the future, in which the development of defense technologies would directly feed technological development and would spin off into the Third World in order to modernize economies and produce growth in the devastated areas of the Third World.

Many of the conferences that we held were in South America and in Southeast Asia—countries like Thailand and Brazil. Eventually in 1986 we held major conferences in all of the allied countries—major industrial countries allied with the U.S., and those conferences facilitated Japan in particu-

lar, and France, in making agreements with the United States to work jointly on the SDI. That was the major effort of FEF branches all over the world during that time.

Our analysis of what the Soviets were doing was shaped in part by the hysterical response they had to that whole process—all 125 of these conferences. Many of them the Soviets attacked; many they attended and tried to disrupt. In the United States they relied upon networks in the media to find out who we were working with in relevant governments, so that they could finger these individuals in order to hinder their work on the SDI. They would publicize their names, and slander and scandalize them by claiming that they were collaborating with a neo-Nazi extremist group—FEF. NBC was active in this campaign against LaRouche and against the FEF. They did everything they could to break our working relationships with scientists and officials in government.

At the same time that the Soviets and their collaborators in the West were doing this, the Soviets were conducting a military buildup which, as LaRouche analyzed at the time, would either lead them to launch a war or drive them to economic bankruptcy. LaRouche was concerned that the United States might be caught unprepared in the event of Soviet aggression.

White: So, ironically, now the Soviets are suffering the general breakdown that LaRouche forecast, but the U.S., which sabotaged its own development of the SDI is also going through a similar, if at the moment, less severe breakdown crisis. Whereas, if LaRouche's policies had been followed, both countries could be flourishing economically.

Gallagher: This can be seen very clearly by the fact that the budget for the SDI actually stopped growing in 1986, and has been declining since. It is now declining substantially even in unadjusted dollars, let alone after adjustment for inflation. The rate of growth of the Manhattan Project during World War II which led to the development of the atomic bomb, was 10 or 15 times greater, from one year to the next, than the rate of growth that the SDI had in its first few years, and since then it hasn't even grown. At no time was there a crash program-level of investment in the SDI. This was because of the economic policies of the Reagan administration, which we could not change, and which undercut the SDI, so the SDI was a strategic factor, but never became the economic factor which it should have been.

I would just like to conclude this interview by emphasizing again, that I am being prosecuted in part for the debts which the FEF incurred during the SDI campaign. These debts were made "permanent and unpayable" by the government's illegal liquidation of the foundation. The FEF is now taking part in a damages suit against the Justice Department, to put the burden of repayment of those debts where it belongs. It is not I, but the government, and the "Get LaRouche" task force, who are responsible for any suffering which was caused by our failure to repay these obligations.

The SDI as a policy to guarantee peace

"During World War II, the American economy was lifted from depression into unprecedented productivity growth through the use of new industrial technologies, new metals, materials, and assembly-line processes that had been known previously *but not used*, and the use of much more electricity for higher quality production. Today the national necessity—really an international necessity—to end the unstable balance of thermonuclear terror by developing defense against nuclear weapons can be the 'science and technology driver' for an economic recovery without war. And the energy, particle, and plasma beam technologies we develop to meet this necessity can unleash a process of economic development that will uproot the deepest causes of war. . . . The immediate spinoffs to industry of a successful crash program for development of beam weapons include magnetohydrodynamics for energy conversion, superconducting power transmission, magnetic levitation of trains for land transportation, laser and particle beam metal working, and robotics.

"The second decade of a beam weapons development program would generate more advanced technologies: the fusion-fission hybrid, nuclear steel making, integrated nuclear agricultural-industrial complexes (nuplexes), high-energy laser and beam applications to drilling and materials processing, and plasma torch technologies.

"The economics of the 21st century, provided we reach the 21st century, will be dominated by the commercial application of nuclear fusion energy and by the use of coherent radiation beams and particles for more and more industrial agricultural work. We can even foresee the time when each skilled worker will work with tools that can transmute the basic composition of matter. . . . At first sight it seems ironic that the solution to man's problems of economic development might come out of a military development program. But such a role for the armed forces and their engineering corps used to be a tradition in advanced nations. Real national security rests on economic growth, technological development, and human advancement that simultaneously provide a strong military and make war unlikely."

—From *Beam Defense, An Alternative to Nuclear Destruction*, by Fusion Energy Foundation, Aero Publishers, Inc., 1983, pp. 153-54.