

EIR

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Japan's Nikkei index and the bubble
LaRouche support grows in Russia, Croatia
Fidel Castro turns Reds green in Rio

**Probe Justice Dept. unit:
'Nazi hunters'—or KGB liars?**



DERAIL NAFTA

fast track to rule by the big banks

EIR Special Report, May 1991

Auschwitz below the border: Free trade and George 'Hitler' Bush's program for Mexican genocide

A critical issue facing the nation in this presidential election year is NAFTA, the North American Free Trade Agreement. Bush and Clinton both back it. This proposed treaty with Mexico will mean slave labor, the rampant spread of cholera, and throwing hundreds of thousands of workers onto the unemployment lines—on *both* sides of the border—all for the purpose of bailing out the Wall Street and City of London banks.

In this 75-page Special Report, *EIR's* investigators tell the truth about what the banker-run politicians and media have tried to sell as a once-in-a-lifetime opportunity to get economic growth started across the Americas. The Wall Street crowd—led by none other than Henry Kissinger—are going berserk to ram this policy through Congress. Kissinger threatened in April: "It should be signed by all parties, and should be defended on all sides as a political vision, and not merely as a trade agreement." Kissinger's pal David Rockefeller added: "Without the fast track, the course of history will be stopped."

With this report, *EIR's* editors aim to stop Rockefeller and his course of history—straight toward a banking dictatorship.

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From the Editor

‘It is not enough that a journal mirror the present. The critic must outstrip fleeing time, and from the future fight the present as if it were already the past.’ The aphorism is by Robert Schumann, the composer, writing in the early 1830s about a music magazine he wanted to found, but it seems to apply to our efforts, too. *EIR* has been fighting the present from the future for nearly two decades; in this issue we present many echos of those battles as they intersect wider social forces.

The *Feature* reports on the rapidly unfolding moves to investigate, and perhaps to shut down, the Office of Special Investigations: a branch of the KGB-Mossad vipers’ nest in the U.S. federal government which *EIR* has been exposing for a decade.

In *Economics*, read about our leading role in a combined effort to keep the Cisneros dirty-money and pornography empire that banned the book *Dope, Inc.* in Venezuela in 1986, from buying the major U.S. Spanish-language television network, Univision. *Dope, Inc.* is out in its third edition in English now, and is about to be joined by another monumental exposé, *George Bush: The Unauthorized Biography* (see *Books*).

In *International*, two articles report on Lyndon LaRouche’s increasingly visible influence in Russia and in Croatia.

In *Science and Technology*, read about the impact of the work of our close friends at *21st Century Science & Technology* magazine in spreading the word about cold fusion, as well as their already influential new book, *The Holes in the Ozone Scare*.

We do not take credit for the Supreme Court ruling against the Anti-Defamation League’s “hate crimes” legislation, but we do speak for the only sizable political movement which has had the courage to consistently resist the climate of ADL blackmail.

LaRouche supporters have now built a broadly based coalition within the Democratic Party to resist the pressure to capitulate to capital punishment. This is goes against the grain of what is “popular” among an increasingly demoralized, media-brainwashed citizenry—but it is just another instance of fighting the present *from the future*.

As always—being fiercely independent and patriotic folks—we will take a week off from publishing to enjoy the Independence Day holiday. The next issue will be dated July 17.

Nora Hamerman

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Tokyo's Nikkei index and the bubble economy

by Chris White

The Tokyo stock market's Nikkei index has gone into another round of precipitous decline. Now at or below the 16,000 level, the index is back to where it was in 1985 and 1986. The collapse was reportedly the subject of fearful behind-the-scenes discussion at the latest meeting of the Bank for International Settlements, the central bankers' central bank, in Basel, Switzerland.

Might not the mounting losses of Japan's banks, it was asked, be the occasion for the liquidation of bank assets outside of Japan? Specifically, might not Japanese banks, increasingly desperate to cover losses, begin to sell off real estate assets in the United States and Britain? Such a development, by even one bank, it was thought, might be sufficient to trigger a cataclysm for the Anglo-American world, especially given the corpses of the speculative real estate companies of the 1980s piling up outside the doors of the Bronfmans, the Reichmanns, and the banks that financed their bubble schemes.

Another variant of this story comes through, courtesy of Cable News Network's "Moneyline" pundits and others, pretty much every day the Nikkei index goes through another downward lurch. This one says that the recoveries in the United States and Britain might well be jeopardized by recession in Japan and Germany. Therefore, Japan ought to do various things for the benefit of everybody: lower interest rates, cut income taxes, increase public spending, and of course, open up its markets to foreign investors. The U.S. Treasury has added its voice to this chorus.

There is no recession in Japan

This approach ought really to raise a few questions. What recovery? And if the "recovery" doesn't exist, why should the "recession," which the pundits insist on blabbing about from 6,000 miles away, exist either?

Let's start with that, because it helps clarify certain

things, and to get some idea of the silliness to which the U.S. now regularly descends to defend a policy which is incompetent, insane, and criminal.

There isn't any recession in Japan. In fact, the touted Japanese recession has as much existence as the touted U.S. recovery. In certain areas of Japan's financial system and economy, there is a shakeout going on. The shakeout is part of a policy of ending what the Japanese call the bubble economy, and redirecting resources back into something more like what they call the "high growth" economy, which was characteristic between 1957 and 1973.

This policy has been in effect since the end of 1989. It is not a one-shot type of approach—pop the bubble and let's see where the chips fall—but a commitment which has been thought out, under the same kind of discussion process which all Japanese policy changes are subjected to, to build agreement among all institutions and layers affected on behalf of the policy adopted. And the policy adopted was ending the bubble economy.

Unlike the United States, Japan shapes its policy around the economy's investment cycles, with the Ministry of International Trade and Industry (MITI) taking the lead in organizing a national discussion process to formulate what is called a "vision," or "perspective," for the coming 10-year period. A commission of government, business, and university leaders organizes the process, which extends outward to involve all sorts of institutions, at all levels, in debate. Once settled, everyone knows what the policy is. Of course, in the real world, things change. Changes are handled by way of the process that has the U.S. "Jap-bashers" all upset: ministerial guidance.

Ending the bubble economy

Ending the bubble economy is at the core of the 10-year perspective which was adopted for the decade beginning

1990. The people who worry that Japan might start liquidating its real estate holdings in the United States, if the Nikkei index collapses much further, would probably be even more upset if they had any idea about what ending the bubble economy might actually mean.

What was the bubble economy? This was what pretty much everyone in the United States, with the exception of this magazine, called the "longest period of sustained economic growth in U.S. history." The bubble economy is the "Reagan recovery," which didn't have any more existence than the one the idiots are talking about now. The bubble economy meant opening up the United States for the return of offshore dollars, in the form of narco-dollars, to loot and asset-strip on the basis of real estate speculation and the growth of debt. Japan was a cash cow for the process, particularly since the so-called Plaza Agreements on the dollar in 1985. Japan could be counted on to recycle its trade surplus into purchases of U.S. government debt, to finance the ever-expanding fiscal deficit, or to buy whatever. Since 1989, Japan's net investment in the United States has all but dried up.

The internal effects of this, as described by people in the Japanese Finance Ministry, resulted not only in the speculative inflation of real estate values, but also in the promotion of a "post-industrial" economy. Internally, the bubble economy is being ended to bring down real estate prices, and to encourage a shift in employment out of financial and other services, and back into technologically progressive manufacturing industries.

So there is a shakeout going on. In hotel and office construction, for example, or in the sales figures of the ostentatiously tasteless Tokyo department stores, where you can buy diamond-studded, gold-plated portable telephones. Real estate prices are coming down. This is key to the implementation of a \$6 trillion domestic infrastructure improvement plan for the decade. Lower real estate prices are necessary to decentralize economic and other functions out of the Tokyo metropolitan area. The bubble economy is being brought to an end as part of the process of preparing a shift into a form of economic organization which will be increasingly characterized by the use of hydrogen as a fuel, and by the technologies associated with electro-chemistry.

Where does the insanity and silliness of the U.S. come in? In such forums as the Structural Impediment Initiative talks. This is the bilateral committee set up to examine the structural causes for trade impediments between the U.S. and Japan. Here, the Japanese have been recommending that the U.S. adopt the same approach.

A key issue: the labor force

A good place to start is with the question of unemployment. Here's the U.S., with a mounting budget deficit, and about 18% of its work force unemployed, if all the Labor Department's different categories are added up. In these talks, Japanese government representatives say, in their way:

"If you Americans were serious, you would stop making your labor force the butt of all your economic problems. Every time something goes wrong, you lay off your workers. Why don't you instead adopt the Japanese lifetime employment system, and treat your workers as the most important assets your companies have?" The answer from the American negotiators won't be such a surprise: "That would constitute unwarranted government interference in the workings of a free market."

That's the same U.S. government which insists that the Japanese government use its influence with auto companies and Japanese consumers to help U.S. auto companies increase their sales in Japan. The U.S. government is insisting that Japan drop the lifetime employment system as among the obstacles to the spread of a free market in Japan. "Lifetime employment" is what it sounds like: An employer who takes the responsibility to hire a worker, will also take the responsibility to keep that worker employed, until his or her retirement. It doesn't cover all workers, but a core of the labor force. So we find, in a country which the Anglo-American media describe as in a recession, 125 job openings existing for every 100 people looking for work; while in the "recovery"-bound U.S., there is about 18% unemployment.

Or, the Japanese say, "Your companies are hamstrung by your emphasis on quarterly performance, and stockholders' demands for increasing quarterly dividend payments. Why not change that? Why not cut out nonproductive overhead, and reduce your executives' salaries?" The U.S. reply? You guessed it: "Unwarranted government interference in the free market. You should give your stockholders the same rights we do."

The dividend and stock demands cut to the heart of everything which has gone on around the Dow Jones Index in recent years. The demands are straightforward, even if formulated discreetly: "Get rid of your bubble economy, and put people back to work in productive jobs." And the U.S. side replies: "The problem here is that you settle commercial disputes through administrative means. You need to expand your court system to make possible the settlement of civil disputes in court. You need more lawyers."

Suppose the bubble economy is coming down. What then? Is it worth wondering what happens when the Nikkei hits 15,000 and then 14,000? It was around 10,000, maybe less, before 1982, when the Donald Regan and Walter Wriston took over with their "creative financing" schemes. It seems that the real estate market would follow a similar path if the government's formulae for the financing of home sales is adopted, which it will be. This would push pricing of financial assets back to about 20% of their highs in 1989. That would be the equivalent of a 700-800 level on the Dow Jones, and of U.S. median housing prices back in the range of \$30-40,000. Do Japanese banks have to sell off their U.S. assets to bring that about? Probably not. Isn't it going to happen anyway, thanks to Bush's market-friendly, kinder, gentler America?

Earth Summit a success . . . for the enemies of mankind

by Kathleen Klenetsky

The U.N. Conference on Environment and Development (UNCED), also known as the Earth Summit, which met in Rio de Janeiro, Brazil during the first two weeks of June, must be counted a rousing success for the enemies of the human race. Despite complaints from the global environmentalist movement that the conference failed to achieve its more radical goals, the Earth Summit succeeded in winning virtual worldwide acceptance for the principal elements of the neo-malthusian agenda, and in setting the stage for an aggressive assault in the immediate future against mankind's very existence.

Two treaties were adopted at the conference: one governing climate change, and another on "biological diversity," which only the United States refused to sign, and that primarily due to political reasons connected to the November presidential election.

In addition, the conference adopted Agenda 21, a lengthy compilation of non-binding recommendations which is supposed to guide the policies of signatory nations on a broad spectrum of issues, ranging from population to "sustainable development," and it also issued a Declaration of Principles.

Moreover, a number of industrialized countries, led by Japan but also including western European nations and the United States, pledged billions of dollars to the Third World, not for desperately needed nuclear power plants or water projects, but for assorted environmental schemes.

'Hidden teeth'

No wonder, then, that the environmentalists have dubbed UNCED a victory. Aside from continued criticism of the Bush administration, particularly for its refusal to sign the biodiversity convention, the most influential leaders of the environmentalist movement have now agreed that UNCED on the whole made a dramatic contribution to their cause.

Richard Benedick, a former U.S. State Department official who negotiated the Montreal Protocol on chlorofluorocarbons (CFCs) and who served as an adviser to UNCED Secretary General Maurice Strong, advised the June 14 *New York Times* that the conference "should not be judged by the immediate results, but by the process it sets in motion." Don't worry about the blandness of the final treaties, the *Times* added in its analysis of the conference, because they "have

hidden teeth that will develop in the right circumstances."

Sen. Albert Gore (D-Tenn.), head of the U.S. congressional delegation to Rio and a prominent advocate of environmentalist lunacies, gave a glowing report on the conference to his Senate colleagues on June 16. "This meeting was a tremendous success for the world community," he declared, "in that a very powerful learning process took place for people of all nations around the world and their leaders. I believe deeply that substantive policy and program changes necessary to protect the Earth's environment will come more easily after the Earth Summit."

Gore expressed particular enthusiasm that the 100-odd world leaders who participated in UNCED, had agreed to create a "sustainable development commission within the United Nations." The commission, which will function as a subsidiary of the Economic and Social Council (Ecosoc), will be "empowered to have hearings, to have public proceedings, and receive evidence about the behavior and policies of countries around the world in order to assess whether and to what extent they are consistent with the agreements reached" at Rio, Gore explained.

A 'fundamental transformation'

Gore and Benedick are not alone in giving the Earth Summit high marks. Most private environmental groups share their view. According to Gareth Porter of the Environmental and Energy Study Institute, "the majority of environmental groups believe that the Rio meeting was by and large a success."

In an analysis entitled "What Happened in Rio?" Porter writes: "The agreements reached at the Earth Summit . . . fall short of what is needed to ensure that the world will be put on a sustainable path of economic development. . . . *But viewed in the context of multilateral diplomacy, they represent a remarkable achievement.*

"Even if the agreements adopted by the Earth Summit fall short of what is needed," Porter adds, "they do provide institutional mechanisms and benchmarks for holding governments accountable for progress in integrating environment and development and in forging more effective North-South cooperation. *Moreover, the Earth Summit itself represents a fundamental transformation of world politics.* The

conference raised the issue of sustainable development and environmental protection to the top of the global political-diplomatic agenda, both for governments and for people of the world. Political leaders, news media, and other powerful institutions must be deeply impressed by the fact that history's first truly global summit meeting of heads of government was devoted to environment" (emphasis added).

Rearguard action

The environmentalists are gloating, and for good reason. They succeeded at Rio in pulling off a virtual revolution against the foundation of Western civilization: the concept that man is the pinnacle of God's creation, and that by using his creative powers, he can and should exercise dominion over the rest of creation. And they also managed to limit and contain any significant opposition.

In the year leading up to Rio, significant opposition emerged to the more egregious neo-malthusian features promoted by Maurice Strong and other UNCED architects. The Malaysian government and other members of the Third World Group of 77 repeatedly demanded that economic development not be subordinated to environmentalism.

At Rio, these forces were able to insert wording in the final statement of principles which declared, "human beings are at the center of concerns" for sustainable development. This caused tremors among the eco-nuts, such as the *New York Times*, which complained in a June 14 article: "Putting humans at the center of things, with the implied right to dominate and exploit the rest of nature, is what has caused the problem in the first place."

But in the context of the Earth Summit as a whole, this statement amounts to little more than a rhetorical bow in the right direction, especially since it embraces the genocidal notion of "sustainable development." To put man at the "center of things," requires jettisoning the whole package of neo-malthusian policies, emphatically including the fraud called sustainable development, and replacing them with an aggressive, global program for high-technology-vectored industrial and agricultural development—the very opposite of what came out of the Earth Summit.

Similarly on the population issue: Although the Vatican, together with several Third World delegations, put up a vigorous fight to prevent the conference from blaming all the world's ills on the growth of human population, they, too, in their formal statements, paid lip service to the idea that human population growth was problematic. As a result, the Earth Summit's organizers were able to maintain the lie that human population expansion in and of itself leads to environmental problems.

Sen. Timothy Wirth (D-Colo.), another key member of the U.S. congressional delegate to UNCED, noted in a public statement on June 16 that in Rio, "Even the Holy See . . . was talking about population as an issue. Everybody understands that this issue of population must be addressed." Wirth urged

that the foundation set by the Rio conference be used to "begin preparations for the 1994 U.N. Conference on Population and Development," and announced that he will reintroduce a "comprehensive population bill" calling for a major international campaign to bring down population growth rates.

Enter greenie Bush

Ironically, given the criticism he came under for allegedly obstructing the Earth Summit, George Bush has put himself in the vanguard of those who see Rio as setting the stage for "fundamental transformations." U.S. and European sources report that the Bush administration is spearheading a campaign to impose one of the most lunatic environmental schemes yet: a global tax on the use of all fossil fuels, from oil to coal, that would require creation of a supranational institution to implement the levy.

David Warsh reported in the June 14 *Boston Globe* that the Bush gang has been "quietly laying the basis for a concrete deal on global greenhouse gas emissions," and that if and when Bush wins reelection, he will mount a campaign that, "with a little luck, will lead within a year or two to serious international controls."

The "free market" case for a global carbon tax was laid out in the June 4 *Wall Street Journal* by Martin Feldstein, formerly Bush's top economic adviser. Feldstein's proposal would get around the mandatory nation-by-nation limits on carbon dioxide emissions favored by the European Community executive committee by imposing a global level, and allowing countries to "trade" their emission rights with one another.

The proposal would mean a draconian tax on industrial and agricultural production worldwide. For industrialized countries which consume large amounts of energy from fossil fuels, such as the United States, it would put yet another costly burden on production. Gen. Richard Lawson (ret.), president of the National Coal Association, told *EIR* earlier this year that "the imposition of a carbon tax or a fossil fuel tax would certainly have a dramatic impact upon the American economy," and could mean the "imposition of huge sums, as much as \$200 billion annually, upon the overall economic capability of the energy production facilities of the country."

For underdeveloped countries, the consequences would be murderous. To allow countries to "trade" their emission rights would mean, in practice, that impoverished Third World countries, struggling under a terrible debt burden, would be given an inducement to forgo economic development, which depends ultimately on energy throughput, by selling their emission "rights" to earn some much-needed foreign currency in the short term.

Yet, the administration has already begun pressing other nations to convene a meeting on implementing the climate treaty signed at Rio, where, reportedly, the Bush team will put its carbon tax proposal on the table.

Castro consummates 'green' turn of the communist movement

by Silvia Palacios

During his visit to Rio de Janeiro, Brazil in early June to attend the so-called Earth Summit, Cuban President Fidel Castro openly adopted the demented green malthusian perspective as a rallying point for pro-terrorist and leftist shock troops on the continent. Castro thus joined the Anglo-American oligarchy, which planned the Earth Summit as a deliberate blow to the fundamental precepts of western Christian civilization, in offering "environmental militancy" to a communist movement bereft of doctrine ever since the fall of the Berlin Wall.

In addressing heads of state at the June 12 plenary session of the Earth Summit, Castro also gave clear signals to the United States that, apart from the ecology issue, he would support other aberrant aspects of President George Bush's new world order, namely, the demilitarization of the continent, a proposal contained in the plan promoted by former U.S. Defense Secretary Robert McNamara, which demands the dismantling of the continent's armed forces and channeling defense budgets into other areas.

"Now that the alleged threat of communism has disappeared and there are no longer any more excuses for cold wars, arms races, and military spending, what is blocking the immediate use of these resources to promote the development of the Third World and to fight the threat of the ecological destruction of the planet?" asked Castro, winning the effusive applause of President Bush.

While the disarmament proposal is a longstanding aspect of the famous Cuban plan, launched eight years ago, to reorganize the foreign debt of the region, it now precisely coincides with the proposals put forth by the most influential representatives of the Anglo-American establishment for disarming the continent. It is notable, for example, that the U.S.-based World Resources Institute (WRI), one of the brains behind the world eco-fascist movement whose board of directors includes McNamara, has been a pioneer in formulating proposals for diverting military budgets to fund environmental defense projects.

Backing the environmental police

Castro applauded the efforts of the Norwegian delegation, one of the most explicitly racist and malthusian at the summit. Headed by its prime minister, the infamous zero-growther Gro Harlem Brundtland, the Norwegian team,

along with others, enthusiastically promoted the idea of turning the World Bank into a global environmental police force, imposing new and genocidal environmental conditionalities upon, especially, Third World nations seeking financial aid.

It was during a June 16 interview with *Jornal do Brasil* (see box) that Castro offered a glimpse into the most intimate features of his Pol Pot-style anti-technology convictions. "Promotion of the life-style [of the United States] has become the ambition of all of Third World society. But to live like that is impossible." Imagine, insisted Castro, if "the development model for China was one car per person. The same with Africa. How long would fuel last? How long would the air last? If the air is already receiving 21 billion tons of carbon dioxide a year . . . the consequences are disastrous for the soil and the water, causing a universal catastrophe."

Castro also was intransigent in defense of the death penalty, which is mercilessly employed by the Cuban state to eliminate its political dissidents.

Targeting Christianity

The "green turn" that Castro consummated in Rio has been under preparation for quite some time, at the hands of two gurus of Marxist liberation theology, the Brazilians Fray Betto and theologian Leonardo Boff. Both are members of Castro's circle of friends, both were advisers to the birthing of the ecclesiastic "base communities" created by the Sandinistas in Nicaragua, and both maintain a notable influence among the communists of the continent, above all among those movements which have adopted the racist doctrine of "indigenism."

Following the defeat of the Sandinista regime in Nicaragua, and the fall of communism in eastern Europe, Fray Betto issued a call for the creation of "popular movements" premised on defense of the environment, since ecology has the potential to become "intrinsically revolutionary," he wrote in a July 1990 article published in *Jornal do Brasil*.

Frontally attacking an essential concept of Christianity, as reflected in Genesis 28 (which orders man to "fill the Earth and subdue it"). Fray Betto described this divine mandate as mere "Biblical fundamentalism" and "capitalist pragmatism." In sum, according to the so-called "green revolutionary praxis," any external manifestation of this Christian view will become a target of the green proto-terrorists, as is already occurring with the bloodthirsty

Shining Path (Sendero Luminoso) terrorists in Peru.

A 'universal ecological fraternity'

The influence of Fray Betto, one of the political brains behind Brazil's Workers Party (PT), was recently in evidence at a mid-June meeting in Rosario, Argentina which sought to reorganize under a single command structure the continent's pro-terrorist and communist movements. That command structure is already taking shape as the São Paulo Forum. The Rosario meeting proposed a continental magazine to be possibly headed by Fray Betto.

What was unusual about the Rosario meeting was that organizations which openly carry out armed activities in their respective countries were present, for example, the Simón Bolívar Guerrilla Coordinating Group from Colombia and the Manuel Rodríguez Patriotic Front from Chile. It is also worth noting that the mid-term perspective of the Colombian Coordinator, according to the press of that country, is that there will soon be a military coup in the former Soviet Union to restore communism, and that the revolutionary movements of Ibero-America must prepare themselves for that eventuality. According to Argentine press reports on the meeting, which drew 318 delegates from numerous countries, the most important speech given was that of Cuban Communist Party representative Germán Sánchez, who emphasized that "a new socialism must be generated," based on "a new morality."

This call for a "new morality" echoes the line of Fray Betto's counterpart, theologian Leonardo Boff, who has de-

voted himself full-time to a gnostic project that seeks to establish a "revolutionary spiritual basis" for the environmentalist movement.

Boff has committed himself to furthering the campaign that Castro and the global financial oligarchy has launched to denigrate the 500th Anniversary of the Discovery and Evangelization of the New World, by calling it "genocide." In his new book perpetuating the Black Legend, entitled *Latin America: From the Conquest to the New Evangelization*, Boff says that what he hopes to create through a defense of the environment is a new "development paradigm," which sacrifices everything for the sake of "respect for nature" and the sacred Mother Earth. The conquistadors, Boff insists, were insensitive to the mystical beliefs of the Indians who attributed sacred qualities to the Earth.

Thus, says Boff, "In the development-ecology equation, one must always opt for ecology, even at the cost of development."

Of course, Boff's ideas are hardly new; they reflect the same old Anglo-American colonial design for keeping the nations of the South as enslaved raw materials producers. This sentiment permeated the Earth Summit.

The only thing new is that Boff and the new communists hope to get Third World population sufficiently dazzled by the false gods of nature to impose genocide upon themselves. Boff admits that his ambitious goal is to create a gnostic "universal ecological fraternity," which is nothing but the eco-fascist "new order" of the corrupt Anglo-American elites.

Everyone must live with less, proclaims Castro

Fidel Castro made the following remarks in his interview with Jornal do Brasil on June 16.

The Americans are the ones who have most contaminated the environment because they consume three-quarters of the energy they produce. They consume the bulk of the metals and of the raw materials. There is also the problem of their habits and life-style. Promotion of that life-style has become the ambition of all of Third World society. But to live like that is impossible. I offer this analysis. For example, in the United States every house has at least two cars. There is nearly one car per capita. Now suppose the Chinese development model were to seek a car per person. Or the same with Africa. How long would fuel last? How long would the air last? If the air is already receiving 21 billion tons of carbon dioxide a year, I would say 25% is coming from the United States.

The consequences are disastrous for the soil and the water, causing a universal catastrophe. The terrible heat, the cyclones, the excessive rainfall, periods of drought. The hottest years of the century were the last 10 years. . . . The reduction of the ozone layer is serious because it protects man from the ultraviolet rays. Both the developed nations and those which want to develop are aware of this problem.

On Darwin

The reality in the world shows us that humanity has to become more rational if it wants to survive. No to nuclear war, no to environmental contamination; to survive preserving the conditions of life to which man adapted millions of years ago, evolving from that point. No one any longer denies the theory of evolution. Even Darwin, criticized and slandered, is now accepted by everyone. Even the British prime minister mentioned Darwin in his speech. Everyone accepts the theory of evolution of the species, of this species which evolved as an intelligent being, but it has yet to be demonstrated that this was for the good of nature. . . .

EIR joins fight against Cisneros takeover of U.S. television network

by Carlos Wesley

On June 18, *EIR* editor Nora Hamerman filed a formal letter of objection on behalf of *EIR* with the Federal Communications Commission (FCC) regarding the attempted takeover of Univision, the largest Spanish-language television network in the United States, by a group of dirty-money investors that includes Venezuelan Gustavo Cisneros Rendiles and his brother Ricardo. Former Norman Lear partner Jerrold Perenchio and Mexican media baron Emilio Azcárraga, owner of the Televisa network, are the other principals in the deal.

Azcárraga's Televisa is notorious for its pornographic soap operas and for its roster of avowedly Satan-worshipping stars. The Cisneros interests center on the Venezuelan television network Venevision, but involve a family-owned conglomerate of companies, headed by Gustavo Cisneros, active in many countries around the world.

EIR asked the FCC not to approve the transfer of the licenses of the Univision television stations from Hallmark Card, Inc. to the Venezuelan and his partners, because Cisneros "has a public record of activity in the area of mass media, and in other business activities, which makes his involvement with the proposed . . . takeover contrary to the public interest." The document cites "Mr. Cisneros's methods of silencing the opposition to his growing control over the communications media," as well as "the gravest of concerns regarding his and his companies' possible links to international financial circles involved in laundering dirty money."

The June 18 *Wall Street Journal* reported that *EIR*, the "international newsweekly founded by Mr. [Lyndon] LaRouche," was opposing the Univision deal "because of the involvement of Venevision, which is controlled by the Caracas-based Cisneros brothers. The spokesman contended that the brothers were behind a ban in Venezuela of a book published by LaRouche interests," reported the *Journal*. The book in question is *EIR*'s Spanish-language edition of *Dope, Inc.*, entitled *Narcotráfico, SA*—the only book banned in more than 30 years of elected governments in Venezuela.

False financial certification

Also opposing the takeover are the National Hispanic Media Coalition, the United States Hispanic Chamber of Commerce, and the National Puerto Rican Coalition, which filed a joint petition to deny transfer with the FCC on June

18. In a statement issued jointly by the Media Coalition's chairwoman Esther Rentería from Los Angeles, the Chamber's Dr. José Niño, and the Puerto Rican Coalition's Luis Nuñez from Washington, D.C., they said that the transfer poses the danger of illegal "foreign control of U.S.A. broadcast media." They noted that in 1986, Azcárraga was forced by the FCC to divest himself of many of the same television stations that today make up the Univision network, "because of unlawful alien control" of U.S. broadcasting facilities. Now, "Azcárraga is back at the FCC asking to own 12.5% of these stations, and for a 'friendly' alien ally to own another 12.5%, and for them jointly to own 50% of the Univision network. (Gustavo Cisneros, a principal owner of Venevision, is also a director of Azcárraga's Grupo Televisa.)"

Moreover, while the American "Perenchio will provide only \$50 million of the \$550 million purchase price . . . Azcárraga and the Cisneros brothers will arrange for and provide 'any additional debt to financing for the acquisition that cannot be obtained from Hallmark or from financial institutions.'" Perenchio, Azcárraga, and the Cisneros brothers may also have "filed a false financial certification" with the FCC, they charged. The League of United Latin American Citizens (LULAC), and the American GI Forum, are also fighting the takeover.

Text of EIR's letter to the FCC

What follows is the full text of the letter of objection filed by Nora Hamerman, as editor of Executive Intelligence Review, on June 18, 1992 to Donna R. Searcy, Secretary, Federal Communications Commission, Washington, D.C.

RE: Univision/BTCCT-920508KH KDTV et al.

Dear Miss Searcy:

I am writing this Letter of Objection to urge the Federal Communications Commission to deny the application for

Transfer of Control of Univision Station Group, Inc. to Perenchio Television, Inc. (PTI), as announced in the FCC's Public Notice dated May 19, 1992.

It is the contention of *Executive Intelligence Review* (*EIR*) that one of the proposed major financiers, stockholders, and directors of PTI, Venezuelan citizen Gustavo A. Cisneros Rendiles, has a public record of activity in the area of mass media, and in other business activities, which makes his involvement with the proposed PTI takeover contrary to the public interest.

EIR is not alone in these concerns regarding Mr. Cisneros's activities. As we document below, legislative, journalistic, and other reputable sources in at least four nations have publicly voiced their objections to Mr. Cisneros's methods of silencing the opposition to his growing control over the communications media, and have raised the gravest of concerns regarding his and his companies' possible links to international financial circles involved in laundering dirty money. The Cisneros interests center on the Venezuelan television network Venevision, but involve a family-owned conglomerate of companies which are active in many countries around the world.

It is our view that these documented concerns warrant, at the very least, the fullest possible investigation by the FCC in its consideration of the PTI application. This is especially so, since the application involves not just a single television station, but an entire network covering more than a dozen stations, which *in toto* constitute a large, and perhaps a dominant, share of the Spanish-language television market in the United States. For all of these reasons, the greatest scrutiny is appropriate in this instance.

Principal among the concerns regarding Gustavo Cisneros are:

1) *His manipulation of both the press and legal system of his country, Venezuela, to achieve the illegal confiscation and banning of a book which published an unfavorable view of the powerful Cisneros family and its vast fortune. Such activities are hardly consonant with upholding the principles of freedom of the press and freedom of expression which the United States holds dear.*

The book in question is *Narcotráfico, SA*, published by *EIR* in 1985, and which is the Spanish-language edition of the book *Dope, Inc.* It is an exposé of the international drug trade, and it contains a chapter which documents the extensive business and political links of the Cisneros family to international financial circles involved in laundering dirty money (see *Exhibit A*). It is the only book which has been banned in more than 30 years of democracy in Venezuela.

On Feb. 4, 1985, *EIR*'s offices in Caracas, Venezuela were raided by the Venezuelan political police, DISIP; all copies of *Narcotráfico, SA* were confiscated; and four correspondents were arrested. All four were deported from the country on Feb. 7. Simultaneously, a violently defamatory campaign was launched against *EIR* and its founder, Lyndon

LaRouche, through the Cisneroses' mass media empire, accusing *EIR* of everything from KGB espionage to blackmail. Major newspapers in both Venezuela and the Dominican Republic reported that the actions against *EIR* were taken at the behest of Gustavo Cisneros (see *Exhibits B* and *C*).

On Feb. 8, 1985, Gustavo Cisneros and José Rafael Revenga (vice president of the same Venevision which is a proposed part owner of Univision) presented a brief to the Fourth Civil Court of the Federal District and the state of Miranda, in Venezuela, seeking an injunction against the circulation of *Narcotráfico, SA* (see *Exhibit D*).

On Feb. 15, 1985, Judge Alirio Abreu Burelli of the Fourth Civil Court issued an injunction against the circulation of *Narcotráfico, SA* in Venezuela, and ordered "the seizure of said publication so that it does not circulate within the national territory" (see *Exhibit E*). The judge concurred with the allegations by Mr. Cisneros's lawyers that the book was an offense to the honor and reputation of the Cisneros family.

The order for the raid against *EIR* was signed by Judge Ana Luisa Gandica, who was also serving as legal counsel for Pepsi Cola Corp. in Venezuela—owned by the Cisneros family. One year later, Judge Gandica was ordered to leave the bench because it was found that she had never met the educational requirements for a judgeship. Her brother, Luis Gregorio Gandica, accompanied the police on the raids of the *EIR* offices, in representation of the public prosecutor's office. Mr. Gandica was fired in December 1985 for having stolen the files of another ongoing investigation.

Although *Narcotráfico, SA* remains banned from circulation in Venezuela to this date, this Cisneros-sponsored affront to freedom of the press was recently condemned by 18 prominent members of Congress from Venezuela, reflecting several different political currents. On Oct. 2, 1991, the congressmen issued a communiqué which decried that "a book called *Narcotráfico, SA* was prohibited from freely circulating," and urged "the appropriate authorities, and especially upon the Judicial Branch, to correct that irregular and unconstitutional action, which, by any lights, is prejudicial to free speech in Venezuela" (see *Exhibit F*). This statement by the Venezuelan legislators was seconded on Oct. 23, 1991 by a group of 12 congressmen in the Dominican Republic (see *Exhibit G*), and on Oct. 16, 1991 by three Peruvian congressmen (see *Exhibit H*).

It is noteworthy that Cisneros's efforts to silence all opposition continue up to the present. As recently as January 1992, Gustavo Cisneros personally flew to the Dominican Republic to apply his considerable political pressure and to threaten legal action against the owner of a television station there (Colorvision), and against producer and TV host Dr. Julio Hazim, because, during a television interview on Jan. 16, 1992, a guest had mentioned in passing the case of *Narcotráfico, SA*.

2) *Gustavo Cisneros's cousin and close business associate, Oswaldo Cisneros, in 1982 was denied authorization to*

purchase a Florida bank by the U.S. Federal Reserve, in a case which also raised serious questions regarding the international business connections of the entire Cisneros empire.

According to the book *In Banks We Trust* by Penny Lernoux (1984, Doubleday, New York) (see *Exhibit I*), Oswaldo Cisneros's brother-in-law, Juan Vicente Pérez Sandoval, attempted to gain control of Flagship Banks, the fifth largest bank holding company in Florida, in 1982. Flagship filed suit with the Federal Reserve, asking that the application be rejected "on the ground that the documents filed for stock purchase were 'materially false and misleading concerning the background and identity of Pérez and Credival,' " an indirect financial holding of the Cisneros family and Pérez's intended co-purchaser of Flagship Bank.

Notes Lernoux, "In addition to not acknowledging Credival's close relationship with the Cisneros family, Pérez did not disclose that he and Oswaldo Cisneros had been associates of Guillermo Hernández Cartaya in the mid-1970s." Cartaya is a Cuban-born banker considered the brains behind the World Finance Corporation (WFC), a financial empire up to its neck, according to Lernoux, in "drugs, the arms traffic, CIA agents, and Fidel Castro's regime."

3) *The government of the Dominican Republic in 1986 issued a decree revoking the "privileged citizenship" status that had been granted a year earlier to Gustavo Cisneros, after a Dominican congressman demanded an investigation of his "unsavory activities" in relation to his association with circles linked to the international drug trade.*

According to a Dec. 31, 1986 release by the legal office of Dominican President Joaquin Balaguer, Decree No. 1-86 (dated 1/2/86), granting such privileged status to Cisneros was overturned by Executive Decree 1271-86-494 (dated 12/23/86). The Balaguer decree to strip Cisneros of his Dominican citizenship followed a heated congressional debate in August of that year, prompted by then Speaker of the House of Deputies Ramon Pina Acevedo, who challenged Cisneros's right to Dominican citizenship in light of his "unsavory activities" and questions that had been raised regarding his association with circles linked to the international drug trade. After airing his charges on national television in mid-August 1986, Pina Acevedo submitted a resolution to the Chamber of Deputies on Aug. 27, 1986, demanding an investigation of the January 1986 executive decree which had granted Cisneros Dominican citizenship.

4) *An airplane of the Cisneros family company, Pepsi Cola Corp. in Venezuela, was raided by the U.S. Customs Service in Hollywood, Florida on Feb. 14, 1985, and was found to have a cache of cocaine on board.*

The Lear jet, with registration number YV-12-CP, was registered to the company Aeroservicio Alas, a wholly owned subsidiary of Oswaldo Cisneros's Pepsi Cola Corp. in Venezuela. According to the March 1985 edition of the respected Caracas newsweekly *Resumen*, the Cisneros orga-



Gustavo Cisneros (right) with George Landau, then the U.S. ambassador to Venezuela, and Manuel Azpúrua, then finance minister, in 1985.

nization "was mobilized, first to silence all reactions or commentary in any Venezuelan media, regarding this undoubtedly newsworthy event." The same editorial more broadly criticized "the Cisneros Organization, which used and abused its power and influence with the State, and the fact that it enjoyed a concession for providing the public service of television, to unleash against the authors or financiers—whether real or imaginary—of the book [*Narcotráfico, SA*] an illicit executive action to expel them from the country." (See *Exhibit J*.)

5) *According to the Venezuelan daily El Globo of Sept. 19, 1991, a Venezuelan congressional commission found evidence that members of the Cisneros family are the actual owners of Celere, Inc., a Miami-based company which the U.S. Drug Enforcement Administration (DEA) had under investigation for cocaine trafficking.*

The 1988 case involved the shipment of 5,000 lbs. of cocaine on the vessel Mercandian Continent, from La Guaira, Venezuela to Miami, Florida, and addressed to Celere, Inc., as reported in U.S. court documents (see *Exhibit K*). The Venezuelan daily *El Globo* (see *Exhibit L*) reported the Cisneros link to Celere.

We bring all of the above information to the attention of the FCC, because we believe it indicates a pattern of past activities by Gustavo Cisneros which is incompatible with his proposed new role as a dominant force in Spanish-language television in the United States. We therefore urge the FCC to deny the Application for Transfer in this case, or, at the very least, to open an investigation into the serious questions affecting the public interest which are raised herein.

If we may be of further assistance in more extensively documenting any of the above concerns, or in any other way, please do not hesitate to contact me.

Stormy times lie ahead for Poland

by Frank Hahn

Political chaos in Poland, rumors of a possible military putsch, ungovernability: These are the buzzwords which the western European media have been using to describe the mood in Poland following the fall of the government of Prime Minister Jan Olszewski on June 5. But all the hot-headed propaganda and sensational journalism miss the underlying dynamic: The brutal austerity policy forced upon Poland by the International Monetary Fund (IMF) has brought the country to the brink of collapse.

An impasse has been reached: It is simply not possible to make further cuts in support to pensioners who are currently receiving only about \$42 a month; one cannot simply close down every factory, hospital, and school in the country in order to balance the national budget. The Olszewski government, despite all its well-meaning intentions and assurances, never really challenged the IMF's scorched-earth policy in open battle, and this unwillingness to act became grist for the mill of Olszewski's opposition.

The collapse of Olszewski's government became inevitable in early May, when Poland's Supreme Court ruled that the low wages set for government employees were unconstitutional. When the matter came back to the Polish Parliament, the (formerly communist) Peasants' Party chaired by Waldemar Pawlak—up to then still part of Olszewski's coalition—joined with the former communist party and the Confederation for an Independent Poland (KPN) in a majority vote backing the Supreme Court's ruling. Some commentators over-hastily acclaimed this as a vote against the IMF; but in fact the IMF's name was not mentioned once during the entire parliamentary debate.

Pawlak's error is obvious: If he and his voting bloc had called for declaring the IMF measures themselves unconstitutional, this could have meant Poland's belated liberation from its two years of bondage under the IMF. But by singling out only one isolated IMF directive—a wage freeze for civil servants—without rejecting the IMF high commissioners' entire package, the effect was to plunge Olszewski into a dilemma, which was precisely what the former communists wanted to happen. The government had the choice of either acting in open violation of the Constitution, or of paying out retroactively the wages demanded by the court, which would throw the entire budget into a cocked hat. In the wake of this debacle, the Peasants' Party quit the ruling coalition, and the

Olszewski cabinet had to proceed without any budget at all.

The government worsened its own situation even further when it made the tactical mistake of attempting to parry pressure from the left by publishing the lists of former agents of the Polish communist secret service. It would have been far smarter and more statesmanlike, had Olszewski followed up the Supreme Court decision by declaring the entire IMF package to be unconstitutional. In this way he could have exposed the hypocrisy of the old communists, who up to then had spared the IMF from any frontal attacks—most likely because the IMF's measures for currency devaluation, budget control, and usury are so much in keeping with the plundering of Poland carried out by their former masters in Moscow.

Worse still, former Internal Affairs Minister Antoni Macierowicz's unfortunate flight-forward reaction with his publication of the lists, began to boomerang back on the government. When even the name of President Lech Walesa turned up among the spies for the former communist system, the insulted President quickly set into motion what more and more Poles are describing as a "left-wing putsch." Over the night of June 4-5, Olszewski was toppled by a vote of no confidence. The 32-year-old Pawlak was named the new prime minister, and the heads of the Defense Ministry, Internal Affairs Ministry, police, and television were all replaced.

Pawlak doomed to failure

Political observers in Warsaw believe it highly unlikely that the designated prime minister, Pawlak, can succeed in forming a new government, since at present he is immersed in an intra-party wrangle fraught with the greatest imaginable differences between Tadeusz Mazowiecki's Democratic Union, the Liberals around the former parliamentarian Jan Bielecki, Pawlak's own Peasants' Party, and the nationalist KPN. The daily *Berliner Zeitung* sarcastically compared Pawlak's tricky mission with the attempt to "square the circle."

But what will happen after Pawlak presumably fails? We will not speculate on that, but two observations are pertinent. First: The option whereby Walesa arrogates to himself the double function of President and prime minister, seems quite unlikely in light of the outcome of the latest national conference of his Solidarnosc movement in Gdansk. The former leader of the labor resistance was booed off the podium, and unofficial polls among the delegates found only 20% still backing Walesa and his policies.

Second: The toppled prime minister Olszewski has called in the meantime for a broad alliance against the "recommunitizing" of Poland. The Center Alliance, the Christian-National Union, and the Land Solidarity Party (PL) have all signed a joint declaration on the coming collapse of the Pawlak government. Political observers in Warsaw and Poznan have been noting the development of a broad wave of popular solidarity with Olszewski.

World Bank to India: Stop dam project!

by Ramtanu Maitra

The clearly biased results of a nine-and-a-half month investigation of one of India's Narmada River dam projects by a supposedly "independent" commission hired by the World Bank, were announced at a packed press conference in Washington, D.C. on June 18. The conclusions are couched in the vague terminology that the World Bank should "take a step back," and that "it would be prudent if the necessary studies were done and the data made available for informed decision-making before further construction takes place." But the fact that the independent review team made no mention of any positive aspects of this project, which is designed to provide irrigation water to 40 million people, raises the question of a possible hidden agenda.

Of the thousands of projects heretofore funded by the World Bank, none until now have been the focus of such an independent review. The precedent of setting up these kinds of commissions to kill developing sector development projects in which billions of dollars have already been invested, has enormous ramifications. The Indian government thus far has not responded to the study.

The overall Narmada River project is mammoth; work on it began over two decades ago. The overall project encompasses construction of 30 major dams, 135 medium dams, 3,000 minor dams, and more than 75,000 kilometers of canals. The total project area is 96,350 square kilometers, and the estimated cost is about \$15 billion, a figure likely to prove conservative. The Narmada River is India's fifth largest in size and the largest among the rivers flowing east to west. It represents an enormous untapped potential resource to deal with power and water shortages for domestic as well as industrial and agricultural use over a large area.

Without the project, river water utilization is barely 4%, as huge amounts of fresh water drain unused into the Gulf of Khambhat in the Arabian Sea every day. The core of the Narmada Valley development project is the construction of two major dams with large reservoirs. One of these two dams, the Sardar Sarovar Dam, which is located in Gujarat, is the target of the independent review. It is expected that the vast tracts of land which will be irrigated by the water made available from the Sardar

Sarovar project command area will eventually help to break the bondage of poverty and drought. Nearly 43% of Gujarat suffers acutely from drought.

Flawed criteria

According to independent review chairman Bradford Morse, the independent review was commissioned and paid for by the World Bank, and the total cost for the exercise was just over \$100,000. Noting the unprecedented nature of such a study, Morse said that perhaps the World Bank would never commission a comparable review again. He noted the team had explained in their letter to World Bank President Lewis Preston: "We think the Sardar Sarovar projects as they stand are flawed, that resettlement and rehabilitation of all those displaced by the projects is not possible under prevailing circumstances, and the environmental impacts of the projects have not been properly considered or adequately addressed."

An Indian journalist who questioned Morse and his team mates on the biased aspects of their investigation interjected that 40 million people will benefit from the project, contrasted with 100,000 people who will be affected; that most of the people affected have voluntarily agreed to relocate; and that they have been given alternative land, buildings, and financial assistance. He later noted privately: "They [the study team] apparently don't know anything about water scarcity. They have not even mentioned—suppose this project is not implemented, what will happen to the millions of people who will be forced to migrate from that part of India to somewhere else. Apart from this project, there is no alternative."

Park rangers for people

Lacking experience in the areas of drought and water scarcity, what were the study team's areas of expertise? The chairman, the Honorable Bradford Morse, is a former congressman and U.N. administrator. Perhaps more important, he is a member of the New York Council on Foreign Relations, as well as the Population Crisis Committee that was founded by William Draper. It was Draper who two decades ago likened the developing nations to the "world famous animal reserve—the Kruger Park in South Africa." "There the elephants were getting too numerous . . . threatening the food supply of other animals. . . . So the park rangers will act as judge and jury. They will arbitrarily reduce one or another species as necessary. . . . But who will be the park ranger for the human race?" Draper asked. The two above institutions in which Morse holds membership were instrumental in drafting *The Global 2000 Report to the President* in the early 1980s—in effect a handbook for the "park rangers." One of the proposals offered in the study is to keep energy prices high for the less developed nations to further reduce their purchasing power.

Assisting Morse as deputy chairman is Thomas Berger, a Canadian lawyer and Supreme Court judge known interna-

tionally for his work on aboriginal, environmental, and human rights issues. Berger received a distinguished achievement award from the Sierra Club of North America in 1978. Hugh Brody, a British anthropologist at the University of Cambridge who has written and directed anthropological films for British and Canadian television, was designated as the senior adviser for "resettlement and rehabilitation assessment" for the independent review.

'Just the beginning'

A second press conference, entitled "Responding to the Review of the Sardar Sarovar Project," was held the same day by the well-financed Environmental Defense Fund (EDF) in conjunction with Asia Watch and the "International Rivers Network." EDF lawyer Lorie Udall, who has coordinated the campaign to kill the Narmada project and is the daughter of the environmentalist former U.S. Interior Secretary Stuart Udall, began by commending the team on the "seriousness with which the team went about their review. From what I can tell about the recommendations, they support many of the issues that we've been raising over the last six years. . . . The project should be suspended; the bank should withdraw completely; there is overwhelming evidence that this project can never be implemented."

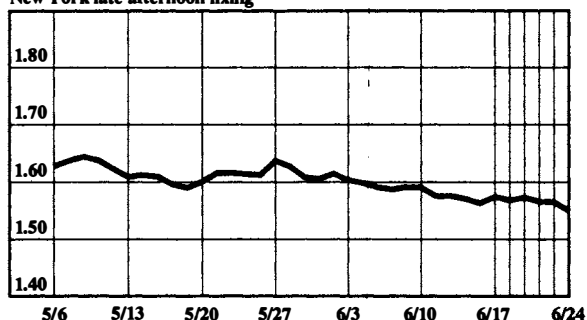
Udall said that the decision to even have an independent review was precedent setting; that she and others had finally convinced two World Bank executive directors "who convinced [then president] Barber Conable that this independent study was a good way to settle things." The study "will have far-reaching implications for other Bank projects. . . . In India alone the World Bank is financing over 20 projects; the situation in some of these other projects is worse than Sardar Sarovar. In other countries, projects such as the Pak Moon Dam in Thailand, the Katamonga Dam in Indonesia, also have serious environmental and social problems. What we have seen today is just the beginning," she said.

Smitu Kothari, an Indian member of the steering committee of the International Rivers Network, gave more details about the internationally coordinated non-governmental organization (NGOs) battering ram against large Third World development projects. "Lorie Udall, the Environmental Defense Fund, and the International Rivers Network on whose behalf I am standing here are part of close to 50 to 60 organizations around the world who have taken an extremely strong stand around projects like this." Never has the world seen until recent years, he continued, "the coming into being of popular movements and democratic forums that have become consolidated all around the world, never has one witnessed anything on the scale of this global alliance. This is a global alliance that extends itself horizontally across national boundaries to hold global institutions accountable." He claimed that there is a very active "movement across India," with which he and Udall are closely involved, to close down all of the Narmada Valley projects.

Currency Rates

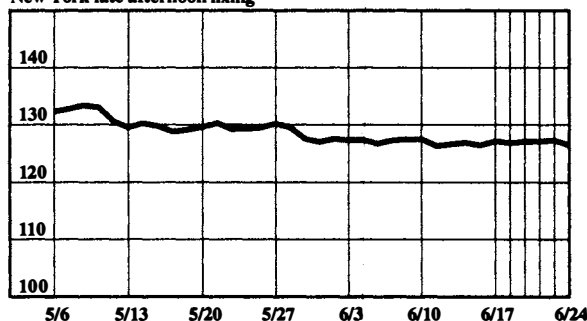
The dollar in deutschemarks

New York late afternoon fixing



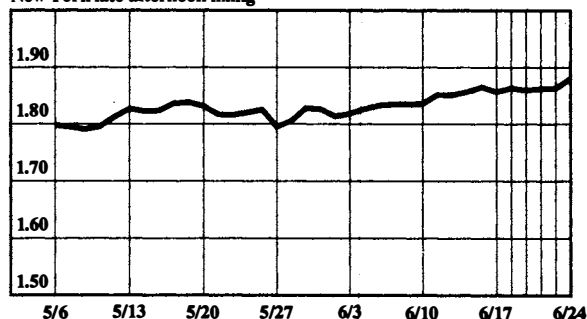
The dollar in yen

New York late afternoon fixing



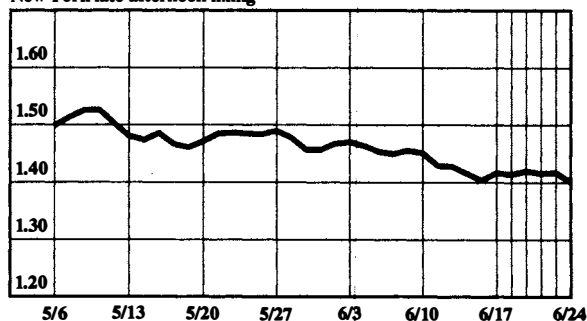
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Behind the stock market plunge

The speculative bubble has reached its limit, and with the crash of June 17, the "economic miracle" expired.

On June 17, the Mexican Stock Exchange (BMV) suffered a more than 5% drop, putting investors in "a state of extreme nervousness, but not panic," according to press reports. The stock index for the week fell 6.83%.

Innumerable explanations have been put forth to try to explain the plunge, but the only consistent and sensible explanation to date is the one which has been least paid attention to, and which has been described as "the least important" by market analysts.

"The Mexican market is saturated with new and not very marketable bonds," says the sixth and last point of the official explanation.

This doesn't mean that the new bonds which enter the market are necessarily "junk bonds," but rather that the immense speculative bubble that has been created on the basis of *expectations* of the Mexican "economic miracle" has already reached its limit, and can no longer *pay itself* the super-yields that its own speculative dynamic imposes.

This tends to explain why it was the stocks of Teléfonos de Mexico, or Tel-Mex (supposedly the most solid Mexican paper on the international market), that triggered the collapse.

The BMV's other explanations, as well as those of the financial experts, banks, and brokerage firms, include bits and pieces of the truth, but can offer no coherent picture of what really happened.

The remaining five points of the official BMV explanation of the market collapse are the following:

1) The news that the Mexican Telephone Workers Union was planning to sell off its workers' stock package was supposedly responsible for causing Tel-Mex stocks to tumble on Wall Street, dragging the paper of other Mexican companies with it.

This explanation doesn't wash, since if it is Tel-Mex stocks which are the standard-bearers of the Mexican "miracle," it is only logical that the telephone workers' union would have had no trouble finding good buyers.

2) Ross Perot's luke-warm statements against the North-American Free Trade Agreement (NAFTA), to be signed by the U.S., Canada, and Mexico, supposedly led U.S. investors to divest themselves of Mexican holdings.

It is true that \$2 billion fled Mexico in the 48 hours after the June 17 jolt. But it is highly doubtful that Perot was the real cause. If he were, his strength as a presidential candidate would have already defeated George Bush, at least in Mexico.

3) The BMV's third explanation is the fall of the international markets, especially that of the Nikkei Index in Tokyo, which registered its lowest level since 1986 on June 18. The Frankfurt, London, New York, Argentine, and Brazilian exchanges fell as well.

This "negative interaction" shows that not only the Mexican but the entire world monetary system is caught in a speculative bubble which can grow no further. It is a fact that ever since "Black Friday" of Oct. 19,

1987, the stock markets of the world have no longer been characterized by "free competition," but rather by political pacts among governments to keep the decrepit international financial system afloat. It is the impossibility of preserving those political agreements that is translating into the market crises we now see.

4) The "juridical monstrosity" of the U.S. Supreme Court authorizing the kidnaping of foreigners abroad had its impact on the Mexican exchange. The Supreme Court validated the so-called Thornburgh Doctrine, which not only put a chill on the Mexican stock market, but also destabilized political, diplomatic, and economic relations between the two governments.

5) The fifth point, according to the BMV, is a persistent instability of the financial markets, with domestic interest rates stubbornly moving upward to four percentage points above the 1992 projected inflation rate.

This upward pressure simply means that some speculators, anticipating further collapses of the market, want to create a "safety net" in some other speculative niche.

Among the more striking observations of the banks and stock brokerages are those which incorporate elements that suggest that the political pacts are no longer holding.

The Vector brokerage house, for example, points to "international political uncertainty" and to "divergencies within the European Economic Community regarding the matter of monetary unity" as a factor. Interacciones, another exchange house, argues a "lack of good news" with respect to NAFTA, but insists that the market collapse is in no way "due to domestic developments." Bancomer simply states that "what was most damaging about the fall of the exchange was the speed with which it occurred."

Relief programs run out of food

The U.S. Department of Agriculture is axing food donations, while Washington covers up the crisis.

This June marks not only the occasion of the annual wheat harvest in the United States, but the occurrence of food shortages in what was once considered the land of plenty.

Early in June, the U.S. Department of Agriculture announced that its stocks of food used for "bonus" donations (foodstuffs over and above contracted commodities) were running out. Bonus food donations by the USDA have dropped by more than 75% since FY 1987, while the number of needy served has increased. At the time of the just-announced cuts, these bonus foods were supplying 7 million Americans with supplemental food.

The program immediately hit hard is the Temporary Emergency Food Assistance Program, a USDA program which provides food to charities. In early June, the USDA discontinued all TEFAP distribution from its Atlanta, Georgia warehouse, to 250,000 people in the state.

On July 1, the USDA discontinues supplying school lunch programs with bonus flour. Earlier this spring, the USDA cut flour donations to other recipient programs for mothers and infants, the elderly, orphanages, hospitals, Indian reservations, prisons, and other institutions.

The impact is devastating, but the Bush-Clinton-Perot trio has not even acknowledged the crisis, and Congress has only conducted rump-covering hearings.

State and local food relief officials, however, give a picture of a nationwide food emergency. For example, food banks in northwestern Ohio

have not received cheese or powdered milk for four years, as unemployment and the need for food have worsened. Rice and beans have been absent from the food banks for a year.

At one time, every family was guaranteed a basic amount of food. This is no longer the case. Food bank workers say, "If they gave us three times as much food, it wouldn't be enough" to feed all the hungry people in the area. Families are selling their food stamps to meet shelter costs. The food stamps for a family don't generally last more than two or three weeks out of the month, after which the recipients must turn to the food banks.

Indian reservations report that the cuts will be devastating because their residents can no longer afford to buy bread and have relied on the bonus program to make their own.

Nationally, the school lunch program will lose \$30 million worth of flour. School officials estimate that for every 1% increase in the price of a meal, there is a 1% decrease in participation in the program, so there will be a bigger lineup at food banks and soup kitchens.

However, recently, the needy have been turned away empty-handed from food bank distribution centers in Arizona, Maryland, and West Virginia.

These turn-away situations were reported at a June 18 hearing in Washington, D.C., conducted by Rep. Bob Wise (D-W. Va.), who is chairman of the Government Operations Subcommittee on Information, Justice, and Agriculture. On June 24, House Agri-

culture Committee Chairman Rep. Kika de la Garza (D-Tex.) also held a hearing on the food donations shortages.

However, so far, no one in Congress has stepped forward to call for emergency farm output measures, and emergency food distribution measures to prevent Americans from going hungry.

Wise instead attacks foreign aid. He said in his press release on the June 18 hearing, "I am not convinced that the taxpayer prefers to use public money for the benefit of foreign consumers when millions of people are in need of food in the U.S."

De la Garza merely called on the administration "to explain the criteria used in allocating commodities for donation and its forecast on the availability of supplies." In his advance press release, De la Garza opined: "Market-oriented changes [free trade] in farm policies were made in the 1985 and 1990 farm bills to reduce costly, burdensome government stocks. Now we face the irony that the success of these policies is posing problems for an array of feeding programs that have become dependent on these donations."

The U.S. wheat harvest dramatizes the national and world food crisis. Whatever the final harvest volume turns out to be for this crop year, wheat carryover stocks are forecast to be the lowest since 1975-76.

Worldwide, the grains situation is the same. The April report of the U.N. Food and Agriculture Organization stated that "world carryover stocks are being drawn down. The current FAO forecast puts global cereal stocks at the end of 1991-92 seasons at some 9% below their opening level. Most of the decline will be among developed countries, with cereal stocks in the United States falling to their lowest level since the early 1970s."

The Bank Insurance Fund disappears

The only thing backing bank deposits now is certain bankers' ability to keep looting the public.

The myth that there is a bank insurance fund which protects bank depositors from losses was shattered on June 2, when the Federal Deposit Insurance Corp. admitted that its Bank Insurance Fund (BIF) ended 1991 with a deficit of \$7.0 billion.

According to the FDIC's preliminary financial results, the BIF lost a record \$11.1 billion in 1991, taking in \$5.8 billion in revenue against expenses of \$16.7 billion. Of that revenue, \$5.2 billion came from insurance premiums paid by the banks, and \$471 million came from interest on U.S. Treasury obligations. On the expense side, \$284 million was for administrative expenses, \$49 million for actual insurance losses, \$15.4 billion for unresolved losses, and \$1.1 billion for interest payments and other expenses.

Losses at the Bank Insurance Fund are nothing new. Losses due to failed banks have exceeded premium revenue every year since 1983, and the BIF has posted an overall loss every year since 1987.

Since the end of 1987, when the Bank Insurance Fund stood at \$18.3 billion, it has lost a staggering \$25.3 billion. In 1988, the BIF lost \$4.2 billion, dropping to \$14.1 billion. In 1989, it lost \$851 million and ended the year at \$13.2 billion. In 1990, the BIF lost \$9.2 billion to close at \$4.1 billion, and 1991's \$11.1 billion in losses put it into the red by \$7.0 billion.

Another way to gauge the level of bank insurance protection is to measure the size of the BIF relative to the amount of insured deposits. In 1987, when the BIF was at its peak, it had \$1.10 in funds for every \$100 in in-

sured deposits. By 1989, that figure had dropped to 70¢ per \$100, and by 1990, to 21¢ per \$100. In 1991, according to the FDIC, the BIF had a deficit of 36¢ for every \$100 in insured deposits.

According to federal law, the BIF is supposed to maintain a minimum of \$1.25 of insurance funds for every \$100 in insured deposits.

While the Bank Insurance Fund has disappeared, the banking crisis has not. The assets of the commercial banks on the FDIC's "problem list" stood at \$535.4 billion on March 31, 1992, compared to \$528.0 billion at the end of 1991, and \$341.6 billion at the end of 1990. While the assets have been increasing, the number of banks on the "problem list" has dropped slightly, to 981 at the end of the first quarter from 1,016 at the end of 1991 and 1,012 at the end of 1990. This means that bigger banks are now failing.

Comptroller General Charles Bowsher, head of the General Accounting Office, told the Senate Banking Committee on June 9 that "problem banks now hold nearly 17% of the total assets of banks insured by the fund," and expressed concern that banks were covering up the extent of their losses. "We believe there is a reluctance to value non-performing loans at values reflecting fair value conditions," Bowsher said. "This leads to overstated asset values and capital."

Robert Reischauer, the director of the Congressional Budget Office, told the Senate Banking Committee on April 1 that the CBO projects that the

BIF will lose \$14.5 billion in 1992 and \$17.3 billion in 1993, and will lose \$43 billion between 1992 and 1995. To cover these losses, the CBO projects that the FDIC will have to borrow between \$45 billion and \$50 billion. The CBO expects an additional 700 banks to fail during the 1992-95 period. These are "baseline" figures, Reischauer said, which are based upon the assumption of a "recovery" in the economy.

The White House's Office of Management and Budget has projected that the FDIC will lose \$72 billion during the 1992 to 1995 period.

Late last year, the Congress authorized the FDIC to borrow up to \$70 billion from the taxpayer to cover losses. Thirty billion dollars of that would come directly from the Treasury to cover losses at insured banks, and another \$40 billion would come from the Treasury's Federal Financing Bank for working capital. That money is for both the BIF and its savings and loan insurance fund sister, the Savings Association Insurance Fund (SAIF). So far, the FDIC has not tapped any of the \$30 billion, but has borrowed \$12 billion from the Federal Financing Bank. In theory, this money will be paid back out of bank insurance premiums. In reality, the taxpayers will pick up the tab.

To facilitate the appearance that this money will be paid back, the FDIC has announced a boost in deposit insurance premiums. Starting Jan. 1, 1993, banks will have to pay 28¢ in premiums for every \$100 of domestic deposits, compared to the current rate of 23¢ and the 8.3¢ rate in 1989.

Due to the presidential elections, the FDIC has dramatically slowed its bank closings this year. One can expect a rash of post-election bank closings in November and December, with the taxpayers eventually picking up the multibillion-dollar tab.

Stock mutuals boom underscores crisis

The surge in stock mutual funds is pumping up the bubble at the expense of small investors and real investment.

In the 16 months since the Federal Reserve began slashing interest rates, investments in stock mutual funds have been spiraling upward at record rates. Since December 1990, when the discount rate stood at 7%, stock mutual fund investments have gone from \$245.8 billion to \$393.7 billion today. That's an incredible 60% increase, beyond even the spectacular growth rates of the go-go 1980s.

Record net investment inflows have been set every other month recently. New records were set in December, February, and April, culminating in a \$7.5 billion net inflow in April. What is even more amazing, at least on first impression, is that these new record inflows have occurred while the average stock fund has *lost* nearly 1% of its value this year.

The financial press reports that even investment managers are supposedly surprised by the continued investment surge, having expected such weak performance to chill investor lust. Even more perplexing is that the investment surge is being fueled by small investors dominated by retirees or those planning for retirement, who had heretofore been wary of volatile stock investments and tended to prefer safer, more stable income generators like bond, income, and money market funds.

Therein lies the method to the ostensibly mad behavior, and it's hardly surprising. The simple fact is that interest rates for "safer, more stable" income funds and savings devices cannot keep pace with the real inflation rate confronting older Americans:

soaring expenses like health care and taxes, on the one hand, and shrinking real values of entitlement programs like social security and Medicare, on the other.

With interest income dropping to the range of 5% or lower, these investors have become increasingly desperate for higher rates of return, and have had no choice other than to venture into potentially higher-earning stocks and stock mutual funds. Even though the economy in general, and corporate balance sheets and cash flow in particular, get worse and worse, these small investors have been virtually compelled to keep pouring money into these stocks.

Their situation has become like the impoverished gambler or lottery player against whom the odds are stacked, but who clings to the hope of escaping poverty if he strikes it rich. And these investors have about as much chance as the erstwhile gambler. The reason is the same as the causes for the stock market boom itself over the last two years.

The causes of the boom are twofold. First, as is painfully evident from the decline in output and continuing collapse in employment, the money pouring into the market represents *disinvestment*, a shift of funds out of productive, jobs-producing sectors. Second, and more important, the chimera of "market prosperity" has been the Wall Street elites' prime psychological warfare prop standing between the current "managed decline" and a general financial panic; hence, they have spared no effort ensuring a

flow into especially the 30 Dow Jones Industrials—the stocks that are popularly equated with "the market."

While most of the market has indeed been dominated by big institutional pension funds and professional speculators, more and more of the market's new money has come from desperate small investors operating through stock mutuals. Ironically, as more of them jump in, this temporarily "stabilizes" an otherwise untenable market by inflating values, and feeding the bubble that will make the inevitable bust even bigger.

Net stock purchases by mutual funds have grown so much that they now amount to nearly three-quarters of all new stock offerings, thus driving the broad advance in nominal stock "values" over these last 16 months, while spreading the investment over a wide variety and number of companies.

A good number of these investors like to think they're smart by being "conservative." These players have been eschewing the riskier stock funds, choosing instead the most conservative growth and income funds. In April, for example, these kinds of funds raked in 39% more than in December.

This genius, however, is that of idiot savants, because the market is heading for a lollapalooza of a "correction," which they would know if they simply observed the actions of their own stock fund managers. These managers have been holding a rising proportion of incoming funds as cash reserves and highly liquid Treasury paper.

In other words, Wall Street knows the market is overblown. But it keeps taking in sucker money from the little guy, holding a rising proportion of it liquid in order to bail out selected asset values and, they hope, stave off a total paper meltdown.

Business Briefs

Science

Sound emissions found in the human ear

Otoacoustic emissions, sounds produced within the cochlea of the human ear first discovered in 1978, have been under intensive study in recent years.

When a sound-producing device inserted into the ear emits a brief click, a healthy cochlea responds a few thousandths of a second later by sending back an echo-like copy of the click. The phenomenon is known as an "evoked otoacoustic emission," and is absent from the deaf, including deceased persons.

Dr. William Brownell of Johns Hopkins School of Medicine has carried out intensive anatomical investigations of the Organ of Corti, a specialized organ in the cochlea, which harbors three rows of 15 or more U-shaped stands of hair cells. Each outer hair cell is connected to two nerves, one going to and one coming from the brain. At the top of each hair cell are about 100 tiny rigid spines called stereocilia. Brownell thinks the stereocilia are bent back and forth by the air pressure variations in a passing sound wave, and the bending is transmitted to the parent hair cell as an electrochemical oscillation.

Brownell and others believe the outer hair cells function as amplifiers to maintain a smooth progression in sound perception from soft to loud. This evolutionary refinement in the hearing organ, apparently unique to humans, might be necessary for the understanding of speech. Fish, reptiles, and birds, among other animals, do not produce otoacoustic emissions.

International Credit

Forget development, bank chief tells Third World

The nations of the South may not like it, but they will have to forgo economic development to protect the environment, says the head of Switzerland's Bank for International Settlements

(BIS). The unprecedented statement by Alexandre Lamfalussy appeared in the BIS's just issued annual report.

"More and more people have become convinced of the urgent need for action to protect the life-supporting properties of the Earth's atmosphere," he writes. "Such action may mean channeling resources into the defense of nature on a scale which cannot fail to restrict growth indirectly by absorbing funds that would otherwise have been destined for 'productive' investment."

These concerns, he adds, are "much more important in the relationship between North and South. The developing countries want for themselves what the developed countries already have. Arguments amounting to denying them progress in this direction and restricting further population growth are seen by some in developing countries as hypocrisy, an attempt by the developed world to defend its fortunate position against the have-nots. The whole issue is one of utmost complexity. . . . It may be hard enough to feed the present world population by using production methods which do not place too heavy a burden on the environment; the prospect of population increases on an unprecedented scale year by year makes the matter a frightening race against time."

World Bank head Lewis Preston, in a speech delivered at the recent so-called Earth Summit in Rio de Janeiro, said that the World Bank is now demanding "environmental action plans in developing countries" as a prerequisite for any World Bank project lending.

Monetarism

IMF under attack for Russia policy

A former member of the board of Deutsche Bank has attacked the International Monetary Fund (IMF) and World Bank for incompetent interference in the Russian economy. At an East-West economic forum in Berlin on June 15, Axel Lebahn, who is now a consultant on Russian-German joint ventures, said, "The IMF and the economic advisers from Harvard have produced nothing but stereotyped ap-

proaches that are far from the Russian reality."

Lebahn said western governments and monetary institutions should see to it that their policy does not dissolve into "funding an economic war of the [former Soviet] republics against each other."

He charged western governments, the IMF, and World Bank with imposing conditions for aid that amounted to "interfering in the inner affairs of the Community of Independent States" to an extent that "rejection and mistrust among the population" would be the consequence—and this at the expense of market reforms: "Certain groups in Moscow are already building their political ambitions on that situation."

Meanwhile, the June 16 *New York Times* ran a lead editorial entitled "The IMF's Ruinous Caution." "Its cramped response endangers Mr. [Russian President Boris] Yeltsin's dream of economic reform," the *Times* said, chiding the IMF for "blocking the release of \$24 billion the West promised to provide in 1992." Yeltsin "has carried out an astonishing array of market reforms even without the promised aid. . . . Now, however, as the economy spirals downward, his Parliament is beginning to question further reforms. In these circumstances, the IMF's caution amounts to reckless inaction. . . . The IMF's response . . . [has been] warm words, harsh demands."

Biological Holocaust

AIDS study sees African population decline

A study released in London projects a population decline in absolute numbers in Africa because of the AIDS epidemic. Roy M. Anderson, head of the department of biology at the Imperial College of Science and Technology, and Robert M. May of Oxford University, say that in many African countries, population growth rates will soon turn negative because of AIDS—i.e., more people will be dying than are being born.

The projections have been presented in medical and scientific journals over the past year, and have now been expanded on by Dr.

Briefly

Anderson at an international conference on infectious diseases in Nairobi.

The Anderson-May findings, according to the June 18 *International Herald Tribune*, claim "that within 20 years, the AIDS epidemic in the worst-afflicted African countries may turn current high population growth rates negative. In Uganda, where 1.5 million people out of a population of 16 million are thought to be infected with HIV, the virus that causes AIDS, the current 3% population growth rate is likely to fall to below zero after 2002, with more people dying than being born. In 15 years, Uganda would have 20% fewer people than if the AIDS epidemic had not occurred." Other countries in Central and East Africa, such as Tanzania, Malawi, and Rwanda, "would be similarly affected."

The Anderson-May results "are far gloomier than those of other mathematical modelers at the World Bank, the World Health Organization, and the Population Council in New York. They have all concluded that population growth in Africa would be curbed by AIDS but would not turn negative."

Food

African leaders to hold talks on starvation threat

Ministers from 36 countries will hold crisis talks in Nairobi, Kenya on the food shortage in sub-Saharan Africa, and some have charged western governments with being partly responsible, Reuters reported on June 20.

Kenyan Minister of Agriculture Elijah Mwangale charged that western governments and donors contributed to the crisis by not subsidizing production of traditional drought-resistant crops and demanding repayment of foreign debts. He said Africa was struggling to service debts of \$380 billion.

"With such large debts and continued political instability, Africans have found it hard to cope with their food needs," he said.

Announcing the talks, Mwangale said problems of food shortages had been exacerbated by civil wars and drought in eastern and southern Africa. "This year, people suffering

from chronic famine in the Horn of Africa, Angola, and Mozambique will be joined by as many as 18 million people threatened by starvation for lack of food and water in southern Africa," he said. "The region accounts for 29 out of 40 low-income food-deficient countries that failed to provide enough food for their people and meet average nutritional standards. This must change."

The United States, Germany, France, Japan, and Australia will be among the donor nations at the meeting, while Kenya, Gambia, Uganda, and Mexico head a team representing developing nations.

The immediate need in the drought-struck region of southern Africa is 14 million tons of outside food aid, while only 8.2 million tons has been pledged.

Ibero-America

Senators vote up IMF 'tax reform' voodoo

The Colombian Senate recently voted up a tax reform package that was designed to meet the conditions set forth by the International Monetary Fund, and did so during an astonishing display of witchcraft and counter-witchcraft between supporters and opponents of the bill.

The reform package will raise taxes and was offered up as the centerpiece of the Gaviria government's economic plan, as designed by IMF advisers.

It was, perhaps, only appropriate, therefore, that during the debate, "Regina 11," a self-proclaimed witch who is an elected senator, put some powder on the chair of Finance Minister Rudolf Hommes, said some incantations, and waved some amulets. Her witchcraft was an attempt to ensure the defeat of the bill.

Hommes, not to be outdone, left the Senate chamber, and returned waving a goat's foot and other amulets of witchcraft to prevent the tax measure from being defeated. He explained that this was "the counter" his "advisers in matters of witchcraft" had recommended for use against Regina 11.

● **CHILD LABOR** is returning in the U.S.A., according to a the June 21 *New York Times*. "Federal statistics indicate that at least 4 million children ages 14-18 are legally employed. But an estimated 2 million other children work illegally."

● **AIDS** and economic deterioration around the globe have led to the resurgence of tuberculosis in Europe and the United States, according to a World Health Organization report, the French daily *Le Figaro* reported June 18. After the "spectacular results of the 1970s," TB's "reawakening is brutal . . . due in significant part to AIDS, but also to the aggravation of socio-economic conditions."

● **'POST-INDUSTRIALISM,'** which absorbed immense funds in the non-productive sectors, was "the idiocy" that ruined Italy, charged Romano Prodi, a former cabinet minister, in an interview with *La Repubblica* daily on June 19. Prodi said banks have developed a life separate from the real economy, and provide it with little credit.

● **GOV. DOUGLAS WILDER** of Virginia called for debt forgiveness for Africa, while in Nigeria June 19. "We should try and wipe the slate of indebtedness clean so that underdeveloped countries can start developing to ensure a better environment, recognize capital improvement, and attack the problem of health," he said, the *Washington Times* reported.

● **CANADIAN** businessmen have shipped Can. \$200 million worth of potatoes to the Russian military, which is to sell them and use the proceeds to set up a new bank in Russia. The aid amount is larger, the CBC reported, than anything the U.S. or Canada has given Russia so far.

● **ASIAN NATIONS** must forge new links to ensure their continued economic success and to guard against emerging trade blocs, Malaysian Finance Minister Anwar Ibrahim told an economic seminar June 15.

Fluctuations discovered in cosmic background radiation

The findings from the Cosmic Background Explorer raise many questions, above and beyond whether it proves the validity of a hypothetical Big Bang cosmology. David Cherry reports.

The discovery of temperature fluctuations in the cosmic microwave background radiation (CBR) was announced April 23 by a team of scientists at the Washington meeting of the American Physical Society.¹ The finding, which results from analyzing the first year of data from NASA's Cosmic Background Explorer satellite (COBE), is being hailed as a big boost for "Big Bang" cosmology.

Without the eventual discovery of *some* fluctuations, the Big Bang theory would be in big trouble, even in the eyes of its staunchest defenders. For years, cosmologists have been revising their theories to predict fluctuations of lesser and lesser amplitude, as better and better searches failed to find the previously predicted ones—until now.

According to the Big Bang hypothesis, the universe began as a point without dimensions; has expanded to its present size; and will either expand until there are no energy differentials for living things to exploit ("heat death"), or will eventually cease expanding and collapse upon itself in a gravitational catastrophe. For the most part, this fashionable hypothesis—obligatory for professional astronomers—has been turned by our institutions into a certitude and a substitute for religion, but with the opposite conclusion: It is used to show that human existence is pointless. Big Bang cosmologists themselves—with exceptions—converge toward agreement on this point. Some Christians have endorsed the theory for its seeming coherence with the account of Creation in Genesis, as well as its prediction of a programmed "apocalyptic" death of the universe. Of course, this latter point has made the theory attractive to malthusians who see it as substantiating their anti-human assumptions.

It is necessary to distinguish between this philosophical misuse of a scientific hypothesis and the scientific value of the hypothesis itself. But the Big Bang does not do well by

the latter standard, since, like much of scientific thought in the 19th and 20th centuries, it is premised on the dominance of no more than gravitation and random collisional processes. The theory cannot account for the existence of the human mind. Nor is there room in it for the possibility of a future in which the human mind might play an ever-larger role in ordering the universe, as it has built civilizations on Earth.²

Fluctuations in Big Bang theory

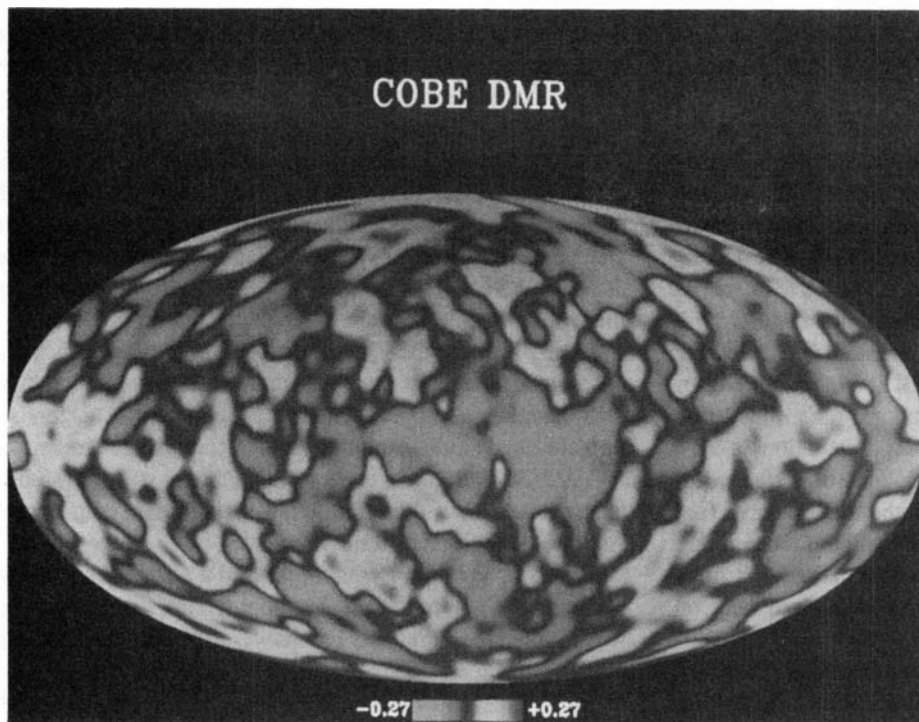
The existence of the cosmic microwave background radiation is a cornerstone of Big Bang theory, and the theory goes on to say that there must be fluctuations (signs of gravitational clumping) if the eventual formation of galaxies and clusters of galaxies is to be explained.

The reported fluctuations are much too large in spatial extent (too large in "angular scale," strictly speaking) to represent the precursors of galaxies or galaxy clusters. Such precursors are still being sought.

If the reported fluctuations are confirmed, however, they are important, Big Bang or no Big Bang, as they disclose an important feature of the cosmos.

The measurements on which the announced finding rests—hundreds of millions of them—were made by the Differential Microwave Radiometer (DMR), one of the instruments aboard the Cosmic Background Explorer that was launched in 1989.

The DMR is a set of three radio receivers, each with a pair of horn antennas. The members of each pair of antennas are set at a 60-degree angle with respect to each other and the radio receiver into which they both feed is sensitive to the difference in the amount of power coming down the horns. This means it is measuring differences in brightness or temperature across the sky. The antenna pairs are tuned to



This computer-generated map of the sky, using COBE data, shows the reported temperature fluctuations in the cosmic background radiation. The discovery, if confirmed, discloses an important feature of the universe.

The original computer image is in color, with light blue for relative cold, dark blue for cool, pink for warm, and red for relative hot—the entire range, of course, is minute. In this black and white print, the lightest regions correspond to pink; the darker patches in their centers are red. The lightest (pink) regions are bounded by dark blue; the large, medium-dark regions are light blue.

Most of the apparent temperature differential shown on the map is actually instrument noise. Computer statistical analysis is used to show that some of it is not.

wavelengths of 3.3, 5.7, and 9.6 millimeters, respectively.

Credit for the identification of the fluctuations belongs to the team responsible for COBE science, known as the COBE Science Working Group, chaired by Rainer Weiss of the Massachusetts Institute of Technology (MIT), with John Mather of NASA's Goddard Space Flight Center as project scientist. Mather, whose interests include cosmology and infrared optical astronomy, has been the leader of the team on a day-to-day basis for 15 years. George Smoot of the Lawrence Berkeley Laboratory in California is principal investigator for the DMR instrument aboard COBE. Charles Bennett of Goddard is deputy principal investigator, and others have had major roles.

The team had had indications that fluctuations were present in the data as early as last August, but made no announcements, while they subjected the data to extensive computer analysis and searching criticism.

The evidence for the existence of fluctuations is "not strong," according to the team's press release issued by the Lawrence Berkeley Laboratory April 23. The release goes on to say, however, that the scientists "believe their measurements and maps are correct, and will attempt to corroborate their findings with additional data" from other experiments and from COBE.

The view that the evidence is "not strong" is not the majority view in the Science Working Group, however. In an interview with this author, Harvey Moseley of Goddard, a member of the group, said, "We are as sure as we can be that the results are correct, and would not have come forward

with them without such confidence." George Smoot is reported to have said that there is a "10 to 20%" chance the finding is wrong. But Moseley commented, "That's like trying to quantify the perversity of the world. That's not the result of any statistical measure of confidence. Any remaining doubts have less to do with this finding, and more to do with the nature of life itself."

Smoot predicts a "gold rush" of physicists trying to confirm or disconfirm the finding. Stephan Meyer of MIT, another member of the Science Working Group, who has also participated in MIT balloon-borne experiments to search for the fluctuations, says the MIT results overlap those just reported from COBE. The MIT group found an upper limit for the possible amplitude of temperature fluctuations—it is in the middle of the range found from COBE data—but the MIT group found no lower limit, leaving open the possibility that fluctuations are smaller, or even absent. The comparison is not direct, and depends upon some assumptions, since the MIT instrument is looking for fluctuations of smaller spatial extent. Meyer hopes a lower limit may yet be found from the MIT data, much of which have not yet been analyzed.

What is the cosmic background?

If you tune your FM radio to the quietest position between stations and turn the volume up, you will hear a quiet ocean of background noise. Most of it comes from warm objects around you, and small parts of this radio transmission come from the Sun and our galaxy. But one-half percent comes from the cosmic background, which gets its name from the

fact that its intensity is the same in all directions (except for the minuscule variations just reported), and hence is not arriving from any isolated source.

Just as Karl Jansky in 1930 discovered by accident the existence of radio waves arriving from space, so Arno Penzias and Robert Wilson discovered by accident the cosmic background component of these radio waves in 1964—thinking at first that they had a bug in their equipment. The cosmic background is in the microwave or short radiowave range (its intensity peaks at a wavelength of 1 mm), and is vastly less intense than the beams in microwave ovens. It is so faint that its temperature is 2.73° Kelvin, or 2.73° above absolute zero.

In January 1990, a COBE instrument determined that the spectrum of the cosmic background radiation is very precisely that of the hypothetical black body or perfect equilibrium radiator; its spectrum follows the Planck curve (see **Figure 1**). And now it is reported that there are temperature fluctuations in the cosmic background radiation, but none larger than 6 parts per million in amplitude (see map on preceding page).

The cosmic background radiation also establishes a reference frame for all local motions: Find the vector sum of the motion of the Earth around the Sun, the Sun around the galaxy, and the galaxy in the local group and Virgo supercluster; then aim a pair of antennas, one directly into this line of motion and one in the opposite direction. The cosmic background wavelengths will be Doppler-shifted in equal and opposite amounts, relative to measurements at right angles to this line. (Doppler shifting is the lengthening or shortening of wavelengths owing to relative motion: When a locomotive approaches, the pitch of its whistle sounds higher than it does to those on board; after the train passes, the pitch drops and is lower than it sounds to those on board. The same phenomenon occurs with light waves: Light redshifts as the source recedes and blueshifts as it approaches.)

This much is the outline of what we really know about the cosmic background radiation. But what causes, or what caused, the background radiation? No one really knows.

The assumption “that the microwave background is truly primordial . . . is the foundation for all of our theories of the Big Bang expansion,” wrote Yale astrophysicist Lawrence Krauss in his 1989 book, *The Fifth Essence—The Search for Dark Matter in the Universe*. The assumption is not arbitrary, but the evidence that drives it is “circumstantial,” as Krauss puts it.

The Big Bang account

Let’s go back a step, and review what the Big Bang theory is, and how it emerged.

In Einstein’s 1916 theory of general relativity, the equations that describe the universal gravitational field are generic—that is, capable of many solutions. Broadly, the universe could be static, expanding, or contracting. These equations were to become the foundation of the Big Bang theory.

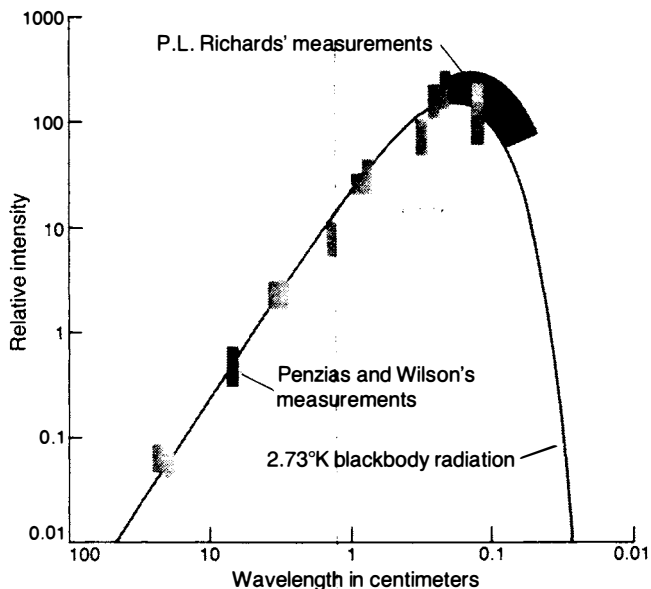
In 1929, the American astronomer Edwin Hubble an-

nounced that the redshifts of galaxies increased on average as the galaxies got fainter—that is, as they became more distant. He interpreted the increasing redshifts as increasing velocities, and concluded that the universe was expanding. Thus he interpreted the shifts toward the red end of the spectrum as a Doppler-like effect in the realm of light. (Although he soon came to doubt this interpretation of the redshifts and never returned to it, the expanding universe became the dogma, and Hubble’s views were then systematically misrepresented and certain of his papers ignored.³)

The Big Bang theory as a history of the universe, based on general relativity and the Hubble expansion, was first formulated by Georges Lemaître, a Belgian priest-scientist. Lemaître had studied solar physics at Cambridge University in 1923-24 and there became acquainted with Einstein’s champion Arthur Eddington, who was president of the Royal Astronomical Society at the time.

In his 1933 book, Lemaître posited a primeval egg about 30 times the volume of the Sun, containing everything that was to form the universe. The universe began when the egg

FIGURE 1
Spectrum of cosmic background radiation



The curve is the theoretical spectrum for a “black body” or perfect radiator, at a temperature of 2.73° Kelvin. The cosmic background radiation was predicted to have this spectrum. The dark blocks are the actual measurements, with their error ranges, as of the mid-1970s. In 1990, data from a spectrometer aboard COBE showed that the actual spectrum follows the theoretical curve very precisely.

The intensity of the radiation peaks near a wavelength of 1 millimeter. The COBE antennas searching for fluctuations are tuned to wavelengths of 3.3, 5.7, and 9.6 millimeters, all near the peak.

exploded. The universe has been expanding ever since, according to the theory.

This original Big Bang theory was greatly refined and elaborated by the Ukrainian-American physicist, atheist, and popular writer George Gamow, beginning in 1946. Gamow wrote that the universe began with a singularity, that is, an infinitely small but infinitely dense point—as Einstein's theory strictly required. He argued that after the explosion occurred, in the first fractions of a second, the expanding egg was made of neutrons and their decay products—a mixture of neutrons, protons (hydrogen nuclei), free electrons, and electromagnetic radiation (light)—and was too hot for helium nuclei to stably form.

With expansion, the mess cooled, allowing the formation of helium and other light nuclei, all before the elapse of the first second.

The cosmic background radiation came much later, after about 300,000 years of expansion. Until that time, radiation within the fireball could not travel independently of the matter because the sea of electrons and protons was so dense. It was reabsorbed by matter as quickly as the matter would emit it. Then came the era of “decoupling of matter and energy” at about 300,000 years: When expanding and cooling had gone sufficiently far, electrons combined with protons to form atoms, and the radiation could travel. That initial burst of light should still be visible to us, who are “inside” the still-expanding ball (“outside” is undefined), because all subsequently generated light must be vastly less intense.

It will, however, be very weak today, having spread out over a much-expanded universe (about 5° K was originally predicted, 2.73° K is the measured value), and greatly redshifted toward longer wavelengths by the expansion of the universe (much like Doppler shifting), so that its peak intensity was predicted to occur at a wavelength of about 1 mm, as it does. Since matter and energy were in equilibrium up until decoupling, the radiation should show a black-body spectrum.

Despite the apparent triumph of these predictions, there are criticisms and questions that are more easily ignored than answered. Edward Harrison, a well-known astronomer at the University of Massachusetts at Amherst, argues that the fluctuations seen by COBE may not arise in the manner specified in the Big Bang account, but may result from the formation of galaxies. Harrison told the May 12 issue of the *New York Times* that in galaxy formation, gases are compressed by gravitation and are heated up enough for hydrogen atoms to be stripped of their electrons. This process, he said, could be responsible for the fluctuations found by COBE.

In making this point, Harrison is not bringing into question the Big Bang. There are critics of the Big Bang, however, who also attribute the cosmic background radiation to galaxy formation or even, most recently, to the cumulative effect of supernovae (Halton Arp et al., “The Extragalactic Universe: An Alternative View,” *Nature*, Aug. 30, 1990).

Irving Segal, professor of mathematics emeritus at MIT,

author of *Mathematical Cosmology and Extragalactic Astronomy* (1975), and a critic of the Big Bang, rejects the notion that either of the two major COBE discoveries is uniquely indicative of a Big Bang. The black-body spectrum of the cosmic background radiation, he says, is simply “the most likely disposition of remnants of light on a purely random basis, assuming the classic principle of the conservation of energy.” The reported fluctuations “would be a concomitant of almost any known type of possible physical origin for this radiation,” he says. Perhaps such views are not published in the *Astrophysical Journal*, but they reached a wide audience in letters columns of the *New York Times* (May 4, 1990; May 13, 1992).

The *Times*, following the lead of *Nature*, has given some encouragement to attacks on the Big Bang over the past three years, usually by advocates of some other cosmology.

The discoveries of COBE, the Gamma Ray Observatory, the Hubble Space Telescope, and kindred pioneering explorations, however, are far more valuable than the cosmological constructions within which these discoveries are usually enclosed.

Any deeply thoughtful person is obliged to consider the conclusion of the 88-year-old Russian astronomer Boris Vorontsov-Vel'yaminov. In the last paragraphs of his *Extragalactic Astronomy* (1987), the old astronomer wrote:

“Under our noses, spaceflight has moved humanity out of the Earth into the cosmos, having carried out, it seemed, the impossible: It revolutionized those ideas which seemed most secure about the nature of the planets—the *closest celestial bodies to us*. Taking this into account, do we really know enough about the cosmos to picture correctly the state and the processes in the universe billions of years ago?”

All the same, he believes, it is necessary to construct theories and hypotheses. He is more comfortable, however, with their transient character than are the institutions of science today.

Notes

1. The findings are reported in G.F. Smoot et al., “Structure in the COBE DMR First Year Maps,” E.L. Wright et al., “Interpretation of the CMB Anisotropy Detected by the COBE DMR,” C.L. Bennett et al., “Preliminary Separation of Galactic and Cosmic Microwave Emission for the COBE-DMR,” all submitted to *Astrophysical Journal Letters* April 21, 1992, and A. Kogut et al., “COBE DMR: Preliminary Systematic Error Analysis,” submitted to *Astrophysical Journal* April 21, 1992.

2. There are, of course, criticisms of the Big Bang on grounds that it contradicts itself: The beginning of time would seem to imply a “time” before time; the concentration of everything into a dimensionless point would make it a black hole from which nothing is supposed to escape. Perhaps these are not important. Perhaps any imaginable answer to the big questions is not free of “logical” contradiction when seen from our benighted standpoint.

3. Grote Reber, “The Big Bang is Bunk,” *21st Century Science & Technology*, March/April 1989.

David Cherry is an associate editor of *21st Century Science & Technology magazine*.

Cold fusion efforts continue to advance

by Carol White

On June 18, SRI International in California announced the findings of their investigation of the explosion which killed cold fusion researcher Andrew Riley on Jan. 2. They concluded that in all probability the accident was chemical rather than nuclear in origin, caused by an "unanticipated and undetected" buildup of deuterium and oxygen gases. According to the scenario which they put forward, several safety systems appear to have failed simultaneously.

While many scientists who are studying the phenomenon of cold fusion prefer to work with open glass cells, because they fear the kind of uncontrolled pressure buildup which was presumably responsible for the SRI accident, experiments at SRI were conducted in closed metal cells. The advantage of the latter design is the ability to make far more precise diagnostic measurements than when the experiment is open to the atmosphere.

At SRI, the electrochemical cell was set inside a vacuum glass calorimeter, which was itself placed in a temperature-controlled water bath. The cell used a heavy water electrolyte of deuterium-oxide. It was lined with Teflon, and used palladium electrodes. A platinum catalyst was placed in the cell, in order to ensure the controlled recombination of the deuterium and oxygen, which were released through the process of electrolysis. The intention was to avert the danger of an explosive recombination such as that which apparently did occur due to a failure of this catalytic device.

According to SRI's report, investigators assume that since the catalyst was not working properly, deuterium and oxygen gases accumulated in the cell. Furthermore, a gas outlet tube which should have allowed the gases to escape, and should have monitored a buildup of pressure, also failed. It became partially sealed by a Teflon piece which supported wires and other parts near the top of the cell. As a result, the pressure in the cell built up from 1 atmosphere pressure, at which the experiment was to be conducted, to an uncontrolled 30 atmospheres of pressure; no one was aware the buildup was occurring. It is then assumed that, when Riley removed the cell from the water bath, it was shaken up, detonating an explosive chemical reaction. The explosion blew out the welded bottom of the six-inch-long steel cylindrical cell.

The SRI team members are hopeful that new safety protocols they have developed as a result of this analysis be accept-

able to safety authorities in California, so that they will be permitted to resume their experimental program.

Results of Takahashi U.S. tour

Following the April tour of the United States by Japan's leading cold fusion researcher, Dr. Akito Takahashi, many U.S. and Japanese scientists have begun to test variations of the Takahashi experiment. Some positive results have already been circulated in private discussions, but it is still too early to draw conclusions. One interesting feature of the new experiments is that Tanaka Metals has been making palladium available to both U.S. and Japanese researchers free of charge, in order to encourage international cooperation.

The Takahashi tour received unusually good press coverage in the United States. His tour was also featured in *Aera*, a major Japanese news magazine. The article, which appeared on June 16, described the work of Dr. Takahashi and other experimenters in Japan, and then quoted Eugene Mallove, author of *Fire from Ice*, who is now conducting a cold fusion experiment based upon Dr. Takahashi's design in collaboration with Jed Rothwell. This author was also interviewed.

Aera reporter Atsuko Tsuji titled his feature: "Cold Fusion: From a Religion to a Science," and continued: "Three years after the 'discovery of the century' researchers are working in the basements of their own homes. In America, they cannot do research openly. Calling themselves the 'resistance,' they gain moral support from the progress made in Japanese research, and look forward to the day when 'cold fusion becomes just another part of science.' "

The article describes the Takahashi tour, a full report of which appeared in *EIR*'s May 8 issue, and goes on to describe how Rothwell, a 38-year-old entrepreneur who ran a highly successful computer software business, invested \$12,000 in order to help Mallove set up a basement cold fusion laboratory.

In his interview with me, Tsuji wrote: "According to Carol White, editor of the science and technology magazine *21st Century*, which is publishing information enthusiastically about cold fusion, and who also accompanied Professor Takahashi's U.S. trip: 'American cold fusion researchers are a Resistance [movement]. They're hiding underground, and doing their research clandestinely.

" 'If there's even the slightest possibility of [cold fusion] being true, then, of course, we should do research. But in spite of that, nowadays in the United States, if you say you're going to try to do cold fusion work, you're treated as a criminal. I'd say that if this were the Kennedy era of the 1960s, [cold fusion pioneer] Dr. Fleischmann et al. would be treated like the astronaut John Glenn was, as a hero. . . . Although Dr. Takahashi is so busy, it's truly very nice of him to have come. It's a big boost for the American resistance movement.' "

Book knocks holes in ozone depletion hoax

The Holes in the Ozone Scare, The Scientific Evidence that the Sky Isn't Falling, a 356-page book that demonstrates point by point that the so-called ozone depletion catastrophe is a hoax, was released by *21st Century Science & Technology* magazine to the U.S. media at the National Press Club in Washington on June 17. On hand to brief the press were co-author Rogelio A. Maduro, atmospheric scientist Dr. Hugh Ellsaesser, automotive air conditioning specialist Bob Holz-knecht, and *21st Century* managing editor Marjorie Mazel Hecht. Hecht opened the press conference by explaining why *21st Century* was publishing the book "because we are determined to overturn the 1987 Montreal Protocol," which mandated the phaseout of chlorofluorocarbons (CFCs) on the fraudulent basis that the CFCs, the best known of which is the refrigerant Freon, are responsible for the depletion of the Earth's ozone layer. "The phaseout of CFCs will kill people—millions of people, especially in the developing sector," Hecht continued. "There is no scientific evidence for banning CFCs, just ideology, speculation, and computer models that don't correspond to reality. . . . And finally, because we are concerned with saving this planet and preserving its most important resource—its only creative resource—mankind."

She described the 15-year campaign to ban CFCs which culminated in the Montreal Protocol, saying that it was made possible by pouring millions of dollars into environmentalist groups for the explicit purpose of spreading panic about ozone depletion.

"We don't have millions of dollars," she said, "but we have a powerful weapon: the truth." She challenged the press and others present to investigate the issue, and to talk to the many scientists around the world whose research tells them there is no evidence that the ozone layer is being depleted. She further challenged the media to ask the proponents of the ozone scare whether they think there are too many people in the world and how they propose to get rid of the "surplus." "Ask Richard Benedick, who organized the Montreal Protocol, who headed up the U.S. State Department's Office of Population. . . . Ask Sherwood Rowland, the president of the American Association for the Advancement of Science, who came up with the ozone depletion theory and was a signer to the Morelia declaration calling for 'liberation movements among species so that one day we can attain genuine equality among all living things'. . . . Ask Dr. Rowland if the CFCs ban, which will kill millions of people, is part of

this 'genuine equality' movement."

Hecht told the press that as a result of the December release of the German edition of the book, co-authored by Ralf Schauerhammer, two German members of parliament had launched official inquiries into the ozone scare.

No press coverage of opposing voices

Next, Rogelio Maduro described how in 1988 he had believed the ozone scare; however, while researching global warming, scientist Reid Bryson told him to check out Mt. Erebus, the volcano at the South Pole, which was emitting tons of chlorine per day, just upwind of the atmospheric chlorine measuring station at McMurdo Sound. Maduro described his interviews about the ozone hoax with leading scientists, whose research contradicted the ozone propaganda. Most of these scientists are named in the book and are well-known specialists in their fields, but they are never covered in the press. Pointing to the chart on p. 78 of his book, Maduro showed how the Ozone Trends Panel had measured ozone levels from 1969 to 1986, beginning and ending in the middle of a solar cycle, such that ozone levels appeared to decrease. In fact, if they had begun their measurements a couple of years earlier, the same data would have shown an increase in ozone levels. (Some of the politically correct scientists in the audience were experiencing distinctly uncomfortable warming trends.)

Maduro challenged the public to find out what the scientists who oppose the ozone scare have to say, to read the papers they produced, which he and Schauerhammer list in the 190 references in their book.

Dr. Hugh Ellsaesser, a participating guest scientist at Lawrence Livermore National Laboratory spoke next, commenting on how problems like ozone are approached through a "one-way filter," seeing only the negative. Ellsaesser, who retired from the Air Force Weather Service after 21 years and from Lawrence Livermore after 24 years in climate research, has followed the ozone hoax for many years. He noted that the scientists writing papers on the ozone layer who don't go along with the scare can't get published in the United States. One of his papers, he said, was not published by Lawrence Livermore National Laboratory for this reason. Another scientist had to find a Canadian journal after U.S. journals turned him down—not because the work wasn't competent, but because it was not politically correct.

Bob Holz-knecht, who heads up the Ozone Truth Squad spoke next, saying that the ozone scare was a deliberate fraud, that people were being brainwashed. He raised questions about the purported rise in skin cancer, which is attributed to ozone depletion. In fact, the less frequent, but lethal cancer, malignant melanoma, does not come from increased exposure to ultraviolet radiation, he said, because it occurs in places where the sun doesn't shine—under the armpit or between the toes, but these facts aren't covered in the major media.

Probe DOJ unit: 'Nazi hunters'— or KGB liars?

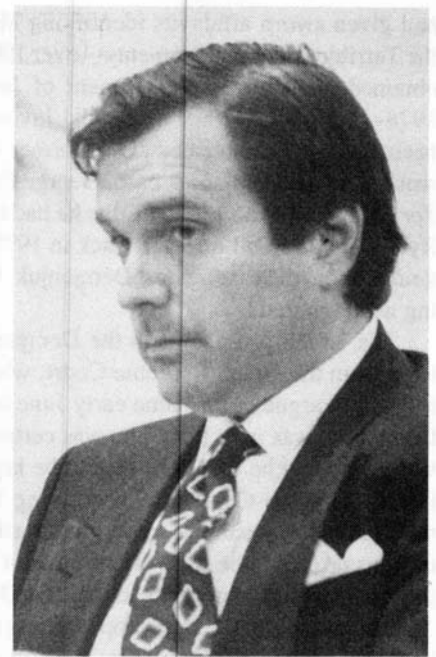
by Jeffrey Steinberg

The U.S. Department of Justice's self-described "Nazi-hunting" unit is at long last being broadly exposed for its own persistent use of Nazi "Big Lie" methods and its criminal collusion with two foreign secret intelligence agencies, the Soviet KGB and the Israeli Mossad.

The Office of Special Investigations (OSI), established by an act of Congress in 1979, is the subject of an inquiry by the U.S. Court of Appeals for the Sixth Circuit in Cincinnati, Ohio and a separate internal Department of Justice (DOJ) probe by the Office of Professional Responsibility. The unit, including its current and former directors, is accused of withholding critical evidence in capital cases, committing perjury, peddling forged documents, and other crimes in partnership with the KGB and the Mossad.

As the consequence of these acts, during the 1980s, a number of naturalized American citizens were stripped of their rights, deported to Israel or the Soviet bloc, and put on trial for war crimes. Several OSI victims, like Karl Linnas, died in Soviet bloc prisons and gulags. One leading German-American scientist, Dr. Arthur Rudolph, who played an important role in the American scientific establishment throughout the Cold War and who worked on the Strategic Defense Initiative (and was therefore a priority target of Soviet intelligence), was driven to renounce his citizenship and leave his adopted country, even though a three-year probe by West German officials exonerated him of all the crimes the OSI had manufactured against him. Others, like Tscherim Soobzokov, successfully proved their innocence, only to be assassinated by Israeli killer squads who somehow managed to slip through the fingers of U.S. federal investigators and to this day have never faced arrest and trial.

In 1989, Zionist gangster Edgar Bronfman negotiated a secret arrangement with Soviet President Mikhail Gorbachov to provide grain and other consumer goods to the Soviets, in return for the free passage of hundreds of thousands of



Armand Hammer (left): the “red billionaire” who supplied Soviet forged documents to Israel to convict John Demjanjuk. Richard Thornburgh (center): As U.S. Attorney General, he set up regular channels of collaboration with the Soviet “justice” system. OSI director Neal Sher (right): He defends the defamation campaign against Austrian President Kurt Waldheim as “the accomplishment of which I am most proud.”

Soviet Jews to Israel, where they were to be settled into armed camps in the Occupied Territories.

The OSI gave crucial assistance by launching a witchhunt against Austrian President Kurt Waldheim, branding him as a top wartime Nazi. The purpose of the campaign against Waldheim, the former secretary general of the United Nations, was to shut the Austrian door through which Soviet Jews had traditionally gained passage to the West, free to settle in the country of their choice. By declaring Waldheim a *persona non grata* in the United States, the OSI shut off neutral Austria to emigrating Russian Jews, forcing them to pass directly to Israel, as Bronfman and his Israeli associates demanded.

The Demjanjuk case

The case that has at long last brought this sordid story to broad public light is that of 72-year-old retired Cleveland autoworker John Demjanjuk. In the mid-1970s, a Ukrainian-American newspaper tied to the Communist Party, U.S.A. fraudulently charged that Demjanjuk was the Treblinka concentration camp guard and mass murderer known as “Ivan the Terrible.” In 1981, the OSI stripped Demjanjuk of his American citizenship without due process. In 1986, it deported him to Israel to stand trial on the charges of war crimes.

It was a show trial second only to the prosecution of Adolf Eichmann. But in the Demjanjuk case, the evidence presented at the 14-month trial was allphony. Documenta-

tion only now coming to light proves beyond a doubt that OSI officials, the U.S. State Department, the Israeli prosecutors, and senior communist officials in the Soviet Union and Poland all knew that they had the wrong man. The late “Red Billionaire” Armand Hammer personally flew forged Soviet documents from Moscow to Israel to help convict Demjanjuk, at the point when it appeared that some of the real evidence might surface at the trial.

In 1988, Demjanjuk was found guilty by an Israeli court and sentenced to death. The chief prosecution witness against Demjanjuk, a Treblinka concentration camp survivor, had in 1945 signed a sworn statement that he had personally participated in the murder of “Ivan the Terrible” two years earlier. Yet in 1988, before the Israeli court, the witness, Eliyahu Rosenberg, recanted that sworn statement and claimed he was certain that Demjanjuk was “Ivan.”

Four years after his conviction and death sentence, John Demjanjuk may at last be on the verge of being freed from the nightmare.

In a hearing before the Israeli Supreme Court on June 9, 1992, Demjanjuk’s defense attorney Yoram Sheftel charged that the Soviet Union had known for 48 years that the real “Ivan the Terrible” was Ivan Marchenko—not John Demjanjuk; and that both the U.S. and Israeli governments knew at least 14 years ago that Demjanjuk was innocent.

Sheftel based his claims on newly obtained documents showing that at least 20 witnesses, mostly Treblinka guards,

had given sworn affidavits identifying Marchenko as “Ivan the Terrible.” Those documents—over 100 pages—had been obtained by the U.S. Department of Justice on Dec. 12, 1978—before the Office of Special Investigations had even been formally established. One former OSI attorney who worked on the Demjanjuk case, George Parker, told the *New York Times* on June 13, 1992 that he had told his boss, Allan Ryan (later the OSI director) back in 1978 that he had grave doubts about the case against Demjanjuk. His words of warning were ignored.

The Israeli prosecutor in the Demjanjuk case drew fire even from the Israeli Supreme Court, when he attempted to arrogantly argue at the same early June hearing that even if Demjanjuk was not “Ivan,” he was certainly guilty of *some* war crime and he therefore should be kept in custody. The Israeli Supreme Court justices hearing the appeal sharply rebuffed the prosecutor’s view, warning that if the Treblinka charges proved to be false on the basis of the new evidence, then there would be no basis for holding Demjanjuk in Israel.

It was against the backdrop of these dramatic events in Israel that the U.S. Sixth Circuit Court on June 5 ordered the Justice Department to produce all the evidence in its possession showing that Demjanjuk was innocent. It was a highly unusual move by the Sixth Circuit, which took it upon itself to review its own earlier decision upholding the denaturalization. The Justice Department has until July 15 to deliver the material. The court could overturn the original denaturalization and deportation order, demand Demjanjuk’s immediate release from Israeli prison, and restore his citizenship.

Rep. James Traficant (D-Ohio), a longstanding critic of the OSI, in a statement delivered on the floor of the House of Representatives the same day that the Sixth Circuit ordered the Justice Department documents, suggested that the Congress should take up the Demjanjuk case as well. “Today, finally, a federal appeals court has reopened the extradition case of John Demjanjuk . . . because of the fact that an Israeli prosecutor has admitted for the first time that there is some doubt as to who ‘Ivan’ really is. There is doubt all right. There’s enough doubt to drive a whole truck-load of U.S. Constitutions through. . . .”

“The tragedy is that Congress did not have the guts to see the obvious as it remained afraid of the sensitivity of the case. When Congress will allow the rights of one American to be jeopardized, Congress ultimately endangers the rights of all American citizens. . . . It’s time for Congress to review this matter and right this great wrong.”

A ‘political police’ unit

If the Demjanjuk case were an aberration from the OSI’s normal practice, the scandal would still warrant criminal prosecution of all the government officials involved and the shutting down of the whole unit. But, in fact, as *EIR* has been exposing for over a decade, the Demjanjuk railroad

was a typical case of OSI venom and criminality. The entire history of the unit, as we document in the investigative report that follows, is one of perfidy and collusion with the KGB, the Mossad, and the gangster-run Anti-Defamation League of B’nai B’rith (ADL). As the son of another OSI victim told *EIR* recently, the unit is the first “political crimes” division in the Justice Department.

It was through the OSI that Soviet-manufactured evidence was for the first time admitted into U.S. judicial proceedings—no questions asked. Patently phony documents, cranked out by the KGB and by its East German sister agency, the Stasi, were dutifully grabbed up by OSI prosecutors, often in league with so-called Nazi-hunting units of private Zionist lobby outfits like the ADL, the Simon Wiesenthal Center of Los Angeles, the West German (Stasi-run) Alliance of Victims of the Nazi Regime (VVN) and Edgar Bronfman’s World Jewish Congress (WJC).

Once the precedent had been established for collusion among the Justice Department, the KGB, the Mossad and the international Zionist lobby, the floodgates were opened for far broader collusion, beyond just the stalking of World War II-era alleged war criminals.

The case of Lyndon LaRouche

The case of Lyndon LaRouche is exemplary. Beginning in early 1983, Soviet intelligence, in league with the ADL, began an enormous pressure campaign to get the U.S. Justice Department to railroad Lyndon LaRouche, the political economist and advocate of the Strategic Defense Initiative, on phony charges of financial wrongdoing. As in the OSI cases, perjured testimony was employed along with a flood of media bile branding LaRouche and his colleagues as “neo-Nazis” and “extremists.” In at least one known instance, a “former” senior KGB officer told U.S. government officials that LaRouche was “KGB,” despite the fact that at that very moment, the Soviet press was churning out a regular stream of attacks on LaRouche, at one point branding his SDI proposals a *casus belli*.

By the time Richard Thornburgh (an early advocate of the OSI) became Attorney General in 1988, U.S. Justice Department officials were regularly traveling to Moscow to extend the collaboration with their Soviet counterparts on an even broader range of issues.

Even with the collapse of the Soviet system and the ostensible breakup of the communist police apparatus, the methods employed by the KGB, the Stasi, and the OSI live on, as evidenced by the recent U.S. Supreme Court decision sanctioning international kidnappings under the so-called Thornburgh-Barr Doctrine.

The exposé of the OSI and the prospect of wiping out this nest of criminality inside the DOJ is a long overdue first step toward cleaning out the U.S. judicial system. The criminality goes far beyond the case of John Demjanjuk, but justice for John Demjanjuk is an important first step.

Office of Special Investigations: a profile of an American Gestapo

by Joseph Brewda

The Office of Special Investigations (OSI) is an investigative unit within the criminal division of the U.S. Department of Justice, which was created in 1979, purportedly to track down, denaturalize, and deport Nazi war criminals who had illegally entered and acquired citizenship in the United States. The unit had been created after a propaganda campaign beginning in 1972, and overseen by then-National Security Adviser Henry Kissinger, in coordination with the Anti-Defamation League of B'nai B'rith (ADL), the World Jewish Congress, the *New York Times*, and the Communist Party, U.S.A.; as well as the Soviet, British, East German, and Israeli governments. It is the only known prosecutorial unit whose staff is larger than its total highest-estimated case-load.

The public relations pretext used to form the OSI was the claim that the U.S. government had harbored Nazis, especially in the CIA and military establishment. Among the key propagandists of this claim was then-Congressman (now Brooklyn District Attorney) Elizabeth Holtzman, who had begun a high-profile campaign on this issue shortly after her election to Congress in 1972. Holtzman claimed that the Justice Department's Immigration and Naturalization Service (INS), under whose jurisdiction the deportation of any Nazi war criminal would then proceed, had failed to investigate and prosecute a hit-list of Nazi war criminals who had acquired U.S. citizenship.

The list that Holtzman claimed had not been investigated, had not been generated by the INS or other government agency. It had been given to the INS by Edgar Bronfman's World Jewish Congress in 1973, which joined with Holtzman and the Anti-Defamation League in calling for a new unit. But even the WJC did not originally concoct the list. Its author was Charles R. Allen, Jr., a former U.S. Naval Intelligence officer, who was also a U.S. Communist Party-linked propagandist and activist in the U.S.-East German Friendship Society. Allen became a de facto founder of OSI, and remains one of its key strategists to this day.

Allen's first known propaganda writings for such circles go back to 1952, when he authored a series of articles later published as a pamphlet under the title, "Concentration Camps U.S.A." Allen wrote that the imprisonment of communists under the McCarran Act was comparable to the Nazi death camp system. Allen later became the public relations director of the Communist Party-run United Electrical Workers.

In 1962-63, Allen wrote two pieces which prepared the way for the creation of the OSI. The first, "Nazi War Criminals in America," published by the Communist Party-linked magazine *Jewish Currents* and the Yiddish socialist paper *Morning Freiheit*, asserted that some 30 U.S. citizens had been Nazi war criminals, and that these criminals were being protected by U.S. agencies. Allen's main target was Dr. Hubert Stughold, then-director of Space Medicine at Brooks Air Force Base. It was this *Jewish Currents* hit-list, prepared by Allen, which was given to the INS, via the World Jewish Congress.

The second piece, "Heusinger and the Fourth Reich," libeled a West German military officer who had just been appointed director of NATO's military committee. Allen maintained that NATO was the reconstitution of the Fourth Reich, charged with fulfilling the Nazi ambition of enslaving eastern Europe. Allen was aided in this campaign by the World Jewish Congress. The claims against Heusinger originated with Moscow, which was then demanding the NATO commander's extradition to Moscow for war crimes trials.

By the mid-1960s, Allen, by then editor of *The Nation*, had been transformed into America's foremost Nazi-hunter, at least in Communist Party circles; Allen was, for such reasons, cited seven times in House Committee on Internal Security hearings. This, however, did not stop him from aiding Elizabeth Holtzman in founding OSI.

Henry Kissinger's role

While Holtzman and Allen were spewing out their propaganda, Kissinger, operating on a much higher level of the establishment, was laying the diplomatic and legal groundwork for OSI's formation. This involved sensitive negotiations with Moscow.

As part of the diplomatic negotiations of the détente period, Kissinger ordered a team of U.S. federal prosecutors and attorneys to begin regular meetings with their counterparts in the Soviet Procurator General's office in 1971. The pretext for the contact was ostensibly concern over these Soviet prosecutors' treatment of Soviet Jews. These meetings created the channel later used to conduit Soviet "evidence" into U.S. courts.

The leader of the Kissinger team was Gen. Telford Taylor (ret.), the former U.S. prosecutor at Nuremberg. Taylor knew Soviet Procurator General Rudenko, who had led the Soviet

delegation to the same war crimes trials. Taylor was assisted in this mission by Walter Rockler, one of Kissinger's personal attorneys, who had also served at Nuremberg. Rockler later became the first director of OSI. They were aided by Alan Dershowitz, a Harvard law professor who is still a leading figure in the U.S. Zionist lobby.

Rudenko's role as an intermediary on such issues is ironic. He had helped oversee Stalin's murder of some 5 million Ukrainians through forced starvation in 1932-33. As a Soviet prosecutor, Rudenko also played a major role in prosecuting Stalin's show trials of the 1930s. Rudenko's Procurator General's office has supplied the OSI with almost all of its data.

From 1971, through Kissinger's meeting with Soviet Foreign Minister Andrei Gromyko in 1974, Taylor and his associates traveled on several occasions to Moscow to meet with Rudenko, nominally to lobby for Soviet Jewish interests which were one of the formal issues of the Kissinger-Gromyko talks. Simultaneously, and as part of a parallel back channel, Kissinger authorized Holtzman and her associates to make frequent trips to Moscow, to meet with the same Soviet Procurator General's office, to gather dossiers—especially dossiers against U.S. citizens. These trips continued even after the Kissinger-Gromyko talks ended.

In their propagandizing for the need to create the OSI, Holtzman and Allen claimed that the refusal of the U.S. government to cooperate with Soviet legal authorities, such as



Henry Kissinger: He created the channel to Moscow that was used to conduit Soviet "evidence" into U.S. courts.

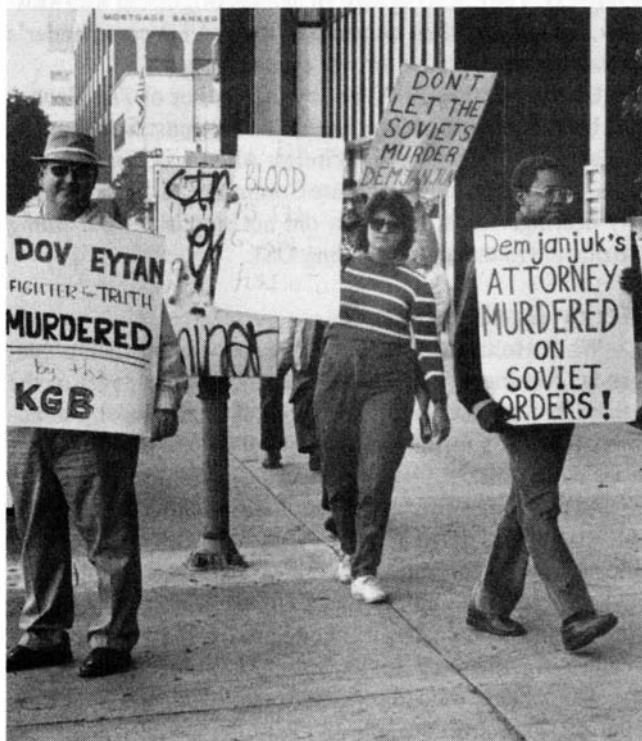
the Procurator General's office, against U.S. citizens, was as serious as INS malfeasance. Holtzman and Allen demanded that the necessary diplomatic and legal arrangements be made allowing Soviet witnesses to testify against the Americans on the Allen target list.

This demand for cooperation with Soviet legal authorities created opposition, even in the State Department. For example, Linwood Holton, then a State Department officer, objected, "Our only recourse would be to request the Soviet Ministry of Foreign Affairs to locate alleged eye witnesses . . . but we would have no way to verify the credibility." These objections were overridden.

This was the period of Watergate, and Holtzman was then also playing a prominent role in House Judiciary Committee hearings on the scandal. Two weeks after Richard Nixon resigned as President in 1974 and was replaced by Gerald Ford, Ford met with Kissinger—who by that time was secretary of state. Ford agreed to Kissinger's demand that the State Department approach the Kremlin on joint investigation of the WJC-Allen hit-list. Later, on Jan. 6, 1976, Ford approved a Kissinger memorandum authorizing U.S. agencies, for the first time, to work with the Soviets in investigating U.S. citizens. Simultaneously, Attorney General Edward Levi issued a ruling upon White House request, authorizing the Justice Department to introduce Soviet evidence in U.S. courts.

Having forced through these agreements, Kissinger had created all the necessary preconditions for establishing OSI. The project moved into the implementation phase.

To this end, Holtzman's sidekick Howard Blum wrote a rehash of Allen's 1962 book, entitled *Wanted! The Search for Nazi War Criminals in America*. The 1977 book, published



Supporters of the Commission to Investigate Human Rights Violations demonstrate in Los Angeles following the 1988 murder of John Demjanjuk's lawyer, Dov Eytan.

by the *New York Times*, was widely distributed in cheap paperback form to build mass support for the project. One of its main targets was Tscherim Soobzokov, a former Russian-Circassian national who was then a U.S. citizen and resident in New Jersey. Holtzman and her aides had been meeting with Soviet authorities on Soobzokov since their first trips to Moscow in 1973. One of the apparent reasons Soobzokov was chosen as a main target, was that he had been employed by the CIA in Jordan after the war, and had later, reportedly, been a back channel with the Palestine Liberation Organization. Soobzokov, they said, had been an important Nazi collaborator in eastern Europe, and slaughtered many Jews.

The Soobzokov case became the *cause célèbre* used to justify the creation of the OSI. In congressional hearings, press statements, interviews, and articles, Holtzman, Blum, and their collaborators repeatedly denounced the INS for its failure to denaturalize and deport Soobzokov. They cited this failure as a reason for forming a new unit charged with deporting Nazis.

Under such pressure, the INS created the Special Litigation Unit, specially charged to deal with Nazis. Its director, Martin Mendelsohn, later became one of the first heads of the OSI. Still later, the OSI was formed under the same pretext, outside of INS oversight entirely. For such reasons, deporting Soobzokov was one of the OSI's first goals. Then-Attorney General Benjamin Civiletti, newly appointed OSI director Walter Rockler, and Allan Ryan, who would succeed Rockler, flew to Moscow to meet Soviet Procurator General Rudenko in 1979-80 to gather evidence. Among the "evidence" they compiled was that against Soobzokov.

Unfortunately for the OSI, the case against Soobzokov was a fraud. It was so fraudulent that Soobzokov not only won the cases against him, but also successfully sued Blum and the *New York Times* for libel, winning several million dollars in judgment. Unfortunately for Soobzokov, he was assassinated in 1985, by a bomb planted at his New Jersey home, following demonstrations against him by the FBI-protected Jewish Defense League. Soobzokov had been repeatedly denied FBI protection, despite multiple death threats.

Political targets

Who are the targets, what are the objectives?

Given such a history, it is hardly surprising that the OSI's cases—two dozen since 1979—have little to do with law enforcement, but rather with political objectives. Among the peculiar features of the OSI is that it has always been overseen by the Assistant Attorney General charged with maintaining liaison with the National Security Council.

For example, there was the OSI targeting of Dr. Arthur Rudolph, who was driven out of the United States in 1984 on the basis of Soviet charges conduited to the OSI. Rudolph, a top NASA scientist, was then advising the Strategic Defense Initiative research program, a source of considerable tension in U.S.-Soviet relations, and disruptive of the super-



Elizabeth Holtzman: As a congressman in the 1970s, she spearheaded the effort to found the "Nazi-hunting" OSI.

power condominium policy formulated by Kissinger (see page 34).

Austrian President Kurt Waldheim was another victim, barred from entry to the U.S. in 1986, although a head of state, solely based on a one-page memo prepared by the Soviet NKVD, the predecessor of the KGB, which the OSI had "discovered." The action against Waldheim occurred during the same period that the United States was successfully attempting to stop Austria from granting emigrating Soviet Jews international refugee status, thereby allowing them to emigrate to the United States. By closing down the Austrian route, which was the main route at the time, and simultaneously imposing a harsh quota on Soviet Jews entering the United States, the U.S. government forced these Jews to emigrate to Israel. The reported case-officer for the operation against Waldheim was not an OSI official at all, but was then-Deputy National Security Adviser Gen. Colin Powell.

Yet another major OSI case was that against Karl Linnas. Linnas died, supposedly of a heart attack, in his Russian cell in 1986, after being deported for war crimes he allegedly committed in wartime Latvia. Latvia had been seized by the Soviet Union in 1940 as part of the Hitler-Stalin Pact that divided up eastern Europe, and the United States had never formally recognized this conquest. But by deporting Linnas to the Soviet Union, for crimes allegedly committed in Latvia, the United States recognized Soviet jurisdiction over Latvia, thereby extending de facto approval to Moscow's seizure of the Baltic states. For similar reasons, the Bush administration later attempted to prevent the Baltic states from winning independence from the Soviet Union.

Then there is the case of Cleveland auto worker John

Demjanjuk, who was deported to Israel in 1986 for war crimes in Poland. One reason for the case was to extend de facto U.S. recognition of Israel's claim to legal jurisdiction over all Jews internationally. Hence, Demjanjuk, who had never set foot in Israel, was deported there for crimes he allegedly committed in Poland, before the Israeli state had even come into existence.

Undermining the rule of law

In addition to meeting such political objectives, the OSI has also been used to introduce Nazi-like legal practices into the U.S. court system.

One important achievement was to undermine traditional rules of evidence by allowing the introduction of testimony of witnesses taken from Soviet trials, and the documents of Soviet prosecutorial and intelligence agencies. Moreover, the frequent inability of defense attorneys to question these witnesses, because of Soviet unwillingness or because of the death of the individual, allowed the Justice Department to eliminate the fundamental right of a defendant to confront his accusers.

Even where witnesses have been produced on U.S. soil, the effects have been no less devastating to U.S. law. In most OSI cases, the only witnesses offered in the United States against its victims, have been over-wrought, elderly, former concentration camp inmates, testifying on events that happened at least 35 years earlier, during wartime. In many instances these witnesses had been "discovered" through the aid of special World Jewish Congress and ADL "Nazi-hunting units" that had been established to aid the OSI. In all instances, the OSI cases are surrounded by massive, sensationalist press coverage, of the sort typifying the 1950s McCarthy period.

Moreover, since OSI cases are technically only of a civil nature, dealing formally with denaturalization and deportation, civil rules of evidence apply. Unlike criminal trials, U.S. civil procedures allow the admissibility of hearsay evidence. Yet a person who is convicted in this civil procedure does not suffer merely a fine, but deportation to Russia or Israel, and a long prison term or death. This cynical use of the letter of the law, in violation of its intent, is not the least of the abuses pioneered by the OSI.

Additionally—and this has been one of its main purposes—OSI operations have attempted to criminalize whole generations of Germans and Austrians, as well as many eastern Europeans who lived through World War II. If having merely been a 20-year-old German Army lieutenant, as Waldheim was, can be considered evidence of complicity in Nazi war crimes, then the sky is the limit. Ironically, the refusal of the Nuremberg war crimes tribunal to try the American and British financiers who put Hitler in power, and their exoneration of such central figures as Nazi Economics Minister Hjalmar Schacht, makes a mockery of any pretense of putting the final nail in the Nazi coffin.

OSI targets science: the Rudolph case

by Marsha Freeman

Even before the Office of Special Investigations (OSI) came into existence, a major target of the U.S.-Soviet apparatus that created it has been the scientific and military capability of this nation. The targeting of the German scientists who came here voluntarily under Operation Paperclip at the end of World War II with Wernher von Braun, has had the purpose, not of prosecuting Nazi war criminals, but frightening the scientists, attacking the National Aeronautics and Space Administration and the entire space program, and destabilizing the Strategic Defense Initiative (SDI).

Dr. Rudolph, who was intimidated and blackmailed into leaving the United States and relinquishing his American citizenship in 1984, was not personally targeted because his alleged crimes during the war were particularly heinous. He was singled out because he was 77 years old and in frail health, living in California, isolated from the rest of the German rocket team, 2,000 miles away in Huntsville, Alabama.

The effort to tar the German scientists with a Nazi brush by the East German intelligence agency, the Stasi, started soon after the war, with the conduiting of forged documents by East German agent Julius Mader to the West. These documents consisted of supposed witness testimony alleging Nazi war crimes by various members of the von Braun team. In the 1960s, there were efforts to bring von Braun himself to trial, but these went nowhere, as the nation was in the midst of the Apollo program to land a man on the Moon, for which von Braun was not only a key scientist, but a popular spokesman.

By the early 1980s, however, with von Braun gone, many of the scientists in their later years, and the increasing push from Lyndon LaRouche and advisers to the Reagan White house to develop a "beam weapon" strategic defense against ballistic missiles, the OSI offensive against the German rocket scientists accelerated.

In 1984, the book *Arming the Heavens*, by Jack Manno, made the case quite clearly, by stating that the horrible weapons being developed as part of President Reagan's SDI were initially thought of in the 1940s by "Hitler's Nazi rocket scientists."

In September 1982, Arthur Rudolph received a letter from the OSI asking him to meet with investigators to answer questions about his activities from 1939 through 1945. Though the letter said he could bring a lawyer, Rudolph, believing he had done nothing warranting such treatment, went alone, carrying a bundle of 40-year-old documents. A

year later, after a second interrogation, Rudolph was told by the OSI that the Justice Department had amassed "evidence" to take him to trial for war crimes, even though he had been investigated and cleared for entry to the United States almost 40 years earlier.

The allegations centered around his supervision of the wartime V-2 rocket production in the underground Mittelwerk factory. The purported "evidence," which the OSI refused to show Dr. Rudolph or his lawyer, or later the Bonn government, came from "witnesses" under the direction of Soviet and East German intelligence services.

On March 27, 1984, rather than face a humiliating trial for which he did not have the financial resources or the good health to withstand, doubtful that with his small resources he could find witnesses from the war years who would speak in his defense, and sickened at the thought of embarrassing the other German rocket scientists, Arthur Rudolph gave up the U.S. citizenship he had held since 1954, promised never to come back to America, and left for West Germany. He never pleaded guilty to the charges.

In October 1984, after he had left the country, the Justice Department made the case public. Outrage from the other German scientists, from their former U.S. Army commanding officer Gen. J. Bruce Medaris, from citizens of Huntsville, Alabama where the scientists had worked since the 1950s, from Rep. James Traficant (D-Ohio), from Lyndon and Helga LaRouche and the Fusion Energy Foundation, among others, gave Rudolph second thoughts about his exile.

He requested citizenship from the West German government. Bonn requested the "evidence" against Dr. Rudolph from the OSI, which refused to send the documents. The West German state prosecutor conducted his own investigation of the charges against Rudolph. None of the 100 witnesses brought in from the United States, Australia, and Israel was able to establish his guilt. The nine witnesses which the OSI eventually forwarded to West Germany were found to be unreliable—most of them did not even know Rudolph. In 1988, after three years of investigation, Bonn granted Arthur Rudolph citizenship.

Distinguished science or 'ardent Nazi'?

Was Dr. Rudolph a mad scientist, who joined Wernher von Braun at the German Army's Peenemünde wartime laboratory, with the life-long ambition of destroying western civilization? Actually, he came to Peenemünde with von Braun and a handful of other young scientists, who, since the late 1920s, had been conducting amateur rocket experiments. Under the guidance of Prof. Hermann Oberth, the father of German rocket science, they were planning to design a rocket that could some day go to the Moon.

If von Braun and his team were "ardent Nazis," as the OSI stated, why did von Braun spend time in an SS prison, accused of sabotaging the war effort, when Heinrich Himmler found out that von Braun's advanced projects team was



Dr. Arthur Rudolph stands before his Saturn V rocket at Cape Canaveral.

designing manned lunar vehicles?

And what did "ardent Nazi" Arthur Rudolph do once he gained entry to the United States? As a propulsion expert, he helped design the Pershing intermediate-range ballistic missile, which was deployed by NATO to defend western Europe from the Soviet Union and Warsaw Pact. When it was upgraded to the Pershing II, which became the subject of the Intermediate Nuclear Forces (INF) Treaty negotiations, Arthur Rudolph helped the redesign.

When the rocket team was transferred to the newly established civilian NASA program in 1960, Dr. Rudolph led the design of the massive Saturn V rocket. This rocket, with 7 million pounds of thrust, was the enabling technology to beat the Soviets to the Moon. For Rudolph and the entire German team, it was the culmination of more than 40 years of experimentation and hard work.

As residents of Huntsville, Alabama, Dr. Rudolph and the entire team of German rocket specialists brought European culture to a Southern cotton town. Within a few years, as the space program and NASA's Marshall Space Flight Center were growing by leaps and bounds, Huntsville became home to an astronomical observatory, a symphony orchestra, an art museum, and the largest space museum in the nation, organized by the von Braun group.

When he retired from NASA in 1969, Rudolph received the agency's highest honor—the Distinguished Service Medal. During his career, Rudolph had shaken the hand of three American Presidents. In October 1984, when the Justice Department announced that Rudolph had left the country, NASA was pressured to take back the medals it had given Rudolph, which it refused to do. The press smeared the space agency as having been run by former Nazis.

Media smear campaign

Not only NASA was to be smeared by the press with the “ardent Nazi” brush, for having been associated with Arthur Rudolph. The “victory” the OSI obtained through threats and blackmail in the Rudolph case allowed a constant media stream of slanders of Nazism and anti-Semitism against anyone who came to Dr. Rudolph’s defense. This included not only Lyndon LaRouche and affiliated publications such as *Fusion* magazine, but, by association, anyone who had ever written for *Fusion*, such as Dr. Krafft Ehrlicke and Dr. Fred Winterberg.

One of the most dogged proponents of the Justice Department charges against, and harassment of, the German rocket team has been writer Linda Hunt, whom this author met in the spring of 1985 at a reunion of the rocket team in Huntsville. There, as she recounts in her recent book *Secret Agenda*, Hunt was outraged at this reporter, who was at the time a reporter for the now-defunct *Fusion*, for stating at a press conference that the “witchhunt against the leading space scientists of the United States is nothing less than a Soviet plot to destroy the military-scientific accomplishments of the U.S.”

Hunt’s book, picturing Rudolph on the cover, presents *no* new evidence against him. She argues that there was no need to bring these scientists with “questionable” backgrounds into the United States after the war, because there was no threat that the Soviet Union would snatch these brilliant minds to use for its own military efforts. This thesis, which was completely disproven 45 years ago when the Soviets kidnaped thousands of scientists for that purpose, is an odd defense of the Soviet Union to raise when one is supposedly trying to prove that the scientists were a security threat to the United States!

A year ago, Arthur Rudolph went to Canada, as a first step to try to regain entry to the United States, to have his case heard in public. Representative Traficant, who traveled to Canada to meet with Dr. Rudolph, has tried to have the case investigated and reopened by the Congress. After pressure had been duly exerted by the U.S. Justice Department and the various “Nazi-hunting” groups, the Canadian government caved in and refused Dr. Rudolph an entry visa. He is still in Hamburg, Germany, awaiting his day in court.

Other members of the German rocket team are still being hounded by “investigators” from the OSI. But if this Justice Department unit must now, under pressure, make public the manner in which its investigations and persecutions have been carried out, it is possible there will be both a hearing of the Rudolph case, and an end to the harassment of the men who put Americans on the Moon.

It will end one of the most shameful episodes in the judicial history of this nation, in which men who devoted their entire lives to accomplishing one of the greatest technological feats in the history of mankind, were accused wrongly for political purposes, threatened, and terrorized, by a United States they came to by choice, because of their commitment to the goal of opening up the exploration and development of space for mankind.

How Edgar Bronfman earned his gold medal

by Scott Thompson

Edgar Miles Bronfman, a leading figure in many of the witch-hunts conducted by the Office of Special Investigations, was among the top collaborators of the KGB and East German intelligence (the Stasi) in the West. Whiskey baron Bronfman of the Seagram’s empire has promoted the “Big Lie” tactics of the OSI and communist intelligence organs, both as head of the World Jewish Congress and as an honorary vice-chairman of the Anti-Defamation League of B’nai B’rith (ADL).

One of the most infamous cases in which Bronfman has been involved is that of Austrian President Kurt Waldheim, who was banned from entering the United States in 1986, on unsubstantiated charges that, as a 20-year-old lieutenant in the Wehrmacht during World War II, he was responsible for war crimes.

A review of the Waldheim case, and other leading cases in which Bronfman has been involved with the OSI, begins to show why on Oct. 17, 1988, now-deposed East German dictator Erich Honecker awarded Bronfman the Gold Star of People’s Friendship, the G.D.R.’s highest civilian honor.

● **Arthur Rudolph.** When Moscow railed that President Ronald Reagan’s Strategic Defense Initiative was a *casus belli*, Bronfman and the OSI worked in tandem to drive rocket scientist Dr. Arthur Rudolph, who was then engaged in SDI-related research, out of the United States. The WJC’s governing board adopted a resolution at its January 1985 meeting in Vienna for Jews to oppose “space weapons.” Bronfman suggested that the Soviets complement their psychological warfare against “Star Wars” with an effort to liberalize Jewish emigration, to “undercut cold warriors on both sides.” Bronfman gave WJC support to a Soviet intelligence operation against American scientists developing the new systems, namely Dr. Rudolph, who was falsely accused of “Nazi war crimes” by the OSI within months of President Reagan’s March 23, 1983 SDI speech (see preceding article).

● **The Bitburg affair.** When in April 1985, President Ronald Reagan indicated that, while visiting in West Germany, he would pay his respects to German war dead at the cemetery at Bitburg, the WJC charged that two Nazi SS officers were buried there and that it would go on an international mobilization to stop the visit. After that campaign, Bronfman, who had been talking to Soviet official Aleksandr Sukharev, announced that he was traveling to Moscow to obtain an increase in Russian Jewish emigration to Israel. Sukharev was the Russian Republic’s justice minister, and he

had been a party to the OSI liaison to the KGB disinformation services forged with “Stalin purge trial” Procurator General Rudenko.

● **President Kurt Waldheim.** On his return from Moscow, Bronfman threw the WJC into its next major “Nazi hunt.” This time the target was former United Nations Secretary General Kurt Waldheim, who won the race for Austrian President despite efforts of Bronfman and the OSI to defame him. Bronfman employed tactics ranging from distortion of facts to alleged bribery of witnesses, which drew angry condemnation from Nazi hunter Simon Wiesenthal, among others. Wiesenthal repeatedly poked holes in Bronfman’s vendetta against Waldheim. As early as March 11, 1986, Wiesenthal said that there was no evidence to support the war crimes accusations. On April 4, 1986, the *Jerusalem Post* attacked the WJC for “cheap demagoguery,” asking “whether it is the course of wisdom to leave the management of the Waldheim affair to the sometimes curious ministrations of the World Jewish Congress.” On June 23, 1986, Wiesenthal said that the WJC’s evidence does not show that Waldheim “recommended a crime or that he ordered a crime.”

One of the little-known features of Bronfman’s campaign against Waldheim, is that Waldheim stood in the way of a deal Bronfman was seeking to clinch, trading grain to the Soviets for direct flights of Russian Jews to the Israeli Occupied Territories. With Vienna as the stopover for the exodus of Russian Jews, it is notable that the Austrian President believed they should be free to travel from on to wherever they chose—which was usually to the United States. Bronfman worked with the OSI, providing fraudulent evidence against him, to have him declared *persona non grata* in America.

At the May 6-8, 1990 conference of Bronfman’s World Jewish Congress held in Berlin, OSI director Neal Sher defended the practice of taking evidence from communist countries. The ban on Waldheim’s travel to the United States, he said, “is the accomplishment of which I am most proud. . . . Waldheim has tried hard and often to be removed from the list. But all such approaches to our government have been rebuffed; he will remain *persona non grata*.”

● **The Jenninger affair.** The Waldheim affair became a springboard for a similar Soviet-Bronfman-OSI campaign, which resulted in political destabilization of the government of West German Chancellor Helmut Kohl, when on Nov. 11, 1988 Bronfman led the charge demanding the resignation of West German Parliament President Philipp Jenninger. The pretext was a gross distortion of phrases taken out of context of a speech by Jenninger, that sought to depict Jenninger’s passionate description of what had happened to Jews on the Nazis’ Kristallnacht (Night of Broken Glass) was sympathetic to Nazism. While Bronfman called for Jenninger’s head, the inside job was carried out by the Association of Victims of the Nazi Regime (VVN), part of the KGB’s Disinformation Service A, run through the East German Stasi.



Edgar Bronfman: East German dictator Erich Honecker awarded him the Gold Star of People’s Friendship for his services on behalf of the communists.

The truth comes out

In March 1992, after Kohl met with President Waldheim, Bronfman went on a tirade against the German leader that prompted Kohl to respond: “I want to recall that a leading emissary of the World Jewish Congress was in East Berlin . . . [shortly after the Berlin Wall came down in November 1989] and spoke there in an outrageous way against German unity and the right of the German people to self-determination.”

The meeting to which Chancellor Kohl referred had been documented in the daily *Frankfurter Allgemeine Zeitung* on Dec. 21, 1990 by Michael Wolffsohn, a German Jew working as a lecturer at the German Armed Forces College in Munich, who is a longtime adversary of Bronfman. Using East German documents and letters from the East German Foreign Ministry files found after the reunification of Germany, Wolffsohn documented high-level talks between envoys of the WJC and the Communist regime between October 1988 and May 1990. Bronfman gave the go-ahead for direct talks in late 1988.

According to one Foreign Ministry protocol cited by Wolffsohn, on Oct. 17, 1988, Bronfman was awarded the Gold Star of People’s Friendship. Said Bronfman, in an interview to *Newsweek* magazine two weeks after his East Berlin visit, “Seen from a Jewish standpoint, I see no reason that the

G.D.R. does not deserve Most Favored Nation [trade] status from the United States.” Bronfman also called for the U.S. to invite Honecker to Washington on a state visit.

Bronfman had received East Germany’s highest civilian award only weeks before he participated in toppling the head of the West German Parliament.

Other documents cited by Wolffsohn reveal how the WJC maintained close contact with the SED, or East German communist party, providing business channels to U.S. firms competing with West German companies, working with unnamed officials of the U.S. State Department to wreck German unification, and providing a back channel to Israeli diplomats who were favorable to the survival of a separate communist state in East Germany.

In one particularly damning letter to East German Foreign Minister Oskar Fischer, dated Nov. 30, 1989, *Maram Stern*, Bronfman’s western European WJC representative, congratulated the communist on his reappointment as minister, declaring, “The WJC is a friend of the G.D.R. and will continue to be.” Boasting that his boss Edgar Bronfman had enormous clout in Washington, *Stern* promised that the WJC would work behind the scenes to prevent the “selling out of the G.D.R. to the F.R.G.”

‘Ugly deals’

Dirty politics combined with dirty business deals has been a cornerstone of Edgar Bronfman’s actions. As *EIR*’s authors reveal in the book *Dope, Inc.*, the Seagram’s fortune inherited by Bronfman was built on the bootleg booze and prostitution activities of the first Bronfman in Canada, Yechiel, during Prohibition. According to the March-April 1990 issue of the German-Jewish magazine *Semit*, at the same time that Edgar Bronfman was signing whiskey deals with East Germany, and targeting western leaders like Waldheim as Nazis, he was involved in similar deals through the U.S.-U.S.S.R. Trade and Economic Council (USTEC).

In a Jan. 23, 1989 syndicated column titled “Swap Soviet Jews for U.S. Trade,” Rowland Evans and Robert Novak revealed that the booze baron had held a secret meeting at his New York City apartment to propose, once again, waiver of Jackson-Vanik trade restrictions, if the Soviets would ship thousands of Jews to the Occupied Territories of the West Bank. Present were Dwayne Andreas, who is both chairman of USTEC and of the grain cartel Archer Daniels Midland, and James Giffen, who was then the president of USTEC.

Reported Evans and Novak: “On the table was this deal. Andreas, Gorbachov’s most intimate American business friend, would persuade the Soviet President to start direct air flights to Israel for Jews, most of whom would rather come here, while the pro-Israel lobby would use its considerable clout to get Congress to repeal or waive the Jackson-Vanik amendment. ‘An ugly deal,’ one former official told us. ‘Jackson-Vanik is a statute with specific provisions. They say nothing about Jews and nothing about Israel.’ ”

LaRouche, Medaris combat KGB methods

Executive Intelligence Review and its contributing editor, Lyndon LaRouche, have been longstanding opponents of the Office of Special Investigations. In news exposés, special reports, and, in LaRouche’s case, electoral campaign statements, OSI corruption and collusion with enemies of the United States has been a continuing focus of attention.

EIR’s exposé of OSI and its sponsors began in the late 1970s. But one event in particular served to coalesce many of the leading collaborators of LaRouche in the fight to end the tyranny of this Justice Department political police bureau. That event was a conference held in Arlington, Virginia on June 15-16, 1985 to commemorate the life and scientific contributions of one of Germany’s leading rocket scientists, Dr. Krafft Ehrlicke, who died in December 1984. The event was co-sponsored by the Schiller Institute and the Fusion Energy Foundation, and drew together hundreds of scientists and political figures from around the world. (The FEF, a tax-exempt research foundation, was later illegally shut down by the U.S. Justice Department in April 1987, through an involuntary bankruptcy proceeding that was eventually thrown out by the federal courts.) The theme of the event was “Colonize Space: Open the Age of Reason.”

While the conference focused primarily on the next frontiers in space exploration and a review of the important foundations laid by Dr. Ehrlicke and the entire Peenemünde group of German rocket scientists, it also served as an opportunity to assail the OSI, which had just succeeded in driving one of the leading members of the Peenemünde group, Dr. Arthur Rudolph, out of the United States on manufactured charges of Nazi war crimes.

Two speeches in particular focused on the vicious witch-hunt by the OSI against America’s most important scientists of the Cold War era: the keynote speech by Lyndon LaRouche, and a passionate call for an end to the assault against German-American scientists by Gen. John Bruce Medaris, U.S. Army (ret.), who for many years headed the Army’s Redstone Arsenal, the home of the American rocket program.

Excerpts from the speeches follow.

LaRouche: treason by U.S. officials

Lyndon LaRouche, “Ehrlicke’s Contribution to Global and Interplanetary Civilization.”

If the Soviet Union had not hauled about 6,000 Peenemünde veterans into Soviet workshops, Moscow would not have

acquired that German science upon which its acquisition of modern military rockets and thermonuclear detonations depended. Without "Operation Paperclip," the United States, too, would have had great difficulty mastering these technologies.

It is therefore not accidental that a unit of Soviet intelligence established by the late [Mikhail] Suslov, has successfully penetrated a corrupted channel of the U.S. government, to convey forged Soviet libels against U.S. veterans of the Peenemünde project. The Soviet government knows very well, through its own scientific debt to Peenemünde, that the United States will be defenseless against the Soviets' massive military mobilization . . . unless the United States turns once again to the resources of aerospace development built up here around our Peenemünde veterans. So, Soviet intelligence, working through the Moscow Procurator and the East Germany-based VVN, has conduited forged documents, through Soviet agents, into the Office of Special Investigations, for the purpose of scapegoating and demoralizing the persons who are either veterans of Peenemünde or closely associated with them.

This action by certain officials and other citizens of the United States, is very simply, very plainly, pure and simple treason, pure and simple aid and comfort to a Soviet government which has declared its mobilization for impending

"Holy War" against the United States and its allies. Those persons who are aiding and abetting this Soviet-directed scapegoating of Peenemünde veterans, are guilty of treason as the U.S. Constitution defines treason, as giving aid and comfort to the enemies of the United States in times of war.

Medaris: an unconstitutional assault

Gen. John Bruce Medaris, the retired commander of the U.S. Army Arsenal at Huntsville, Alabama, "Stop the Assault Against German-American Scientists."

I cannot believe that the law under which the Office of Special Investigations of the Department of Justice is operating, to harass a particular group of naturalized citizens of this country, is constitutional.

Even the public statements of the OSI and other protagonists of these unjust actions have alleged guilt by association. Direct evidence supporting the innocence of Dr. Rudolph and others now under attack is totally ignored. To allow continuation of this kind of treatment, smacking strongly of blackmail and the lawless methods of underworld enforcers, is to ignore such a travesty of justice, that makes a mockery of the Constitution and of every so-called civil rights law aimed at equal standing before the law for all the citizens of this nation.



Lyndon LaRouche (left) addresses the Krafft Ehricke Memorial Conference, June 1985. Gen. John Bruce Medaris (center) denounces the OSI, at a press conference of the Coalition for Constitutional Justice and Security in 1985. Dr. Krafft Ehricke (right): an illustrious member of the German rocket scientists team.

British unfold scheme for perpetual war in Balkans

by Mark Burdman

The first days of July will mark a crucial turning-point—but not any solution—for the increasingly bloody chaos engulfing the territory of former Yugoslavia. On July 1, Great Britain takes over the rotating six-month presidency of the European Community. This position will give the British establishment enormous leverage to institutionalize various of their diplomatic plans for the crisis. These plans have the immediate tactical aim of legitimizing a renewed, British-patronized “Greater Serbia” option for a post-Milosevic era in Serbia, and of bringing British-allied monarchies to rule throughout the Balkans region.

The broader British strategic aim is to keep alive, through “crisis management” and “balance of power” diplomatic methods, a Balkans war process that is reminiscent of the Thirty Years’ War in Europe in the 17th century. With this process, the Anglo-American elites hope to bleed continental Europe, by causing vast economic and infrastructure destruction in southeastern Europe, unprecedented flows of refugees, and political chaos.

On June 19, the London *Guardian* published an article laying out the basic guidelines of British diplomatic policy toward ex-Yugoslavia, authored by Dr. Jonathan Eyal, of the Royal United Services Institute, a British government-backed think tank. Eyal’s first principle is that the contours of a post-Milosevic era must be formed around ensuring that “the Serbian nation’s legitimate fears are properly addressed.” Linked to this, a prospective European Community conference on Yugoslavia should address the predominant issues “without fears or preconditions. The conference should accept that some territorial adjustments and voluntary repatriations of ethnic minorities are inevitable.”

Eyal is in effect recommending that Serbia’s territorial grabs in Croatia, Bosnia, and elsewhere be legitimized, and

that transfers of populations be carried out under international auspices. Astonishingly, but representative of the consensus view in London, Eyal is giving “the Serbian nation’s legitimate fears” a higher place of prominence on the agenda than the brutal massacres and acts of repression committed against the Croatian, Bosnian, and Kosovo Albanian populations over the past months. Eyal justifies this approach with the cynical pragmatism typical of the British establishment: “The conflict offers no opportunity for neat solutions. The task is to manage Serbia’s accommodation in the Balkans as peacefully as possible. If the opportunity is missed and a new Serbian leadership finds itself isolated, the entire area will be condemned to years of war and misery.”

British puppet claims Serbia’s throne

The entire gambit is contingent on the success of the monarchy option. The anti-Milosevic opposition is championing Crown Prince Alexander’s claim to lead the Serbian state. He will arrive in Belgrade on June 28, the emotionally charged anniversary of the battle of Kosovo in 1389, when Serbia was defeated by the Turks. Large rallies, planned to coincide with the prince’s arrival, could give the political impetus to end Milosevic’s rule.

Alexander positioned himself to play his assigned role as protector of the Serbian people in a post-Milosevic era, with a June 23 speech—British accent and all—before the National Press Club in Washington, D.C. He charged that the international diplomatic offensive against Milosevic is “increasingly acquiring the character of a campaign against the Serb people and Serbia as such. The Serbian people have given ample proof that they, too, are victims of this regime.” He charged that the sanctions against Serbia were “one-sided, because they treat the Serb side as the only guilty party in the

dispute, which it clearly is not." Beyond this, he attacked the international community for recognizing the independence of the former Yugoslav republics, insisting that Serbia had suffered the most from the way the late Marshal Josip Broz Tito had set up the structure of Yugoslavia.

His solution? The establishment of a national coalition government, with himself as head of state. This, Alexander claimed, would be his "sacred duty."

Previously, in an interview with France's *Le Figaro* June 11, Alexander had made it clear that he intends to actively intervene into the internal situations of both Bosnia and Croatia, and that "the violence will persist," if these nations don't recognize various Serbian claims.

Whatever backing Alexander will have received in Washington, the interview in *Figaro* is one sign that there is sympathy in Paris for the British game-plan. A senior European Commission member from France told *EIR* June 24 that "the British effort to bring back the king in Yugoslavia is a good thing."

Sources close to the crown prince have told *EIR* that there is a direct link between his June 27-28 weekend return, the assumption of the EC presidency by Great Britain, and the holding of a Yugoslavia conference along the lines specified by Eyal. "Alexander could be extremely useful for a peace settlement," one aide to Alexander said June 24. Even if his going back to Serbia could be a "high-risk operation," the British are fully encouraging him to do it, and have "high hopes" that he could "electrify" the opposition to overthrow Milosevic, and thereby expedite the British diplomatic moves. Said this source: "You have to understand, Crown Prince Alexander is an essential part of the British establishment. He meets Lord Carrington regularly. The British establishment works by old boys' networks, and Alexander is part of those. The approval for his return has been signaled the way the British do it, by rumors, whispers, and winks."

Carrington and his NATO options

Reports from European diplomatic sources are that the British diplomatic efforts will be based on threats and enticements. Reportedly, at the June 25 meeting in Strasbourg, France convened by Lord Carrington, the EC's super-plenipotentiary for Yugoslavia, Carrington is planning to make threats, during the private part of the talks, that the representatives from the former Yugoslav republics either find some way to politically bring about the fall of Milosevic, or military actions will be carried out to enforce a "solution." What is being mooted, these diplomatic sources affirm, is a naval blockade as a first step, then the bombing of the outskirts of Sarajevo as a second step, and, following this, selective bombings of Serbian infrastructural capacities.

Such a strategy would, in and of itself, probably worsen the conflict substantially. As European experts familiar with the terrain have stressed, the Serbian fighters are trained in methods of classic irregular guerrilla warfare, particularly in

mountain fighting. Any intervention from the outside would have to be prepared to deal with this, particularly by unleashing *counter*-irregular warfare capabilities, by giving the Bosnians, Croats, etc. the logistical and military wherewithal to fight back. Primary dependence on air power would be, at best, ineffective.

Politically, it would be crucial for the Europeans to come up with some form of intervention strategy *independently of the Anglo-Americans*, especially to prevent some "Operation Balkans Storm" from becoming U.S. President George Bush's next global ploy to shore up his reelection campaign. Indeed, increasingly warlike tones are being heard from Washington, with more or less overt threats of military intervention coming during the week of June 22 from Secretary of State James Baker III and National Security Adviser Brent Scowcroft.

In the absence of an independent European move being planned, the plans for intervention are increasingly coming under a NATO umbrella. On June 24, both outgoing NATO Commander Gen. John Galvin and incoming NATO Commander Gen. John Shalikashvili spoke of NATO being best fit to intervene in the Yugoslav theater. Shalikashvili said that "resolving ethnic conflicts" would be NATO's priority task in Europe for the coming years. Equally troublesome, is that French Defense Minister Pierre Joxe has stated that the recently announced Franco-German-led "Euro-Corps" should be operationally subordinated to NATO.

Milosevic's next target: Kosovo

The dangers are all the greater, as the prospects for a widening Balkans war increase by the day. High-level Serbian sources warn that Milosevic, in desperation, might move preemptively in the next days to open a new war front, against the Albanians in Kosovo. On June 23, Serbian police moved to close down the opening session of a just-elected Parliament of Kosovo. Azem Vllasi, a leader of the Kosovo democratic political movement who serves as itinerant Kosovo ambassador in the Balkans, told France's *Le Monde* June 24, that "the Serbian logic is to kill 1,000 Albanians to force 50,000 to flee. . . . The goal of Belgrade is not only to become the power 'on site,' but to 'Serbify' the region. . . . The Serbs want to increase the pressures, both police and social, on the Albanians of Kosovo, in order to make the largest possible number flee, and to apply their plan of repopulating the province with Serbs, notably Serbs of Croatia. . . . Kosovo's turn will come after that of Bosnia-Herzegovina."

The slaughter in Bosnia has reached nightmarish proportions, with one humanitarian organization claiming that 50,000 Bosnians have already died in the fighting. On June 25, Croatian President Franjo Tudjman told *Le Figaro* that "Croatia will have to intervene if the war continues in Bosnia." In the past days, the leaders of Croatia and Bosnia have signed a formal defense pact, the first such bilateral pact in Europe since the Second World War.

Russia, LaRouche, and America

Vladimir Matveyev reports from Moscow on an extraordinary demonstration held at the American embassy.

On June 12, a protest was organized at the United States of America embassy in Moscow, by the Moscow organization of the Democratic Union party and the Moscow Committee for the Liberation of Lyndon LaRouche. The action was joined by the Moscow section of the Ukrainian organization Rukh, and the Free Russia organization and the Moscow anarchists sent representatives. Valeriya Novodvorskaya, the well-known Russian political figure from the democratic opposition and member of the Moscow Coordinating Council (MKS) of the Democratic Union, personally took part in the demonstration.

The participants in the action protested against the "Russia" policy of the current U.S. government—which is extending aid to the pseudo-democratic Yeltsin regime—against Russia's joining the International Monetary Fund. They demanded the liberation of the American political prisoner, economist, and political figure Lyndon LaRouche. The demonstrators held placards with the following texts: "Shame on America for betraying freedom! No to collaboration among the FBI, CIA and KGB (MBRF)" [MBRF is the Russian Federation Ministry of Security—ed.]. "Freedom for the American political prisoner Lyndon LaRouche and his comrades!" "The International Monetary Fund is economic genocide!" "No to western aid for the Yeltsin-Gaidar government. Western credits to farmers and business, not into the pockets of Kremlin bureaucrats!" "America! Better free your own political prisoners, instead of supporting Yeltsin's toadies!" "The IMF is an instrument of U.S. economic aggression, Russia should not be in that organization of international racketeers!" as well as a placard giving detailed information about the persecution of Lyndon LaRouche in the United States.

The action began at 3:30 p.m. and lasted about an hour, until a representative of the American ambassador came out of the building. The participants in the action handed him a petition consisting of three documents: an appeal of the Moscow Coordinating Council of the Democratic Union party against American aid to the present government of Russia, a declaration of the Moscow Committee for the Liberation of Lyndon LaRouche, which was endorsed by the MKS of Democratic Union and by the Moscow Rukh, and a declaration of the Moscow Rukh.

"We in Russia understand particularly well, how state security organs fabricate cases like [LaRouche's], disguising political repressions as criminal investigations," said the statement

from the Moscow Committee for the Liberation of Lyndon LaRouche. "We consider that the case should be reconsidered. . . . The truth that there are no borders in the struggle for human rights should now be upheld in the U.S., a country that presents itself as a fighter for rights and freedoms."

Collaboration between Democratic Union and the Schiller Institute made it possible to hold such an action. At the end of last year, *Svobodnoye Slovo* [Free Word], the newspaper of the Moscow Democratic Union, published material on the persecution of Lyndon LaRouche. Then the recent publication in *Svobodnoye Slovo* of [EIR European Economics Editor] William Engdahl's article "The IMF and the Illusion of a 'Free Market' Miracle" gave several Democratic Union members the opportunity to consolidate their own views with the opinion of the Schiller Institute about the IMF and American policy with respect to Russia.

Unfortunately, little information reaches Russia about the economic concepts that exist in the West. In Moscow, the Russian-American University has a monopoly in this field, and it preaches the concepts of Jeffrey Sachs and the IMF. Practically all economic experts of the Russian government are connected with this university or are under the influence of its school. This university is financed by the U.S., and many of its Russian specialists worked earlier—and some continue to work—in the economic departments of the KGB (MBRF).

At the present time, the Russian-American University is on a firm financial footing, and it has practically monopolized the commercial sphere of economic information reaching Russia from the West. The various economic structures of this university are making substantial profits from lobbying the Russian government on behalf of several American firms.

The ideas of Lyndon LaRouche in the area of economic cooperation between the West and Russia could significantly edge out the Jeffrey Sachs school and the Russian-American University. At the present time, only the Democratic Union is trying to do something to spread LaRouche's economic concepts in Russia, but the social basis for his ideas to be adopted in Russia has ripened.

The ideas of liberalism in Russia's economy have now been totally discredited by the Yeltsin government. Total privatization, essentially, is now under way in Russia, but not all citizens are obtaining property—only former CPSU [Communist Party of the Soviet Union] functionaries, who

have ensconced themselves in the leadership of the state structures and of major businesses. The bureaucrats have simply stolen their way ahead now in Russia.

The retirement of Gavriil Popov as mayor of Moscow illustrates this. That doctor of Marxist-Leninist political economy from the former Institute of Social Sciences of the CC [Central Committee] CPSU, one of the leaders of the new post-communist *nomenklatura* that has united into the so-called Democratic Movement of Russia, a Yeltsin man, during his short term as mayor became one of the six wealthiest people in Moscow, selling state property for bribes. It is worth noting that the scandal in the Moscow City Council that led to the resignation of Mayor Popov was his article, published in Moscow newspapers, in which the mayor proposed to legalize the transfer to bureaucrats working in the mayor's office, a certain percentage of the value of the state property they privatized, and outlined his approximate calculations on the magnitude of these percentages.

Under these conditions, the position of the United States toward Russia is especially immoral. American aid to the government of Russia is a disservice to the peoples of the Russian Federation. By feeding the anti-popular regime of Yeltsin with dollars, the United States supports former CPSU functionaries

who neither desire nor are capable of carrying out actual reforms and real privatization in the interests of all citizens, so as to provide everybody with equal startup opportunities.

The U.S. and the IMF willingly give credits to those thieving Russian bureaucrats, knowing perfectly well that money from the state budget will be passed through commercial structures into the personal overseas bank accounts of the people around Yeltsin, while the citizens of Russia will be denying themselves the bare essentials, while paying off these immoral credits and working for American monopolies.

"America has no permanent friends and allies. America only has vital interests," one American President said in his day. It would be interesting to know whether—besides those interests—America has an elementary concept of right and wrong. Judging by the current "Russia" policy of the United States, this concept is lacking. That is why Democratic Union went to protest at the U.S. embassy on June 12, on the "Russian independence" day proclaimed by Yeltsin, wanting to find out, when America's slumbering conscience will wake up.

The author is a member of the Democratic Union and of the Moscow Committee for the Liberation of Lyndon Laouche. The article was translated from the Russian.

Misery and criticism grow in Russia

The increase in price and scarcity of food in Russia primarily affects those who are already badly off, such as pensioners. A Moscow research institute investigated how the living standard of old people has changed since the lifting of price controls; the results are devastating. The elderly must pay more than 80% of their pensions just to buy food. Simultaneously, pensioners have had to sharply limit their consumption of milk and meat. Last November, the per capita consumption by this population group was still around 19 kilograms (kg) of milk and milk products and 3.9 kg of meat. By the beginning of this year, it contracted to a meager 4 kg and 1.6 kg, respectively. Humanitarian help from abroad only rarely reaches the needy. In November, only 7% of those who had asked for help had received such aid, and in January it was a mere 3%.

The deliveries of aid from the western countries have evidently been taken over by the old Communist Party organizations. Thus, the German labor group Free Animal Husbandry and Meat Industry in Brussels protested that on the Russian side, the firm Prodintorg is still exclusively authorized to receive food imports. Additionally, the group said, the Russian firm refused to accept the most

favorable price offer, and would work only with those firms that it knew during the time of the Soviet planned economy. Prodintorg is even willing to pay higher prices. The European Community has thus far delivered \$630 billion worth of food aid to Russia.

Reform not thought through

Meanwhile, the agricultural trade unions and the Russian Agricultural Union have sharply criticized the Yeltsin government's agricultural policy. The reform policy of the government, they say, is "not thought through"; it will lead to an "irreversible process of decline of agricultural production, to rural ruin, and the dying out of Russian villages." That will in turn lead to mass poverty and hunger among the Russian population.

As a result of the lifting of price controls, the gap between costs and prices to the producers has increased. Thus a farmer now must sell 473 tons of grain or 208 tons of milk in order to buy a tractor of the "Don 1500" type, three times as much as one year before. Mineral fertilizer and insecticides cost 40-100 times more than last year. However, because of the low purchasing power of the population, the critics say, prices to the farmer cannot be correspondingly increased. This discrepancy will lead to the ruin of agricultural businesses. Wages in agriculture in the first quarter of 1992 are only one-third the comparable wage level in industry, the union critically points out.

—Rosa Tennenbaum

Schiller Institute welcomed in Zagreb

by Elke Fimmen

The situation in Croatia has become ever more critical in recent weeks through the continuation of the battles on its territory as well as the brutal war of conquest of the Serbian “tank communists” against Bosnia. Already, 1.7 million inhabitants of the former Yugoslavia have lost their homes and are in flight—and the overwhelming portion of those are in Croatia. Large tent camps have been set up in Croatia for many thousands of people, and all essential goods are scarce. Further huge streams of refugees are expected.

In this crisis, in which the Croatians and Bosnians hope in vain for help, the ideas of the Schiller Institute have reached broad circles. In particular, the Appeal to Save Croatia which the president of the Schiller Institute in Germany, Helga Zepp-LaRouche, circulated internationally last year, has made it well known in Croatia. During our brief visit to Zagreb, the spokeswoman of a Croatian organization thanked “the renowned Schiller Institute” for its support.

James Baker: synonym for treason, aggression

The culprit for this disaster is clear to many Croatians. The name of James Baker, the U.S. secretary of state who intervened in the summer of 1991, at a delicate point in negotiations among the different republics of the crumbling Yugoslav federation, to state that U.S. policy would only back a unified Yugoslavia, is a synonym for how Croatia was stabbed in the back. This was widely seen as the “green light” for Serbia’s war of aggression, conducted by the Serbian-dominated “Yugoslav Federal Army.” But the cowardice of the Europeans, who delayed recognition of the new republics and repeatedly failed to take steps against Serbian aggression, is also noted with bitterness.

On May 28, a demonstration involving many thousands took place in Jelacic Plaza in Zagreb, organized on short notice by the “Mothers for Peace” and the “Croatian Art Forces” in protest against the gruesome massacre in Sarajevo. In dramatic words, the speakers blamed the world community for abandoning Croatia and Bosnia. An actress walked to the microphone holding “the bloody bread of Sarajevo.” An old woman, a survivor of Vukovar, the Croatian city that heroically withstood a long Serbian siege

last year before finally it fell, was greeted with applause that seemed to go on forever. The speech of a representative of the Schiller Institute, who exposed Baker’s role and warned against hasty action lest it come to a Balkan war and a potential Third World War, was interrupted again and again by applause.

Peace through economic buildup

Croatia’s economic condition appears devastating. The high costs of the war, of the refugees, and the simultaneous restructuring of the economy, during which many businesses were closed, have led to plummeting living standards and a drastic increase in unemployment. If Croatia is to have any prospect of recovery, this can only come from an orientation toward rebuilding the economy through great infrastructural projects tied to national financing mechanisms.

There was great interest manifested in the program of the “Productive Triangle,” authored by political prisoner and U.S. Democratic presidential candidate Lyndon LaRouche, at meetings in Zagreb on June 11 and 12, where the Schiller Institute had been invited to speak by the largest and oldest Croatian cultural organization, Matica Hrvatska. The “Triangle” would build high-speed rail and other transport connections to turn a curvilinear area between Paris, Berlin, and Vienna into the locomotive of a world economic recovery; “spiral arms” are envisioned which reach out into adjoining areas and upgrade their own infrastructural links to this heartland. Zagreb, for example, is only hours from Vienna.

What was on the table at these meetings was the issue of developing alternatives to neo-liberal shock therapy. Since the Markovic government of Yugoslavia had hired International Monetary Fund apostle Jeffrey Sachs as an adviser two years before the war, and in two years his “shock therapy” brought about a 40% drop in the standard of living and a collapse of production, this sort of “free market” is *a priori* suspect to Croatians.

Happily, the principle that “culture and politics belong together” is better understood in Croatia than in many western nations. Since this strongly Catholic country has a distinct cultural and scientific tradition that has had to maintain itself over decades against Serbian oppression, many artists stand in the front line among political activists. Thus actors, singers, and other artists formed the “Croatian Art Forces” at the beginning of the war, in order to lend moral support to the people.

A press conference on the work of the Schiller Institute, organized by the director of the Croatian Information Center in Montreal, Alexander Shiroka, was opened by the president of the Writers Union, Fabio, who warmly thanked the institute for its work. Detailed coverage followed in Zagreb’s two largest newspapers, *Vjesnik* and *Vecernji List*. *Vecernji List* quoted Helga Zepp-LaRouche as saying that “the double standard vis-à-vis the aggression against Croatia is the ‘best sign of a moral bankruptcy.’ ”

Documentation

Croatian media cover Schiller Institute

A Schiller Institute press conference held in Zagreb, Croatia in May received widespread press coverage. The leading role of the Schiller Institute in the fight for Croatian independence was universally noted. Excerpts follow, translated by Stephen Corkovic.

Vjesnik carried the following article by Zdravko Zima, entitled "For a New Order," on May 31.

"... Speaking in Zagreb about the Schiller Institute activities were Elke and Klaus Fimmen from Munich, and Alexander Shiroka, the president of the Croatian Information Center in Montreal. According to Elke Fimmen, the time has come for a final emancipation of all nations enslaved by the Versailles Treaty agreements. She identified the Serbo-communist aggression against Croatia, and now against Bosnia and Hercegovina, as a desire to erase national entities.

"The Schiller Institute, according to the guest from Germany, is striving for a worldwide order, whose focus will be, like during the Renaissance, the human being. A world transformation is possible and should be sought through the Productive Triangle, outlined by Paris-Berlin-Vienna, which currently contains the largest concentration of economic productivity. It [the Productive Triangle] will be a source of productivity which will enable the development of the entire Eurasian continent. Elke Fimmen also spoke about the works of the American economist Lyndon LaRouche, who foresaw the collapse of the communist bloc... warning that a lasting peace cannot be guaranteed without a sound economic base."

Vecernji List in Zagreb carried an article by B. Kaminski on May 31 entitled "European Triangle For Peace."

"... The basic program and principle of the Schiller Institute... is a battle for a just economic order, founded on the propositions of the American economist Lyndon LaRouche, who regards as the only possibility for bringing peace to the Balkans a realization of an all-European infrastructure plan, based on the so-called Productive Triangle... with the greatest concentration of productive forces. From that triangle a whole system would be developed which would secure an economic recovery, the only factor which can, in the opinion of the Schiller Institute representatives, bring a lasting peace to the Balkans.

"The responsibility for the war in Croatia and Bosnia and Hercegovina, cautions Elke Fimmen, rests with the American administration and Europe. Europe should not have al-

lowed such listlessness which further incited conflicts. . . . The incentive for the war, she says, came from Anglo-American bankers who wish to destabilize Europe, because Europe's integration started to threaten the U.S.A. The Schiller Institute bases its arguments for this claim on certain materials published by the Pentagon which state that the U.S.A. cannot allow Europe to have political and economic supremacy. . . . The cause for the whole problem it finds in the moral crisis enveloping the whole world, where the most important thing is that capital is enriching itself without bearing any fruit in return. Political struggle, the Schiller Institute holds, is at the same time a struggle for ennobling mankind, which will be achieved, in accordance with the Renaissance ideal, by joining together all of the segments of society, especially culture and politics."

HINA, the Croatian press agency, published the following report, entitled "Conference on 'New World Order,'" on June 12.

"This evening in Zagreb a conference [entitled] 'New World Order: A Community of Nations with Equal Rights or an Empire Dominated by One Power?' which was organized by the political branch of 'Matica Hrvatska' [Croatian Queen Bee, the most prestigious and influential cultural association of Croatia—ed.] welcomed a guest speaker, Paolo Raimondi from the Schiller Institute.

"The new world order is closely tied to the fall of the Versailles system and communism in the former U.S.S.R., and many people thought that this would cause chaos and changes in the international borders. However, he added, even at that time the Schiller Institute had a development program for a new world order, whose basis is the sovereignty and independence of small nations.

"The U.S.A. is the world's largest debtor, but they do not have a developed strategy for debt reduction which is causing a whole series of economic, social, and political repercussions, as, for instance, the fact that the U.S.A. has become an importer of financial capital and goods. Facts like: The U.S.A. has registered a large debt increase compared to the gross national income, negative trends in the physical economy, and the emphasis on the monetary and financial aspects of free trade, together with neglect of industrial development, lead Mr. Raimondi to conclude that the world is in the midst of an economic crisis. The Schiller Institute scholar sees the way out of the crisis through the new world economic order, where regions with their differing economic and technological capabilities occupy important positions. A proposition put forward by the institute is to utilize the potential of the Paris, Berlin, Vienna Productive Triangle, which would stimulate development in the rest of the world... by means of the development of national economies, which would cooperate with each other through communications infrastructure, energy distribution, and technological advancements."

French leaders found guilty in frameup

The 12th Chamber of the Paris High Court on June 24 found Jacques Cheminade, Christine and François Bierre, and guilty of "theft." The conviction of the four political associates of Lyndon LaRouche was the result of a political frameup, accompanied by a heavy media campaign of slander against the defendants.

The alleged victims were the heirs of Mme. Denise Pasery, who died at age 66 in 1986. From late 1983 to spring 1986, Mme. Pasery had made contributions and loans totaling 1,197,000 francs to various associations linked to political campaigns and publishing projects undertaken by associates of LaRouche in France.

The entire case hung on "expert" medical testimony—compiled three years after Mme. Pasery's death and based on a single brain scan made eight months prior to her death—that she allegedly showed noticeable symptoms of Alzheimer's disease during the period of her association with the defendants.

Jacques Cheminade, a well-known political figure who has run several campaigns for the French presidency, was given a 15-month jail sentence; the Bierres and, a 13-month sentence each; and a 5,000 franc fine was imposed on each of the four defendants. In addition, the court ordered that all four defendants be held collectively responsible to pay 1,100,000 francs to the Pasery heirs. The jail sentences are suspended, on condition that the defendants pay the fines and reparation to the heirs, and that they not be indicted for any other cause for a three-year period.

All aspects of the sentences handed down by the 12th Chamber are suspended pending appeal to the French Court of Appeals. The defendants will appeal their convictions.

Peculiar features of the judgment

The 12th Chamber's ruling rejects the suggestions made by the government prosecutor in his sentencing recommendations during the June 4 hearing in this case. At that time, the prosecutor stated to the court that given the lack of clarity concerning Mme. Pasery's mental condition at the time of the solicitations, the 12th Chamber would be well-advised to appoint a second neuro-psychiatric expert, better qualified to review the evidence of an alleged Alzheimer's condition. It is exceedingly rare for the court not to accede to such a

suggestion from the prosecutor.

But the 12th Chamber went on to impose sentences that, if strictly executed, would prohibit any of the defendants from participating in elections for the next three years.

A further peculiarity in the ruling involves the crime charged in the indictment. The defendants were indicted for theft, not fraud, but the court's argument strains to find sufficient grounds for conviction, and failing to meet the requirement for theft, finds on the basis of fraud.

A totally political case

The case is a blatant effort of an international "Get LaRouche" task force to shut down the political activities of LaRouche's associates. A report prepared by the police commissioner, drawing from a dossier of the Renseignements Généraux, France's political police, described the European Labor Party (POE), of which Cheminade was formerly the secretary general, as "a direct offshoot of the party of Lyndon LaRouche in the United States, who is charged in a very important case of swindle and fiscal fraud." As associates of Cheminade wrote in a leaflet circulated in Paris in March, "from the beginning of the allegations, a presumption of guilt has been created based on political association."

In 1990, a first instructing magistrate refused to indict the defendants for fraud after a four-year investigation. That magistrate said that the defendants' political activities were well proven, that the firms which received contributions and loans from Mme. Pasery existed, produced the publications for which the funds were solicited, and that Mme. Pasery was fully aware of their activity. Therefore, there was no scheme to defraud.

When the first magistrate retired, the prosecutor appealed her finding and a second instructing magistrate was appointed who also found that fraud was not constituted, but, given a mandate to indict, fashioned a charge of theft. In French law, theft is proven if the person making a gift was not only mentally impaired but was *known to be mentally impaired* by those receiving the gift. Therefore, the issue of Mme. Pasery's alleged deteriorating mental condition at the time of her association with the defendants was the keystone of the prosecution.

Unfortunately for the prosecution, at the June 4 hearing, Mme. Pasery's heirs testified that their mother continued to drive her car, by herself, in Paris and back and forth to the suburb of Ville d'Avray, and that she single-handedly managed her extensive financial affairs up until four months before she died in October 1986.

On the question of LaRouche himself, one of the defense lawyers effectively countered the slanders circulating in the courtroom on June 4, when he said that he had personally met with Lyndon LaRouche on two occasions. The first time they discussed a translation of Plato's *Timaeus*, and the second they had a debate on Aristotle's *Nicomachean Ethics*—subjects, he said, which do not normally preoccupy a "thief."

'Peace without justice' doomed in Colombia

by Andrea Olivieri

On June 16, one of Colombia's courageous "faceless judges" issued arrest warrants for a score of infamous narco-terrorists who constitute the leadership of the Colombian Revolutionary Armed Forces (FARC) and National Liberation Army (ELN), two of the country's bloodiest communist insurgencies. The arrest orders, combined with warrants issued one month earlier against the amnestied M-19 terrorist group, have thrown a monkey wrench into President César Gaviria's plans for a power-sharing arrangement with the narco-terrorists. The result is a long-overdue institutional crisis.

The system of "faceless judges"—a corps of protected judges specializing in drug and terrorism cases, whose identities are kept secret—is a judicial mechanism constitutionally decreed in 1991 as a means of at least partially restoring the capacities of a judiciary which had been bribed and terrorized into impotence. Ironically, the better the new system now works, the more desperate the government institutions which brought it into being have become.

A dead 'peace'

The latest arrest warrants were issued shortly after the Gaviria government's "peace talks" with the FARC and ELN, held in Tlaxcala, Mexico, collapsed in early May after the terrorists not only refused to consider a cease-fire proposal, but dramatically escalated their offensive against military, economic, and *civilian* targets across the country. The warrants charge the guerrilla leaders with "committing crimes for terrorist ends," and among the accused is Guillermo Saenz (a.k.a. Alfonso Cano), the top FARC negotiator in Tlaxcala who had refused to abandon his Mexican sanctuary after the government negotiators departed. Saenz, according to the Colombian daily *El Tiempo* of June 22, was on the verge of leaving for the United States, because "he had been invited to give some presentations at several U.S. universities," when the arrest warrant, enforceable internationally, was issued.

Desperate to salvage his moribund "peace initiative," President Gaviria has resorted to various juggling tricks. For example, in order to fulfill his "gentlemen's agreement" with the FARC to allow the terrorists' safe return to Colombia, Gaviria convinced both Interpol and the Mexican government to postpone enforcement of the arrest warrants until

June 25. Gaviria also arranged for the Mexican authorities to grant Cano and his fellow terrorists diplomatic immunity providing them safe passage to Colombia on June 24, thereby giving the terrorists an additional 24 hours after they touch down in Colombia to rejoin their terrorist armies before the warrants are activated.

President Gaviria has simultaneously been pressuring the Congress to ram through a blanket pardon for the M-19, whose presidentially approved amnesty was threatened when another "faceless judge" on May 18 charged its top leaders with atrocious crimes "punishable under the Nuremberg precedent," and issued orders for their arrest. At stake, of course, is Gaviria's dual power arrangement with the M-19—whose "former" narco-terrorist cadre occupy seats in both the House and Senate, and in the presidential cabinet itself—and more broadly, his "democratic new order" based on shared power with all of the country's narco-terrorist forces.

Institutional crisis

Gaviria's efforts to interfere with the judicial system by offering a second, broader amnesty for the M-19 has fueled outrage, and led to a clash between the Executive branch, the Congress, and the influential Council of State, the latter insisting that such interference threatens Colombia's institutional order. Ironically, President Gaviria is being driven by his treasonous "appeasement" policies with the narco-terrorists to violate the very Constitution his government helped to bring about. Should his efforts to sabotage the arrest warrants succeed, he will have gutted one of the few remaining institutions that can help restore dignity to his ravaged nation.

Gaviria's most vocal critic, former Justice Minister Enrique Parejo González, charged on June 15 that "the country is marching toward dissolution," and that "lack of foresight and daily improvisation by this government" has brought about "institutional disorder" and "serious moral prostration." Parejo specifically referred to "the undue interference of the Executive and Legislative in the decisions of the judiciary, under the pretext of defending the peace," as one of a string of such abuses of power.

While giving a wide berth to the institutional chaos their commander-in-chief has created, Colombia's Armed Forces are simultaneously taking advantage of the policy vacuum to intensify their own military offensive against FARC-ELN bastions. In mid-June, the Army conducted 62 raids in the capital city of Bogotá, arresting dozens of FARC collaborators and disrupting a vast communications network servicing the narco-terrorists, while an elite police group raided and dismantled a FARC camp a mere 90 kilometers from the capital city. Evidence has also surfaced indicating that the FARC-ELN "peace negotiators" used their presence in Tlaxcala, Mexico to arrange a new flow of weapons to their terrorist ranks in Colombia.

Communist China's territorial expansion being backed by U.S.

by an EIR investigator

The communist regime in Beijing in June achieved de facto support from the United States for an aggressive drive for territorial expansion, backed up by the full might of the rapidly growing Chinese military capability. In what was presented as simply another joint venture between the People's Republic of China (P.R.C.) and a private U.S. company, Beijing has effectively declared that it is prepared to act on its claim of sovereignty over the entirety of the strategically critical and oil-rich South China Sea, and to enforce that claim militarily. The regime also made clear through intelligence leaks that the United States, the only power capable of preventing such open aggression, will not object. In fact, it is obvious to most observers that the deal was worked out by the "China hands" in and around the Bush administration, run by associates of former Secretary of State Henry Kissinger.

A small, independent, privately held oil exploration company based in Denver, Colorado, Crestone Energy Corp., emerged from obscurity in May by signing an exploration contract with the P.R.C. covering over 25,000 square kilometers in the vicinity of the Spratly Islands, an area which is estimated to contain oil deposits worth several billion dollars. The area, called Wan'an Bei, is also claimed by Vietnam, and contiguous areas are claimed by Malaysia, Indonesia, the Philippines, Taiwan, and Brunei. China claims virtually the entire area except a thin strip along the coastlines, despite the fact that the area extends over a thousand miles from any territory occupied by the Chinese (see map).

All the claimants had agreed over the past two years to settle the sovereignty dispute peacefully, while attempting to find methods to develop the area's resources jointly while the claims remained unsettled. Then, in February, Beijing sent shudders throughout East Asia with a unilateral declaration of a law mandating that the entire South China Sea was Chinese territory, and that all shipping through the area must be reported to Beijing, with approval required for military transshipment. In addition to protests from the Southeast Asian nations, Japan also expressed deep concern, both because the South China Sea is a primary sea lane for the island

nation, and because China also claimed sovereignty over some islands in the north claimed by Japan. China insisted at the time that the declaration was merely a formal matter which would not mean any change in policy.

U.S. embassy approval

However, the deal with Crestone, signed on May 8 in a ceremony in Beijing with representatives of most major departments of the Chinese government, was taken with utter disregard for the other nations in the area, and with no prior notification. It is the first such commercial deal in the contested region. A representative of the U.S. embassy in Beijing personally attended the signing ceremony. The statement of U.S. State Department spokesman Margaret Tutwiler that this did not represent U.S. support for Chinese claims over the area, does not alter the obvious fact that the U.S. supported the deal, or at least did not object.

"Crestone is a private corporation and the United States government takes no position on the contract itself," Tutwiler said at the June 20 State Department press briefing, at the same time acknowledging that the U.S. embassy in Beijing attended the ceremony. It is well known that U.S. operations are often run under the cover of mysteriously funded private companies which are not required to file public reports. A Pentagon spokesman expressed wonder that any company would want to get involved in such a precarious operation, and admitted that he had been unable to learn anything significant about Crestone itself.

Crestone chairman Randall C. Thompson told the *New York Times* on June 18: "I was assured by top Chinese officials that they will protect me with their full naval might . . . that they'll have the entire naval fleet out there backing me up, if necessary."

Over the past four years, as part of the Deng Xiaoping "reform" so widely praised by the Anglo-American establishment, there has been a massive Chinese military buildup, with much of it centered on the Navy. The International Institute of Strategic Studies of London lists China as having 44 submarines, 19 destroyers, 37 frigates, and 869 patrol and

coastal combat vessels. A new fleet of Soviet-made SU-27 fighters has been ordered. It has been widely reported that China has recently obtained from Israel the technological capacity to refuel its aircraft in flight, which gives Beijing unquestioned air superiority over the entire area. The purchase of an aircraft carrier from Ukraine is also reported to be in the works.

Thompson took credit for having made the proposal to the Chinese government in February to formally pass the law detailing their claim to the South China Sea, for the purpose of laying the legal basis for the emerging oil exploration deal. He also claims that his success in closing this deal was solely the result of his personal drive and tenacity, totally independent of any government or large corporate involvement. Crestone's other overseas operations, in the Philippines, Belize, and Peru, are similarly cloaked in secrecy, although there was reportedly some collaboration with Armand Hammer's Occidental Petroleum and British Petroleum.

Business in China, however, is notoriously run on the basis of connections. Kissinger, who is at the center of China's relations with the United States, was also in Beijing in February, although he has made no public statements on the issue of sovereignty over the South China Sea. His consulting firm Kissinger Associates, Inc., and his investment firm China Ventures, Inc., would be in a position to broker billions of dollars in oil operations if the Chinese seizure of the area is secured.

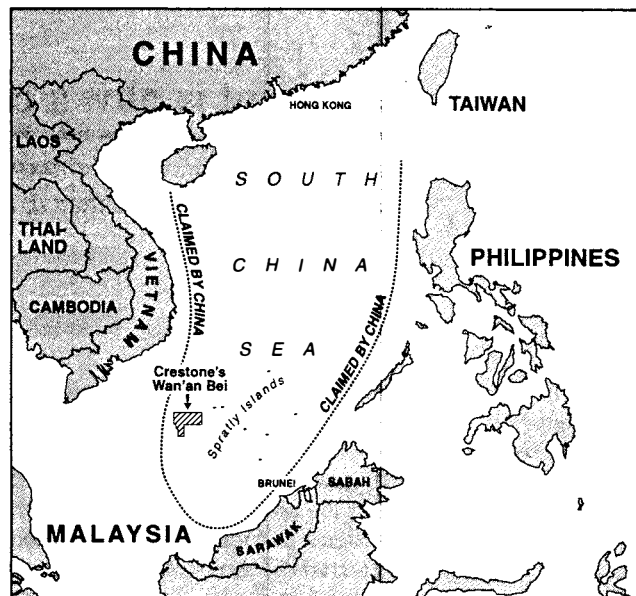
Beijing's view

Sources close to the Beijing government are reporting the deal as a "coup" for Beijing. Said one source: "The United States now has a stake in the area. This paves the way for the Chinese takeover of the entire area. No one in the area can fight the Chinese now—only the United States could have prevented this. The Vietnamese military has collapsed since the Soviets cut them off, and the Philippine military is decrepit. Malaysia has a sophisticated air force, but they don't have a claim to this particular area."

The area offered to Crestone in the agreement is carefully structured to cut just outside the border of the areas claimed by Malaysia and Indonesia, clearly intending to keep these two nations out of the current protest against the deal. However, both nations have extensive areas along their coasts which are claimed by the Chinese, and they are certainly aware of the ominous implications of U.S. support for such an aggressive policy in Beijing.

Vietnam has issued several strongly worded statements on the deal, calling it a "threat to destabilize the region." However, the Vietnamese are attempting to negotiate an end to the longstanding U.S. boycott of their nation. Thus, the U.S. involvement in the deal prevents them from taking any strong measures without jeopardizing that delicate relationship.

China's oil-grab in the South China Sea



Two Sino-Vietnam wars

In 1988, there was a confrontation between the Chinese and the Vietnamese navies in the area of the Spratly Islands. Several Vietnamese ships were sunk at that time, but they have maintained their occupation of several of the smaller islands in the area.

The 1974 land war between China and Vietnam was partially sparked by Vietnamese offers of oil exploration contracts in the contested areas. This was the time of the President Richard Nixon-Kissinger "China card" diplomacy. Since then, the United States has discouraged private companies from accepting exploration contracts from other nations in the contested areas, in deference to the Chinese. Now that China has achieved military superiority in the area, the United States has taken the next step of supporting the Chinese aggression.

This development must be viewed in the context of the recent destabilization of Thailand by U.S. government agencies (see *EIR*, June 12, "U.S. AID Runs Overthrow of Thailand's Government"). The primary target of the destabilization was the Thai military, which has been considerably weakened.

The Thai military was the last significant force in the area capable of resisting potential Chinese aggression. In the aftermath of the Thai operation, not only has China moved to seize the South China Sea, but the Chinese-backed Khmer Rouge in Cambodia have reneged on the peace plan which they had agreed to in that war-ravaged nation, and launched new military offensives.

Collor government is now a corpse

Weakened by corruption scandals and the economic crisis, the President's political demise is just a matter of time.

The Brazilian institutional crisis, originating with the unconditional alignment of the Collor government with President Bush's new world order and the adoption of the prescriptions of the Anglo-American financial institutions, has now entered its terminal phase. All that now remains to be determined is when President Collor will leave the presidential palace. The longer he stays, it is now acknowledged, the worse the institutional damage his government will cause.

This phase was not reached merely through the increased density of administrative corruption scandals, catalyzed by the convocation of a congressional commission of inquiry into corruption charges against the President himself. The scandals are also linked with an economic nose-dive stemming from the population's absolute loss of confidence in its President, and from the panic of both domestic and foreign investors, which is leading to a collapse both of the Brazilian stock markets and of government paper abroad.

The Brazilian congressional commission investigating the corruption scandals, originally brought into being to whitewash Collor's image on the eve of the Earth Summit, has been unable to contain the scandals swirling around Paulo Cesar Farias, the former treasurer of Collor's presidential campaign. The scandal has now reached the doorstep of the presidential office, and could lead to a review of the accounts of the multimillion-dollar electoral campaign, which

would put a spotlight not only on the list of illegal contributors, but also on the party system itself, which managed to elect the least representative Congress in Brazilian history.

Should the Brazilian Congress, through the commission of inquiry, manage to exonerate President Collor of the glaring corruption charges that have been leveled against him, the principal victim of that omission will be the National Congress itself.

Although Brazilian military leaders have not publicly taken a stand on the scandals, they have clearly indicated that they would accept as a solution to the institutional crisis the elevation of Vice President Itamar Franco to the presidency, despite insidious rumors attempting to discredit him. This possibility terrifies both the national and foreign financial oligarchy, since it would signal the emergence of a new government allied to nationalist civil-military sectors which are in turn linked to former vice president Aureliano Chaves.

The gravity of the Brazilian crisis and the diminishing maneuvering room of the oligarchy is reflected in the visit of Chase Manhattan's David Rockefeller to Brasilia in late June, during which time the banker warned that all previously agreed-upon deals with the international financial agencies and creditor banks could dissolve under the heat of the political crisis.

Another such reflection was during the extra-official meeting June 23 between Economics Minister Marcilio Marques Moreira and U.S. Nation-

al Security Adviser Gen. Brent Scowcroft (the former president of the Kissinger Associates, Inc. consulting firm). The scene was not unlike Venezuelan President Carlos Andrés Pérez's urgent convoking of his international advisers—headed by Henry Kissinger—to Caracas before the dust had settled from the Feb. 4 military uprising against him.

That Collor's administration has virtually ceased to exist does not mean that it has stopped handing over to the Anglo-American oligarchy what remains of the Brazilian economy in exchange for the fiction of international support for the moribund government. Thus, for example, a decision was just made to increase monthly interest payments on the Brazilian foreign debt starting in October, when a debt renegotiation deal with the banks is expected to materialize. Similarly, a program of intensifying the rate of privatization of state energy companies has just been decreed.

St. Augustine, in his *City of God*, had a magnificent characterization of the process of moral rot that infects this and all the other democracies in the Western Hemisphere. Comparing unjust kingdoms with bands of thieves, he wrote: "If from kingdoms we remove justice, what do they become but a band of thieves on a grand scale? And those bands, what are they but kingdoms in the small? They are a group of men, they are ruled by a chief, they are pledged to each other in a mutual pact, they divide up the booty according to laws that they accept. Let's suppose that new groups of bandits join this crew, and that they grow until they occupy positions, they establish barracks, they seize cities, and they subject nations: They openly proclaim themselves a kingdom, a title which, by all rights, is conferred upon them not by abandoned ambition, but by the impunity they achieve."

Protests rock Venezuelan regime

Riots, looting, and strikes threaten to boot Carlos Andrés Pérez from the Venezuelan presidency at last.

Less than five months after the Feb. 4 coup attempt in Venezuela, popular unrest, the crisis of the institutions, and the paralysis of the economy have worsened to the point that strikes and protests are erupting everywhere.

Since late May, a wave of student protests has spread the length and breadth of the country. On top of this, there are constant protests, slowdowns, and strikes by workers in the critical areas of health, communications, education, agriculture, and elsewhere. Each day brings new forms of social protest, from the most impoverished urban areas to the remote towns in the countryside, with protesters blockading streets, highways, and bridges, and in some cases looting stores, warehouses, and freight trucks.

Apart from the high cost of living, which shows no indication of decline despite official promises to the contrary, the most violent demonstrations have been triggered by the deterioration of public services and, especially, lack of water supply. The Interior Ministry has been forced to hold high-level meetings to try to confront this "public order problem," given that the next few weeks are expected to see even more severe water rationing.

Of course, a unifying demand of all of these popular protests is that the government of Carlos Andrés Pérez must go, as the precondition for serious change. Unexpected sectors of the country have now reached this conclusion, it would appear. In mid-June, the national business elites, represent-

ed by the Federation of Chambers of Commerce (Fedecamaras), issued a public call to all sectors of the country, including the military and the Catholic Church, to reach a national consensus that would allow the country to overcome the present crisis. What was significant about the call was that it insisted that the country's present political leadership be excluded from the pact, because it stands totally discredited.

The political leaders slammed the businessmen's appeal as fascist and "Pinochet-ist." The Bishops Conference, meanwhile, concluded a meeting called to analyze the crisis with a confession that, were President Pérez to resign, it "would not oppose" his decision.

The institutional crisis reached the point that Pérez was unable to travel to the Earth Summit in Rio de Janeiro. Even worse, Pérez's insistence on traveling to Rio despite major congressional opposition led to his gross manipulation of the Senate votes of the opposition Copei party, which in turn led to a rupture of the ruling AD party's alliance with Copei and the departure of two Copei ministers from the presidential cabinet. The humiliation forced Pérez to form his fifth new cabinet so far this year.

The real problem is not political, but economic and financial. Each week, the 1992 fiscal deficit rises. At the beginning of the year it stood at \$1.5 billion, but, according to official estimates, now stands at \$3.5 billion. Private sector spokesmen say that the figure is more like \$7-8 billion, if one

counts service on the internal and foreign debt due this year.

To this can be added the collapse in oil prices, from the \$19 per barrel price upon which the 1992 budget was estimated, to the \$14 and even \$12 per barrel that Venezuelan crude was selling for during the first four months of 1992.

Precisely because of the serious social unrest Venezuela is currently experiencing, the Pérez government has been unable to apply the fiscal reforms so urgently recommended by the international financial agencies, which bills the Venezuelan Congress has not dared to debate. Neither has the Value Added Tax hike been implemented, nor the cutbacks in public expenditures which otherwise would have been carried out by now.

The process of privatizing state sector companies is at least partially paralyzed for the same reason. Compared to the \$2.137 billion in income from privatization during 1991, a mere \$16 million has come in from privatizations thus far in 1992. Given this situation, the private sector fears that the Pérez government will decide to deplete monetary reserves, and use the devaluation of the bolívar to cover its fiscal deficit, which would cause a monetary crisis of incalculable consequences.

In an attempt to face down the crisis, Pérez has declared that to resign would be cowardice. Instead, he has named a new defense minister and moved Gen. Fernando Ochoa Antich, his former defense minister, into the post of foreign minister. New military ministers may be appointed to his cabinet as well. Press commentaries inside Venezuela are comparing President Pérez to those boxers who, after receiving a knockout blow, cling to the referee in hope of not falling. Everyone is asking the question: For how long?

International Intelligence

Armenia charges Turkey behind Azeri offensive

Armenia officially charged on June 15 that Turkish military officers planned and are directing the current Azerbaijan offensive against the Armenian-inhabited Azeri enclave of Karabakh, which began on June 12. Armenia charged that Turkey has been covertly funneling Soviet-compatible arms and equipment into Azerbaijan which it had received from Germany from former East German stocks.

Azerbaijan declared on June 15 that its forces had taken some 20 villages and the town of Shaumyan, lying to the north of Karabakh, the capital of the district of the same name. Azerbaijan has recruited as mercenaries Turkic soldiers who have been recently demobilized from the Community of Independent States 4th Army based there.

The Armenian government stressed that the Azeris had succeeded through use of attack helicopters and Su-25 Frogfoot ground attack aircraft, equipment that is impossible to come by without help from Moscow.

U.N. head calls for supranational force

U.N. Secretary General Boutros Boutros-Ghali presented a report on June 18 calling on U.N. member nations to place "peace enforcement units" under the permanent control of the U.N. Security Council. The standing force would be on call from their national armies at all times, to respond to "outright aggression, imminent or actual," the June 19 *Washington Post* reported. The proposal would be a major step toward ending national military forces and national sovereignty.

The U.N. "peace enforcement units" would be more heavily armed than "peace-keeping forces," and would receive more extensive training within their national forces. The upgraded U.N. forces would also be used in "preventive redeployment" in case of national crises or disputes between states. The Security Council would be empowered "to dispatch forces at the request of a single government that feared aggression by a neighbor," according to the *Post*.

In Boutros-Ghali's proposal, these are no longer "peace-keeping" forces, but forces to be injected into areas of tension to abort a conflict or deter an invasion. Boutros-Ghali said that "the time of absolute and exclusive sovereignty has passed. Its theory was never matched by reality." He added that another way of unifying conflict resolution is for governments to accept "without any reservation" the jurisdiction of the International Court of Justice at the Hague.

The Spanish news agency EFE reported that the proposal has been received "with caution" by the international community, who are worried about the loss of the principle of non-interference in the internal affairs of countries implied by the Boutros-Ghali proposal.

Russia and Moldova at war, says Snegur

For all practical purposes, Russia and Moldova are at war, Moldovan President Mircea Snegur declared on June 22, following an emergency session of the Moldovan Parliament. He proclaimed that Russia has been waging an "undeclared war" against Moldova.

Just hours before, an ammunition dump of the Community of Independent States 14th Army based in Moldova, was blown up, killing 20 CIS soldiers, in what the authorities in Moscow are denouncing as "an act of terrorism."

Senior intelligence sources have told *EIR* that the situation in and around Moldova is extremely serious, and the crisis could become unmanageable. Some of the additional elements include:

For their own opportunistic reasons, both Georgian President Eduard Shevardnadze and Romanian President Ion Iliescu are giving Moldova their support. Shevardnadze and Snegur issued a joint communiqué over the weekend of June 20 denouncing "Russian imperialism."

Following a meeting on June 22 between Russian President Boris Yeltsin and Ukrainian President Leonid Kravchuk, Kravchuk announced that the Ukrainians are going to give their full backing to the trans-Dniester region, where Russians and Ukrainians live.

Over that same weekend, Yeltsin, Rus-

sian Vice President Aleksandr Rutskoy, and Russian Defense Minister Gen. Pavel Grachev all issued harsh statements, affirming Russia's intent to "protect" its interests and the Russian-origin population in Moldova and South Ossetia.

Libya role in Lockerbie not found, say Germans

German investigators have found no substance to charges by the United States and Britain that Libya carried out the bombing of Pan American airlines Flight 103 over Lockerbie, Scotland on Dec. 21, 1988 in which 270 people died.

Volker Rath, the Frankfurt prosecutor in charge of the official investigation of the case, said in an interview with Hessischer Rundfunk radio on June 19 that for lack of real evidence, the investigation into the affair will have to be dropped.

Rath said that more than three years of investigation in the United States, Scotland, and Germany (where the flight originated) has not produced any evidence that could shed light on the authors and background of the Lockerbie incident. Rath declared that his investigative team has found little substance behind U.S. and British charges that two Libyan secret agents, Basset el Megrahi and Khalifa Fhimah, did the bombing. He said that these charges were in the realm of guessing rather than proof.

French may defeat Maastricht, Delors warns

Jacques Delors, the president of the European Council, said that a defeat of the Maastricht Treaty in the French referendum in September is possible, leading to "stagnation and crisis" and putting an end to the process of European integration.

Despite the defeat of Maastricht by Danish voters on June 3, which legally bars its implementation, proponents have scheduled referendums in an attempt to revive political support for the treaty. Irish voters approved Maastricht on June 18 by a 2-1 margin, but, as observers pointed out, Ireland is expected to gain a massive monetary trade advantage with the rest of Europe.

Briefly

Delors said that non-ratification of the Maastricht Treaty would shake up the Common Market and turn the European Community into a free-trade area, which would make all of Europe even more vulnerable to political conflicts and trigger a process of disintegration. "At the smallest confrontation between member states, there would be a new crisis, until in the end, the free-trade area itself would disappear," Delors explained in an interview with the French daily *Le Figaro* on June 19.

Delors said that a defeat of the Maastricht accords would lead to a "general panic, because France has made its mark on the construction of Europe ever since the beginning. And as far as I am concerned, the dream would have been shattered."

Panamanian government blasts Bush officials

Julio Linares, the foreign minister of the U.S.-installed Panamanian government, called in U.S. Ambassador Deane Hinton on June 17 and accused the United States of "flagrant violations of the canal treaties."

On June 16, U.S. soldiers raided the home of opposition Cong. Gerardo González, violating his parliamentary immunity and Panama's sovereignty. The raid, ostensibly to investigate the shooting death of a U.S. GI and the wounding of another on the eve of George Bush's visit to Panama, was in reprisal for the June 11 fiasco, when Bush was forced to flee Panama in tears after police fired tear gas at demonstrators protesting his visit.

Linares said Hinton apologized for the military patrols and said it was all due to "a misunderstanding." The United States was given permission to increase security for Bush's visit, but that was just for the one day, said Linares, according to Mexico's *La Jornada*. "It never occurred to anyone that it would be for more days."

Japanese Diet okays overseas troop bill

After years of debate, the U.N. Peace-Keeping Operations (PKO) bill, to allow Japanese troops to go abroad for the first time

since World War II, passed the Diet and was enacted into law on June 15. The immediate purpose of proponents of the measure is to provide help in keeping the genocidal Khmer Rouge in check in Cambodia, so that Japan and Thailand can begin to implement their long-term strategy for the Mekong River development program.

The bill exhaustively stipulates that troops must be invited and deployed for purely peaceful purposes. In effect, the measure creates a Japanese "army corps of engineers."

The bill was passed over frantic attempts to stop it by the U.S. embassy in Tokyo, which deployed the minority Japan Socialist Party to walk out of the Diet on the day of the vote, in an attempt to bring down the government by calling an election over the bill. Prime Minister Kiichi Miyazawa, however, refused to accept their resignations or dissolve the Diet.

Danger of fascism in Israel, commentator warns

Sam Lehman-Wilzig of Bar Ilan University in Israel warned that given the failure of both the Labor Party and the Likud Party to do anything more than attack each other in their campaigns, a disenchantment with both parties is rapidly developing, in an article in the June 17 *Jerusalem Post*.

In this context, a so-called "popular non-political public personality" like Ross Perot could step forward to win the prime ministership in 1996, when it will become a position directly elected by the population.

Lehman concluded that unless the political parties get more serious about issues and programs, the parliamentary system would collapse and lead to fascism. "It is at this stage that we begin to perceive the dangers inherent in the penchant for hyper-negativism, the search for the non-political leader, the reversion to direct mass democracy. All three constitute prime ingredients for fascism as we have learned to our sorrow throughout the 20th century. And in a country where the political culture already contains some elements of authoritarianism, the danger of quick-fix democracy deteriorating into its antithesis is even greater."

● **AFRICAN LEADERS** must resolve their conflicts at the Organization of African Unity summit, OAU Secretary General Salim Ahmed Salim told reporters in Dakar, Senegal on June 22. "I attach capital importance to the problems of resolving conflict on the continent. I think that without stability and security in Africa it is inconceivable for us to concentrate on vital questions of economic development."

● **INDONESIA** has banned a human rights report by the Indonesian Legal Institute on the trial of Muslims in the northern province of Aceh, Reuters reported on June 17. The ban is a reaction to a U.S.-led destabilization of the country. The Attorney General's office also banned two books it said would revive communism and create ethnic conflicts.

● **SPANISH** merchant marine workers staged a two-day warning strike against the Maastricht scheme, in what has been characterized as the beginning of a series of labor protest actions. The action, which began on June 15, was joined by longshoremen and others in Portugal, France, Italy, and Greece.

● **THE CITIZENS** Electoral Councils' 17-member executive committee endorsed a statement entitled "Enough is Enough," which called for the freeing of U.S. political prisoner and Democratic presidential candidate Lyndon LaRouche, in a conference in Melbourne, Australia on June 13-14. The statement was first issued on Jan. 27, on the third anniversary of LaRouche's incarceration.

● **THE IRAQI** Agriculture and Irrigation ministry has complained to the U.N. that U.S. planes have been systematically firebombing its grain fields in villages surrounding the city of Mosul, the center of Iraqi wheat and barley production. In a June 17 letter, Iraqi U.N. official Abdul Amir al-Anbari said such bombings had occurred on three occasions in June. The U.S. claims that the U.S. Air Force was only releasing flares.

An oligarch's single-minded pursuit of power

by Gabriele Liebig

George Bush: The Unauthorized Biography

by Webster Griffin Tarpley and Anton Chaitkin
EIR, Inc., Washington, D.C., 1992
704 pages, paperbound, \$20

This book is a welcome change from the numerous official versions of Bush's biography which the incumbent President has had published from time to time, mostly during important electoral campaigns. It portrays George Bush, not as he wishes to appear, but rather as what he is and was bred to be: a power-hungry servant of the Anglo-American establishment.

Basic to all other Bush biographies is a sort of official career that other biographers adorn in a more or less imaginative manner. Thus, Bush would like to create the impression that he made himself independent of his wealthy and influential family after graduating from Yale, to develop his own life with wife and son in Odessa, Texas. As Tarpley and Chaitkin humorously point out, one sentence that pops up in all other biographies symbolizes that "independence," that George Bush drove an automobile, a red Studebaker, to Odessa in 1948. In one version, the Studebaker is old and battered, in another, brand new; nonetheless the symbolic meaning is constant: George Bush did not remain a rich mama's boy, but began a new life in Texas.

In reality, the young George Bush, far from standing on his own two feet, took a job with Dresser Industries. The firm belonged to the Harriman family, which had long been closely tied to the Bush family. His father Prescott Bush had been on the firm's board of directors since 1930. The distance from his native Massachusetts to Odessa was traveled, the

authors posit (after thorough investigation), not in the "red Studebaker," but in an airplane belonging to the Dresser firm.

The first four of the 24 chapters are dedicated to Bush's father, Prescott—and rightly so, since he was not only a highly influential, but also a dazzling, if somewhat dubious, figure. In the 1930s, he functioned as banker to Hitler. For that reason, all the stock and assets of the Harriman-run Union Banking Corp., where Prescott Bush was director, were confiscated by U.S. authorities under the Trading with the Enemy Act. And although the cooperation of the Bush and Harriman families with Hitler was extensive, this had remarkably little negative effect on the growing political influence of the two families. (We find this chapter so interesting in the context of coming to terms with the German past that we will publish long excerpts from it in the German newspaper *Neue Solidarität*.)

Compulsion to be on top

The most innocuous characterization of George Bush is that he is a pathological careerist who must always be number one. He was that way already in school and at Yale. He was not a good student, and was bored by instruction, but was considered a Big Man On Campus, a sort of "super regular guy." In prep school (1938-42), he held no fewer than 25 positions, from treasurer of the school council to manager of the basketball team.

Later, unencumbered by any sort of firm social or political goals, a definite political platform, or a moral world view—apart from an unconcealed malthusianism—he pursued, with immense help from his establishment connections, only one "red thread" in his life: his own way to the top. He said once it was his "birthright" to become at least vice president of the United States.

After some years in the oil business, he got himself elected head of the Republican Party in Harris County (Houston), Texas in 1963, in order to become a candidate for the Senate, adopting a staunch right-wing, Goldwater profile, without success. George Bush, the candidate of the oil cartel, lost the election. Then he had a new congressional district tailored for him by court order from the “lily white” upper-class election districts in which he had earlier succeeded, and promptly won the next election, this time with a liberal image. Nonetheless, he again lost the next Senate election, and his influential friends decided the time had come for an important position in government. In 1971, George Bush became the U.S. ambassador to the United Nations, and was simultaneously a de facto member of the Nixon cabinet until Nixon’s fall in the Watergate scandal. Richard Nixon selected Bush as the chairman of the Republican Party in 1973, and remained a Bush supporter until Bush himself helped force the fall of his patron in 1974.

After Nixon resigned, Bush had his eye on the post of vice president (his “birthright”), but Gerald Ford instead named Nelson Rockefeller. Bush became chief of the U.S. Liaison Office (with ambassadorial rank) in Beijing (1974-75). In 1975, over strong objections from the Democrats, Bush was confirmed as director of the Central Intelligence Agency, but only after Gerald Ford had expressly stated that he would not run in the 1976 election with Bush as vice presidential candidate under any circumstances. Just as reluctantly as in the selection of Bush as director of the CIA, Ronald Reagan chose him in 1980 as vice presidential candidate. Even more reluctantly, Reagan gave his support for Bush in 1988 as the Republican presidential candidate.

More skeletons than just Skull and Bones

At last, with this book, Bush’s past is catching up with him. Long before heading the CIA, there were too many skeletons in his closet for them not to come to light. As a student at the Andover prep school, he had been in an elite freemasonic club called AUV (for *Auctoritas, Unitas, Veritas*—authority, unity, and truth) into which only the children of rich and powerful families were accepted. Through repulsive initiation rites, as portrayed, among other places, in the film “Dead Poets Society,” and all sorts of other mysteries, such secret school clubs had the function of ideologically binding together the children of influential, oligarchical families from early youth.

At Yale University (1946-48), it continued. George Bush was selected by the Skull and Bones secret society that his father had belonged to previously. No one, of course, joined this cult; rather, they were selected. Skull and Bones had originally been called the Russell Trust Association, and had been founded in 1833 by a group of fabulously rich opium dealers. The younger members of the order called themselves “little devils,” while the older were ranked as “patriarchs.” Their meeting place was called “The Tomb,” where the “or-

der’s symbol”—a genuine human skull and bones—was kept on display and used in various rituals. However abominable this story sounds, none of these satanic details has been disputed by the Bush family. The Skull and Bones is ominously reminiscent of the texts that satanically painted heavy-metal stars blare out before millions of young people in rock concerts, videos, and recordings.

More curious still was George Bush’s role in the Watergate affair. Henry Kissinger’s “plumbers” broke into the Watergate Hotel on several occasions to spy on the leadership of the Democratic Party. The money to pay for the burglaries came from Bush’s business partner Bill Liedtke, the head of Pennzoil, who was responsible in Texas for Republican election financing. The money first went to a bank in Mexico, then to CREEP, Nixon’s “Committee To Reelect the President,” and from there to those who broke into Watergate. A large sum of cash, traced to these checks, was found on one of the arrested burglars. When Nixon had to release a reel of tape (the so-called smoking gun tape) on Aug. 5, 1974, which revealed for all the world how Nixon spoke of money “from Texas” that was found on the burglars, George Bush is said to have been beside himself with rage. Subsequently, he wrote to Nixon that the President must now unconditionally resign. Nixon’s quick resignation was the only way to stop further revelations about the origin of the money of “these people from Texas,” meaning Bush and his friends.

The official reason for Nixon’s fall was that he agreed on this tape that the CIA should stop the FBI investigations into the Watergate case because, otherwise, “the whole Bay of Pigs history” would be stirred up again. By “Bay of Pigs history” was meant the activities of the CIA’s Miami station and the Cuban exiles, linked to George Bush, in the Bay of Pigs fiasco. One such Cuban exile was among the arrested Watergate burglars. As for George Bush, at the very least this means that he had been at the center of a rather dirty CIA operation for a rather long time.

‘October Surprise,’ Iran-Contra, and more

Chaitkin and Tarpley devote a long section to detailing the “October Surprise,” which centered around the freeing of the American hostages in Iran during the 1980 election year. And a full chapter is devoted to the illegal Iran-Contra business that stretched out over the 1980s decade. A meticulous 50-page chronology follows the role Vice President George Bush played in these affairs. *The Unauthorized Biography* is worth reading for this chronology alone.

The Iran-Contra affair is, of course, still the hottest, but not, by far, the only scandal that surrounded the then-vice president. His behavior in the wake of the assassination attempt on President Reagan by John Hinckley on March 30, 1981 is curious. Only five hours after the attempted murder, Bush presided over a conference of government leaders that categorically ruled out any “foreign involvement” or “domestic conspiracy,” and put out the line that the culprit was a

mentally disturbed person acting on his own.

Yet even reports that found their way into the press after this raise serious questions about how it was possible that security was breached to the extent of allowing John Hinckley to get within close range of the President. Hinckley had once before been arrested in Tennessee with several firearms just when President Carter was there. He had also, in letters to actress Jodie Foster, made no secret of his murderous intentions. Jodie Foster, who was then studying at Yale, had given the letters to the university administration. Oddly enough, as the book relates, a report appeared in the press a few days after the attempted assassination, revealing that Bush's son Neil knew Scott Hinckley, the brother of the perpetrator. Scott Hinckley had been invited to a party hosted by Neil and Sharon Bush, scheduled for the evening after the attack.

Likewise, it was during Bush's tenure as vice president that he developed a close friendship with motor-boat manufacturer and speedboat racer Don Aronow, from whom he also purchased his beloved cigarette boat "Fidelity." In 1984, Bush engineered a contract for his friend for several "Blue Thunder" catamarans (price for each, \$150,000) for the U.S. Customs Service. They were to be used in coastal patrols, especially to defend against drug smugglers. But not only did the boats prove to be hardly seaworthy, the whole contract was corrupt. The firm that built the catamarans belonged to a certain Jack Kramer, who was married to the niece of mafia boss Meyer Lansky. His son Ben Kramer was likewise involved in organized crime. In 1990, Jack and Ben Kramer were found guilty of, respectively, 23 and 28 counts of money laundering. Ben Kramer was sentenced to life imprisonment because he had additionally smuggled 200,000 kilos of marijuana into the United States. For his so-called War on Drugs, Bush had steered lucrative business to none other than a prominent family of the drug and money-laundering mafia. Bush's friend Don Aronow was murdered, mafia-style, by professional killers in 1987.

Tarpley and Chaitkin carefully dissect Bush's career, and throw a pitiless light on the dark corners. And what comes into view justifies this relentless course of action.

Beyond 'birthright'

The last chapters cover Bush's years in the White House: the invasion of Panama during his first year in office at the end of 1989, the six-week-long bombing war against Iraq at the beginning of 1991, and then the conflict in Yugoslavia that was escalated into war with the help of the U.S. government, and all that in the name of the "new world order." Here we see George Bush, finally at the apex of world power, conducting genocidal wars for his patrons on a scale unmatched in American history. And yet, not everything goes according to his will. Even wars can only divert, not prevent or counteract, the economic depression that is growing ever more severe, because the cause of this depression is George Bush's own flawed IMF and free-trade policy that even now

he will not change. This and other opposition are making him into a Caligula, a failure, a sick man.

The authors conclude with an extensive review of the illness now palpably affecting Bush: Basedow's disease, which causes the kind of mental disorder evident in Bush today, including hyperactivity, irritability, and distraction. They end on a warning note: "Bush's . . . mental health must be considered a decisive issue for his presidency—however long that lasts."

Gabriele Liebig is the editor of the German weekly Neue Solidarität.

Senility or truth?

Former Defense Secretary Caspar Weinberger has been indicted in connection with the Iran-Contra scandal, to the plaudits of the *Washington Post* and the Bush Democrats. The Eastern liberal establishment is applauding Special Prosecutor Lawrence Walsh *because* he is acting senile, and is prosecuting a well-known opponent of the Iran-Contra crimes.

But truth is the proper object of justice. The truth of Iran-Contra concerns a murderous, treasonous policy outlook. Seeking and dealing with the truth is vital, because this policy outlook is still in effect, and must be reversed.

Certain Anglo-American "balance of power" strategists determined that insane wars should be carried on in the Middle East, and in Latin America; that anti-western regimes should be established, and terrorists should be armed; that cocaine should flourish, and be exchanged for weapons. The policy decisions which led directly to the Iran-Contra scandal were implemented beginning in the Jimmy Carter administration, and were escalated through the Reagan and Bush regimes.

Contempt for Congress is not merely a criminal incident of Iran-Contra; it is in the nature of the policy outlook, which is fundamentally *anti-national*, as it is deeply anti-human.

George Bush: The Unauthorized Biography demonstrates that George Bush as vice president was both the boss of covert operations, and the chief representative of the criminal Iran-Contra policy outlook within the Reagan administration. It is to be hoped that the Congress will not have been abolished, or its members mostly imprisoned by actions of the Bush Executive branch, before the national legislature retrieves its nerve and seeks the truth of Iran-Contra. This book will help them do it. —Anton Chaitkin

Trilateral ideologue publishes guide for 'democratic' subversion

by Gretchen Small

The Third Wave: Democratization in the Late Twentieth Century

by Samuel P. Huntington

University of Oklahoma Press, Norman, Okla., 1991
366 pages, hardbound, \$14.95

There is a certain irony about Samuel Huntington's *The Third Wave*. Here is the Trilateral Commission ideologue, who penned the commission's 1975 call for fascism with a democratic face, putting himself forward as the mastermind of an international offensive on behalf of "democracy." The man who then demanded limits on democracy, today proclaims that "democracy is good in itself," with such "positive consequences for . . . the United States of America," that it must be the focus of U.S. policy.

The book jacket promotes *The Third Wave* as "a valuable tool for anyone engaged in the democratization process." The Trilateral Commission's first executive director, Zbigniew Brzezinski, calls the book "exceptionally important," and its author, "a democratic Machiavelli." Former Ambassador Edwin Corr hails it as "a blueprint for the achievement of democracy." Huntington, for his part, praises Corr's service as ambassador to Peru, Bolivia, and El Salvador in the 1980s as exemplary of the "new activist breed of 'freedom-pusher' U.S. ambassador."

While the book is written in a sociological style that borders on the inane, at five points, Huntington abandons "the role of social scientist," as he puts it, and assumes that of political consultant, setting forth "Guidelines for Democratizers." Here lies the meat of the book. Huntington's "Guidelines" are a manual for how to overthrow governments unacceptable to the would-be rulers of the new world order. These include instructions for "democratizers" to "develop contacts with the global media, foreign human rights organizations and transnational organizations"; for governments installed through international pressure to "purge or retire all potential-ly disloyal officers . . . make major reductions in the size

of your military forces. . . . If all else fails, abolish the military."

Dismantling the military is the focus of Huntington's strategy for "democratization," as it is for the Bush administration, which has made demilitarization of the developing sector a cutting edge of its global policies (see *EIR*, Jan. 11, 1991). Take note that Huntington also suggests that regional wars may be useful in distracting the military.

As patriots from Thailand to Peru and Nigeria have recently discovered, "Democracy!" has become the battle cry under which national institutions are being crushed, and the economic genocide of the International Monetary Fund (IMF) imposed. Because of who and what Huntington represents, his book is a must for anyone seeking to combat the assault on national sovereignty.

Who is Samuel Huntington?

Security matters and government are Harvard University Prof. Huntington's specialty, going back to his 1957 book on *The Soldier and the State: The Theory and Politics of Civil-Military Relations*. Over the last two and a half decades, he has also never been far from U.S. government: He served as coordinator of security planning at the National Security Council under Brzezinski during the first year of the Carter presidency; sat from 1980-91 on the Advisory Board of the Federal Emergency Management Agency (FEMA, the domestic "action arm" of the NSC which functions as an unconstitutional parallel government); describes himself as a "sometime consultant" to the Office of the Secretary of Defense, the NSC, the State Department's Policy Planning Staff, the U.S. Air Force and Navy, and the Agency for International Development; sits on the editorial board of the *Journal of Democracy*, the magazine of the quasi-governmental National Endowment for Democracy, which published advance selections from *The Third Wave* in its June 1991 issue.

In or out of government, Huntington has served as a top ideologue for David Rockefeller's Trilateral Commission, the powerful policymaking group of the Anglo-American financial interests. This included helping draft one of the commission's most controversial works, *The Crisis of Democracy*, which reported the conclusions of the Trilateral

Commission's 1974 Task Force on the Governability of Democracies.

That work is of particular relevance to understanding what Huntington is up to in *The Third Wave*. In *The Crisis of Democracy*, Huntington and co-authors Michel Crozier and Joji Watanuki argued that the western world was entering into a period of economic scarcity in which an "excess of democracy" would make it extremely difficult for governments to impose the needed financial discipline and sacrifice upon the industrialized countries. Just as "there are potentially desirable limits to economic growth," they wrote, "there are also potentially desirable limits to the indefinite extension of political democracy. . . . Democracy is only one way of constituting authority, and it is not necessarily a universally applicable one."

The racist assumptions which underlie the Trilateral Commission's global program were fully displayed in *The Crisis of Democracy*. In the chapter on the United States, Huntington argued that "the effective operation of a democratic political system usually requires some measure of apathy and non-involvement on the part of some individuals and groups," adding that while "this marginality on the part of some groups is inherently undemocratic . . . it has also been one of the factors which has enabled democracy to function effectively." But, he complains, the once-marginalized black citizens have now been incorporated as "full participants in the political system," which threatens to "overload" democracy.

The problem with democracy, these Trilateraloids complained, is "the democratic idea that government should be responsive to the people," because this "creates the expectation that government should meet the needs and correct the evils affecting particular groups in society." *Crisis of Democracy* argued that in this time of global economic crisis, the job of government is to ensure the survival of financial interests—such as those for whom Huntington speaks—at the expense of meeting the needs of the peoples of their nations. If that requires "limiting" democracy, so be it.

A similar argument put forward by Huntington in his 1968 book, *Political Order in Changing Societies*, still serves as the bible for "democratic" butchers grouped around Deng Xiaoping within the Chinese Communist Party. In *Political Order*, Huntington argued that dictatorship may be required to successfully impose upon developing sector countries the painful economic reforms required by "free trade" liberalism. This argument so suited the needs of communist free trader Zhao Ziyang—whose fanatic support for Milton Friedman's economic liberalism earned him the nickname "Chinese Milton"—that in the 1980s, he had Huntington's books translated and circulated widely in China to justify the imposition of what Ziyang called the "new authoritarianism," after Huntington's work.

How, then, did Huntington, the author of the "new authoritarianism thesis," suddenly become the new guru of the international democracy hit squads? The answer to that gets

to the heart of what the Anglo-American-run "democracy movement" actually seeks to impose.

Eradicating the principle of 'the common good'

Right at the outset of *The Third Wave*, Huntington includes a section defining what he considers to be "the meaning of democracy," which demonstrates that, for the Trilateral crowd, democracy is another name for administrative fascism, or what they themselves dubbed in the 1970s, "fascism with a human face." Huntington writes that since the 1970s, only a "procedural definition of democracy" is acceptable; "classical" theories which defined democracy as having as its purpose to provide for "the common good," and as its source of legitimacy, "the will of the people," have been rejected. The only "procedures" that confirm a democracy's functioning, writes Huntington, are "free and fair elections." These, he adds, have been made a more useful criterion "by the increasing observation of elections by international groups."

The question of economic development or standard of living is considered irrelevant. He specifies: "Democracy does not mean that problems will be solved; it does mean that rulers can be removed; and the essence of democratic behavior is doing the latter because it is impossible to do the former. Disillusionment and the lowered expectations it produces are the foundation of democratic stability. Democracies become consolidated when people learn that democracy is a solution to the problem of tyranny, but not necessarily to anything else."

The application of precisely this concept of democracy, that *procedure*—not truth and not an effort to achieve the common good—determines government, is what has transformed the United States into a lawless nation, marauding across the globe and applying fascist justice inside its own borders. It is this philosophy which underlies the Supreme Court's declaration that innocence is no reason to not execute someone who failed to file his papers on time. It is the same concept expressed by National Security Adviser Brent Scowcroft, when he justified U.S. sanctions against Peru on the basis that it could not take extraordinary measures to defeat the Shining Path terrorists, because "the heart of democracy is that the rules are more important than winning."

Huntington is the same philosophical fascist today, when he offers his "Guidelines for Democratizers," as he was when he championed the cause of the "new authoritarianism," and the need to install crisis governments to limit democracy in industrialized nations. The "authoritarian" principle he seeks to eradicate from government, is precisely that concept of the common good, identified in the U.S. Constitution as the General Welfare, upon which the United States government was founded. For the same reason, when Huntington categorizes world history into three great waves of democratization, he identifies the beginning of the first wave, not as the founding of the republican government, but as 1828—the year

Andrew Jackson was elected President and unleashed the mobs against the dirigist economic program that had secured "the common good" until that time.

From Huntington's standpoint, politics is antithetical to religion, truth, and morality. Nowhere is this more explicit in *The Third Wave* than in his diatribe against Confucianism as "undemocratic or anti-democratic." This, he argues, is because "political legitimacy in Confucian China rested on the Mandate of Heaven, which defined politics in terms of morality." If that culture can be changed, however, Huntington writes, "democracy" can be made to function, as it has finally in countries under the dominance of the Catholic Church. Whereas previously Catholic culture was one which was "authoritarian, hierarchical, deeply religious," today he claims that this has been changed through the impact of liberation theology and its "People's Church."

Manual for action

Huntington states that his goal is to ensure that "authoritarian nationalism" does not come to power either in Third World countries or in eastern Europe. He expresses particular concern that the revolutions of 1989-90 in eastern Europe were primarily anti-Soviet *nationalist* movements, and thus "authoritarian nationalist regimes might return." All means are justified to ensure this does not happen, starting with economic blackmail. "In the 1990s conceivably the IMF and the World Bank could become much more forceful than they had been in demanding political democratization as well as economic liberalization as a precondition for economic assistance," Huntington suggests. If that does not work, such methods as "the large American military deployments in the [Persian] Gulf" could serve as a "powerful external impetus" toward liberalization and democratization.

The core of the operation, however, is the orchestration of Jacobin "democracy" movements inside target countries, to be constructed along the lines offered in Huntington's cynical "Guidelines for Democratizers":

"Secure your political base. As quickly as possible place supporters of democratization in key power positions in the government, the party and the military. . . . Make symbolic concessions, following a course of two steps forward, one step backward. . . . Be prepared for . . . a coup attempt—possibly even stimulate [the military] to do so—and then crack down on them ruthlessly. . . . Create a sense of inevitability about the process of democratization so that it becomes widely accepted as a necessary and natural course of development even if to some people it remains an undesirable one. . . . Attack the regime on general issues that are of widespread concern, such as corruption and brutality. If the regime is performing successfully (particularly economically) these attacks will not be effective. . . . Make particular efforts to enlist business leaders, middle-class professionals, religious figures, and political party leaders, most of whom probably supported creation of the authoritarian system.

The more 'respectable' and 'responsible' the opposition appears, the easier it is to win more supporters. Cultivate generals. . . .

"Develop contacts with the global media, foreign human rights organizations, and transnational organizations such as churches. In particular, mobilize supporters in the United States. American congressmen are always looking for moral causes to get publicity for themselves and to use against the American administration. Dramatize your cause to them and provide them with material for TV photo opportunities and headline-making speeches."

Under the subhead "Curbing Military Power, Promoting Military Professionalism," Huntington adds:

"Promptly purge or retire all potentially disloyal officers, including both leading supporters of the authoritarian regime *and* military reformers who may have helped you to bring about the democratic regime. The latter are more likely to lose their taste for democracy than their taste for intervening in politics. Ruthlessly punish the leaders of attempted coups. . . .

"Make major reductions in the size of your military forces. An Army that has been running a government will be too large and, in all probability, have far too many officers. Your military officers think that they are badly paid, badly housed. . . . Use the money saved by reducing the size of the military to increase salaries, pensions, and benefits. . . . It will pay off.

"Reorient your military forces to military missions. For good reasons you may wish to resolve conflicts with other countries. The absence of a foreign threat, however, may leave your military devoid of a legitimate military mission and enhance their inclination to think about politics. Balance gains from the removal of foreign threats against the potential costs in instability at home. Drastically reduce the number of troops stationed in or around your capital. Move them to the frontiers or other relatively distant unpopulated places. . . .

"Give them toys. That is, provide them with new and fancy tanks, planes, armored cars, artillery, and sophisticated electronic equipment (ships are less important; navies do not make coups). New equipment will make them happy and keep them busy trying to learn how to operate it. By playing your cards right and making a good impression in Washington, you will also be able to shift much of the cost to the American taxpayer. You then gain the added benefit that you can warn the military that they will only continue to get these toys if they behave themselves because nasty U.S. legislators take a dim view of military intervention in politics.

"Because soldiers . . . love to be loved . . . [a]ttend military ceremonies; award medals. . . .

"Develop and maintain a political organization that is capable of mobilizing your supporters in the streets of the capital if a military coup is attempted."

Huntington adds a footnote: "The *Economist* [of London] has offered somewhat similar advice to leaders of new democracies in dealing with their military," which concludes, "If all else fails, abolish the army."

A desperate Yeltsin seeks help from Bush

by William Jones

An air of nervous desperation hung over the fourth visit of Boris Yeltsin to the United States, his first official state visit as President of an independent Russia. Earlier, coming as a private citizen, and the rival to Soviet President Mikhail Gorbachov, Yeltsin was shunted through back rooms and snubbed by the Bush administration, which was then infatuated with Gorbachov. In his visit last year, as the first elected President of the Russian Federation, he was received at the White House, although many people were still banking on a comeback by the former Soviet leader. When Yeltsin came on June 15-19, to sign a major arms agreement, he was now the object of everyone's attention, seen by many as the last hope for a democratic Russia, as well as the last hope for a Russia willing to submit to International Monetary Fund (IMF) conditionalities.

It was clear that one of the primary goals of the visit was to signal his government's intent to continue the "shock therapy" program, dictated by the IMF. Shortly before leaving Moscow, Yeltsin promoted "shock therapy" economist Yegor Gaidar from deputy prime minister to "acting prime minister," then whisked him away to accompany him to Washington. The move was supposed to reassure the western banking community and the White House. Some doubt had arisen earlier when Yeltsin named Vladimir Shumeiko, a spokesman of the military-industrial complex (which has resisted Gaidar's policy), to be deputy prime minister, a rank equal to Gaidar's, and promoted a number of individuals of similar backgrounds to top posts.

This, combined with delays in carrying out the "shock therapy," had caused some western bankers to fret about whether the Russian government was serious about obeying the IMF. The Yeltsin economic program had been approved by the IMF directors at the end of April when Gaidar pre-

sented it to the IMF Interim Committee here in Washington. This gave the go-ahead for the \$24 billion aid package promised Russia by the Group of Seven—aid which would be distributed through the IMF and only on condition that Russia come to terms with the IMF on an austerity program.

In the face of growing social discontent and a more turbulent political opposition, Yeltsin has not been able to meet all the IMF demands. The planned liberalization of energy prices was put on hold, social services have not been cut as savagely as intended, and privatization of state industry has been stalled. Shumeiko's rise merely underlined the deals Yeltsin has made in order to stay in power. More importantly, on the domestic front, like Gorbachov before him, Yeltsin has still to convince all parties that western aid is forthcoming.

Friction with the IMF

The friction between Russia and the IMF came to the fore one day before Yeltsin's arrival in Washington, at the annual meeting of the Bretton Woods Committee (an outfit set up in 1984 to lobby Congress to continue U.S. funding of the IMF). At this meeting, Yeltsin's Harvard adviser, Jeffrey Sachs, argued that the IMF must reach an accord with Russia soon or the Yeltsin government would be in trouble. IMF Managing Director Michel Camdessus was unmoved by Sachs's pleas and demanded full adherence to the IMF program before aid is dispensed. Part of Yeltsin's mission was to convince President Bush of the need to get the IMF to soften its demands on Russia. In order to secure Bush's support on the economic front, Yeltsin was ready to make dramatic concessions in the area of arms control.

A secondary, but for Yeltsin personally important, part of his trip, was to unseat Mikhail Gorbachov in American public opinion as the Russian "liberator." Shortly before Yeltsin ar-

rived, Gorbachov visited the United States with well-publicized meetings with George Bush, Ronald Reagan, and others. Determined to squelch any renewed Gorbymania, Yeltsin revealed that American POWs from the Korean and Vietnam wars had been held in Russia, one of whom, Yeltsin indicated, might still be alive. Since the POW-MIA issue has been fanned for years with reported sightings of Americans missing in action (MIAs) in Vietnam, Yeltsin's statements fell like a bombshell. The issue had been part of discussions with the former Soviet Union and its President, Mikhail Gorbachov; if what Yeltsin said was true, this meant that Gorbachov had lied. Yeltsin brought the point home in his speech to a joint session of Congress on June 17. "No more lies, ever," said Yeltsin. He did not need to name the liar.

After talks between the two Presidents on June 16, they announced an agreement which called for dramatic cuts in both nations' nuclear forces. Yeltsin agreed to eliminate all MIRVed nuclear weapons in the Soviet arsenal, the land-based SS-18s and SS-24s—although some observers note that the production facilities for the SS-18s and SS-24s are in Ukraine, making their replacement somewhat problematic. The United States would reduce the number of MIRVed warheads on its sea-based Trident submarines by 50%, eliminate 50 MX missiles, and cut the number of warheads on the Minuteman III from three to one. The treaty also calls for a reduction of the number of warheads to 3,800-4,250 in a first stage, and then to a limit of 3,000-3,500 warheads by the year 2003, or, if Russia receives further aid from the U.S. to dismantle its weapons, by the year 2000.

This, observers note, would allow the U.S. to keep the 3,500 warheads desired by the Pentagon rather than the 3,000 level that Yeltsin wants to bring the Russians down to. Just before leaving for the United States, Yeltsin had told Russian military leaders that he would not accept U.S. demands that Russia eliminate its land-based multiple-warhead missiles and accused Bush of seeking "a more advantageous position" in the talks. And yet he did eliminate those missiles, even breaching the once sacrosanct "parity" with the United States. If this was the political price Yeltsin paid to get the U.S. behind the needed aid package, he may have some explaining to do when he returns to Moscow.

The new relationship established with Yeltsin was not without benefits to the White House. Although Bush is not as comfortable with the Russian leader as he was with the former Soviet leader, he needs Yeltsin's help to obtain Russian consent to any future U.S. military actions in quelling the various regional crises, which have become a trademark of this new "order." The Charter for American-Russian Partnership and Friendship signed by the two leaders calls for a "series of initiatives to strengthen European conflict prevention, management, and settlement mechanisms and to create a credible Euro-Atlantic peacekeeping capability." Very few details were released as to their discussion on the Balkans, one of the more pressing regional conflicts, in which numerous voices

are being raised calling for armed intervention.

Bush and Yeltsin also initialed: an agreement for curbing the spread of nuclear, chemical, and biological weapons; a bilateral investment treaty to remove obstacles to foreign investment in Russia; and a space cooperation agreement which envisions the possibility of flying Russian cosmonauts aboard a U.S. Space Shuttle mission scheduled for October 1993 and sending U.S. astronauts on an extended flight aboard the Russian Mir space station in 1993. They discussed the possibility of docking the Space Shuttle with the Mir in 1994 or 1995. The two leaders also signed a statement agreeing to study the feasibility of establishing a joint missile warning system, the first steps toward the "global protection system" called for by Yeltsin before his visit to Washington last year.

Another hurdle which Yeltsin hoped to overcome on his trip to Washington was the U.S. Congress. If Russia is to receive any of the aid promised by the G-7, Congress must approve a \$12 billion increase to the U.S. IMF quota, cleverly embedded in the Russian aid package. This increase is not directly linked to Russia, but without it the IMF will soon run short of money to carry out its plans both in Russia and elsewhere. The day before Yeltsin arrived, Sen. Richard Lugar (R-Ind.) indicated that the votes weren't there in the Senate to approve the quota increase. On June 17, Yeltsin gave a dramatic address before a joint session of the U.S. Congress, where he upbraided them for applauding his work in confronting the tanks before the Russian Parliament, and then dragging their feet on the Russian aid package. The speech may just have swung enough votes to pass the quota increase, although the Yeltsin fever could give way to more pragmatic considerations in this volatile election year.

Shortly before Yeltsin's arrival on June 15, Secretary of State James Baker III said that the IMF should not require that Yeltsin "dot all the i's and cross all the t's" in making Russia swallow "shock therapy." On June 19, administration officials indicated that they feared a delay in signing an accord with the IMF would block the flow of economic assistance and destabilize the Yeltsin government. That day, Yegor Gaidar met with IMF director Michel Camdessus. They issued a joint statement saying that they were "in basic agreement on the crucial objectives of an economic strategy devised to restore and sustain growth in the Russian economy on the basis of a market-oriented system."

One administration official admitted that "if Boris Yeltsin can't succeed on economic reform, he will have a hard time staying as leader in Russia." The U.S. actions to shore up Yeltsin underscore the fear that the relationship may not last. Yeltsin, who did so much to discredit his Soviet predecessor on his trip, ironically finds himself in much the same situation as Gorbachov. Having acceded to the demands of the IMF "shock therapy," Yeltsin faces social upheaval at home and increasing scepticism abroad, and turns to the American President for help. Yeltsin may find that his plea to George Bush won't save him any more than it did his fallen predecessor.

Demand Democratic Party oppose death penalty

The following resolution is being circulated for introduction at the July 13-17 Democratic National Convention, demanding that the Democratic Party go on record in this presidential election in opposition to the death penalty. The resolution was initiated by supporters of the campaign of Democratic presidential candidate Lyndon LaRouche, and has been endorsed so far by many prominent officials, close to 100 convention delegates, and hundreds of other religious, trade union, professional, and party leaders. Individuals and organizations are asked to circulate it resolution for endorsement.

Resolution for the Democratic Party

WHEREAS the death penalty has been outlawed by the European Community of nations, most other western nations, and the states newly freed from communism, as inconsistent with the standards of civilization, and

WHEREAS the death penalty tends to deny the sanctity and redeemability of human life, actually contributing to the bestialization of the executors and society at large by its fostering of the primitive instinct for revenge, and

WHEREAS the death penalty has been shown to be no deterrent to crime, as nations with no death penalty have lesser crime rates, and therefore to be merely an act of ritual retribution, and

WHEREAS the death penalty in the United States has been imposed on innocent people innumerable times, because of denials of due process or simple human error, and

WHEREAS the Supreme Court of the United States has determined to further limit the constitutional right to appeal death penalty decisions, in line with its overall drive to restrict the rights of all individuals accused of crimes, and is even considering the possibility that actual innocence is no defense against a wrongful sentence of death, and

WHEREAS it is offensive to the U.S. Constitution, the Declaration of Independence, and all principles we as Americans hold dear to put the interests of "judicial efficiency" above the interest in justice, and

WHEREAS, as a result of this trend over the past 20 years, the United States is about to be overwhelmed with a massive slaughter of the more than 2,500 individuals on death row, in the name of "judicial efficiency,"

BE IT RESOLVED that [name of endorsing individual or institution] puts him/her/itself on record as opposing the death penalty, and the restriction of *habeas corpus*, and will work to his/her/its utmost for the repeal of death penalty statutes and the reversal of Supreme Court decisions which have sacrificed

justice (equal justice for all) to so-called efficiency.

Partial list of endorsers

(Titles for identification purposes only).

Hon. Herman Badillo, former U.S. congressman, Bronx, New York.

Margaret Berg, former chairman, Caucus of Connecticut Democrats.

Hon. Orzell Billingly, circuit judge, Birmingham, Alabama.

Mrs. Joan Cashin, founder, National Women's Political Caucus.

W.J. Cosgrove, vice president, Quebec Liberal Party.

Joseph Dickson, publisher, *Birmingham World Newspaper*, Alabama.

Hon. Ronald Duhamel, Member of Parliament, Canada.

Jodie Evans, national campaign manager, Brown for President.

Hon. Floyd Flake, U.S. congressman, New York.

Ron Hampton, national director, National Black Police-men's Association.

Hon. K. Leroy Irvis, former speaker, Pennsylvania House of Representatives.

Cristina Isajiw, executive director, World Congress of Free Ukrainians Human Rights Commission, Canada.

Dr. Joseph E. Lowery, national president, Southern Christian Leadership Conference.

Colman McCarthy, syndicated columnist.

Hon. Eugene McCarthy, former U.S. senator, Minnesota.

Hon. Olga Mendez, state senator, Bronx, New York.

Franz Messerschmidt, chairman, Lebanon County (Pennsylvania) Democratic Party.

David Mortimer, business agent, Ironworkers' Local 501, Braintree, Massachusetts.

Hon. Paul O'Dwyer, former president, New York City Council.

Rosa Parks, civil rights leader, Illinois.

Hon. Vel Phillips, former secretary of state, Wisconsin.

Hon. Charles Rangel, U.S. congressman, New York.

Hon. David P. Richardson, Jr., state representative, Pennsylvania.

Dr. Norward Roussell, superintendent of schools, Macon County, Alabama.

Dorothy I. Spinks, past president, Federally Employed Women, Arlington, Virginia.

Rev. Allen Stanley, president, Empire State Baptist Association, Troy, New York.

Rev. Wade Watts, Oklahoma state president, National Association for the Advancement of Colored People.

The Washington State Democratic Party Convention, by resolution adopted June 6, 1992.

The Loudoun County (Virginia) Democratic Party, by resolution adopted June 17, 1992.

Billington appeal denied, Ascher jailed

by Bruce Director

The Commonwealth of Virginia continued to defy all internationally accepted standards of justice in late June as one associate of Democratic presidential candidate Lyndon LaRouche was jailed and another was denied an appeal by the Virginia Supreme Court.

On June 15, Rochelle Ascher surrendered to authorities in Leesburg, Virginia and began serving her 10-year sentence. Ascher joins LaRouche, who is still serving his 15-year sentence at the Federal Medical Center in Rochester, Minnesota, as the only other activist currently confined to prison.

On June 11, a three-judge panel of the Virginia Supreme Court unanimously denied the petition for appeal of Michael Billington, who faces 77 years in prison. The petition had outlined 10 areas of error made in earlier rulings by the trial court and Virginia Court of Appeals, including issues such as double jeopardy, the breakdown in attorney-client relationship before trial, and the unconstitutionality of jury sentencing when the trial judge says his practice is not to alter jury sentences. In Billington's case, Judge Clifford R. Weckstein affirmed the sentence given by the jury.

These two cases were both riddled with massive prosecutorial and judicial abuses which are characteristic of Virginia justice, where the Confederacy still reigns today. Ascher was tried in January 1989 on charges of borrowing money without registering as a "broker-dealer," fraud in soliciting loans, and conspiracy to defraud. The charges were blatantly political, especially since, at the time of the indictments, political loans had never been ruled by the Commonwealth to be "securities." That decision was made three months *after* the 1987 indictment of Ascher and her co-defendants.

Ascher's trial was equally outrageous, as she was subjected to a jury in Loudoun County, Virginia, where LaRouche resided. The jury had been inundated by hostile media coverage, and was flagrantly prejudiced against LaRouche. The animus of the jury was writ large in its decision to sentence Ascher to an unprecedented 86 years in jail.

Ultimately, trial Judge Carlton Penn reduced the sentence to 20 years, with 10 suspended. Penn then ordered Ascher immediately to prison, and it was only after an emergency appeal that the Virginia Court of Appeals released her. She remained free on bond while she appealed her conviction. The Court of Appeals eventually heard the case, but upheld the verdict with an arrogant decision which ignored facts and law. In early June, the Supreme Court of Virginia denied to

hear any further appeals and refused to stay execution of the sentence while Ascher continues her appeals up to the U.S. Supreme Court.

Billington was tried in Roanoke, Virginia, after the case of LaRouche associates were transferred out of Loudoun County, before the notorious Judge Weckstein, a partisan of the drug lobby's Anti-Defamation League (ADL). Billington's trial drew international attention after Weckstein forced Billington to go to trial with a defense attorney, Brian Gettings, who claimed Billington was legally insane for insisting on his right to a jury trial.

The 'Get LaRouche' task force

Ascher's incarceration is the direct result of the role of Virginia Attorney General Mary Sue Terry in the multijurisdictional federal, state, and private agency "Get LaRouche" task force which was initiated in 1982 by Henry Kissinger and the FBI. The so-called evidence against Ascher and her co-defendants came directly from a state-federal 400-man raid and illegal search of LaRouche's "headquarters" in Leesburg in October 1986.

Terry, a creature of the Bush Democratic apparatus of Virginia, pursued her campaign to try to wipe out the publications and movement associated with LaRouche with a gusto that showed no respect for law. Her stated objective was to wipe out fundraising by LaRouche's associates. She has been consistently backed by the state Supreme Court.

In fact, the head of the State Corporation Commission, which accommodated Terry by ruling after the fact that corporate loans, despite their political nature, were "securities," was soon after that ruling appointed to the Virginia Supreme Court.

Even the FBI, in documents released under the Freedom of Information Act, admitted that Terry's actions were "politically motivated." Yet, the courts have permitted the witch-hunt to proceed.

Terry is well known in Virginia as "Bloody Mary," due to her zeal to rush Death Row inmates to execution. She recently gained international notoriety with the case of Roger Keith Coleman, whose colorable claim to innocence was widely recognized, but whose lawyers' failure to file appeal papers on time convinced Terry that he had exhausted his remedies and should not be given the chance to prove his innocence. Coleman was murdered by Terry and the Commonwealth of Virginia on May 20.

Terry's role against LaRouche also coheres with her close relationship with the ADL, which has had a vendetta against LaRouche since the first publication of the book *Dope, Inc.* in 1978. That relationship was flaunted when Terry was given the "Defender of Human Rights Award" by the ADL on April 16, at the same time that Terry was fighting to execute Coleman. Among the special guests at the luncheon was longtime anti-LaRouche operative and former ADL Fact Finding Department head Irwin Suall.

Malcolm Wilkey's terror against the presidential electors

by Anton Chaitkin

With the approach of a possible election of the next U.S. President by the House of Representatives, Special Counsel Malcolm Wilkey continues to escalate his attack on the House. Wilkey is now demanding records of the House Bank dating back to 1982, and the records of all personal lending arrangements made for congressmen through the House facility with private financial institutions during the past decade.

Wilkey is believed to be aiming at filing broad RICO racketeering charges against various congressmen.

George Bush's Justice Department appointed Malcolm Wilkey special counsel in March, during the media-hyped "Checkgate" scandal. Wilkey at first promised to limit his investigation to scrutinizing overdrafts at the House Bank by certain congressmen over a 39-month period. He has since repeatedly broadened his own mission, seized all House members' personal banking records, and backdated the probe.

The few remaining unintimidated Democrats have labeled the Wilkey operation a "politically motivated witch-hunt," a "fishing expedition" which would "put [the House] on the plate of a presidential monarchy" during this election year. They have pointed out that ordinary banks often routinely covered overdrafts until their customers made the necessary deposits, not treating this as a criminal matter; and that in any case, the now-closed House Bank was actually a cooperative of the House members, not a bank.

Yet Democratic leaders have bent over backwards and forwards to accommodate the Executive's attack. Staff members of several congressional offices contacted by *EIR* in late June said they have heard of no serious protests against Wilkey's attacks since the debate in April over whether to comply with Wilkey's subpoenas. Evidently hoping to be personally spared from prosecution, congressmen have dropped any defense of the constitutional separation of powers between the legally co-equal Executive and Legislative branches.

An immediate crisis in the legitimacy of the U.S. government is now taking shape. The Constitution prescribes that if no presidential candidate gets a majority of the Electoral College votes—a strong possibility next November in a race with three or more contenders—the House of Representatives must choose the next U.S. President. But if the House itself is terrorized by a virtually unlimited police investigation controlled by the incumbent President, the constitutional election process will have been destroyed.

Wilkey, Bush, and South America

Malcolm Wilkey's service to the Bush family and its factional allies goes back several decades.

On April 14, 1965, blueblood lawyer Charles P. Taft announced Wilkey's selection to the national Operating Committee of Taft's "Republicans for Progress," an intelligence clique of Anglo-American bankers, Freemasons, and internationalists who had operated together within the Eisenhower administration, where Wilkey had been assistant attorney general. President George Bush's father Prescott Bush, a chief member of the Taft clique, had been a senator and President Eisenhower's confidant. Prescott Bush had personally selected Taft to the powerful Skull and Bones Society. Taft's law firm had an important stake in the Kennecott Copper Company, which employed Malcolm Wilkey.

During the 1960s, Wilkey was general counsel to Kennecott. In that capacity Wilkey supervised the legal affairs of the subsidiary Braden Copper Company, which controlled much of the wealth of Chile. Prescott Bush was the longtime banking partner of Braden Copper's South American political manager Spruille Braden, co-directing with Mr. Braden investments ranging from Nazi Germany to South America. During the 1960s, banker Bush helped manage the intelligence strategies for the South American investments for which Wilkey was a top lawyer.

The small nation of Uruguay, home base for the Propaganda-2 and Scottish Rite Freemasons, was the Southern headquarters from which Spruille Braden, Wilkey, and others managed Anglo-American copper investments and attacked South American political nationalists.

One spectacular deal which this clique worked out was for the government of Chile to purchase 51% of Braden Copper from Kennecott. With Chile's new investment simultaneously counted in, the Kennecott holdings in Chile increased even as Wilkey and company received the sale cash.

Just after Malcolm Wilkey was named a federal judge in 1970, Salvador Allende became Chile's President and proceeded to confiscate Braden's huge El Teniente mine; Allende was soon overthrown.

In 1976, Chilean opposition leader Orlando Letelier was blown up by a car bomb in Washington, D.C. Though the U.S. media generally blamed the Chilean secret police for the killing, it is well established that then-CIA director

George Bush had penetrated the Chilean agency and had squelched all U.S. police investigations into the murder.

From 1985 to 1990, Malcolm Wilkey was first Ronald Reagan's and then George Bush's ambassador to Uruguay. In Uruguay and Chile (his wife is Chilean), the lordly Wilkey saw to the collection of international bankers' debts—and labored to protect George Bush's posterior. Throughout Bush's term as U.S. President, Wilkey has worked on damage control in the Letelier murder case. By the beginning of this year, Wilkey had arranged for Chilean government payments designed to silence relatives of victims in the Letelier bombing.

But early this year, Chile's Supreme Court decided that President Bush could be legally ordered to appear in Chile, to testify on the role of the CIA in the Letelier case. Chilean generals claim they have been wrongly blamed for the killing, and that Bush's CIA ordered the 1976 bombing.

Wilkey's hatred for human rights

Malcolm Wilkey's published ideas attacking the Constitution make him well-suited to his current assignment to trash the Congress.

In 1985, Wilkey proposed changing the framework of government to limit congressmen to a single term; to prevent congressmen from dealing with personal requests from their constituents, the voters; to drop the requirement that the Senate confirm presidential appointment of cabinet members and ambassadors; and to allow the President to declare war at his own whim, without congressional approval.

As a federal judge, participating in debates and publishing a privately funded pamphlet, Malcolm Wilkey was the main public spokesman for quashing the Fourth Amendment. If police invade someone's privacy illegally, without a warrant, and illegally seize materials from a citizen, it was Wilkey's view that prosecutors should be able to use such seized materials against the citizen in criminal court proceedings. The police could *later* be tried for wrongdoing, and the most "valuable" evidence would not be thrown away!

During his spring offensive, Wilkey has leaked to the media his predictions that congressmen are going to be criminally prosecuted for fraud. Given his published views and his personal background, there can be few delusions about his willingness to use any tactics whatsoever to accomplish his destructive ends. Congressmen who recently acquiesced in Bush's slaughter in Iraq and Panama are apparently in no moral position to defend themselves, or the Constitution, from the "banana republic" treatment.

The case of former Speaker of the House Jim Wright may be useful in guiding the reflections of congressmen in the emerging crisis. Wright was hounded out of office on trumped-up corruption charges during the first year of Bush's presidency. Georgia Republican Rep. Newt Gingrich, a gleeful advocate of Wilkey's incursion, had drummed up the attack against Wright during Bush's 1988 campaign. Soon after

Wright was forced to retire, House Whip Tony Coelho followed, leaving the present pathetic, compliant Democratic leadership in charge.

But former Speaker Jim Wright is not playing dead. Wright arranged to be the master of ceremonies and a guest speaker at the June 26-28 "Midwest Symposium on the Assassination of John F. Kennedy," an open attack on the Eastern Establishment's coverup in the JFK and Martin Luther King murders. Wright, a passenger in the 1963 Dallas presidential motorcade when Kennedy was shot, might have some pertinent stories to tell to the chickens who have come to roost in the Capitol.

LaRouche in Swiss paper

The major daily of Lugano, capital of Italian-speaking Switzerland, ran a six-column article on June 24 entitled "The Case of Lyndon H. LaRouche." The unsigned story in *Giornale del Popolo* was prompted by LaRouche's victory in the Democratic primary in North Dakota. (The result was later officially reversed due to alleged write-in votes for Ross Perot; LaRouche campaign officials report that the pattern of Perot votes was suspicious and points to possible fraudulent manipulation of the election.)

LaRouche's victory was "shocking," reported *Giornale del Popolo*, "because for three years LaRouche has been in jail, the victim, according to his supporters—but not just them—of a political trial organized by the establishment to get rid of an annoying adversary of current American policy, above all on the level of economic choices and relations with developing countries (investment policy, population policy, etc.). And from jail, in what is likely unprecedented, he is running his electoral campaign. In Europe the economic-political program of LaRouche is made known by the Schiller Institute of Wiesbaden, which is linked to the figure and work of the American statesman. We got in touch with the institute to get information about his trial and sentence, since our curiosity was also piqued, perhaps above all, by the silence of the press which seems to be covering up the event and, more generally, the very existence of this politician. . . .

"Among those who have denounced the irregularities of the trial, are various figures who do not necessarily share the program of Lyndon LaRouche and do not figure among his followers or political supporters. . . . Their common view is that the trial and sentencing are inexplicable without the taint of political aims. . . ."

International outcry rejects U.S. Supreme Court tyranny

by Leo F. Scanlon

Political leaders and legal scholars throughout the world are registering their shock and protest at the Nazi-like decision of the U.S. Supreme Court on June 15 to legalize international kidnaping by U.S. officials. The decision involves the case of Dr. Humberto Alvarez Machaín, a Mexican citizen, who was abducted from Mexico and brought to the United States to stand trial on charges that he conspired in the murder of U.S. Drug Enforcement Administration agent Enrique Camarena. The Supreme Court's ruling renders null and void over 100 extradition treaties between the United States and other nations.

Beneath the official governmental denunciations of the decision, which are often muted in deference to American sensibilities and out of fear of Bush administration retaliation, there is a profound recognition, especially in Ibero-America, of the deeply irrational and violent nature of U.S. policy circles today. Many of those who entertained more favorable views of the Bush regime have been convinced by the Alvarez Machaín decision that the invasion of Panama was not an isolated or unique event, and are questioning the basis for any political or military or even economic collaboration with a regime which has rejected all premises of international law.

Defense of 'the snatch job'

The State Department underlined the lawless outlook of the administration, in a statement drawn directly from the legal argument presented to the Supreme Court in justification of the kidnaping of Alvarez Machaín: "It is important to isolate the question of whether domestic legal authority exists from the separate question of whether the President will in fact authorize use of that authority. In any given case, the President must weigh his constitutional responsibilities for formulating and implementing both foreign policy and law enforcement policy." It then emphasized that "an interagency process exists to ensure that the President takes into account the full range of foreign policy and international law considerations as well as domestic law enforcement issues raised by any specific case. There will be no arrests abroad that have not been considered through that interagency process."

Secretary of State James Baker put the matter more crudely

ly on an ABC News show, when he told David Brinkley, "This snatch job was pulled before certain procedures were set up in the Executive. . . . You're not going to see this as routine." He added assurances that the government will always weigh the "tradeoffs of equities" between authorizing an extraterritorial legal action, and the serious foreign policy considerations that would arise from it. But this balancing act involves political considerations which exclude international law, and which ignore fundamental questions of national sovereignty.

What, in a word, would the Bush administration have to say if the Mexican government attempted to apply such a policy toward United States citizens?

The issues involved were posed within hours of the Supreme Court ruling, when U.S. agents kidnaped a Mexican citizen in Sonora, Mexico. Then on June 16, American soldiers participated in a raid on the house of Panamanian Congressman Gerardo González, supposedly in pursuit of the individuals responsible for the killing of a U.S. soldier right before Bush's visit to his Panamanian "colony." The uproar in Panama at this brazen violation of the Panama Canal treaties and of Panamanian sovereignty forced even U.S. Ambassador Dean Hinton to recognize the objections of Foreign Minister Julio Linares, and to apologize to the government. The sour taste in the mouths of even the most ardent partisans of the U.S. role in Panama was illustrated by a statement issued by congressman Amulfo Escalona, who said that the U.S. policy is a "judicial outrage which is based solely upon might, and 'might makes right' is the law of the beast."

'A flagrant violation'

In Mexico, the pro-Bush government of President Carlos Salinas de Gortari backed down from its initial decision to suspend all activity of the Drug Enforcement Administration (DEA) inside its borders, but the Mexican Congress passed a unanimous resolution on June 16, calling the Alvarez Machaín decision "a flagrant violation of the [U.S.-Mexican] extradition treaty" which was to be "absolutely condemned." The newspaper *El Financiero*, representing the contempt for the Salinas government which is widespread in the wake of the ruling, noted that "by this time Mr. Salinas should have

understood that the U.S.—as a state, as a culture, as a sum of interests—doesn't want an equal partnership, but a relationship of subordination."

José Angel Conchello, a leader of the dissident faction within the PAN party, wrote a bitter denunciation of the new U.S. doctrine: "They too have a new concept of sovereignty, utterly humiliating, utterly insulting, that justifies the right of those charged with dealing with crime to commit crimes in Mexico that are severely punished in the United States. They may have strength; we must have dignity."

The Colombian government of President César Gaviria is another case of a Bush yes-man caught between a rock and a hard place. The Colombian Foreign Ministry said that the U.S. Supreme Court decision "is a grave precedent whose effects violate fundamental principles of international law. This attitude makes vulnerable precious precepts of harmonious international living together, such as equality, territorial integrity, sovereignty, self-determination, non-interference in the internal affairs of other states."

Both houses of the Colombian Congress have issued statements denouncing the ruling. The Senate statement charges that with this ruling, the United States is creating the "unacceptable doctrine of extraterritoriality of arbitrary proceedings, to the extreme of threatening use of the atrocious crime of kidnaping for such ends." The House describes the ruling as "a return to the most archaic of imperialisms, negating the right of self-determination of peoples; it is a return to domination of the strongest, economically and militarily, over the majority of the world's nations."

The Colombian Supreme Court took notice of the ruling as well, noting on June 19 that the U.S. policy "could be interpreted as the creation of illegal means, or as a material power trampling on the weak, or, in the area of international law, prompting a return to its initial and most rudimentary historical eras, which have been superseded," and went on to request that the state resort to "valid juridical means in international law" to reject the ruling of the U.S. Supreme Court. The Colombian court added that there is no authorization for "the decisions or actions by foreign judicial authorities, which constitute an intervention on Colombian territory."

An editorial in the Colombian newspaper *El Espectador* called for action in response by the Organization of American States. "If it is good for anything, the OAS had better bring to trial those with political responsibility in the United States who are carrying a big stick and threatening the national sovereignty of other countries. . . . The U.S. has re-emerged as a menacing power, with the policy of the big stick, manifest destiny, the teachings of Mahan and the haughty behavior of Theodore Roosevelt in the matter of Panama. But today it isn't the politicians, not the militaries . . . but the Supreme Court itself" which disgraces the Americas.

Peruvian Justice Minister Fernando Vega emphasized similar sentiments, but wishfully expressed the illusion that

the decision is an "independent" action with "no legal standing." The former head of the Peruvian College of Lawyers, Fernando Vidal Ramírez, charged that the ruling "completely ignores international norms regarding extradition, and attempts to encourage the violation of the territorial sovereignty of states." Vidal also demanded that the OAS denounce the ruling.

Costa Rican President Rafael Calderón emphasized this last point in remarks made at a press conference in Buenos Aires with Argentine President Carlos Menem, when he called for the matter to be taken up by the Ibero-American summit scheduled for July in Spain. Menem called the ruling "not an error, but a horror."

Brazilian officials emphasized the practical reality posed by the Supreme Court decision, identifying it, in the words of Hermes Marcelo Huck of the University of São Paulo, as a "virtual declaration of war."

'Violation of human dignity'

The most powerful European response was registered in Spain, where the daily *El País* devoted one page to reactions headlined "Gloom and Rejection in the Magistracy in Response to the North American Judicial Decision." Tomás Iglesias, spokesman for the 2,200-member Federation of Associations of Progressive Jurists, called the ruling "miserable" and a "violation of international law, the sovereignty of nations, and above all, human dignity."

Magistrate Angel Calderón Cerezo, spokesman for the Professional Association of the Magistracy, the largest Spanish conservative judicial grouping, found the ruling "surprising and strange," adding that "we know no precedent for it. It goes against international law, and undermines coexistence."

Juan Lena, director of the Office of Diplomatic Information of the Spanish Ministry of Foreign Affairs, called the ruling a "worrying decision" which will be taken up by the government in international fora.

Press and government responses paralleling those identified here were registered in Canada, Switzerland, Sweden, Egypt, Algeria, and Tunisia. Even the City of London's mouthpiece, the *Economist*, was compelled to condemn the Bush administration for adopting the "legal" arguments put forward by Israel to justify foreign abductions, and noted that "America gives a bad name to freedom of action under the law. . . . It need not wonder why its reputation in some quarters as a free-firing bully has proved so difficult to lose."

The last word, perhaps, is registered by Israel's Isser Harel, who was castigated internationally for kidnaping Adolf Eichmann from Argentina. Acutely aware that ultimately Argentina did accept the Israeli action, and also aware that even the Nazis were forced to return a Jewish journalist they had kidnaped from Switzerland in the 1930s, Harel wryly noted that "this is a revolutionary decision for U.S. needs. It shows that when they need it, everything is kosher, but if others need it, it's illegal."

Nunn: Use military to assist civilian agents

Sen. Sam Nunn (D-Ga.), chairman of the Senate Armed Services Committee, has proposed developing plans to use military engineers, medics, and other specialists to help civilian agencies and private groups address problems of the inner cities.

While noting that the military's primary mission would remain national security, Nunn said, "By using the capabilities we have in the military, we can assist civilian authorities in addressing the critical fundamentals upon which a healthy society and economy are built.

"In each community, the military, private sector, labor unions, and other agencies would decide where the voids were and where military training requirements might meet local needs," Nunn said.

Some senior Defense Department officials said the Pentagon was not excited about broadening its area of responsibilities in this way.

Superconducting Super Collider killed by House

The House voted 232-181 on June 17 to kill the giant particle accelerator in Texas known as the Superconducting Super Collider (SSC), which could mean the end of an ambitious project which studied how the tiniest particles behave when hurled against each other at extremely high speeds.

"The House was looking for a blood sacrifice and they found it in the SSC," said Rep. Joe Barton (R-Tex.). The SSC was sacrificed on the altar of budget austerity, in a climate characterized by congressmen falling over each other to prove to the voters that they know how to cut expenditures. A year ago, the Super Collider passed with an 86-vote margin of victory. But

this year it was defeated with a 51-vote margin. Nothing changed in the arguments pro and con; but 1992 is an election year.

Energy Secretary James Watkins said that he was "disappointed by the House action. . . . It does not demonstrate good stewardship of the science and technology research base that the public has entrusted to the government." He added that the cancellation of the project would result in the loss of 7,800 jobs.

The project was defeated despite the intervention of President Bush, who urged House members to give their support to this "crucial investment" in the nation's science and technology future. More than \$1 billion has already been spent on the project. The funds for the SSC were a part of the in the Energy and Water Development Appropriations legislation which passed on June 17 by a 365-51 vote.

In work on the same legislation, the House rejected attempts to eliminate funding for an advanced liquid metal reactor and for the SP-100 space nuclear reactor program. The bill also includes \$339 million for the magnetic fusion energy program.

'Non-proliferation' bill targets Iran, Iraq

Legislation was introduced on June 18 by Rep. Howard Berman (D-Calif.) which would impose mandatory and discretionary sanctions on individuals, corporations, and countries that transfer technology to either Iran or Iraq, or "which contribute to the acquisition by Iran and Iraq of nuclear, chemical, biological, and advanced conventional weapons."

The bill was introduced with bipartisan support. Similar legislation had already been introduced in the

Senate. One of the "discretionary sanctions" which can be imposed on a country violating this legislation, would be suspension by the President of that country's Most Favored Nation trade status.

Lugar moots military intervention in Yugoslavia

Sen. Richard Lugar (R-Ind.), a key Bush supporter and a member of the Senate Foreign Relations Committee, is urging the Bush administration to seek authority from the U.N. Security Council to use military force against Serbian forces in Bosnia-Herzegovina.

Interviewed on June 20 on the "American Interests" television news program, Lugar said that "sanctions have taken their toll, but it is not a sufficient toll." Lugar made it clear that he believes that at the present point in time, with Bush's popularity sinking, a military operation like Desert Storm would be the best thing for Bush. "Strong leadership is good politics as well as good policy," said Lugar. "The President is at his best when he fastens on to such a solution."

Lugar ranted that America must "lead the world." "We must have control of our own destiny and that of the rest of the world," he said. Lugar drove his point home by indicating that Desert Storm commander Gen. Norman Schwarzkopf was running neck-and-neck with Ross Perot in some polls where Schwarzkopf—the non-candidate—was included. Comparing such an operation to the U.S.-led foray against Iraq, Lugar said the U.S. should "universalize what was a one-time occasion." Lugar did not recommend attempting to take Sarajevo, but rather, "getting at the powers behind the shooting." One option, he mooted, was an "air sweep" to prove

to the Serbs that they didn't have control of the air.

Sen. Sam Nunn (D-Ga.), chairman of the Senate Armed Services Committee, interviewed on June 21 on the NBC News program "Meet the Press," similarly indicated that military intervention is a real possibility. Nunn said that the Pentagon should draw up contingency plans for sending U.S. troops to Yugoslavia "as a part of a broader United Nations or international force."

Sen. Joseph Biden (D-Del.), chairman of the Senate Foreign Relations subcommittee on European Affairs, has already held hearings on the situation in Bosnia-Herzegovina and is considering introducing a resolution giving prior congressional support to the use of U.S. military forces by the U.N. if the Security Council should so decide.

Senate Minority Leader Robert Dole (R-Kan.) was even more blunt when on June 21 he called on NATO to immediately issue an ultimatum to Serbian dictator Slobodan Milosevic, and to authorize the use of alliance forces to reestablish peace in Bosnia "and other threatened areas of the former Yugoslavia."

Urban aid okay clears way for Russian aid bill

The House approved on June 18 in a 249-168 vote an emergency aid bill for Los Angeles and Chicago, after compromising with President Bush in order to clear the way for debate on the Freedom Support Act, a bill which designates certain monies to Russia and contains a \$12 billion increase in the U.S. quota to the International Monetary Fund.

In the compromise, Congress agreed to eliminate \$1.1 billion for so-

cial programs which were sought by Democrats, and to fund a summer jobs program which President Bush did not request.

The legislation also eliminated the inner-city investment "enterprise zones," the lame response of the Bush administration to the riots in Los Angeles. The bill provides \$576 million for disaster relief and recovery loans to help Los Angeles businesses and residents recover from the riots and to assist Chicago businesses repair damage caused by a tunnel rupture earlier this year. The bill also includes \$500 million to create an estimated 360,000 jobs for youths in 75 cities.

Senate restricts hearings on the October Surprise

Members of the Senate Foreign Relations Committee came to an agreement on June 24 to hold closed-door hearings into the so-called "October Surprise," allegations that the Reagan-Bush campaign in 1980 conspired to delay release of the 52 American hostages held at the U.S. embassy in Teheran to boost their electoral prospects. The committee has subpoenaed numerous witnesses affiliated with the Reagan-Bush administration to testify.

Under procedural agreements reached early in June, only four senators will question witnesses in a "secure" room on the fourth floor of the Capitol. One committee member, Sen. Frank Murkowski (R-Alaska), had not been informed of the plans for a "closed-door hearing." He said that the decision effectively creates an ad hoc committee "with no formal authorization."

Sen. Richard Lugar (R-Ind.), a member of the four-man Senate inves-

tigation, said the group would likely conduct more than one secret hearing, but expected to finish its work in the next two weeks.

The House is conducting a separate investigation into the affair, and has set aside up to \$2.5 million for a bipartisan October Surprise Task Force whose preliminary report is due by July 1.

Bentley: NAFTA, GATT are threat to sovereignty

In comments on the floor on June 16, Rep. Helen Delich Bentley (R-Md.) attacked the North American Free Trade Agreement (NAFTA) and the General Agreement on Tariffs and Trade (GATT) agreements as infringements of U.S. national sovereignty.

Bentley's criticism echoed a fact sheet put out by the United Food and Commercial Workers International Union, which charges that the terms of the GATT draft will effectively eliminate all import control laws including the U.S. Meat Import Act. The current GATT draft proposes greatly expanded powers including the creation of a multilateral trade organization, which, according to a UFCW fact sheet, "would threaten existing laws and our nation's right to enact and enforce new laws in the future."

As Bentley pointed out in her floor comments, a GATT panel ruled that "GATT is part of federal law in the U.S. and as such is superior to GATT-inconsistent state law."

"If the panel report is adopted," said Bentley, "the federal government would be obligated to ensure that the 50 states be in strict compliance with GATT." This, she warned, would strike at the basis of the federal system.

National News

N. Y. Times: use peace dividend vs. poor nations

In its lead editorial, the June 15 *New York Times* called for an environmental onslaught against poor nations, utilizing resources freed up by the end of the Cold War. With contempt for "developing countries" which at the Rio Earth Summit "seemed more interested in an abstract 'right to development' than in concrete problems like explosive population growth," the *Times* pointed up "the difficulty of reconciling national sovereignty with global citizenship."

This "difficulty" can be remedied "by shifting resources from obsolete Cold War aid programs" such as Radio Free Europe and payments related to NATO bases. Moreover, wrote the *Times*, "Aid channeled through the World Bank can shape development patterns. . . . The U.S. need[s] to pressure the bank to make environmental impact a decisive lending test." The editorial encouraged proposed legislation by Senators Albert Gore (D-Tenn.) and Peter Domenici (D-N.M.) that would have U.S. national laboratories working on "environmentally friendly technology" to be imposed on "poorer countries. Recipient nations would be asked to pay a share of the costs."

'Chicken Little Society' pokes fun at eco-chickens

By way of humor by inversion, a new society has been founded calling itself the Chicken Little Society, Inc. The Society carries a quote from Chicken Little, Ph.D. on its letterhead employing the cosmology defended by Aristotle: "The Society shall be dedicated to the abolition of humankind's ruthless rape of the environment, which will surely cause the crystal spheres that comprise our firmament to shatter. Not only will Earth's lifeforms be greatly endangered by the falling crystal shards, but they will lie naked and unprotected before the unknown forces that lie beyond the firmament."

The Society appears to have been

hatched by one Tully M. Robison of Boca Raton, Florida. The first issue of the Society's newsletter, dated April, debunks in some detail The Great Antarctic Ozone Hole as a threat to anything.

Clinton program sounds like a MAC attack

Gov. William Clinton of Arkansas, expected to be the Democratic Party's presidential nominee, on June 22 unveiled a new economic program that includes a "Rebuild America Fund," which, he says, will be "leveraged with state, local, private sector and pension fund contributions."

The fund echoed the plan Felix Rohatyn put forward only a week earlier, in alliance with Jesse Jackson, the shadow senator from Washington, D.C. Rohatyn is the Wall Street financier who set up the "Big MAC" (Municipal Assistance Corporation) bankers' dictatorship that drove New York City into the ground in the 1970s.

Clinton also renewed his lobbying for the North American Free Trade Agreement, which will mean the loss of millions of American jobs, in his speech to the United Auto Workers' convention the week before.

Private 'Get LaRouche' gang resorts to RICO suit

Part of the private arm of the "Get LaRouche" task force, the Cult Awareness Network, instigated a federal racketeering (RICO) suit against a distributor of publications associated with Lyndon LaRouche's political movement. The suit, alleging that the movement associated with the presidential candidate is a racketeering enterprise, was brought against Eastern States Distributors, Inc. in Philadelphia by the daughters of a now-deceased political supporter.

The action, filed May 22, names ESDI, Merrill Lynch, and a broker for Merrill Lynch in Texas, as having allegedly defrauded their father of approximately \$75,000. Like earlier actions brought against entities associated with LaRouche,

this one hides politically motivated financial warfare behind the usual CAN and Anti-Defamation League (ADL) charges of "brainwashing" elderly supporters, claiming the late supporter was coerced, intimidated, and badgered into making his contributions.

The suit was initiated by Ann Coleman, the executrix of the supporter's estate, who, along with her sister, Margaret Kostopoulos, are the sole beneficiaries named in their father's will. Kostopoulos recently testified to support of CAN-instigated legislation in Maryland aimed at stopping LaRouche movement organizing. Kostopoulos had herself removed as her father's executrix before testifying.

High court continues to back death row railroad

The Supreme Court ruled to allow a decision to stand on June 15 that states can impose strict time limits on death penalty appeals in an effort to speed up executions. The court, without comment, refused to review an Idaho law that gives death row inmates only 42 days after sentencing to file a state appeal on any grounds, but allows all other convicts up to five years to find reasons to appeal their convictions.

An attorney for Idaho death-row inmate Paul Ezra Rhoades argued the law violates the equal protection and due process clauses of the Fourteenth Amendment, as well as the Eighth Amendment prohibition against cruel and unusual punishment. But the state said its interest in executing those sentenced to death allows such a disparity.

The state argued that it is "obvious" its lawmakers want those on death row to be "expeditiously executed." Further, the state said that in what it called "rare cases of actual innocence," the state Supreme Court would "probably" allow a defendant to file an appeal outside the time limits.

On the same day, the Supreme Court let stand the convictions and death sentences of Roger Keith Coleman, Jesus Romero and Robert Black, who were executed over May 20-21. All claimed either outright innocence or factors that should have disallowed a sentence of death.

Sources report that the defense team of the late Roger Coleman is working to prove his innocence, and intends to use his case to force the abolition of the death penalty in the United States.

Meanwhile, the execution of Karla Faye Tucker, originally set for June 30, was halted on June 22. Tucker, a 32-year-old Houstonian, would have been the second woman, and the 177th person, executed in the U.S. since the 1976 Supreme Court ruling that permitted capital punishment to resume. Texas has executed 50 men over the past 10 years—the highest number of any state.

Doctors dispute coverup report on JFK murder

Dr. Charles A. Crenshaw, who was on the emergency team at Parkland Hospital in Dallas in 1963 when President John F. Kennedy was brought in, and Dr. Cyril H. Wecht held a press conference on June 17 to denounce as shoddy and fraudulent the recent report in the *Journal of the American Medical Association (JAMA)* that there was no conspiracy behind the Kennedy assassination. Dr. Wecht told the press, the assassination "was a conspiracy" that was "massive and . . . far reaching," and called for a new investigation.

Both physicians said that photographs of Kennedy after the autopsy, done in Washington, did not match what the body looked like when it first arrived at the Dallas hospital. Crenshaw said that he remembers a small puncture in the President's neck, whereas the photographs that were released showed the neck wound as a large jagged hole.

FEC, IRS hit LaRouche after N. Dakota victory

The Federal Elections Commission and Internal Revenue Service, both notorious for being used by sitting Presidents to target political opponents, have launched major attacks on presidential candidate Lyndon LaRouche and his associates.

Immediately after LaRouche's victory in the Democratic primary in North Dakota, the FEC issued a major ruling against LaRouche's 1984 presidential campaign, alleging violations of every conceivable FEC law eight years ago.

The FEC action is coincided to come on top of a series of outrageous decisions against LaRouche and his associates by the IRS earlier this year. The IRS decided that LaRouche, despite the fact that he is a political prisoner, personally owes approximately \$5 million in back taxes, based upon reinterpretation of the evidence at his 1988 trial where he was sentenced to 15 years.

Moreover, the IRS is ordering a private management company associated with various entities which publish and distribute LaRouche political literature to pay over \$4 million in back taxes, using the same illogic. The LaRouche defense team anticipates that both the FEC and IRS will be confronted in court for their unconstitutional attack in the middle of an election campaign.

Elections Commission shields Zionist lobby

The Federal Elections Commission has voted to close out a case of election law violations brought by Arab-American organizations against the American-Israeli Public Affairs Committee (AIPAC). The complaints had charged that AIPAC should be registered as a political action committee (PAC) because it targeted political candidates for election or defeat based upon their attitudes toward Israel.

The six commissioners found that AIPAC had broken laws regarding political contributions, but voted 4-2 to take no action, and unanimously to reject the demand AIPAC register as a PAC.

In 1991 the FEC had similarly voted to dismiss a 1986 complaint against the Anti-Defamation League made by LaRouche's 1984 campaign treasurer Edward Spannaus. Back then, the FEC found that the ADL had violated the law, but voted to take no action. Spannaus has appealed the FEC's refusal to take action.

Briefly

● **ALAN OGDEN**, a LaRouche Democrat, was certified June 24 as an independent candidate for Congress in the Tenth C.D. in northern Virginia. He gathered signatures from voters to qualify for the ballot. He faces incumbent Frank Wolfe (R) and Raymond Vickery, who was nominated by the Democratic Party only after Ogden announced his decision to run.

● **PAT ROBERTSON**, the televangelist, and Elie Wiesel held a June 20 rally in Manhattan to ask George Bush to commute the life sentence of Israeli spy Jonathan Jay Pollard. Others at the rally were Rev. Robert F. Drinan, law professor at Georgetown University; Rabbi Avraham Weiss of the Hebrew Institute of Riverdale, Bronx; and Zionist leader Seymour Reich.

● **THE PEROT** Foundation gave \$100,000 to the American Jewish Committee according to a recent issue of the *Southwest Jewish Heritage*. One week earlier, almost presidential candidate H. Ross Perot addressed the AJC in New York.

● **COLUMBUS'S** ships in replica are visiting the United States as part of the quincentenary of his first landing in America. Built by Spain, the ships were made of the same type of lumber as used in the 15th century, and made their crossing using the same navigational techniques and technology as Columbus.

● **BOSTON ANTI-DRUG** activist Dr. Janet Lapem denounced Gov. William Weld for commuting the sentence of a man convicted of marijuana charges, because the man claimed he used it for medical purposes. Lapem called this "no more than a sleazy attempt to legalize drugs in true Boston Brahmin fashion," referring to Weld and the "Boston Brahmins who built their fortunes on the 19th century opium trade." According to the *Boston Globe*, "Weld was obviously amused by the suggestion, referring to a book that LaRouche had published that makes a similar allegation."

Editorial

Finish off the ADL

The Anti-Defamation League of B'nai B'rith (ADL) has suffered a serious defeat in one of the only recent Supreme Court rulings which we endorse. The court ruled that a "hate crimes" ordinance in effect in St. Paul, Minnesota is a violation of the First Amendment to the U.S. Constitution. The ADL has been engaged in a national campaign to implement hate crimes legislation, which would have created a new category of crime—thought crimes.

The ADL has used its "expertise" on hate crimes to infiltrate law enforcement on all levels of government. These hate-mongering gangsters serve as official consultants for the FBI and Justice Department, and run training courses on "extremism" and hate crimes for local police departments.

It is one of the ironies of modern history that the ADL can pass itself off as a human rights organization, while it has an ugly record of stomping on human rights in practice. Far from representing the real interests of the Jewish community in the United States, the ADL has preyed upon Jews and non-Jews alike, in the interest of organized crime, and on behalf of gangsters like Meyer Lansky, Michael Milken, and the Bronfmans.

Since World War II, the ADL has cynically played upon people's justified horror of the persecution of Jews and others in Nazi concentration camps, to cover for the dirty side of their own activities. Expose one of the ADL's criminal operations, and you quickly find yourself labeled an anti-Semite. Now the ADL has suffered two defeats which should embolden critics to join with associates of Lyndon LaRouche to expose the truth about this dirty organization.

The illegal extradition of John Demjanjuk to Israel, under the false charge that he was Nazi concentration camp guard Ivan the Terrible, has not only been exposed in the Israeli courts as a hoax, but the ADL-led team in the U.S. Justice Department's Office of Special Investigations is itself being investigated for this gross miscarriage of justice against an American senior citizen. With the prompting of the ADL, and with the toleration of foolish Americans who believe their lies,

the U.S. Justice Department collaborated with the KGB to frame up Demjanjuk.

It is no thanks to the ADL or the KGB that Demjanjuk is still alive today: It is only because KGB files of the former Soviet Union are now being brought to light. These files show that OSI investigators perjured themselves, suppressed evidence which showed that Demjanjuk could not have been Ivan the Terrible, and in general obstructed the course of justice in the United States and in Israel. Because of this, an innocent man was almost executed—and still might be.

So, too, with the approval of the U.S. Supreme Court, people are being sent to the electric chair, forbidden to submit evidence of their innocence, because they are too poor to hire high-powered legal counsel, or because their lawyers filed the paperwork late. This is the quality of American justice today.

Despite the revelations now made public in the Demjanjuk case, the Justice Department is continuing to prosecute citizens whom it is claimed assisted the Nazis more than 45 years ago. This outrage must stop, before more innocent people are forced to spend their declining years in foreign prisons.

It would be foolish to suppose that this Supreme Court acted on principle when it ruled against the hate crimes ordinance in St. Paul. This same court has also made a ruling authorizing the U.S. kidnaping of Mexican citizen Dr. Humberto Alvarez Machaín, for his alleged role in the murder of U.S. Drug Enforcement Administration agent Enrique Camarena. Such a claim to extraterritorial rights is a violation of all international law.

Don't expect the Supreme Court to reverse the corruption and unconstitutionality that the ADL, with its smear campaigns and "thought crimes" legislation, represents. The ADL must be driven from public life by a ruthless exposure of its illegal and immoral activities. Its "human rights" cover must be thoroughly discredited, to put a stop to the thuggery in which its gangster leaders specialize. They must be brought to justice, forced to obey the same laws that govern everyone else.

GEORGE BUSH THE UNAUTHORIZED BIOGRAPHY



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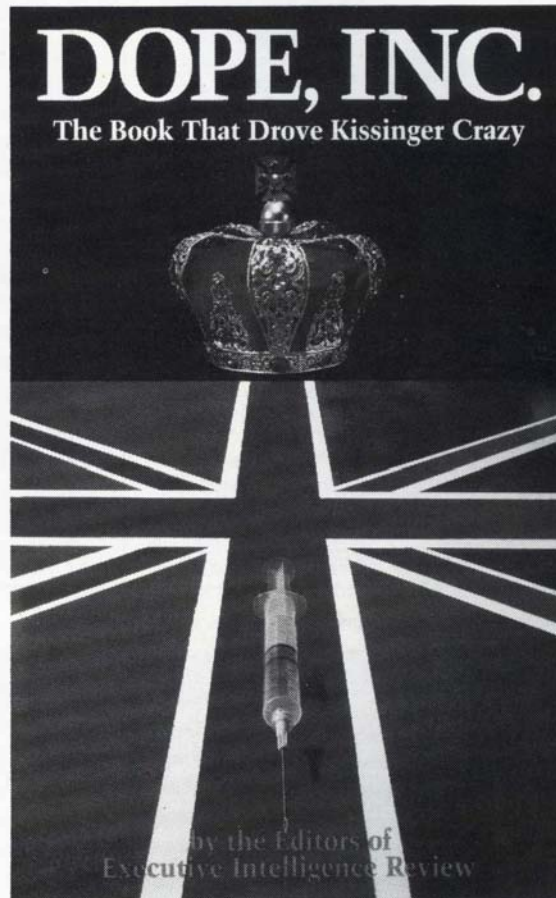
The history-making book 'Dope, Inc.' is now available, after being out of print for five years. The third, expanded edition of the explosive best seller bears the title: "Dope, Inc.: The Book That Drove Kissinger Crazy."

This overview of the global narcotics trade, with a preface by American political economist Lyndon LaRouche, shows that the international trade in illegal narcotics is doubling every five years, with profits in 1991 alone of nearly \$1 trillion. Thus, drug money today represents the largest pool of liquid capital in the world.

Also exposed is the destruction of developing-sector economies by consortia of international bankers, which replaced the national economies with drug economies. Other chapters tell the real story of the organized-crime link to "Dope, Inc.," from the Bronfmans and Kennedys, to the British assassination bureau Permindex, to the Anti-Defamation League.

Finally, in an appendix, Lyndon LaRouche's 1985 "Proposed Multi-National Strategic Operation Against the Drug Traffic for the Western Hemisphere" appears in full, a 14-point plan for defeating the drug traffickers for good.

"Dope, Inc." was first published at the end of 1978, when the war on drugs could have been won. Politicians heeded the bankers instead of the warnings in this book. The war can *still* be won, if we force them to listen now.



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