

# EIR

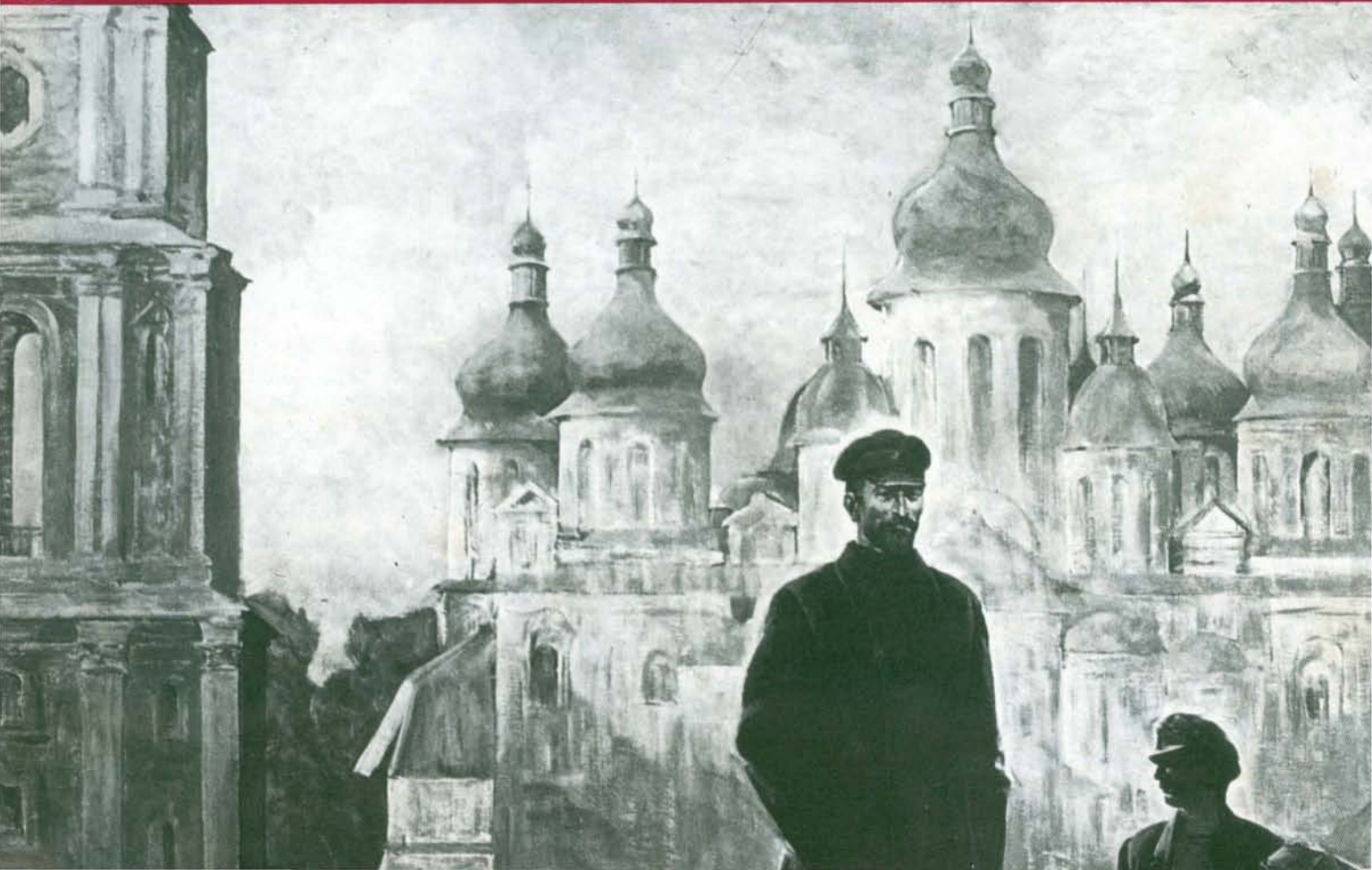
Executive Intelligence Review

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Morgan bank hawks 'debt relief' scam to Brazil  
How the universe works: Kepler's revolution  
Can George Bush make it?

**Behind the 'glasnost' fraud:  
the magicians of Venice**



# We've ripped the mask off Gorbachov's 'glasnost'

in *EIR's* newest special report

## GLOBAL SHOWDOWN ESCALATES

### The Zero Option and the Berlin crisis of 1987

- Mikhail Gorbachov in his Nov. 2 speech celebrating the 70th anniversary of the Bolshevik Revolution, upheld the Hitler-Stalin Pact and embraced the economic policy of Josef Stalin. That policy—a military mobilization of the economy to take world power in the “final crisis of capitalism”—is the truth behind *glasnost* and *perestroika*.
- The Soviets demand that the United States pull down all nuclear defense of Western Europe and dismantle the SDI. Yet they are not only developing their own “SDI”—they

are also bringing on line the newest, deadliest technology of war: radio frequency weapons.

- Soviet assets are deployed to make West Germany, the Philippines, and the Spanish-speaking republics of the Americas ungovernable—by means of terrorism, sabotage, and cultural warfare. This report details the methods and capabilities of Soviet irregular warfare, and tells why it is escalating.

# EIR

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## SPECIAL

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## REPORT

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*EIR's* special report pulls together over 500 pages of documentation, maps, and charts to show why the Hitler-Stalin Pact is still the key to Soviet foreign policy. The intelligence in this report cannot be obtained from any other source—even with a top security clearance. This is the book that will stop the Zero Option sell-out in 1987.

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

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# EIR

## From the Editor

This week's cover story begins an intensified campaign by *EIR* to expose, and defeat, the anti-humanist cultural viewpoint of the ruling elite in the Kremlin and their oligarchical co-thinkers in the West.

The *Feature* outlines the little-known conspiracy behind the "Russification" of Western musical institutions. It should be read together with the report on page 26 on the Russian-imperial roots of the KGB; the "Mother Russia" column on page 53, and—should anyone overlook the practical content of the Russian cultural matrix—the report on page 42 on Soviet genocide in Afghanistan.

Our purpose is not merely to rip the mask off glasnost, showing that the Russian cultural offensive is the key to understanding the Russian-chauvinist war build-up and drive for world empire; but at the same time to point the way toward the recovery of the universal values of true Western culture, particularly in these times of crisis. Frankly, if the hedonistic rock-drug-sex counterculture continues to hold sway in the West, along with anti-scientific barbarism calling itself "environmentalism," we don't stand a chance of survival.

A case in point is the extraordinary New Year's message penned by Raisa Gorbachova's cultural adviser Valentin Rasputin. He called for the revival of Russia's writers and composers of the 19th century, particularly *Dostoevsky*, as the antidote to allegedly "Western" corrupting influences—namely, rock music and the "consumerist" society! *Dostoevsky*, who shares with Nietzsche the honor of being the ideological parent of fascism and Nazism, is being energetically revived in the Soviet Union today—and promoted for export.

In the *Book Review* section, we present a taste of the true Western heritage exemplified by the beautiful work of the scientific revolutionary Johannes Kepler.

These issues will come increasingly to the fore, as the maneuvering room for covering up the financial collapse gets smaller and smaller. That puts a spotlight on the crucial 1988 U.S. presidential elections, in which context, readers will greatly enjoy the two articles leading the *National* section, on the George Bush and Lyndon LaRouche campaigns, respectively.

*Nora Hamerman*

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## Feature



Ogonyok

Current Soviet official art could not be clearer about emphasizing the roots of Moscow policy in the imperialist past of Russia—not “Marxism.” Soviet artist V.A. Myagkov’s image of Feliks Dzerzhinsky, founder of the Soviet secret intelligence service, against the background of Kiev churches, appeared in the magazine *Ogonyok*, No. 46, 1987, with the description: “The artist . . . strove to generalize, to see behind the concrete individual, the incarnation of lofty spirituality, duty, and the heroism of the past.”

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The promotion of what passes for Russian culture in the West—notably in Nancy Reagan’s White House—has been the subject of an intensive effort by Venetian noble families and their collaborators for a long time. This effort, in turn, draws upon a more bizarre and far-reaching project: the synthesis of a Nietzschean ideology to replace Augustinian culture in the West. A “cultural counter-intelligence” analysis by David P. Goldman.

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## The central bankers are now on the chopping block

by Chris White

The central bankers of the Group of Seven countries became the latest to offer themselves up as sacrificial lambs to the unfolding financial and economic crisis, when they began what is called "coordinated action" to reverse the dollar's international decline.

Thanks to this "coordinated action," the dollar in the first days of the new year recovered some of the ground that had been lost in the closing phases of the old. According to sources in Europe, the central bankers' action was worked out secretly from the middle of December, while the Dec. 22 Group of Seven statement warning that "continued instability of the dollar could be counter-productive" was under negotiation within the finance ministries of the relevant nations. These sources say that the coordinated plan was designed to create a "bear trap" for speculators against the dollar. On behalf of that objective, the central banks of the United States, West Germany, and Japan are said to have amassed a pool of \$15 billion, with further funds available from a tier of secondary central banks, like the British and the Swiss, to reverse the tide.

The coordinated action did not work, between the Dec. 22 issuance of the finance ministers' statement of intent and New Year's. Then, in the first week of January, with central bank intervention running at more than \$3 billion per day, with the Bank of Japan perhaps accounting for more than half of the total on a daily basis, the dollar began to go back up again.

The first Monday of the new trading year was the day on which the euphoric consider the turn-around occurred, as the Federal Reserve apparently intervened in the Tokyo markets to support the dollar, and as French Finance Minister Balladur reported to the press that behind the Group of Seven pre-Christmas agreements lay a set of secret-clause commitments which bound all parties to the agreement to support the dollar.

The content of those "secret agreements" immediately became the subject for much speculation as to what might actually be involved.

As to what the central bankers are actually accomplishing with this latest display of coordinated action: Well, actually, they are helping to increase the very instability which they claim to be reducing. Not least because it is the very credibility of the big three central banks, the United States, German, and Japanese, which is being put on the line to defend something which is, in principle, indefensible without sweeping reorganization of the international financial and credit system as a whole.

### How to hyperinflate

In first approximation, the "defend the dollar" commitment is of course just plain hyperinflationary. West Germany and Japan print deutschemarks and yen to purchase dollars for central bank reserve stocks. There is a limit beyond which they cannot do that, as has been stressed again, since the beginning of the year, by the president of the German Bundesbank, Karl-Otto Poehl. The Federal Reserve is supposed to use stocks of yen and deutschemarks to buy back dollars, or employ other means to take dollars out of circulation. Apparently, the Fed only had about \$8 billion of such foreign currency holdings before the save-the-dollar effort began.

It is useful to contrast the size of the fund the central bankers are reported to have put together, \$15 billion, for their dollar defense, with the daily speculative money flows through the world's financial paper dealing centers. This is estimated to be about one order of magnitude larger, in the range of \$120 to \$150 billion worth of paper transactions per day, distributed through the major market centers.

Beside that volume, the central bankers' stockpile of

funds is about as effective an intervention force as U.S. forward stockpiles of materiel in Europe would be in countering a Russian assault. It is therefore clear that the central bankers' intervention tactic only worked because some portion of the financial community was brought in on the secret, and working with the central banks, made money on the dollar's so-called rise, while others were left to lose.

Thus, the central banks did not, as some claim, defeat the speculators with their "bear trap." What they rather did was join one group of speculators to cream another. That is basically why the central bankers offered themselves up, like lambs to the slaughter, before the unfolding crisis.

### **The Morgan interests**

What might that group of bankers be, which we may correctly surmise, joined with the central bankers to speculate on the dollar's temporary increase? Anyone who supposed that it was the power of old-family money associated with the Morgan interests in the United States, Britain, and Switzerland, wouldn't be too far off the mark. Such a supposer would probably point out that Ayatollah Greenspan at the Federal Reserve had been on the board of Morgan Guaranty before he was kicked upstairs to the Fed. They would also argue that Greenspan's disciple-status in the cult of the Russian mystic Ayn Rand also qualifies him as an initiate of the inner circles of the international masonic brotherhood which Morgan has represented, under the Boston crowd, and their London and Swiss controllers, since the 1850s' days of Caleb Cushing and Albert Pike.

Morgan surfaced during the same period between Christmas and New Year with a new scheme for Mexico's debt, which, as we reported, was as much aimed at Morgan's competitors among the commercial banks, like Citibank, Chase, and the Bank of America, which are but little able to swallow the 50% write-offs on all Third World debt, which are implied by the Mexican plan. With that concurrent development, it wouldn't be at all surprising if the central banks joined with the speculators, for the moment, to further weaken that opponent grouping among the central banks.

This byzantine infighting among the ranks of the, in any case, bankrupt banks, combines with the overall hyperinflationary thrust implicit in the central bankers' interventions, to actually increase, rather than decrease the heteronomic instabilities which are dominating world markets. The more so as the leading commercial banks, in some concession to post-Black Monday reality, have seen the nominal value of their common stock collapse on the U.S. stock exchange by between 45% and 55% from the high points reached during the course of 1987. Among the leaders in this pattern are Bank of America, Citibank, Chase Manhattan, and Manny Hanny. Morgan, the only big U.S. bank to retain a triple-A credit rating from Moody's, brings up the rear of the heap along with the Bank of Boston. These two have seen less than 40% of the face value of their stock evaporate.

The halving of the stock value is not simply a result of what it would cost these banks to cover the further write-off of their debt positions, still classed as assets on the books, or the losses it can be presumed some of them took, when the rigged dollar increase began to come through. But it gives an idea of how their room for maneuver has been reduced.

Meanwhile, it is generally admitted, that since the central bankers' commitment to back up the dollar has only been accompanied by air, hot or merely warm, in the form of statements to the press and leaks, like those attributed to the Japanese central bank, that a range has been established for the dollar, between 130-140 yen, and not by any change in policy, the increase will only be short-lived. In London and some quarters in the United States, the cut-off date is given as Jan. 15.

On that day, the U.S. Department of Commerce makes public the U.S. trade figures for the month of November. To sustain what is idiotically called the "dollar's rally," those numbers are supposed to represent some kind of big improvement over the trade figures for October, issued Dec. 15. Then, the U.S. trade deficit reached an all-time record high of \$17.6 billion. If the improvement is to be measured against that, then a \$16 billion deficit for the month may well look good to some. And a deficit in the range of \$14-15 billion, or \$165-175 billion for the year, may be out of the reach of the fakers in the Commerce Department, who have already cooked up the numbers, and submitted them to the Bakers and Greenspans so they can be prepared for what to expect.

That Jan. 15 date is supposedly yet another "watershed" for the dollar. If the pressure resumes, then the heat will be put on the United States to adopt the alternative insanity to the hyperinflationary beginnings of recent days: a new round of credit tightening, in the form of increases in rates of interest.

This has been advocated since the beginning of November by British Chancellor of the Exchequer Nigel Lawson, who has taken the point for colleagues in other countries in so doing. Not content with the insanity which already prevails in the United States, he's insisting on throwing his own brand of lunacy into the hopper, too.

Behind all this, the political arrangements are going into place which will ease George Bush out of the running in 1988, as first the nest of Bush campaigners around James Baker in the Treasury Department is eased aside from policymaking, as they are being in the case of the Mexican arrangements and the dollar, to be replaced by the Federal Reserve and the Morgan-centered international bankers' clique, which, as the *Washington Post* and others claim, can make the "hard decisions," for what they call "economic reasons," which the "politicians" will avoid.

That's like having to choose to get your house repaired by a demolition squad or a bunch of arsonists. Either way, there won't be anything left standing that could be called a home.

# Morgan bank hawks 'debt relief' swindle to Brazilian government

by Mark Sonnenblick

Morgan Guaranty Trust is trying to seduce Ibero-America's big debtor countries with illusions that they could get relief on their unpayable \$400 billion in foreign debts. Mexico fell into the trap and accepted a Rube Goldberg arrangement concocted by Morgan and the U.S. Treasury. Morgan and Kissinger Associates are trying to use the "relief" granted Mexico to tempt countries like Brazil and Argentina to surrender their sovereignty to the International Monetary Fund and their fabulous natural resources to the creditor banks.

Under the Morgan deal, Mexico will be permitted to trade to creditor banks \$10 billion in bonds guaranteed by the U.S. Treasury in exchange for about \$20 billion in debts which it could never pay. Sounds nice. The U.S. and Mexican press has been making it seem as if Mexico would reduce its interest payments by as much as \$900 million a year. More honest calculations made by London bankers, and reported in the *Financial Times*, are that Mexico will save only \$137 million a year, less than 2% of what it is now paying. It will also tie up \$2 billion of its reserves as collateral held by the U.S. Treasury.

Alan Stoga, senior partner at Kissinger Associates, described Morgan's Mexico deal as "a carrot to the other debtors. I suggest it wouldn't have happened if the Brazilian and Argentine situation had not been so bad."

The Brazilians are taking the bait. The president of the ruling Brazilian Democratic Movement Party (PMDB), Ulysses Guimarães, stepped off the plane from New York at São Paulo Jan. 3, to announce that Morgan Guaranty Latin America vice president Gonzalo de Las Veras had briefed him on the Mexico deal. The daily *O Globo* ran a big headline, Jan. 4, "Ulysses brings Morgan foreign debt plan to the PMDB." It reported that Morgan had offered Ulysses a plan which would reduce Brazil's foreign debt by 20-25%. Ulysses later clarified that Morgan had not offered Brazil the same deal as Mexico. He considered the Mexico plan "reasonable": "The formal recognition by the creditors that there is a nominal debt and a real debt—with the later, in our case, 25% lower than the one which has been announced—is an important step for us to begin to seek a solution to the debt problem."

Maílson da Nóbrega, who was named Brazil's new finance minister Jan. 5, called Morgan's Mexico deal "an extremely positive fact for Brazil. Imaginative solutions are

starting to appear. This is a demonstration that creditor countries are starting to accept the need for a lasting solution to foreign debts." Da Nóbrega recognized that Brazil would not be given the same arrangement, since it has no reserves to give the Treasury, but assured that Brazil would find a way to get some of its \$115 billion debt converted into long-term bonds.

Reagan administration officials are rubbing Brazil's face in the supposed fact that Mexico was "rewarded" for surrendering control over its economic policy to the IMF. "There presently does not seem to be the climate" for U.S. support for any debt relief for Brazil, a Treasury official told the daily *Jornal do Brasil*, Dec. 30. Brazil is being hung out to dry by Washington until all those responsible for its debt moratorium, including President José Sarney, crawl. "To restore a climate of cooperation, the Brazilian government would have to make a clear demonstration that it changed its attitude," *Jornal do Brasil* heard everywhere in Washington.

## Morgan rises again in Brazil

Morgan seems to be pushing Citibank out of its dominant position on Brazil debt renegotiation, just as it recently did in the Mexican case. The team from the creditors' committee visiting Brazil during the first week of January to negotiate new terms on medium-term debt is headed by Morgan Guaranty's Arturo Perzekanski.

Morgan has been at loggerheads with most other U.S. money center banks, ever since the Third World debt crisis broke in 1982, as was reported exclusively in *EIR* and *EIR Debt Watch* special reports at the time. While Citibank and Manny Hanny acted on the belief that subjecting debtors to genocidal IMF austerity would result in debts being paid, Morgan recognized that it was just a short-term postponement of the crisis. So, Morgan—like co-thinker banks owned by the old European oligarchy—prepared for the worsening crisis by setting aside reserves. Most other American banks simply used the high interest payments from their developing country usury to hide the fact that their domestic energy, farming, shipping, and real estate loans were rapidly going bad. That kept alive illusions about the solvency of the banking system—and of Reaganomics.

Citibank took the back seat in 1983 when de las Veras's predecessor at Morgan, Tony Gebauer, paraded the debt



renegotiation he made with Brazilian Planning Minister Delfim Netto. Gebauer was last seen at a campus-like low-security prison near New York City. He confessed and was convicted of having embezzled a reported \$6 million from the accounts of four wealthy Brazilians through a department Morgan set up, from which he managed illegal flight capital from Latin America. To save the "good name" of banking secrecy for its dirty money operations, Morgan arranged with the U.S. district attorney for Gebauer to go to jail and for it to repay the embezzled funds, in return for the capital flight operation being kept secret.

Gebauer's partner, Delfim Netto, tolerated \$10 billion in capital flight and is now a leader of the self-named "Center" [Centrão] grouping in the Constitutional Assembly. The "Center" is expected to purge from the draft constitution this month most of the restrictions on foreign looting placed in it by nationalist tendencies. The "Center" is reportedly busy buying up delegates with a \$35 million slush fund.

"Center" coordinator Deputy Afif Domingos issued a fascinating manifesto in *O Globo*, Dec. 30. Afif is suing *EIR* Rio correspondent Silvia Palacios for having reported in the June 12, 1987 issue of *EIR* on Afif's links to a group of congressmen who were "plotting to write out of the new Constitution the state monopolies over petroleum and other natural resources which are the pillar of Brazilian economic sovereignty." *EIR* reported that these leaders had received ample aid from the Reagan administration's "Project Democracy," including training seminars on how to organize a "private sector" lobby to pressure Brazil's Constituent Assembly.

The "Center" is taking over the Constitution-writing process with an effectiveness comparable to that of the business lobby that sponsored the 1964 coup. But Afif is hardly grateful to his U.S. sponsors. His Dec. 30 manifesto is based on the premise, "for the rest of the century the North American economic equilibrium will be questionable." In this "new international order," Brazil could attract the surplus Japanese capital which had been going to the United States. The Japanese would invest in Brazil's "agriculture-mining duo." "Japan is a country lacking natural resources. Brazil is the great partner. . . . Foreign capital, accompanied by technology, would be very welcome, so long as this exploitation meant that the other side would promise to consume those products, which could reach consumers fully processed here, using labor power in the producing region."

The president of the Bank of Tokyo warned in São Paulo Dec. 22 that Brazil would get not a penny from Japanese banks and investors unless it went to the IMF and stopped restricting foreign investment. Among the items in the draft constitution the "Center" is trying to eliminate, is one which bans foreign companies from mining concessions within 150 kilometers of the nation's borders, which would rule out foreign exploitation of an area larger than that of Western Europe.

Afif concludes, "We need general elections to unmask

those who want to keep Brazil in the poorman's club, with alliances with Cuba, Nicaragua, or other Latin American 'powers'. . . . We are going to defeat the pessimists, xenophobes and retrogrades. . . ." He accuses President Sarney and the 22 PMDB party governors of blocking an IMF-run dismantling of the state sector: "These governors surround President Sarney, and in return for their fragile support, charge a price from the federal vaults which renders inviable any austerity plan, no matter who wrote it and who or what system is the government."

### **Debt for equity gives pound of flesh**

The variant of the Morgan plan soon to be offered to those debtors too bankrupt to guarantee their debts with cash reserves is that they give creditors their farms, mines, and factories. Such transfers—with or without the use of gunboats—violate the sovereign immunity of nation-states. Since 1982, *EIR* has documented how Henry Kissinger and the "cleverer" creditors have been wielding the crisis to bludgeon debtor governments to surrender their sovereignty. The technical name for foreclosing on a sovereign nation's patrimony is "debt for equity."

George Bush declared during a talk at the National Press Club in Washington Jan. 5 that "flexibility, debt-equity swaps, and debt write-downs" will all have to go into solving the Third World debt crisis. A "top Brazilian official" told *Jornal do Brasil* of Jan. 3 that Brazil would offer each debtor bank options including debt-for-equity conversions, Shylock's "pound of flesh." The next day, Morgan's house organ, the *New York Times*, extolled the Mexican debt deal, adding, "What's needed is a lot of special solutions like this one, tailored to specific circumstances. . . ." The *Times*, editorially and in an op-ed by Albert Fishlow, suggested that the World Bank guarantee restructured debts for countries like Brazil. The World Bank would dictate "structural adjustments" to the debtors, including "opening up" their economies to foreign asset-strippers and speculators.

During the two weeks since Maílson da Nóbrega took over Brazil's finance ministry, he has approved more debt-equity swaps than in the previous 50. In a typical swap, several European and Canadian banks were given majority ownership—but not control—over Brasmotor, S.A., a large industrial conglomerate, in return for \$50 million in debts owed them by the Brazilian government. Ownership of Rio's shipyards is also being denationalized.

The key question is political. Every share of every private and public company in Brazil could be bought out for \$20 billion, if laws were changed. That would give creditors absolute ownership of over \$250 billion worth of annual production, minerals in the ground worth more than \$1 trillion, plus a subcontinent's real estate.

That is what Morgan and the international oligarchy covet. That is what they will get if the "Center" consummates its coup. That is a big price to pay for 2% relief on interest payments.

# Meet John Law: author of the Mississippi Bubble ‘recovery’

by Nancy Spannaus

If the creators of today’s huge bubble of financial paper felt the need of a model for what they were about to do, it is likely that they turned to the story of the most famous bubble-creator of all, Scotsman John Law. Law is viewed alternately as the “father of paper money,” a “financial genius,” and one of the biggest swindlers of all time. Insane as they may be, his emulators clearly believe that he was successful.

As we review the history of Law’s takeover of the finances of the nation of France in the early 18th century, we suggest that you note the parallels with the course of the “recovery” over the past five years. Could it be that the sponsors of John Law are the direct ancestors of those who have produced our current financial “miracle”?

## Creating the Mississippi Bubble

The years between 1716 and 1720 in France witnessed a legendary increase in the financial fortunes of that nation, only to conclude with a crash which brought it close to national ruin. The last period of that “recovery” is known as the Mississippi Bubble, but that was only the culmination of a process whereby lunacy had already taken over France’s finances.

The author of this “recovery” was a well-known gambler by the name of John Law. At the beginning of 1716, Law was just an independently wealthy “gentleman,” who had finally received permission to set up a private bank with the right to issue bank notes. At the conclusion, Law had become France’s highest financial officer, the Comptroller General, with the power to collect all taxes and regulate the finances of the entire nation.

Law received his right to establish a private bank in 1716 through the political influence of the Duke of Orleans, then regent for the infant King of France. Law had first sought the right to set up a national bank with the right to manage trade, collect taxes, and issue paper money, but the Council of State denied this extraordinary request. Its granting of the right to issue limited amounts of paper money to Law’s private bank was unusual enough, in a period where coinage and specie were the normal means of payment.

In 1717, Law’s bank notes became usable in paying taxes

and duties. By 1718, Law had succeeded in getting the limits on his issuance of paper money removed, and his bank turned into a state bank. At that time, he had the perfect opportunity to implement his “theory” that the wealth of the nation would increase in proportion to the amount of credit which was put into circulation. The stage was set for the huge expansion of paper.

Law’s increasing powers were related to the fact that he accepted greatly devalued government paper as part of the capital for his ventures, promising to make it worthwhile once again. With this foot in the door, he received another concession in 1717—the right to form a Company of Louisiana, or Mississippi Company, with full rights to trade and development in that French colony.

Immediately, Law proceeded to concentrate on building the fortunes of the Mississippi Company. One of his major benefactors was the press of the day, which began to publish stories about the untapped riches of the Mississippi Valley, in an effort to both encourage investment, and recruit colonists to go and “harvest” this wealth. The stories ranged from unbelievable to fantastic, but they did succeed in rapidly increasing the price of the stocks of the company.

In tandem with the increased subscriptions, Law steadily expanded the company’s sources of wealth within France. He purchased from the government the tobacco monopoly, the right to mine salt, and eventually the privilege of collecting all taxes paid directly to the Exchequer. He also expanded international concessions, including the slave trade, so that by mid-1719 he had a virtual monopoly on the foreign trade of France.

The values of the stocks in his company began to soar. Starting with the share price of 500 livres in July, the price rose astronomically:

September: 5,000 livres/share

November: 10,000 livres/share

December: 20,000 livres/share

Simultaneously, the price of real estate is conservatively estimated to have doubled, tripled, and quintupled; food prices rose, and “business transactions” multiplied. One of the major growth arenas was gambling, in addition to the fact that

hundreds of thousands of people from all walks of life rushed to become speculators in the stocks of the Mississippi Company.

In the midst of the rage of speculation, Law also took a few small measures relative to the real economy, including reduction of internal taxes and tariffs, and the creation of some infrastructure. Bankruptcies were allegedly reduced by 75%. But the base of real wealth in the economy was being increasingly dwarfed by the growth in speculation. In fact, many individuals who had previously worked for a living now found it more "profitable" to leave their jobs and live on their gains from speculation, a trend which was a recipe for disaster.

But Law did not have to worry about paying off his investors, as long as he could keep new suckers coming in. For, as he increased his power, ultimately becoming Comptroller General in 1720, he passed laws that progressively outlawed the use of gold coin. As long as he could assemble the money to make his interest payments, he could hold things together.

The problem was maintaining confidence, and that was becoming increasingly difficult. For, the truth was, that despite the upward valuation of the Mississippi Company's stock, there was absolutely no tangible wealth whatsoever being created from that territory. Even more devastating was the fact that the myths of tremendous, instant wealth and gratification were evaporating.

Most disconcerting was the incident of the beautiful Indian princess whom Law had brought to France, in order to entrance young Frenchmen into wanting to become colonists. The princess was offered as wife to a Frenchman who might want to rule Louisiana with her. But soon it was discovered that, according to the laws of her country, she had the inalienable right to put her husband to death if he did not prove satisfactory to her. This quelled the ardor of most, but one volunteer was finally found.

Shortly after the young couple took off for Louisiana, however, word was received that the new husband had been killed, and perhaps even eaten.

Confidence was growing extremely thin.

Through the course of 1720, the situation became worse and worse, as it became increasingly obvious that the Company did not have the income or reserves to meet its obligations. Law first took measures to try to shore up the Company by uniting it with the bank, but this just meant that both were unable to support their debts. Anti-specie laws were enacted, and then measures taken to debase the currency. The country was hit by massive capital flight.

When Law responded by turning on the printing presses, it still didn't work. Finally, in mid-March, the Bank announced it would soon have no more specie available, and the Company ceased trading in its stocks.

Amazingly, Law held on during most of the rest of the year, with his institutions in chaos, and his physical survival

in constant doubt. In December, it finally became necessary for him to flee, in order to prevent exemplary action against him by a government eager to placate the mobs of the public who were enraged at being unable to get any return on their "investments."

## Who was John Law?

A look at the person of John Law should have been sufficient for one to conclude that he was the Ivan Boesky of his day. But Law clearly had more powerful backers than Boesky in order to succeed, as he did, in taking over the government of France.

Forced to flee England because he had killed a rival lover in a duel, Law took up a career as a professional gambler. He began in Holland, where he is reputed to have "studied" banking. But his concrete achievements in that country were the introduction of a lottery, and eventually, his expulsion from the country for cheating at the gaming table.

By no means was Law discouraged, however. He spent the next six years in France amassing a further fortune in gambling, and cultivating friendships with Masonic, noble circles like that of his most devoted sponsor, the Duke of Orleans. Eventually, he was also advised by the police to leave France as well, due to his "methods" at the gaming table.

From France, Law went to northern Italy, where he again set hard at work gambling. In Genoa, Venice, and Rome, he developed his fortune and his reputation. At least once, he was forced to leave Genoa and Venice due to questionable practices at the casinos. A trip to Vienna also concluded when he was warned that it was too hot for him to stay in town.

He had just about worn out his welcome in Italy when he heard that the situation in France was opening up for him once again. It was then, in 1716, that he returned to have the Duke of Orleans open not only his arms, but the entire country to his deprivations.

The reader will perhaps have guessed that, although Law's adventures in France beggared that nation, he himself did not become impoverished. On the contrary, many of his sponsors and colleagues within the French nobility managed to enrich themselves greatly, and to get their money out of the country before the boom was lowered.

Law himself did not fare quite as well, although he went directly to London and received a pardon from the King. He was never again accepted as a government adviser or official, either in England or in France, and died in 1729 in Venice, still pursuing his gambling career.

## How lunacy reigns

How is it possible that this shady gad-about ascended to a sufficiently high pinnacle of power in one of the world's most developed nations? One might well ask the same question about the rule of speculation in the United States and other "industrialized" countries today.

On the one hand, Law was sponsored by a strong faction of the financial elite. This elite was determined to enrich itself through any looting scheme available, and thus it found the clever con-man Law to be a useful tool. For the short term, this elite succeeded in wiping out a number of its competitors and making a killing. It was only when the reality of the discrepancy between the paper values and the real wealth of the nation forced itself to the fore, that the elite was forced to dump its man.

Nor should it be assumed that Law's sponsors were necessarily just the French elite. There is ample evidence that the gambler was in constant contact with the nobility of Italy, notably Prince Conti, and of England. And, although he did not explicitly work for them, his handling of the finances of France redounded heavily to their benefit. It is also most interesting that England was ripped off by a similar boondoggle, the South Sea Bubble, in approximately the same years.

In other words, the fact that an international financial elite dictates policy contrary to the interest of nations, as through the International Monetary Fund and international bankers today, is by no means new.

But there is another reason for Law's success that is even more applicable to the scandalous financial reality of today. That is the fact that the elite was able to hornswoggle a large portion of the population of metropolitan France into participating in his game. The insanity of the growth of the value of the stocks of the Mississippi Company had to be obvious to anyone who thought seriously, not to mention the reorientation of the country to gambling and speculation. Yet, a great deal of France was swept up into Mississippi mania—until the period of the inevitable crash forced itself upon them.

What allows a population to join in to a "get rich quick," devil-may-care mentality that will result in the destruction of its nation? Perhaps there are some around today who might have some insight into the answer to that question.

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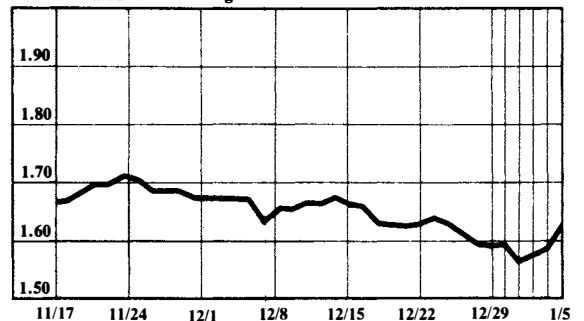
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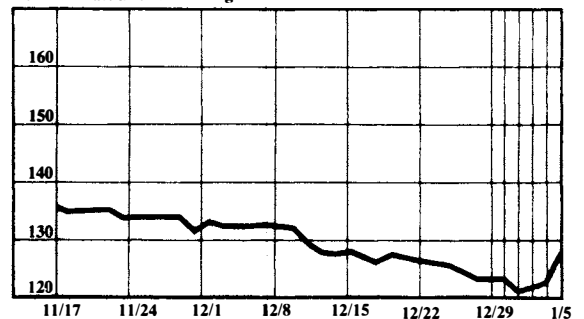
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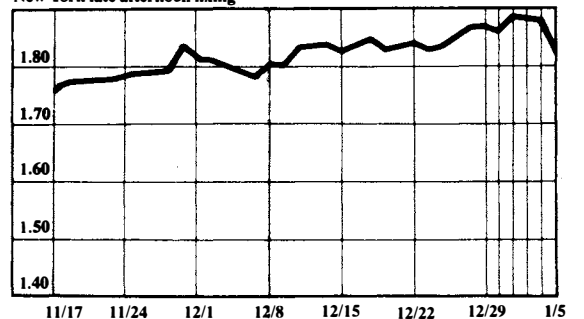
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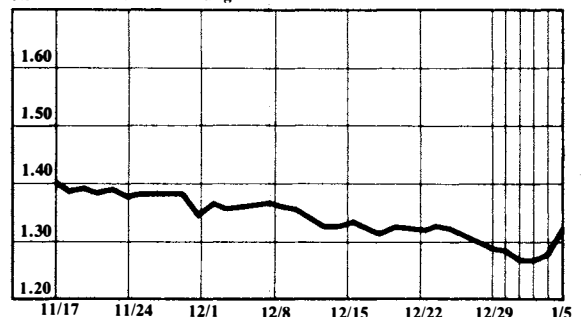
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# President Raúl Alfonsín of Argentina: going, going, gone?

by Robyn Quijano

Since the surprise electoral victory of the Peronists last September, Radical Party President Raúl Alfonsín has matched the Argentine economy's serious depression. This writer found Buenos Aires buzzing with rumors that Alfonsín was about to resign, and, except for a media-inspired rebound during his December state visit to Italy, he has demonstrated daily his incapacity to govern. Even Italy's boost of \$5 billion of promised investments betrayed Alfonsín's precarious status by conditioning the investments on the "consolidation of democracy." Since the first of the year, Alfonsín has attended public events surrounded by three medical doctors, sparking rumors about the state of his health. Whether or not Alfonsín bows out, his Radical government, and the liberal economic policies that have created chaos, have demonstrated the bankruptcy of the present order.

The Peronist electoral victory in 17 out of 22 governorships has ironically signaled the weakening and disintegration of the Peronist Party as well. While the nationalist ideals of the Peronists remain very much alive, in what is still loosely defined as the Peronist movement, the party itself, taken over by the *renovadores* or reformers, and headed by Buenos Aires Gov. Antonio Cafiero, is now dominated and controlled by liberalizers with more in common with the Socialist International, than with the historic Gen. Juan Domingo Perón and his movement. The Peronist movement, based on the trade unions and other nationalist sectors, was responsible for the electoral victory, yet has been largely disenfranchised within the party apparatus. The strong-arm tactics of the reformers caused the real Peronist base to look elsewhere to reassert their political clout.

Cafiero regularly boasts of his wrecking of the Peronist Party, as in an interview published in the *New York Times* on Dec. 12, 1987. This writer was in Buenos Aires at that time and interviewed a dozen Peronist leaders of the orthodox or traditionalist wing of the party, who had been wiped out of the present power play by internal factional battles. Cafiero attacked such Peronists as "Mr. Feudal, the old expression of Peronism that we don't want any more," in the *Times* interview. He also proclaimed the death of the trade union power base within Peronism as key to his "reform."

Henry Kissinger, deeply involved in Argentine politics since the days of his close relationship with the generals of the military "process" (1976-83), and his buddy, Finance Minister José Martínez de Hoz, who designed the ultra-liberal economy that indebted and looted the nation, pronounced upon his favored solution to the current crisis. According to Buenos Aires Radio Mitre, Kissinger noted that Alfonsín may resign before his term ends in 1989. Cafiero would not be able to win the presidential race, Kissinger said, favoring "one faction of the UCR [the Radical Party]," in combination with "liberalism," that is the Union of the Democratic Center (UCD) of Alvaro Alsogaray.

Alsogaray is a disciple of Friedrich von Hayek, and his party is made up of rabid free-enterprise cultists, dedicated to the deregulation of everything, the imposition of the "informal [black market] economy," and the virtual disappearance of the state. Kissinger's UCR faction is led by probable presidential candidate for 1989, Córdoba Gov. Eduardo Angeloz. Angeloz got the backing of the Rockefeller crowd during a recent visit to the Council of the Americas in New York. Such an alliance, despite their "right-wing" credentials, would continue handing the country over to the Soviets as Alfonsín and the previous military government have done.

## Potential for a new nationalist movement

While the alliance of the UCR and the UCD, and the return of the Martínez de Hoz policy with the radical new cover of the "informal economy" revolution, is the solution of Kissinger and the International Monetary Fund (IMF), another movement is emerging that could impose a nationalist policy. A "moral backlash" has occurred against the hideous opening to pornography, drug traffic, and crime associated with the Radical government. The old power blocs around the Liberal military government, the Radical Party, and the Peronist Party are each increasingly discredited.

A new movement is emerging from within the nationalist military sectors, hostile to both the old liberal military, and the "human rights" mafia handing the nation over to moral disintegration. This movement includes many of the popular Peronist bases disenfranchised by the liberal Cafiero, includ-

ing trade unionists and industrialists who have been wiped out by Alfonsín's policies. International forces that so gleefully promoted the liberal destruction of the Peronist party forgot that the nationalist Peronist movement could strike out in another direction. This new movement also includes the traditionalist wing of the Catholic Church, which has great strength within Argentina, unlike many other Ibero-American nations where Liberation Theology factions are on the offensive.

An upset in December of the government's plan to impose a radical liberal education reform, showed the muscle of the new movement. Alfonsín convened a pedagogical convention to invite the participation of parents in the educational reform. The Catholic Church hierarchy, already upset by the government's permissiveness toward pornography and drugs, called for a parental rebellion against an education reform that was designed to prohibit religious education in the country. Without a party mobilization, parents, educators, and other citizens came out against the immorality of the reforms, and won all the delegates in the vote in Buenos Aires. The Radical Party representatives were made the minority delegates since they lost the vote, thus jeopardizing the reform.

This writer spoke to several families that had participated in the convention, and found that the sense that a movement might stop the moral chaos was strong. The only party that intervened into this operation was the government party, and they lost the battle badly.

This was one of the sparks of optimism I observed in a population that is by and large enmeshed in desperation over the destruction of a nation with some of the greatest natural wealth in the world. Argentina held the world's record for industrial growth in the late '40s, and in 1960 was ahead of Japan in industrial production per capita, with a comparable level of scientific and technical education. When the Mexico oil boom was on in the late '70s, President Carter's National Security Adviser Zbigniew Brzezinski stated that the United States would never permit "a Japan south of our borders."

One cannot fully understand what has become of Argentina's vast potential, unless one understands the special operations run against this nation by the international oligarchy determined to secure the southern hemisphere as their undeveloped raw materials reserve. Since Perón's first government in 1945, they have been determined to destroy the nation that could change the economic history of the entire continent. Since the Malvinas war, the fervor of the oligarchy to "get Argentina" has even increased.

Driving out from Buenos Aires to the Pampas, one is amazed by the flat rich land that produces some of the best beef in the world. This is the land that had highly mechanized agriculture, advanced industry, a scientific elite that closed the nuclear cycle, and a political elite with a profound knowledge of history and world events. The valuable resource that Argentina represented for the entire subcontinent, scientifically and culturally, as well as in production of physical

wealth, is now disappearing into desperation and economic chaos.

This land of agricultural wealth now has 70,000 fewer tractors than 10 years ago. A study released by Argentina's national statistical institute reports that 40% of all primary school children, one and a half million, "live with their basic needs unsatisfied, without adequate nourishment." This, in a nation that could easily be the breadbasket for the entire continent.

For workers, living standards have deteriorated increasingly in the last three months. All wage earners, including the military and professionals, are unable to meet the basic needs of their families. Industries are being destroyed, and industrialists have turned to speculation as the only means to survive. One nostalgic industrialist told me that he speculates to put the money into his hobby, industrial production.

The inflation of the last months has caused book and newspaper sales to plummet. A daily paper cost 1.2 australes in early December, more than 25¢. Sales of cigarettes are down 15%, and attendance at movie theaters down 42%. Industrial salaries have fallen 7% since the imposition of a new austerity program in mid-October. As income falls, cafés and stores empty out, and taxis roam the streets looking for customers who are walking or taking buses. Consumption of gasoline is down 20%. In the first three weeks of November, the collection of taxes by the General Tax Division fell 10%. Since industry is failing and consumption is down, a new tax plan, which the government hopes will bring in \$3.5 billion, will simply send more of the economy underground.

The Argentine Industrial Council (CAI) issued a document in December entitled "A New Attack on Small and Medium-Sized Industry," which hits plans to eliminate tariff barriers on Jan. 31 for several categories of industrial inputs. "What is really being proposed is the broad and unrestricted import of all those industrial products currently produced in our country," supposedly to "eliminate inefficiency" and allow "freedom of the marketplace," but really in "an effort to get rid of what still remains of national industry," states the document.

While IMF pressure is on to end all regulation and protectionism, which had allowed for industrial growth from the time of Perón's first presidency, there is equal pressure for the banks to come up with some camouflaged debt deal, or "agreed-on" moratorium to try to save Alfonsín's skin. With the mood in Buenos Aires, it is unlikely that such a deal could buy Alfonsín more than a few weeks. No bankers' moratorium will heal the wounds already inflicted on the physical economy. A popular explosion is coming, which could put into power the "harmony of interests" of a nationalist military, the traditional Church, industrialists, and the powerful Peronist trade unions. The big news from Argentina in the coming months will be the increasingly hysterical efforts by Kissinger, the Trilateral Commission, and their Soviet cohorts to prevent such an occurrence.

## Morgan move could trigger new crisis

*A seemingly "constructive" proposal for Ibero-American debt could set off new crisis waves in the banking world.*

The financial markets have been so preoccupied with the weakness of the United States and the threat which that presents to world economic stability, that they have overlooked the significance of a major development in the Ibero-American debt impasse.

This was Morgan Guaranty's proposal, aided by the United States Treasury and the Mexican government, to retire a substantial portion (up to \$20 billion) of Mexico's outstanding external debt.

If this proposal is accepted by the holders of a majority of the Mexican debt (and it is hard to see how these bankers can reject a scheme advanced by one of their own which, on the face of it, represents a constructive approach to the problem), it will risk setting off new crisis waves in the banking system.

Briefly, Morgan Guaranty's plan is that the Mexican government should use \$2 billion of its \$15 billion foreign exchange reserve to buy zero-coupon bonds from the United States Treasury, which would be redeemed after 20 years at \$10 billion.

Mexico would receive no interest on these bonds; the return would come from the capital uplift on maturity.

The Mexican authorities would then use this assurance of a \$10 billion receipt in 20 years' time to guarantee securities offered to the banks in exchange for outstanding debt at a discount.

The discount on Mexican sovereign debt in the market has recently been around 50%. A \$10 billion capital sum might, therefore, be used to guarantee new securities exchanged for

up to \$20 billion of existing debt.

Mexico would pay interest on the \$10 billion face amount of these securities at 1½% over Libor, well above the market rate.

For the banks, the scheme would be voluntary, while the Mexican government would retain the right to reject any bids by banks to exchange existing debt for the new securities.

Why should some banks be unhappy about a scheme which appears to offer them a way out of their problems?

The sticking-point for the banks is likely to be Mexico's insistence on buying in the old debt at a discount.

Such a discount would immediately require participating banks to make loan write-offs in their balance sheets of up to 50% of the value of the exchanged debt and, possibly, for all their holdings of Mexican debt.

These write-offs would differ from the provisions which the banks have already made, in that they would reduce the banks' capital base. If the banks were to write off a substantial portion of their Mexican loans, they

would probably have to accept further balance sheet damage from write-downs of other sovereign debt.

It would be difficult for the banks to justify a situation where Mexico's debt stood in their balance sheets at only 50% of face value, while the debt of Brazil and Argentina continued to be carried at full value.

If, however, all Ibero-American debt were subject to write-offs, several of the U.S. money center banks would have more than half, if not all, of their capital wiped out.

Even for those banks in a relatively strong capital position, Ibero-American debt write-offs would seriously dent their capital bases and damage their ability to expand business.

Peripheral activities into which the banks have moved in the past two or three years, such as securities trading, would be liable to be cut back.

This would be a blow to the move to globalize securities markets put under way by Mr. Donald Regan.

The globalization move is now widely seen in senior banking circles to have been a mistake. It caused these senior bankers to lose the control they previously had over the flow of funds between countries.

Morgan Guaranty's proposal is an attempt to use the debt lever to bring about a regrouping of institutions and business in the financial sector.



*Donald Regan, the promoter of "globalization," as seen by cartoonist Chris Sloan in 1986.*

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### Nuclear engineers prepare revolt

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*The engineers and operators of the Italian nuclear sector seek a strategy for fighting the anti-nuclear mob.*

**F**ailure to complete the nuclear power plant of Montalto di Castro would cost Italy 15-20 trillion liras, according to Arnaldo Maria Angelini, the chairman emeritus of the national electrical company Enel. He addressed the annual Congress of the National Nuclear Engineering Association, held in Rome in collaboration with the Italian Nuclear Society and the Italian Nuclear Energy Forum.

Dr. Angelini's estimate is based on the projected future output of the plant and the likely values for the marginal costs of a nuclear kilowatt hour. His facts and method of calculation won unanimous consensus from the assembly.

The meeting was strongly overshadowed by the recent events linked to the energy referendum, which abolished Italy's national energy plan providing for nuclear power plant construction. It was the occasion for a new awareness by operatives in the nuclear sector, who are realizing that they have reached a turning point, where it is still possible to take action to prevent the national tragedy of an unprecedented industrial, scientific, and technical regression.

Engineer Luigi De Jaco, the director of Enea, the national nuclear energy agency, invited his colleagues to give up their "Archimedes complex," as he chose to label the passive attitude that leads technicians to cave in to lies and violence. "It is time," he went on, "for us to unsheath our sword too, and to combat the anti-nuclear evil with equal arms."

Another interesting intervention

was that of Engineer Paolo Fornaciari, an Enel researcher, who dealt with the problem of deliberate anti-nuclear disinformation. He cited Gallup studies conducted in the U.S.A. and Canada, which showed that results are decisively influenced by how the questions are formulated.

The Gallup study showed a percentage of answers interpretable as pro-nuclear, of at least 77%. Fornaciari wondered what political response would have been drawn from the recent referendum, if the questions had been formulated in the same way as the cited Gallup poll.

Another gross manipulation of information relates to so-called "intrinsically safe reactors." The first clever and unjustified distortion consists of counterposing these machines, which are still being studied, to the existing, proven technologies, which are thereby implied to be "intrinsically unsafe." That is a gratuitous lie, which Engineer Enzo Iansiti, a researcher from Enea and a safety official of the International Atomic Energy Agency, rebutted in no uncertain terms.

The mathematical degree of safety supplied by proven technologies is higher than that hypothesized for future machines, which have not even been sufficiently experimented with to be proposed as alternatives. The latter, in reality, were not conceived on the basis of safety considerations, but on the basis of economic pressures which had demanded the elimination of at least part of the present, costly measures of so-called "deep defense" against accident, which are normally

used in the West.

Engineer Bruno Agricola of Enel also addressed this question, stating that research into future "absolutely safe" technologies is a dilatory and evasive maneuver to stop nuclear energy, by trying to avoid debate on real, concrete topics.

Nuclear energy is an incontrovertible reality, which no one can ignore or pretend to ignore. At the end of 1986 there were 397 reactors in the world, for a total of 4,210 reactor-years of operation. In 11 countries, nuclear power supplies more than 25% of energy needs, and in three countries, 50%. The technicians and operatives of the sector, and particular the scientific associations, should be aware of this, Prof. Carlo Salvetti said, and invited the latter to seek a new role as active protagonists, instead of being reduced to pious congregations devoted to keeping the votive candles lit on the altar of nuclear energy.

Picking up on this combative spirit, the newspaper *Nuova Solidarietà* urged the participants to follow the techniques adopted by the Schiller Institute, in particular suggesting that the convention-goers collect funds to take out advertisements refuting the arguments of the antinuclear mob, denouncing their lies and manipulations of information.

A striking testimony to the anti-nuclear rabble's enterprising methods was given by Prof. Marino Mazzini of the University of Pisa, who announced his decision to resign from the Consultative Committee of the Town of Montalto unless his colleague in the post, the Green Party congressman Gianni Mattioli, is removed from the job. Mattioli, he charged, had circulated in a distorted and incorrect manner, documents that were not approved by the Consultative Committee.



## New hope for Alzheimer's Disease

*One of the first results of Dr. Aroonsakul's work was a test which reliably distinguishes true Alzheimer's from senile dementia.*

**D**r. Chaovanee Aroonsakul of Chicago, a specialist in neurological diseases of the elderly or neurogerontology, has developed a treatment which appears to actually reverse the symptoms of Alzheimer's Disease and other aging related degenerative diseases of the central nervous system.

Alzheimer's Disease, or Senile Dementia Alzheimer's Type has been called "The Disease of the Century" because of the number of persons expected to be afflicted by the year 2000. This was before the full impact of the worldwide AIDS epidemic was appreciated, but even so, chronic degenerative diseases of the central nervous system, of which Alzheimer's Disease is the most widely known, may give AIDS a close race over the near-term as far as economic impact is concerned.

At the present time, it is estimated that between 1.5 and 2.5 million persons over the age of 60 years are afflicted, and Alzheimer's Disease is believed to be the fourth leading cause of death in the United States. According to data presented in 1983, the U.S. government spent more than \$27 billion to cover medical costs associated with the care of patients with Alzheimer's Disease.

If the present trend continues, the annual cost of medical care for this condition will be \$80 billion.

Alzheimer's Disease was first identified as a distinct clinical entity by Dr. Alois Alzheimer in 1906, although a French physician, Dr. Jean Etienne Esquirol, had described the symptoms of the disorder in 1838.

Classically it was characterized by the onset of a rapid progressive decline in all mental functions in persons in their late forties to early fifties.

The course from onset of symptoms to death was between three to five years and was accompanied by severe general physical deterioration.

Because of the relatively early onset of symptoms, it was also known as pre-senile dementia to distinguish it from the relatively later onset, and slower course, of senility or senile dementia. Senile dementia is a condition in the elderly manifested by slow deterioration of intellectual capacity, beginning in the sixties or seventies and generally leading to death within 10 to 15 years. While senility is the most common illness among the elderly, it is not a normal sign of growing older.

More recently, there has been a tendency to group both pre-senile and senile dementia together as Alzheimer's Disease. It is this lumping together which is primarily responsible for the sudden emergence of a previously rare disease into a leading cause of morbidity and mortality.

One of the more ominous results of this has been to assign the rapidly fatal, and hopeless, prognosis of classical Alzheimer's Disease to any individual manifesting symptoms of senility, however mild. This in turn has fed a growing movement to abate the cost of caring for these people by starving them to death, since they are going to rapidly become vegetables anyway.

One of the first results of Dr. Aroonsakul's work was, in fact, to de-

velop a biochemical test which reliably distinguishes between true Alzheimer's Disease and senile dementia. The test, known as the Aroonsakul and Alan Provocative Test measures the ability of the patient to secrete certain growth factors in response to a chemical stimulus. Patients with senile dementia will show a diminished response, whereas those with Senile Dementia Alzheimer Type will show almost no response.

Dr. Aroonsakul's treatment consists of replacing the missing growth factors, along with certain hormones. Because of proprietary considerations, the specific hormones and growth factors will not be named. One of their major mechanisms of action, however, is that they enhance the process of DNA repair, whereby the structural integrity of the DNA molecule is maintained.

Because these agents act systemically, and not just in the brain and nervous system, patients tend to show cessation, and reversal, of aging changes in other systems, such as the skin.

While patients with Senile Dementia Alzheimer Type have been generally refractory to therapy, and most of the currently used medications seem to only temporarily arrest symptoms in milder cases, Dr. Aroonsakul's treatment has produced reversal of symptoms even in severe cases, and almost total return of neurological function in patients with illness of less than three years' duration. Some patients with senile dementia have been able to return to productive work!

At present, the cost of the treatment is \$24,000 for the first year and \$22,000 a year for the second and third years. The majority of this cost is for the medication. While this may seem expensive, custodial care for an Alzheimer's patient can run from \$30,000 to \$100,000 a year.

# Business Briefs

## Auto

### GM sales down 1 million units

Car and truck sales in the United States in 1987 were down to about 15 million units, more than a million below the 1986 record-low of 16.3 million units sold, and General Motors accounted for most of the loss. Truck sales rose for the year, but not enough to offset the sharp decline in cars sold.

General Motors suffered the greatest sales loss, 20.6%. Its sales fell to 3,728,313 units from 4,693,161 units sold in 1986.

Ford was the only automaker to show a net gain in sales. While car sales were down 1% from 2,080,822 to 2,060,834, truck sales were up 5.2% from 1,381,438 in 1986 to 1,453,225 in 1987.

Chrysler has yet to report its sales.

Volkswagen reported a 17.4% drop in U.S. sales, and an 8.8% drop in imports. Nissan gained 127.5% on domestic cars, but fell 18.7% on domestic trucks. Its imported cars lost 17.2%, while imported trucks rose 8.9%. Mazda said its imported cars fell 7.4% and its imported trucks fell 21.3%.

## Banking

### One savings bank to close each week

The Federal Home Loan Bank Board expects to close about one savings bank a week during 1988, many of them in Texas, according to a report in the *Houston Chronicle* Jan. 3. In January 1987, the liabilities of Texas's 281 savings and loan institutions exceeded their assets. By October 1987, they were \$5.12 billion in the hole.

Obviously, many of these banks should have been closed long ago—except that the Federal Savings and Loan Insurance Corporation (FSLIC), the agency that insures the nation's thrift depositors, didn't have the funds to do its job. Regulators now do have the money, and many thrifts will be closed.

Congress voted the FSLIC a \$10.87 billion bailout, and the FSLIC now plans to

give thrift institutions IOUs instead of cash for repossessed real estate. The real estate the government picks up for these IOUs will be held, rather than immediately sold, to help prop up real estate values.

Rather than sell off sick thrifts to healthy thrifts one by one, groups of thrifts will be sold, under standardized terms, says the report. Since the sick thrifts are paying high interest rates to attract deposits, the FSLIC expects that the closing of many thrifts will reduce interest rates paid by all Texas thrifts.

Commercial banking is in little better shape. At least 275 U.S. banks failed in 1987, although the Federal Deposit Insurance Corporation officially reports only 184 bank failures, compared to an official 138 in 1986, 120 in 1985, 79 in 1984, 48 in 1983, and 42 in 1982.

Again, Texas led the nation with 50 failures in 1987, followed by Oklahoma with 31, Louisiana with 14, Colorado with 13, and Minnesota with 10.

However, adding in the "assisted transfers" of ownership to official failure figures brings the numbers up a bit. There were 19 official assisted transfers. Also consider the assisted transfers of two Texas bank holding companies: First City Bancorp. had 61 banks, and BancTexas Group had 11. Thus, the FDIC counted these as two, failing to count 70 banks. Adding those brings the total to 273. Throw in two private Texas banks which failed but did not involve the FDIC, and the total number of bank failures in the United States in 1987 was 275—at least.

## East-West Trade

### Fewer restrictions on goods for Soviets

The U.S. Commerce Department plans to relax the list of security-restricted items, so that more so-called "low-technology" goods can be exported to the Soviet Union, according to Acting Commerce Undersecretary Paul Freedenberg.

Freedenberg told the *Baltimore Sun* that a high-level meeting is to take place in late January between top officials of the United

States, Japan, and the NATO countries, to tighten up regulations on the export of high-tech goods to the East bloc.

In exchange, the United States will loosen up its restrictions on less-advanced items, such as personal computers. "The Russians still don't make a good one," he said, "but that doesn't mean we can't sell them one."

## AIDS

### A chaste Carnival planned in Rio

Don't indulge in sex during Carnival, Brazil's orgiastic equivalent of Mardi Gras. That is the recommendation of the Brazilian government's National Division of Sexually Transmitted Diseases, in the face of the rapid spread of AIDS in Brazil.

Division head Lair de Macedo said that if abstinence were impossible, Carnival revelers should try to limit the number of their partners and to use condoms. She said that there were 2,900 registered AIDS cases in Brazil in November, triple that of 12 months ago. Brazilian numbers are growing so fast that she felt Brazil has now "surpassed France and Africa" to become second only to the United States in AIDS.

Her World Health Organization figures fail to acknowledge millions of African cases.

The Health Ministry will distribute leaflets at bus stations and show videos at airports when Carnival tourists arrive in February.

## Agriculture

### Colombia's coffee crop sharply down

Colombia's 1988 coffee crop will collapse by as much as 80% in some areas due to rust and other diseases, the president of the National Committee of Coffee Growers, Mario Gómez, has announced. Hardest hit will be

the growing regions Risaralda, Caldas, Quindío, and Norte del Valle.

He said that "paloteo," in which condition the plant dries out because of an excess of fruit, has ruined large tracts. The effects of the disease will not be fully known until February, when the sick plants fail to flower, and a drastic decline in production takes place.

As a result, the 12.4 million bags of coffee beans recently forecast by the government is much too optimistic, Gómez warned. He predicted that coffee production in 1988 will not exceed 10 million bags.

## Privatization

### Government still wants to sell

Efforts to sell Amtrak and other government-owned assets will be renewed and expanded by the Reagan administration in 1988, despite a hostile congress that will almost certainly defeat such initiatives, according to the *Washington Times* Jan. 4. The newspaper said that such efforts were part of "a long-range strategy to keep the idea alive for future Presidents."

White House budget director James Miller said that he "would anticipate privatization being a major theme" of the FY88 budget. An unnamed senior administration official agreed, saying: "Our privatization effort will be more sophisticated this year and more extensive than it has been in the past."

Some of the enterprises the government proposes to auction off in whole or part to private entrepreneurs are: the National Institutes of Health; waste water treatment plants, federal prisons, tax courts, the U.S. Customs Service, veterans' health care, the Postal Service, and the air traffic control system, according to *Washington Times* leakers.

Some administration officials are downright ideological about it. "We're not looking at privatization as a way of saving money," said Miller. "The reason for privatization is because it is the appropriate way to divide the public and private sectors. . . .

Even in areas where the government finances things, we can utilize the private sector very efficiently."

## Dope, Inc.

### HongShang expands its empire in Canada

As a result of a complex merger deal between Midland Bank of Britain and the Hongkong and Shanghai Banking Corp., by March 1, the "HongShang" will become the third largest foreign-owned bank in Canada, just behind the subsidiaries of Britain's Lloyds and the United States' Citibank.

The plan, worked out in early December, involves a merger of some of their assets and an exchange of subsidiaries, while Hongkong and Shanghai receives a 14.9% stake in Midland for \$915.3 million.

Midland will be given control over Hongkong and Shanghai's European finance business and commercial banking. Hongkong and Shanghai will assume control of some of Midland's Asian offices. Midland's Canadian assets will be merged with Hongkong and Shanghai's Canadian subsidiary. Midland has \$750 million in assets in Canada. HongShang's buyout will give it total assets of \$4 billion.

"We expect the acquisition should be in place on March 1 if we get our regulatory approvals," said Mr. Cleave, president of Hongkong Bank of Canada.

The HongShang was documented by the best-seller *Dope, Inc.* to be the premier drug-money laundering bank in the world. The evidence there presented led the New York State banking superintendent to reject its 1979 bid to take over Marine Midland bank—only to be overruled in favor of the purchase by Federal Reserve chairman Paul Volcker.

At present, the HongShang is also awaiting Canadian regulatory approval to establish a merchant bank, Wardley Canada, Ltd. Wardley, Ltd. is Hongkong and Shanghai's merchant banking subsidiary, now operating only in Asia. The bank wants to open special branches in southern Ontario. The branches would be identified as affiliates of Marine Midland.

## Briefly

● **A CONVERTIBLE RUBLE** for use inside the Soviets' Comecon bloc was hinted at by the chairman of the German-Soviet Economic Roundtable, Aleksei Antonov, in a year-end interview with *Handelsblatt*, the German industry daily. Antonov spoke of new "mechanisms of financing and credit issuing" envisaged by Gorbachov's economic reform plans.

● **PRUDENTIAL-BACHE** Securities has issued a report that states, "We believe it is felt that wealth can be more safely preserved in the currency of a country that displays the will to be militarily strong. . . ." The report's author told *EIR* that he was prompted to this view after former Defense Secretary Caspar Weinberger blamed the October stock market crash on cuts in the military budget. He studied investment, dollar values, and defense spending over years, and found an "amazing" direct correlation.

● **PERESTROIKA** entered a new phase in Russia Jan. 1, as 60% of Soviet industry was brought into a modified "free market" system. In his New Year's Eve address to the country, Gorbachov put heavy emphasis on the "cost-accounting" changes slated to go into effect.

● **BRAZIL'S** minimum wage, at 3,500 cruzados (about \$50), is the lowest in real terms since the minimum wage law's introduction in 1940. The level now equals that earned by garbage pickers and boys who wash car windows on street corners. A Sao Paulo state survey by government and labor also found that the number of manufacturing jobs went down by 211,000 during 1987.

● **PERU** will sell off 40 public companies, earning \$200 million for the state. The sale of stocks at market values on the Lima market has already been authorized. A government spokesman said that only those companies that are profitable will be sold, provided they have no strategic value to the country.

## How the universe works: two recent books

by Carol White

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### **Chaos—Making a New Science**

by James Gleick

Viking Press, New York, 1987

\$19.95, 352 pages hardbound.

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### **Revolutions in Science**

by I. Bernard Cohen

Harvard University Press, Cambridge, 1987

\$25.00, 711 pages hardbound.

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*Chaos* is in many ways a wrong-headed book, but all the same, it is extremely interesting. It describes the gradual emergence of what claims to be a new discipline: the study of how to model nonlinear systems. The “chaos” of the book’s title turns out to be imaginary, as computer modeling reveals the underlying geometries of apparently random systems.

So far so good! The problem is that Gleick—and he tells us that he represents the opinion also of the people in the field whom he cites—treats nonlinearity as essentially non-directional. What appears random at one level, may well have structure when it is viewed in greater detail, but this does not imply the potential for perfectibility, at every level of God’s universe.

Chaos theory emphasizes how the microcosm can act to transform the macrocosm, so that apparently small differences on the microlevel have major consequences. This is by no means a new insight: See, for example, Gottfried Leib-

niz’s *Monadology*. But Leibniz recognized these least-action quanta as the point of intervention for the continued evolution of the universe; he saw creation as a continuous process.

This essential flaw is reflected in the acausal approach to modeling, reported in the book. It is not process which is modeled, but its footprints as revealed in the structure of apparently random collections of particles. The ability, nonetheless, to extract intimations of a tendency to an ordering principle, owes thanks to the developing capability of computers to repeat iterative processes.

The polemic that linear models are incapable of adequately expressing reality is useful, even if it is not the new discovery implied by Gleick. Anything which weakens the stranglehold of Newton and Maxwell’s Aristotelian methodology on the sciences is welcome. Nonetheless, it is a real weakness of the book, that it fails to identify the critical discoveries of such 19th century giants in the field of nonlinear mathematical physics as Bernhard Riemann, Karl Weierstrass, and Georg Cantor.

Unlike the practitioners of “chaos” theory, their concern was to demonstrate the possibility of *intelligibly* representing apparently arbitrary functions. And even before them, Johannes Kepler recognized the crucial significance of such “modern” topics as aperiodic crystals, and the formation of snowflakes.

The great merit of this book, is that it affords a lively, popular survey of some of the current methodology being applied across disciplines, to model nonlinearity.

### **Kepler through the eyes of Cohen**

A popular book which seeks to clarify a new field, and

thus serves as a guide and an introduction to an otherwise unfamiliar area of research—such as *Chaos*—is useful; a survey text is generally an abomination. Such is I. Bernard Cohen's pretentious claim to survey the entire history of modern science.

Cohen's ostensible subject is how scientific theory evolves. In his introduction he admits that his book is essentially a retread of T.S. Kuhn's work on the same subject, although he—Cohen—pretends to the broader viewpoint of the historian, as opposed to merely that of the historian of science.

I would contend that not only is his book useless to the serious student and boring to the casual reader, but it is purely and simply a fraud. The thread through his study is a defense of the Aristotelian methods of Isaac Newton and James Clerk Maxwell, and an attack on the Platonic school of science. To accomplish his purpose he retails a bunch of tired lies.

Since Cohen is a prestigious as well as a prodigious writer in his field, I shall substantiate my contention at some length with regard to his treatment of the father of modern mathematical physics, Johannes Kepler. Thus Cohen writes of Kepler:

"And yet he was a true believer in astrology (the last major astronomer, in fact, to be in any degree a convinced astrologer), his scientific thought is suffused with what has

been called number mysticism, and he argued from first principles of cosmological necessity. He was particularly proud of his early 'discovery' of a direct relationship between the number, size, and arrangement of the planetary orbits and the existence of five (and only five) regular geometric solids."

Before taking on Cohen's scurrilous attack on Kepler, it is to the point to note that he appears to conveniently overlook the well-documented predilection of Isaac Newton for occultism.

Indeed, Newton devoted the majority of his energy, during that period of his life when he was a practicing scientist, both to the study of alchemy and to numerological calculations based upon biblical texts, of when the end of the world is to be expected. He was also interested in medical remedies such as the following, communicated to him by his friend John Locke: To cure a kidney ailment bury the patient's urine in the garden overnight. This cure was supposed to work even if the patient was not aware that it was being undertaken on his or her behalf!

It is true that part of Kepler's job as court astronomer to the Hapsburgs, was to prepare astrological predictions, but these may better be compared to Benjamin Franklin's *Poor Richard's Almanack* than the Sunday supplement. Kepler used the medium of prediction to urge a peaceful solution to the impending Thirty Years' War, in terms which were only

FIGURE 1  
The golden mean and the pentagon

a)  $\Phi = 1.618...$  where  $\Phi$  represents the golden mean.

$$\Phi/1 = 1/\Phi^2$$

$$\Phi^2 - \Phi = 0$$

$$\Phi = \frac{\sqrt{5} + 1}{2}$$

b) Regular pentagon

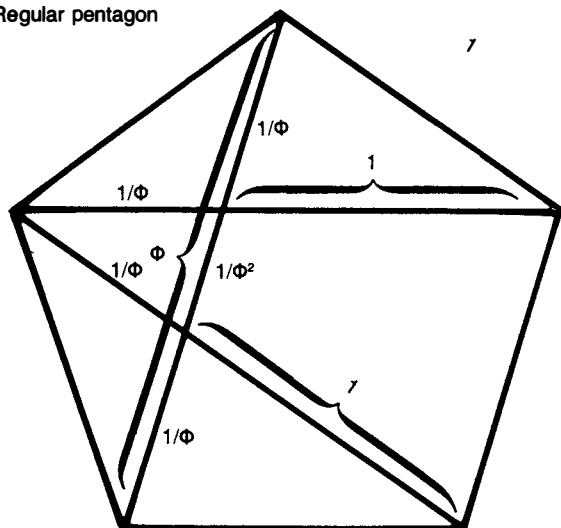
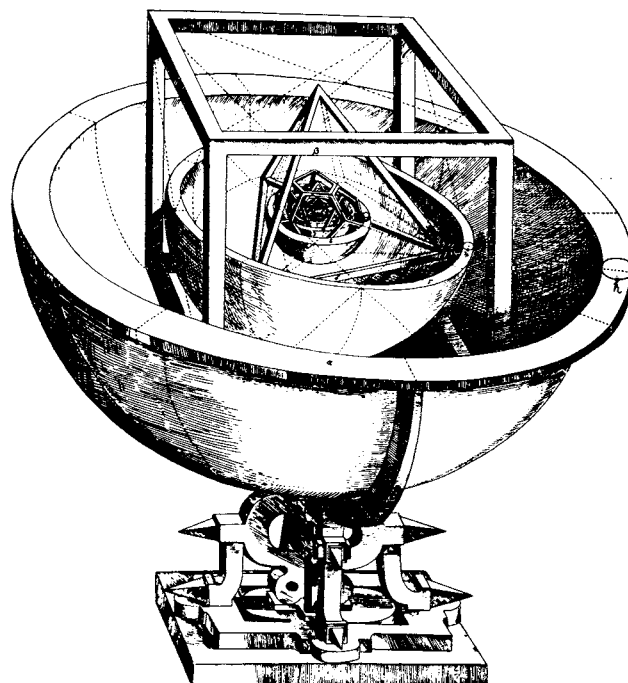


FIGURE 2  
The Kepler models



thinly veiled. He did not overrule that the confluence of radiant energy emitted by the stars might influence meteorology, but he certainly did not subscribe to the bestial notion that man's fate is determined by astral influences.

### Was it a revolution?

Cohen admits that it was Kepler rather than Copernicus who transformed astronomy. He even quotes J.L. E. Dreyer, an historian of science who wrote at the turn of this century, that it was Kepler and not Copernicus to whom scientists of the 17th century and afterward referred, when they discussed the Copernican system (*A History of Astronomy from Thales to Kepler*).

Yet Cohen dismisses Kepler's importance because scientists were slow to recognize the implications of his work. For Cohen, it was Newton rather than Kepler who achieved a revolution in physical astronomy. Perhaps this might devolve upon the use of the term "revolution." Should a scientist aspire to create a revolution, or to understand and teach truth? In our "other-directed" society, to use David Riesman's term, such a question does not appear to suggest itself to Cohen.

Indeed Cohen is so eager to dismiss the implications of Kepler's work—still not to this day fully appreciated by "mainstream" physicists—that he casts scorn on Kepler's largely successful, if incomplete, hypotheses about how the solar system was created. Kepler, unlike Newton and far too many scientists today, was unwilling to accept a model solely on the pragmatic argument: "It works." Newton, of course, cheerfully accepted that arbitrary initial conditions accounted for the distance of the planets from the Sun, just as he was willing to use the subterfuge of instantaneous action-at-a-distance to account for the propagation of gravitational force.

### The distance of the planets from the Sun

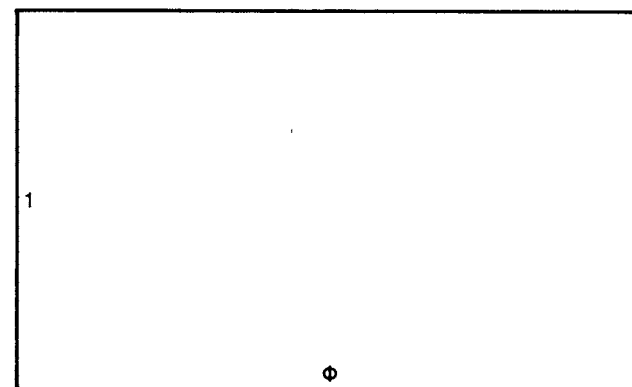
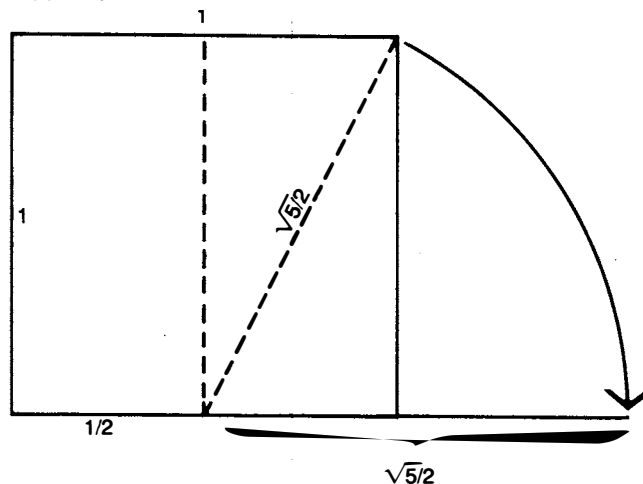
Kepler hypothesized that the creation of planets must be governed by principles similar to those which underlie the growth of living forms—in other words, the geometry of the golden mean. In this he based himself upon the insights of Leonardo da Vinci and his collaborator, Luca Pacioli. (The golden mean, also known as the golden section or the divine proportion, divides a line so that the ratio of the length of the line to its largest segment is proportional to the ratio of the segments to each other.) This ratio governs the construction of the pentagon (see **Figure 1**, showing the ratio between the side and diagonal of the pentagon and the segments of the diagonals as they intersect), which features in Kepler's model as the face of the dodecahedron.

Kepler's model (**Figure 2**) accounted for the distances of the planets from Saturn to Mercury as determined by an embedded sequence of the five regular, Platonic solids. According to this model, Saturn was separated from Jupiter by the dimensions of a cube; Jupiter from Mars by a tetrahedron; Mars from Earth by a dodecahedron; Earth from Venus by

an icosahedron; and Venus from Mercury by an octahedron. Readers will recall that Dr. Robert Moon's model for the internal structure of the atom (see *EIR* No. 43, Oct. 30, 1987, and No. 44, Nov. 6, 1987) is very similar to this. Moon requires another cube inscribed inside of the octahedron, and

## How the golden mean governs the geometry of growth

FIGURE 3a



Construction of a golden mean rectangle.

it begins with the dodecahedron—eliminating the tetrahedron and the bounding outer cube.

Both models capture the golden-mean geometry as a predicate of the solid figures (cf. **Figure 3**); however, recently Jonathan Tennenbaum has noted that the placement of

the planets can be closely modeled to two rotations of a logarithmic spiral—with the added feature that the planets are positioned according to a division of the spiral into 12 equal angular rotations.

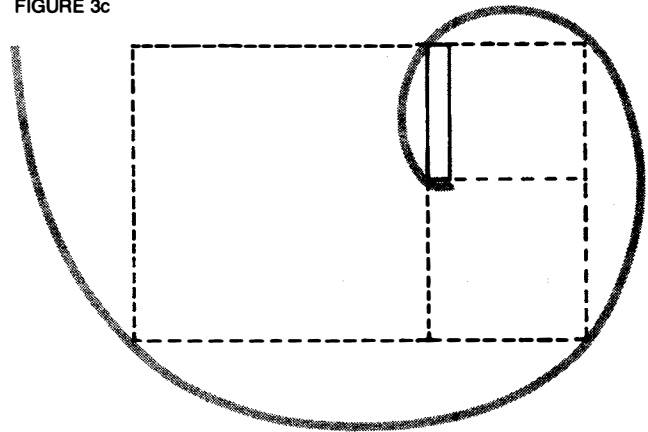
Kepler anticipated the discovery of the asteroid belt, not-

Because of the golden mean's property of double self-similarity, two segments in the golden mean ratio can be lengthened by combining them and adding on the amount of the larger segment, so that the new length is also divided by the golden mean. Replicating this same process of construction will produce a series which rapidly converges on the golden mean ratio,  $(1 + \sqrt{5})/2$ .

The Fibonacci series approximates the growth of a population because only that part of the population which is sexually mature is capable of reproducing itself, while the other portion, the young, is being nurtured as a potential for the future.

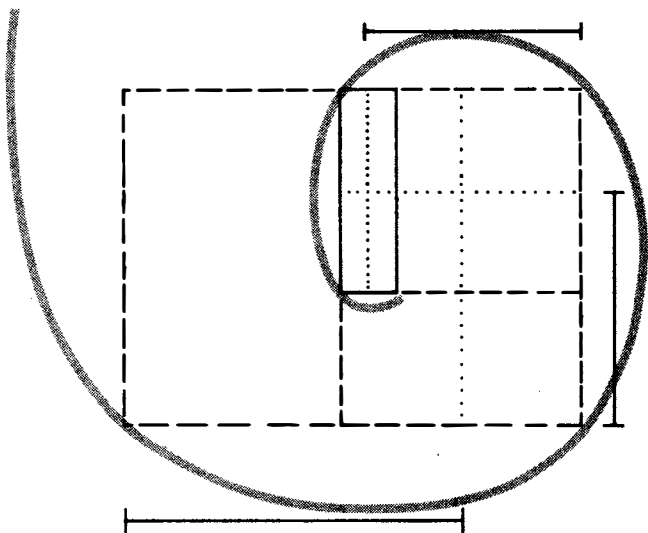
A logarithmic spiral grows proportionally as it rotates. Every logarithmic spiral can be constructed by the same method as the golden mean spiral, although its rate of growth will differ. For example, consider a population in which the sexually mature segment of the population does not double itself in each time period, but merely grows at the rate of 50%. It will converge to the ratio value of 1.36606. . .

FIGURE 3c



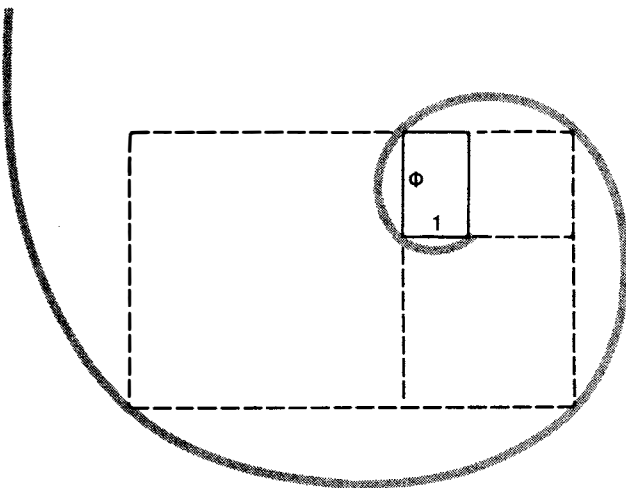
*Using the same method of construction but beginning with any arbitrary rectangle, we can approximate a golden mean spiral.*

FIGURE 3d



*Construction of a logarithmic spiral which grows in the ratio of approximately 1.4 every 90°, using the same method as above, but adding a square of the long side at the midpoint of the short side.*

FIGURE 3b



*Construction of a golden mean spiral, starting with a golden rectangle. This spiral is a logarithmic spiral whose radius has grown by the ratio  $\Phi$  every time it has completed a 90° rotation.*

ing that the distances of the planets from the Sun could be approximated by a spiral. He believed that his Platonic model was superior, because he reasoned that the known planets agreed topologically with the fact that only five symmetrical solids can be built in three-dimensional space.

At the beginning of the 19th century, two astronomers, Titius and Bode, predicted the discovery of the asteroid belt as a by-product of the so-called Titius-Bode law. The law states that if we normalize the distances to the Earth's distance from the Sun—and give that the value 10—then Mercury has the distance 4, Venus 7, Mars that of 16, and so on. (The formula is  $4 + 3 \times 2^n$ .) Both the values as determined by the Titius-Bode law and by Kepler's geometric model are still considered to be accurate today.

Cohen does not even trouble himself to describe Kepler's other, marvelous discovery: that the angular velocities of the planets at their maximum and minimum distances from the Sun are related to each other in the same ratios as the musical intervals on the scale. Kepler noted that the eccentricities of the planets' elliptical orbits are determined according to these harmonic resonances, so that neighboring planets will be in the same ratios to each other as consonant intervals on the

scale (the fourth, the fifth, the minor and major third, and the sixth) (see **Tables 1 and 2**).

### Newton's revolution

In contrast to his treatment of Kepler, Cohen's praise of Newton is extravagant. Let's see what he has to say.

"From a historical vantage point," writes Cohen, "Newton was an extraordinary figure because he made so many fundamental contributions to different fields: pure and applied mathematics; optics and the theory of light and colors; design of scientific instruments; codification of dynamics and formulation of the basic concepts of this subject; invention of the primary concept of physical science (mass); invention of the concept and law of universal gravity and its elaboration into a new system of the universe; invention of the gravitational theory of tides; and formulation of the new methodology of science. He also worked on heat, the chemistry and theory of matter, alchemy, chronology, interpretation of Scripture, and other topics" (page 161).

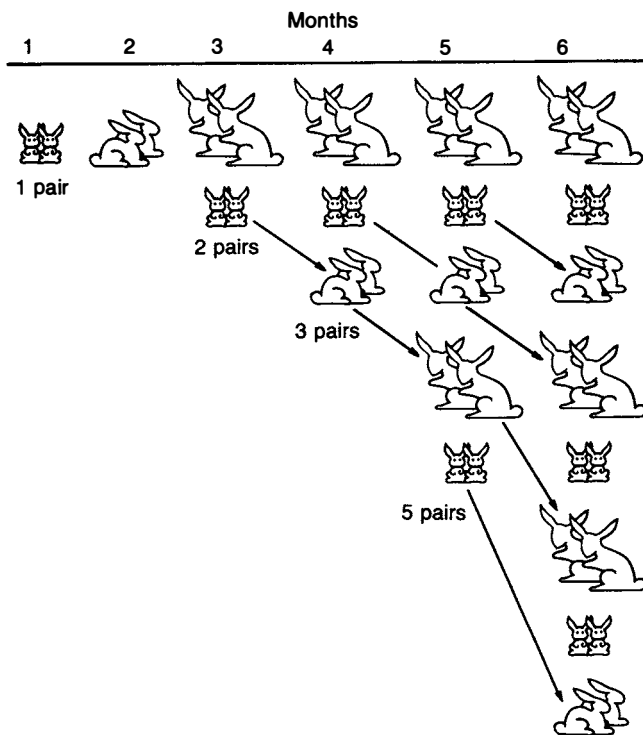
Although alchemy, chronology, etc. are given mention, these apparently only serve to add to Cohen's esteem. As we shall see below, these claims on behalf of Newton can be directly refuted by Kepler's published work. In order to underscore the dishonesty of Cohen's claims on behalf of Newton, I wish to submit one further quotation from Cohen's book.

On page 169, he writes: "The [i.e., Newton's] law of universal gravitation explains why the planets follow Kepler's laws approximately and why they depart from the laws in the way they do. It was the law of universal gravitation which demonstrated why (in the absence of friction) all bodies fall at the same rate at any given place on the earth and why the rate varies with elevation and latitude. The law of gravitation also explains the regular and irregular motions of the moon, provides a physical basis for understanding and predicting tidal phenomena. . . ."

In the section which follows, I shall quote from the English-language edition of Kepler's *Dream*. Surely Cohen cannot claim ignorance of this work! The truth is that it is individuals such as Cohen, the Victor S. Thomas Professor of the History of Science, Emeritus, of Harvard University, who deliberately distort and suppress the true history of science, and seek to impose their interpretation on any who wish to write on the subject.

In this they are merely carrying on the tradition of Newton himself, who branded Gottfried Leibniz a plagiarist for his discovery of the calculus, appropriated Robert Hooke's discovery of the application of the inverse square law to the law of gravity, and confiscated the star charts of the Royal Astronomer John Flamsteed, because of a disagreement between them. I would not like to speculate on Cohen's motives, but he has allied himself to that political tendency which has always been the enemy of progress, and denied the potential for perfectibility of mankind.

FIGURE 4  
**The Fibonacci rabbits**



*It takes two months for a pair of rabbits to become sexually mature. Each month thereafter, they reproduce one pair of rabbits.*



TABLE 1  
Kepler's musical system

Planet	Daily journey	Ratio	Assumed musical frequency	Musical frequency value	Planet	Daily journey	Ratio	Assumed musical frequency	Musical frequency value
<b>The inner planets</b>					<b>The outer planets</b>				
Mars					Pluto				
Ap.	26.19	.2722	185.8	F <sup>#</sup> — G	Ap.	.148	.0327	267	C <sup>#</sup>
Per.	38.09	.3959	270.4	C <sup>#</sup>	Per.	.408	.0901	368.9	F <sup>#</sup>
Earth					Neptune				
Ap.	57.18	.5944	406	A <sup>b</sup>	Ap.	.352	.0777	318	E
Per.	61.14	.6356	434	A	Per.	.364	.0803	329	E—F
Venus					Uranus				
Ap.	94.90	1	341.3	F	Ap.	.642	.1417	290.2	D
Per.	97.53				Per.	.772	.1704	349	F—F <sup>#</sup>
Mercury					Saturn				
Ap.	165.07	1.715	293	D—E <sup>b</sup>	Ap.	1.80	.3974	406.9	A <sup>b</sup>
Per.	380.01	3.95	337.2	F	Per.	2.24	.4945	258.9	C
Sun	874.2	9.087	387	G	Jupiter				
					Ap.	4.53	1	256	C
					Per.	5.50	1.1198	311	E <sup>b</sup>

The planets are given assumed note values on the musical scale, according to the modern equal tempered system, for ease of comparison of the ratio values of their angular velocities and musical intervals. Note the occurrence of the asteroid belt is chosen as the register shift in analogy to the soprano register shift at F-sharp, when Middle C is tuned to 256 cycles/second. Aphelion refers to the maximum distance of the planet from the Sun and perihelion to the minimum distance. At the boundaries of the register shifts such as Mercury's near distance to the Sun and the asteroid belt, the musical values are seen to be disturbed, thus proving the point by exception. Venus is taken as the base value for calculating the ratios for the inner planets since it has a nearly circular orbit. Jupiter is chosen for the outer orbits.

The Sun rotates once every 24.7 days. It rotates 14.57 degrees per day.

## Setting the record straight

Kepler's *Dream* was written in 1606, fifty years before Newton wrote the *Principia*. The book was circulated widely, in draft, during Kepler's lifetime, but was only published posthumously by his son, Ludwig, in 1634. In it, Kepler relates the account of a fictional journey to the Moon.

Kepler is honored for having first discovered the real nature of the orbits traveled by the planets, but his actual work is by-and-large overlooked. This is a double loss: Not only is his work of great beauty, as all true science is, but also his method is the only one capable of generating great discoveries. This method is completely obscured today, however, because the figure of Isaac Newton is wrongly made to overshadow that of Kepler. Setting the record straight is no mere empty exercise in historical justice; it is critical if there are to be more Keplers to follow in his footsteps.

It is falsely taught that Kepler, in his famous Three Laws, described the orbits of the planets but did not understand the role of mass in determining the gravitational force, nor did he supposedly understand that the Moon and bodies falling to Earth all operated by the same principles. That this is not so is shown in the quotations below. Kepler perfectly understood that bodies responded to a gravitational field different-

ly, according to their mass, and he comprehended the attraction between objects; however, he sought to understand far more. He demanded to understand *why* they were created as they were.

Cohen to the contrary, 50 years before Newton, Kepler had already described the nature of gravity and the fact that it operated in heaven and on Earth in the same manner. He not only recognized that the laws governing the orbit of the Moon around the Earth are identical to those governing the revolution of the planets around the Sun, but he explicitly noted that the Moon would be subject to the gravitational fields of both the Earth and the Sun, and he described the action of the tides in terms of the Moon's pull upon the waters of Earth. Kepler amended and added to the *Dream* throughout his lifetime, and some of the most important material appears in his footnotes to the body of the story.

The *Dream* by Johannes Kepler is translated from the Latin by Edward Rosen in an edition published by the University of Wisconsin Press (Madison, Milwaukee, and London, 1967). In footnote 62 of the *Dream*, (pages 69 and 70) Kepler noted in part: "When the Moon is located directly above the Atlantic Ocean, the so-called Southern Ocean, the Eastern Ocean, or the Indian Ocean, it attracts the waters

TABLE 2

### Approximate frequency values of the equal tempered scale

C	256
C #	271.2
D	287.3
D #	304.4
E	322.5
F	341.3
F #	362
G	383.6
G #	406.4
A	430.5
A #	456.1
B	483.3
C'	512

clinging to the sphere of the Earth. The effect of this attraction is that from all sides the waters rush to the huge area which is directly below the Moon and is not closed off by the continents, so that the shores are exposed. But in the meantime, while the waters are in motion, the Moon moves away from its position directly above an ocean. The mass of water beating against the western shore is no longer affected by the attractive force, flows back, and in turn pounds against the eastern shore."

In footnote 66, he wrote (page 71) that he defines, " 'gravity' as a force of mutual attraction, similar to magnetic attraction. But the power of this attraction in bodies near to each other is greater than it is in bodies far away from each other. Hence they offer stronger resistance to being separated from each other when they are still close together."

In footnote 202 (page 123) we find this further elaboration by Kepler: "The causes of the ocean tides seem to be the bodies of the Sun and Moon attracting the ocean waters by a certain force similar to magnetism. Of course the body of the Earth likewise attracts its own waters, an attraction which we call 'gravity.' What, therefore, prevents us from saying that the Earth attracts the lunar waters too, just as the Moon attracts the terrestrial waters?"

In the appendix to this book, editor Rosen cites a letter by Kepler to a fellow scientist, which he wrote on the occasion of the publication of his *New Astronomy*, in 1609. This is the book in which Kepler had first advised the world about the elliptical orbit of Mars. (This letter appears in the translator's Appendix H in the *Dream*, page 221.) In it Kepler explains:

"[Gravity] is exactly the same in a big body and a small body; it is divided according to the size of the bodies, and it receives the same dimensions as the body. Suppose that a

stone of a magnitude having some perceptible ratio to the size of the Earth were placed behind the Earth. Let it be the case that both are exempt from all other motions. Then I say that not only will the stone move toward the Earth, but also the Earth will move toward the stone. They will divide the intervening space in the inverse ratio of their weights. Then *C* being the place where they will meet, as *A* [the Earth] is to *B* [the stone] in size, so [the distance] *BC* will be to [the distance] *CA*, in exactly the same ratio as is utilized in a balance with unequal arms."

In the *New Astronomy*, itself Kepler had written: "Rather than the stone seeking the Earth, the Earth attracts the stone. . . . Suppose that somewhere in the universe two stones were put near each other, yet outside the sphere of the force exerted by any kindred body. Like two magnetic bodies, those stones would come together at an intermediate place. As each one approached the other the distance traversed by the other would be in proportion to the other's size."

Kepler believed in the true perfectibility of man, and for him science was the royal path to that progress. In the book in which he first wrote about the geometrical principles which governed the creation of the solar system, the book, *The Secret of the Universe*, published at Tübingen, Germany in 1596, he expressed his credo in the introductory dedication. This, by the way, is the book which Cohen deprecates as astrology and number magic. Here Kepler wrote:

"Do you require something important? Nothing is more precious, nothing more splendid than this in the brilliant temple of God. Do you wish to know something secret? Nothing in the nature of things is or has been more closely concealed. The only thing in which it does not satisfy everybody is that its usefulness is not clear to the unreflecting.

"Yet here we are concerned with the book of Nature, so greatly celebrated in sacred writings. It is in this that Paul proposes to the Gentiles that they should contemplate God like the Sun in water or in a mirror. Why then as Christians should we take any less delight in its contemplation, since it is for us with true worship to honor God, to venerate him, to wonder at him? The more rightly we understand the nature and scope of what our God has founded, the more devoted the spirit in which that is done. How many indeed are the hymns which were sung to the Creator, the true God, by the true worshipper of God, David, in which he draws arguments from the marvels of the heavens. 'The Heavens are telling,' says he, 'the glory of God. I shall see Thy heavens, the work of Thy fingers, the Moon and stars, which Thou hast created. Great is our Lord, and great is his excellence, Who numbers the multitude of the stars, and calls them by name.' "

It is ridiculous that anyone should waste his or her time reading Bernard Cohen's dishonest pontifications when Kepler's own writing is so beautiful. Albeit the section on Kepler and Newton is only a small part of this work, it is so fatally flawed that I did not consider it necessary to examine the rest of the book in detail.

# Post-industrial age dashed blacks' hopes

by Mary Lalevée

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## **Free at Last—What Really Happened When Civil Rights Came to Southern Politics**

by Margaret Edds

Adler & Adler, 1987

277 pages, hardbound, \$18.95

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One sad point comes across very clearly in Margaret Edds's detailed review of the political situation of black Americans in the years following the victories of the civil rights movement: The hopes of many blacks that economic progress would follow political advances have been dashed. Black Americans moved into the cities in the 1950s and 1960s,

found employment in industry, and it looked as if young blacks could look forward to a future of education and employment in industry, which would have ended the tragic situation where blacks form the majority of people living below the poverty line.

The coming of the "post-industrial society" in the mid-1960s meant that most blacks remained in poverty: In Macon County, Alabama, black family income is 60% that of white families, in Lowndes County black income is only 41% of white income. In Birmingham, Alabama, the steel industry once employed 30,000 workers. Now, only 2,500 work there. In her accounts of local political battles, Edds mentions without comment that the only new enterprises that have been set up in many areas are greyhound tracks!

However, apart from useful documentation on this aspect of American political life, Edds writes in an irritating journalistic style, which seems to have its own rules: Every person mentioned must be physically described ("a whispery-voiced minister's son," and "sporting a distinctive, shoulder-length hairstyle," are just two examples in one paragraph), and adjectives must be added to every noun. The cliché level is also far higher than tolerable. ("Similar change would soon sprout in more sophisticated settings across the South, sending pundits scurrying to record the advent of a new stage in the evolution of black politics.") Editorial work could have improved this book.

## **Books Received**

**Team Yankee: A Novel of World War III**, by Harold Coyle. Presidio Press, Novato, Calif., 1987. \$17.95, hardbound, 313 pages.

**Strategy: The Logic of War and Peace**, by Edward N. Luttwak. The Belknap Press of Harvard University Press, Cambridge, Mass., and London, England, 1987. \$20 hardbound, 283 pages.

**The Wartime Papers of Robert E. Lee**, edited by Clifford Dowdey and Louis H. Manarin. Da Capo Press, Inc., N.Y., 1961 (republishing). \$16.95 paperbound, 993 pages.

**To Destroy You Is No Loss: The Odyssey of a Cambodian Family**, by Joan D. Criddle and Teeda Butt Mam. The Atlantic Monthly Press, N.Y., 1987. \$17.95 hardbound, 289 pages.

**Cadillac Desert: The American West and Its Disappearing Water**, by Marc Reisner. Penguin Books, N.Y., 1987. \$8.95 paperbound, 582 pages.

**Engines of Creation: The Coming Era of Nanotechnology**, by K. Eric Drexler, with a foreword by Marvin Minsky. Anchor Press/Doubleday and Co., Inc., Garden City, N.Y., 1987. \$8.95 paperbound, 312 pages.

**Union Pacific: Birth of a Railroad, 1862-1893**, by Maury Klein. Doubleday and Co., Inc., Garden City, N.Y., 1987. \$27.50 hardbound, 704 pages.

**Vesco: From Wall Street to Castro's Cuba, The Rise, Fall and Exile of the King of White Collar Crime**, by Arthur Herzog. Doubleday and Co., Inc., Garden City, N.Y., 1987. \$17.95 hardbound, 364 pages.

**Policy Versus the Law: The Reinterpretation of the ABM Treaty**, by Raymond L. Garthoff. The Brookings Institution, Washington, D.C., 1987. 117 pages.

**ABC, The National Air and Space Museum**, by Florence Cassen Mayers. Harry N. Abrams, Inc., N.Y., 1987. \$9.95 hardbound, 32 pages.

# New KGB history skirts lessons of the Trust

by Allen and Rachel Douglas

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## **Chekisty: A History of the KGB**

by John J. Dziak

Lexington Books, 1987

\$17.95, 234 pages hardbound.

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John J. Dziak's *Chekisty* is a cut above the mediocre sociologizing about the supposedly new type of Soviet leader, to which we have been subjected by academia and the popular press since the advent of Yuri Andropov and Mikhail Gorbachov. Its author, a senior Defense Intelligence Agency analyst who took leave to complete this project, obviously disdains the sort of adulation of Gorbachov and his entourage, that earned our nation's capital the nickname of Brain-washington for the week of Dec. 7, 1987.

Many of the elementary details reported in *Chekisty* are worth hammering into the heads of those caught up in diplomatic and disarmament frenzy: that Foreign Minister Shevardnadze was a career policeman, how Gorbachov is beholden to the KGB, how consistently Stalin pursued a deal with Hitler in the 1930s while his diplomats courted the West, and so forth.

But as a real corrective either to drippy praises for Gorbachov and his cohorts or to ahistorical, acultural glosses that portray them as just a particular group of politicians, Dziak's work fails. Despite some thought-provoking insights, the promise of an adequate history of the Soviet intelligence agencies from the Cheka (the Russian acronym for "Extraordinary Commission") to the KGB is not realized in *Chekisty*.

The book's fatal shortcoming is the typical one of the U.S. intelligence community: empiricist methodology. At the outset, Dziak seems poised to tread in certain zones prohibited by Sovietology—a field whose most pernicious false axiom has been that Soviet history begins, abruptly, in 1917.

On page 1, Dziak rightly contends that standard histories of the KGB have erred by projecting a Western cultural matrix onto the Soviet Union, "with the result that the unique historical, ideological, and political ethos of a non-Western system becomes force-fit to the Western paradigm." In the introduction, he warns that "the scholarly community" has "abdicated the field in favor of a generic foreign policy analysis frequently posited on Western-derived behavioral models."

So far, so good. But Dziak then screens out of his story of the Cheka far too much of this cultural aspect—the guts of this "non-Western system" and its 1,000-year history—and of who its friends and co-agents have been abroad. Instead, he proposes that post-1917 Russia is something called a "counterintelligence state," a 20th-century phenomenon possessed of "intelligence and security systems that themselves seem to be the impelling drive of the political system they appear to serve." This construct leads to a claim that "the KGB's foreign operations are essentially the external manifestations of its party-sanctioned role of watchdog and guarantor of the party's power monopoly," and slams the door on the chance for an unclouded examination of how the Bolshevik Revolution and its Cheka were generated, by the old Russian aristocracy and its financial and political collaborators from outside Russia. A portrait of the Soviet political police agencies and their men (they still call themselves *Chekisty*) that incorporates those roots, will make short shrift of the inadequate notion of a self-propelled "counterintelligence state." It is also a prerequisite for grasping that Moscow's greatest assets abroad are not paid agents or dupes, but members of the faction of the Western elites, by whom Muscovite world domination is deemed not only tolerable, but desirable.

We will not rehash the intelligence operations, leadership shifts, KGB intrigues, and atrocities related in the book,

many of which are familiar to readers of previously published compendia on the KGB. Instead, we select some of the high points of Dziak's work, and follow them out to show what he could have arrived at, had he followed his own genius, rather than retreating to the "counterintelligence state" model. To demonstrate the extraordinary fruitfulness of a method contrary to his empiricism—to begin with cultural history and look down from that high ground, at the minutiae of intelligence questions, per se—we will introduce material from our manuscript, "The Roots of the Trust," which is currently circulating in pre-publication draft form, among certain intelligence professionals.

### 'Millenarian imperative'

Dziak's key insights are the following: 1) that Russia is a non-Western, "secular theocracy," characterized by a "millenarian imperative"; 2) that Soviet intelligence issues cannot be understood without noting Stalin's (and Lenin's) relations with the Czarist secret police, the Okhrana; 3) that the Trust, the spy organization run by the Cheka in order to control emigré organizations and penetrate Western intelligence agencies, was the "prototypical strategic deception and provocation operation in the Soviet repertoire" and fails to be understood to this day; 4) that Leon Trotsky was heavily involved in the establishment of the Cheka; and 5) that the mysterious Alexander Helphand Parvus and his associates cannot be ignored.

The most essential of these points is the first. With the Bolshevik victory, Dziak says on page 3, "a secular theocracy was born in which a priesthood (the party), served by a combined holy office and temple guard (the Cheka), sought to exercise its will. . . ." This system, he continues, is characterized by a "millenarian imperative" which carries its secret police operations into the world beyond its borders.

Such a sharp characterization of the religious impulse driving the Soviet form of Russian society used not to be a rarity in Western writings on the Soviet Union; perhaps Dziak has preserved some of this erstwhile common knowledge by rubbing shoulders with the Jesuits at Georgetown University, where he teaches. In 1947, the British intelligence chief and specialist on the rise and fall of civilizations, Arnold Toynbee, shocked academic and intelligence circles with his article in *Horizon*, where he asserted that Russia was driven by a messianic vision rooted deep in her Orthodox past: "Under the Hammer and Sickle, as under the Cross, Russia is still 'Holy Russia,' and Moscow still 'the Third Rome.'"

In his 1950 memoir, former U.S. Ambassador to Moscow Walter Bedell Smith reported as routine, the indoctrination of Soviet Communist youth cadre on Moscow's world mission as the Third Rome. Evaluations based on such readings, widely known three decades ago, in at least some quarters of our intelligence agencies, were subsequently ruled out of order—the more so, the more the "arms control" process took hold.

When Toynbee said, that "communist" Russia laid claim to a divine right to conquer the world, just as "holy Russia" had, he restated what Russian imperialists had proclaimed long before. The most elaborated outline of the program for the Third Rome came from Fyodor Dostoevsky in his 1877-80 *Diary of a Writer*; the same Dostoevsky whom Mikhail Gorbachov hails as his and his wife's favorite author.

A world war, Dostoevsky wrote a scant 40 years before World War I erupted, would open up new possibilities for Russia to rule Europe, without itself undergoing "Westernization." He explained that the heart of Russia's enemy was the Western form of Christianity, which underlay Western civilization, and called for a "solution to the thousand-year-old problem of Catholicism"—its defeat by a "regenerated Eastern Christianity."

He was a political conservative by reputation, but Dostoevsky held that Russia's revolutionaries, those "most fervent Russians—champions of the Russian spirit," would play an essential role in this great mission. He was not merely theorizing, but spoke for a powerful faction of the Russian nobility. His own patron was Prince V.P. Meshchersky, who later would sponsor the Okhrana's leading provocateur, Sergei Zubatov. With his cousin, N.P. Ignatyev, Meshchersky represented one of the two most powerful cliques of Russian landed aristocrats—the other was the Vorontsov-Dashkov/Shuvalov group—who were the families that ran the Okhrana. The Okhrana, far from protecting the Czars, wielded hoards of revolutionary nihilists, fanatical Pan-Slavs, mad bombers and, eventually, the Bolsheviks, as weapons with which to eliminate the Romanov dynasty, batter down the Western-tending "Petrine state" (so called after Peter the Great) and substitute something much more "Russian."

Our investigation, outlined in "The Roots of the Trust," found this design to be coherent with the desire of leading oligarchical factions during the last quarter of the 19th century—in the United States, in all the major European countries, and in Russia—to bring on disorder, even the carnage of a great world war, in order to usher in a New Age. According to Friedrich Nietzsche, as well as Dostoevsky, the watchword of the new age was death: the death of Western Christianity and destruction of the nation-state.

Again, Dziak gives just a glimmer of an idea, that something like this was afoot in the 1917 Revolution. For one thing, he rightly calls the Bolshevik seizure of power "a coup (*not* a revolution)." Relating what ensued, he reports, "In short order, then not only did a despotic restoration occur but it bore repressive similarities more akin to the older pre-Petrine tradition of Muscovy, Ivan the Terrible and his Oprichnina, than it did to the relatively ineffectual Okhrana and the weakened autocracy it inadequately served."

### The Okhrana's February Revolution

The last clause of the last sentence just quoted, however, points to a major blunder by Dziak. He sees the October

Revolution as “a criminal conspiracy,” but “in contrast to the benign and timorous Provisional Government it smashed.” An investigator without blinders on, however, will discover that the Okhrana—which did indeed resurrect pre-Petrine traditions—was extremely effective on behalf of its founders’ aims, not to “serve” the Romanovs, but to conduct the February Revolution of 1917 and, in the case of many of those involved, to follow through with the Bolsheviks in October.

Dziak alludes to the tantalizing matter of Okhrana continuity into the upper echelons of the Kremlin in the Soviet period: “To be sure, the proposition of Stalin as Okhrana police agent is controversial and the evidence incomplete, yet insistent and persistent. . . . Therefore, any careful study of Soviet state security should at the very least take note of this controversy, its implications, and the sources involved.” He also asks, with the shrewdness of an intelligence professional departing, for the moment, from the Sovietologists’ axioms, whether in the case of the leading Bolshevik Malinovsky, long suspected and ultimately proven to have been an Okhrana agent, Lenin had “known all along, in effect making common cause with the police in the interests of a ‘higher’ objective.”

But to “take note of this controversy” is hardly enough. If Stalin and other leading Bolsheviks were Okhrana agents, how does the Okhrana legacy map into the Bolshevik Cheka and the whole regime? Dziak not only evades this question, but opts instead for a presentation of statistics to show “fundamental differences between the two services” and rejects “an unbroken patrimony between tsarist repression and Soviet terror. . . .”

Had Dziak elaborated the lives and acts of the Bonch-Bruyevich brothers and certain other characters he names, during his discussion of Stalin’s Okhrana file and elsewhere, he might have arrived at a different, richer and truer picture both of the by no means benign February Revolution and of the Okhrana’s legacy in the Cheka. After all, weren’t the Bolsheviks a tool for making the dynastic shift, sought by the Okhrana’s aristocratic founders? If Lenin’s biographer, Stefan Possony, was right, that “at one point it would seem as though the Bolsheviks were little more than an operational arm of the Okhrana,” that status could not fail to have the profoundest influence on the Bolsheviks’ own security agency.

Let us look afresh at the February Revolution, which ended the Romanov dynasty and opened the floodgates for the Bolshevik triumph less than a year later. If Dziak had pursued the evidence he mentions of the continuity from pre-1917 Russia through the revolutions, instead of dismissing the pattern as a non-essential curiosity, he might have seen fit to tell the following prehistory of the Soviet state and its Cheka.

On Feb. 15, 1917, the Czar met with top officials at the Winter Palace, to formulate a response to growing unrest in

Petrograd. Interior Minister Protopopov argued for a “provocation,” to be conducted by the Okhrana, which would draw the revolutionaries out, so that the Okhrana could “crush the revolution in the egg.” Many historians acknowledge that this provocation was planned, judging that it got out of control and accidentally turned into the real thing. The roster of the Okhrana chain of command points to a different conclusion, namely that the result was just as intended.

Virtually all the Okhrana commanding officers were associated with the shadowy figure of P.A. (born Dzhamtsaran) Badmayev—“Tibetan medicine” wizard, one of the five richest men in Russia, the Russian intelligence operative who recruited British Intelligence star Sidney Reilly into the service of the Okhrana. Badmayev maintained a sanatorium in south Moscow, where he treated members of the aristocracy and made and broke many a government career. His friend Rasputin was a frequent visitor to the sanatorium. After the revolutions, this notorious “reactionary” surfaced as a consultant to the Cheka! But first, look at his regular clients and associates in the period of the February Revolution:

**Minister of Internal Affairs A.D. Protopopov.** The mentally unstable Protopopov, a devotee of the occult, had been under Badmayev’s treatment for syphilis since 1903. Badmayev, according to his only biographer, secured Protopopov’s appointment as Minister of Internal Affairs, or commander of all Russian police.

**Assistant Minister of Internal Affairs P.G. Kurlov.** Kurlov was Badmayev’s business partner in various railroad ventures. Fired as Okhrana chief in 1911, after one of his agents assassinated Prime Minister Stolypin, Kurlov was quietly brought back into the agency, after Protopopov’s appointment to the ministry in September 1916. Kurlov is widely believed, as one emigré Russian put it, “to have worked for the Bolsheviks all along.”

**Director of Police A.T. Vasilyev.** Upon his promotion to this national post in the fall of 1916, Vasilyev said, “I owe, above all, to the kindly intervention of General Kurlov, who proved to me again on this occasion the sincerity of the friendship he felt for me.”

**Gradochalnik of Petrograd, Major General A.P. Balk.** Recommended by Vasilyev, Balk was appointed by Protopopov to this post, which controlled the police for Petrograd. He was supposed to maintain adequate food supplies in the city, to avoid unrest. Right before the February Revolution, the food ran low. Balk was also Badmayev’s friend.

**Petrograd Okhrana Chief, General Globachov.** Globachov’s memoirs are a rich source on the machinations of other pre-Bolshevik plotters against the dynasty, but less is known about his motives. But later, as counterintelligence chief for the Whites, he was to brag of having “my fingers in the Cheka.”

**Tactical Commander of the Feb. 23-28 provocation: General Mikhail Stepanovich Komissarov.** An Okhrana officer cum Bolshevik, Komissarov had run a safehouse for

Lenin. Entrusted with managing the tactics of the “provocation,” Komissarov was mysteriously kidnapped right in the middle of it, only to be released unharmed after the revolution. In the early 1920s, he served as Cheka liaison to Count Max Erwin von Scheubner-Richter, Hitler’s sponsor and controller until 1923.

One more figure who deserves mention here is **Col. A.P. Kutepov**, whose calamitous role in the last major attempt to put down the glorified street rioting known as the February Revolution, was described by his commanding officer as follows: “So we dispatched this detachment, made up of six companies, fifteen machine-guns and one and a half squadrons of cavalry, under the orders of Colonel Kutepov, a heroic soldier, to get the mutineers to lay down arms, or, if they refused, to take decisive action against them . . . but something impossible happened that day! . . . The detachment was sent off under a courageous and determined officer, but there were no results whatsoever. What could have happened?”

Kutepov later commanded the Paris-based “Combat Organization,” whose goal was supposed to be anti-Soviet acts of terror, but which was actually run by the Cheka’s Trust organization. Despite his shady record during February 1917, Kutepov is still believed, by Dziak and others, to have been a most determined enemy of the Bolsheviks, merely duped by the Trust. For a fierce anti-Bolshevik, Kutepov had rather poor judgment: One after another of his top aides was proven to have been a Cheka agent, while his son became an official in the Soviet Foreign Ministry.

## The Trust

This political genealogy of the February Revolution’s command staff provides clues to the nature of both Russian Revolutions of 1917, as turning points in a world-strategic shift, engineered by the cultural and political gamemasters of the day. A deeper look may be obtained, by means of investigating the Cheka’s famous spy enterprise of the 1920s, the Trust.

Dziak devotes Chapter 3 of *Chekisty* to the Trust, including its ancestor, the Lockhart Plot of 1918, as “the first of a Soviet genre of spurious dissident movements designed to surface and entrap opponents and their Western sympathizers.” He observes that “Western intelligence was . . . duped but was destined to learn little from the affair and indeed succumbed to similar legends over the subsequent decades.” But because of the extent to which he has left pre-1917 history off-limits, Dziak and his readers also learn far less from the story of the Trust than there is to be learned.

Several forces collaborated in the 1917 Russian Revolutions: the Okhrana; the Russian aristocracy; the Old Believer merchant families of Moscow, who had always hated the Petrine state; British intelligence; the German General Staff (it paid Parvus); private intelligence networks, centered on Venice, which deployed Parvus and several other crucial

figures; and, last and certainly least, the Bolsheviks. Proper background traces on the personnel of the Cheka’s Trust expose the presence in it—in “the prototypical strategic deception and provocation operation in the Soviet repertoire”—of each of these elements, excepting the German General Staff.

At one point, Dziak diagnoses in the work of Soviet “dissident” historian Roy Medvedev, the flaw of “relegating inconvenient events and persons to nonexistence,” with the observation that Medvedev’s *The October Revolution* “ignores some of 1917’s most prominent figures and events—Parvus (Dr. Alexander L. Helphand); Karl B. Radek; the Bonch-Bruyevich brothers; Karl Moor; Keskula; Fürstenberg-Hanecki; German-Bolshevik collusion; and the Malinovsky scandal, to name a few.” But what Dziak himself omits to mention, with regard to the Trust, is also immense! British Intelligence Captain George Hill and Russian Gen. N.M. Potapov are among the core *dramatis personae* of the Trust and its pre-history, entirely missing from *Chekisty*, while the amazing A.I. Guchkov, leader of the powerful Old Believer community in pre-revolutionary Moscow, surfaces only in a single footnote.

Before we explore the threads of the Trust, leading from these and other persons back into the true history of the Russian Revolutions, the briefest summary of the standard story of the case is required. The Trust operation, so the story goes, ran from 1921 to 1927. Cheka boss Feliks Dzerzhinsky assigned the chief of his Counterintelligence Organization (KRO), Artur Kh. Artuzov, to fabricate an underground monarchist organization inside Soviet Russia. Aleksandr Yakushev and Gen. N.M. Potapov were recruited as its main emissaries to Western Europe. The Trust duped the main émigré organizations and several Western intelligence agencies, into believing in its legitimacy as an anti-Bolshevik underground. Based on this confidence, they were able to deter the émigrés from terrorism against the U.S.S.R. and to funnel false intelligence assessments into the West.

Here is how the main forces behind the Russian Revolutions actually show up in the Trust:

- **British intelligence.** British SIS helped to prepare both the February and October Revolutions. Its role continued after 1917, as Capt. George Hill of British SIS was dispatched to Moscow, where he helped assemble the intelligence service of the Red Army, later to become the GRU, on the grounds that the British wanted to keep Russia in the war against Germany. Hill, who by his own testimony worked closely with Red Army founder Leon Trotsky, trained one of Trotsky’s henchmen, Yakov Blyumkin, in intelligence matters and set up, under Blyumkin, the seed-crystal of Cheka counterintelligence—the KRO. This was the entity that later, under Artuzov, ran the Trust.

While he was seeing Trotsky three times weekly during 1918, Hill was in constant touch with Sidney Reilly, the British SIS and former Okhrana agent, whose presence in

Moscow was ostensibly for the purpose of organizing an uprising against the Bolsheviks. Reilly had obtained a post in the Cheka, thanks to Vladimir G. Orlov, who as a Czarist official in Warsaw had handled sensitive cases of subversion and espionage, including that of Feliks Dzerzhinsky, and was now in the latter's employ. When Hill and Reilly finished their work, they escaped unscathed, Trotsky and Dzerzhinsky were greatly strengthened, Lenin lay dying, and an American intelligence network in Soviet Russia was smashed. (See *EIR*, Oct. 2, 1987.)

Men from this Hill-Reilly network of 1918 became key figures in the Trust. These included Reilly himself, Reilly's friend, Boris Savinkov, and two of the men in Reilly's "anti-Bolshevik" network: Yakushev and Eduard Oppenput (Uppish).

● **Russian aristocrats.** Numerous Russian aristocrats, from families that had worked for a dynastic change, were active collaborators of the Trust, even as some cultivated the image of being fierce anti-Bolsheviks. Many valued the Bolsheviks as the harbinger of a "rebirth of Russia." Among them were members of the Obolensky, Trubetskoi, Dolgorukov, Artamonov, Shirinsky-Shikhmatov, Svyatopolk-Mirsky, and Lieven families.

Prince Yuri A. Shirinsky-Shikhmatov, known as the chief ideologist of the emigré Supreme Monarchical Council, worked out the bitterly anti-Western ideology of the SMC in conjunction with Cheka agent Yakushev. Prince Yuri liked the idea of a "Soviet monarchy," around which all Russians, Red or White, must rally, as "the only path of complete liberation of Russia . . . from the yoke of Western culture."

The Eurasian movement, a main Trust "legend," was headed by Prince N. S. Trubetskoi and Prince Dmitri Svyatopolk-Mirsky, who later became a member of the Communist Party of Great Britain, before repatriating to the Soviet Union. (His father, the interior minister when Okhrana agent Father Gapon sparked Bloody Sunday, leading to the 1905 Revolution, had refused to arrest the known inciter Gapon before those events.)

The Soviets themselves draw attention to the aristocratic element in the Trust, as in the Soviet General Staff's 1965 *roman à chronique* on the Trust, *Myortvaya Zyb (Groundswell)*. Here, they picture the Bolsheviks in the Trust allying with the Rurikid (pre-Romanov Dynasty) nobility. A new, more ruthless dynasty was founded, but it was deployed for the same old ends—world conquest by "holy Russia."

● **The Okhrana.** As "anti-Bolsheviks" working for the Cheka in the Russian emigration, we find old Okhrana agents Reilly and Boris Savinkov, together with the chief of White counterintelligence, the Okhrana's notorious Colonel Klimovich, who was one of the Trust's chief boosters among the emigration. Inside Russia, as the Soviets' own accounts indicate, the Trust had other ex-Okhrana men in its employ.

● **The Venetian element.** More important, though more elusive, than any of the above, were the networks deployed

by the Venetian Giuseppe Volpi. Parvus, the future moneybags for the Bolsheviks and arranger of Lenin's return to Petrograd on the sealed train, first made his fortune in the Salonika-Constantinople grain trade run by Volpi's freemasonic associates. Many of the Polish Bolsheviks who played an important role in the early days of Dzerzhinsky's Cheka, had been run by Parvus.

In the tiny Balkan kingdom of Montenegro, whose economy and royal house were owned by Volpi from approximately the turn of the century, the Russian military attaché from 1903 to 1915 was N.M. Potapov. Out of this apparent backwater, Potapov in 1915 vaulted to the position of Quartermaster General and Deputy Chief of Staff of the Russian Army, in charge of all army intelligence. In the summer of 1917, Potapov began working openly with Bolsheviks he had known since the 1890s, so that he might, as he later put it, "directly help . . . the transformation of the Tsarist War Ministry into the People's Commissariat for Military Affairs." He became the first Red Army Chief of Staff.

The Trust's young mastermind, A.A. Artuzov, in his thirties at the peak of the operation, was a cousin of Potapov. Originally named Renucci or Fraucci, Artuzov is said by most sources to have returned to Russia from Genoa only on the eve of the Revolution, while the Soviets' fictionalized biography of Artuzov acknowledges that he was of Italo-Swiss ancestry.

When Potapov was the Trust's emissary to Western Europe in the 1920s, he supposedly fooled the Russian aristocrats abroad into believing he was the representative of an anti-Bolshevik underground. Yet, as emigré chronicler of the Trust S.L. Voitsekhovskiy had to admit, it was incomprehensible, "how his contemporaries, his former superiors and colleagues, could have believed in the sincerity of his monarchical views."

Unless, of course, they were not all so fooled. Again and again, the case of the Trust should throw into relief the shared goals of the anti-republican oligarchs, of both Russia and the West, and their creation, the Bolshevik state.

An explicit statement of those goals may be found from that major component of the Trust, the Eurasians.

Only in a footnote does Dziak mention Aleksandr Guchkov, "former Duma member and plotter against Nicholas II," as head of a circle that was both "linked to the [Nazi] SD" and "penetrated by" Soviet intelligence. It was in Guchkov's living room in Berlin, however, that the Eurasians met. Their liaison from Soviet Russia, dispatched by the Cheka, was Gen. A.A. Langovoi, later to be a member of the Soviet delegation to disarmament talks in Geneva.

A 1925 article (published in Russian, in Berlin) by Lev Karsavin, theoretician of the Eurasians, stated the cultural perspective and the long-term goals of the Bolshevik Revolution:

"There are many indications, that behind the superficial phenomena of the so-called 'social revolution,' there is



something going on in Russia that is incomparably more significant, and that the 'government of thieves,' its policy and terror, the cheap twaddle of communist ideology and the impoverishment and bestialization of broad layers of the population are only symptoms of a deep and powerful cultural process. . . . It is not a question, of whether the Great Russian people and Russian culture will again *be*; but that *already now*, that *new* Russian people is growing and already now that great *new* culture is being created. . . . And in order to understand the force and duration of communist Bolshevism and to overcome it, it is necessary to overcome the inclination to simplify it melodramatically and to refrain from reducing it to evil, but rather behind its evil and in its evil to seek out the truth, distorted by it, since its strength, in any case, is not in the evil, but in the truth. . . .

"But it seems to me, that for those of us, who have not yet entirely died, the task lies elsewhere. We *ought to* grasp and understand what is happening, find the truth in it, and translate that into reality in our activity. . . . The birth of a new culture is measured in decades, and its first fruits will appear, probably, not before sixty years from now. . . .

"We need a higher, new meaning for our activity, which has become meaningless, i.e., we must find the *religious* content of the new Russian culture, without which we cannot create it. Culture always begins with religiosity. . . . The Russian cultural process, which has now taken the shape of the revolutionary crisis, is also religious in character. . . . The new religiosity began already with A.S. Khomyakov, with the Slavophiles, with Dostoevsky. . . . The Russian revolution is not at all unreligious. It is permeated with the paths of religious atheism, i.e., theomachy, 'militant materialism.' "

Karsavin echoed Dostoevsky, as he called for taking the Russian Revolution as an opportunity to smash Western culture: "It is preferable to begin to comprehend Orthodoxy by defining it from outside: above all to partition it from Christian heterodoxy and, chiefly, Catholicism. . . . Precisely in Catholicism are the principle and the essence of Western Christian civilization. . . ."

### The real Trust

The Trust of the spies and provocateurs, as the above shows, turns out to be a microcosm of a much bigger East-West complex, whose strategic outlook was best stated by the infamous Toynbee in 1974. "The state of the World as a whole in this twentieth century," proclaimed the long-time British intelligence chief and intimate of the Venetian conjurers of culture, "is very much the same as that of Russia during the nineteenth century. The only cure for the decay and collapse of the Tsardom was a more ruthless form of dictatorship. . . . It is most unlikely, I fear, that it ['the worldwide state'] will be established by the will, or even with the acquiescence, of the majority of mankind. It seems to me likely to be imposed on the majority by a ruthless, efficient,

and fanatical minority, inspired by some ideology or religion. I guess that mankind will acquiesce in a harsh Leninian kind of dictatorship as a lesser evil than self-extermination. . . . If the reluctant majority does accept this dictatorship on this ground, I think they will be making the right choice, because it would enable the human race to survive."

Cheka chief Dzerzhinsky wore another hat, as chairman of the Supreme Council for the National Economy, which allowed him to deal directly with the Western members of this larger Trust. Western interests that had helped sponsor the Bolshevik project, such as Morgan Guaranty Trust, Kuhn Loeb, et al., moved to cash in on its results. Franklin Sanders of the American International Corporation, organized by Otto Kahn of Kuhn Loeb, Citibank's President J.A. Stillman (of the Stillman-Rockefellers), and J.P. Grace of W.R. Grace and Co., helped design the New Economic Policy for the U.S.S.R. in the 1920s, in which the AIC and its friends participated. Armand Hammer and Averell Harriman launched their business ventures in Soviet Russia at that time.

The guest list at the December 1987 state dinner at the White House, in honor of Mikhail Gorbachov, read like a roll-call of the larger Trust. Occidental Petroleum chairman Hammer was there, with his heir-apparent, the grain merchant Dwayne Andreas of Archer-Daniels-Midland. So were David Rockefeller of Chase Manhattan Bank, James D. Robinson of American Express, and, perhaps more important than any of these, the son of AIC's chief accountant, Birl Earl Shultz, U.S. Secretary of State George Shultz.

In the 1920s, as Dziak observes, the Trust's "disinforming message focused on how communism was fading in Russia, how the Soviet leaders were really nationalists-monarchists of a new stripe, and why any direct action by the West, military or otherwise, would be undesirable." The lesson still needs to be learned.

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# Glasnost and the magicians of Venice

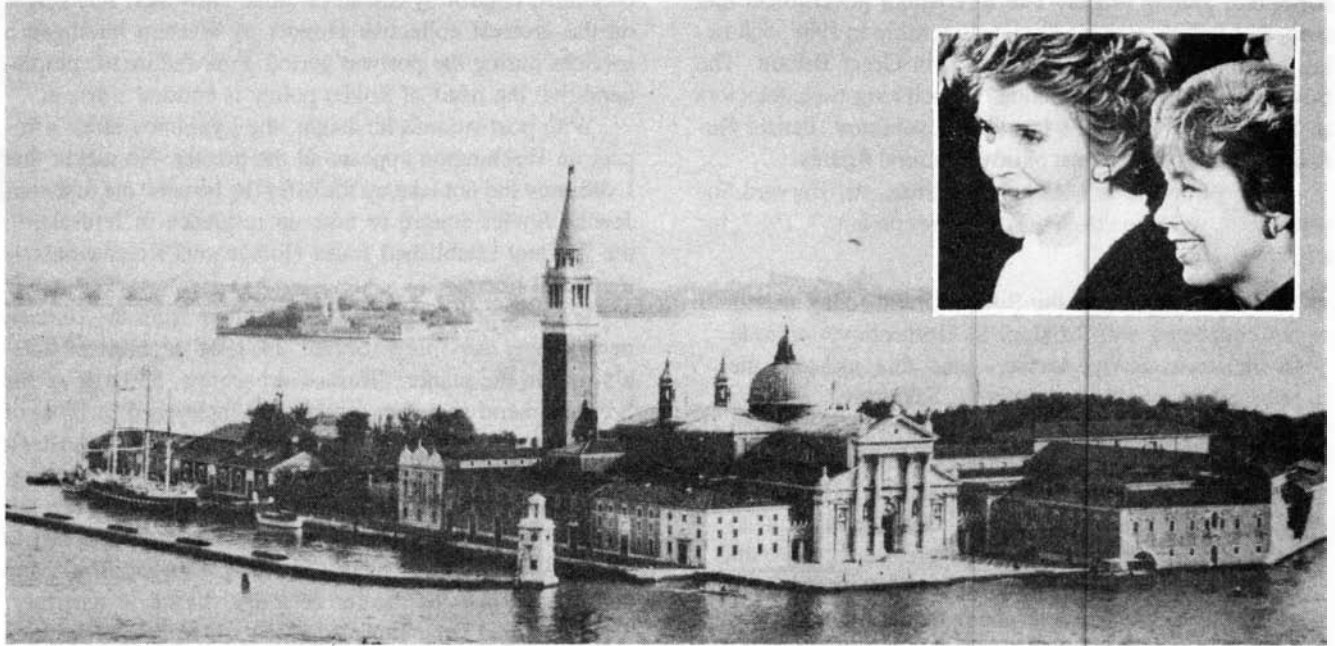
by David P. Goldman

In November 1987, shortly before Soviet General Secretary Gorbachov's arrival in Washington, Nancy Reagan scheduled an extraordinary visit to New York City, to attend the Carnegie Hall debut of an emigré Russian pianist, Vladimir Feltsman, who had earlier played his first American concert at the White House, at Mrs. Reagan's invitation. Earlier in the year, the First Lady's close friend, U.S. Information Agency director Charles Wick had arranged for Feltsman, a Jewish dissident, to record the Chopin *Preludes* at an improvised recording studio in the U.S. Embassy in Moscow, an unheard-of favor to a musician suppressed by the Soviet cultural authorities. The recording was released with great fanfare by CBS last fall.

Mrs. Reagan's trip to New York fell victim to a sudden snowstorm, but she and President Reagan attended the Feltsman premiere at Washington's Kennedy center two weeks later.

Feltsman himself is a pianist of second rank even among the prominent Russians of his generation, destined to fade into the obscurity which has overtaken dozens of other emigrés. The First Lady's passing obsession with him seems barely worthy of a footnote in the broader story of President Reagan's apparent personality change prior to his agreement with Gorbachov. But the incident marks a high point in White House fascination for what passes for "Russian culture," artfully guided by Wick and his sponsor, Soviet go-between Armand Hammer. That is not to accuse Mrs. Reagan of susceptibility to cultural influences as such; this, after all, is the same woman whose personal intercession permitted the Beach Boys to perform before the Washington Monument. What captured her was, rather, the high opinion of "Russian spirituality" among the Armand Hammer social set, with respect to which she stood "like a little girl with her nose pressed against the store-window," in Michael Deaver's description.

Mrs. Reagan's personal enthusiasm for Russian romanticism is nonetheless something special. It appeared when Russian emigré Vladimir Horowitz returned to Moscow in a triumphant tour stage-managed by Charles Wick, and returned to a hero's welcome and a White House concert; and it took on the passion of the



*The island of San Giorgio Maggiore, Venice, site of a Benedictine Abbey which serves as the think tank for the old Venetian families conspiring with the Russian oligarchy to corrupt the underlying content of Western culture. Inset: Nancy Reagan, "fan" of Russian modernism, in a television appearance with Raisa Gorbachova, the Russian cultural tsarina.*

newly converted with the Feltsman incident. That sort of radical, impassioned shift in matters of apparent personal taste can transform the personality of political leaders at a level more fundamental than nominal structures of political belief.

### **The problem of cultural counterintelligence**

Nancy Reagan's teeny-bopperish fancy for the Russians identifies the special sort of event in counterintelligence, in which the recruitment of an agent-of-influence implies the existence of a broader sort of capability to effect such a transformation. That capability is to be found in oligarchically controlled official cultural institutions of Western Europe, of which we call attention to the two nastiest: the Venice Biennale festival, and the Goethe Institute of West Germany. Funded and nominally directed by the the Italian and West German governments, both were founded and continue to serve as vehicles for the old European families who have embraced the Soviet Empire.

The selling of glasnost, in its present form, has been in preparation since the Venetian "Biennale" cultural festival of 1977 on the theme of Soviet dissent. The promotion of what passes for Russian culture has been the subject of an intensive effort on the part of the Venetian noble families and their collaborators abroad for much longer. This effort, in turn, draws upon a more bizarre and far-reaching project, namely, the synthesis of a Nietzschean ideology to replace Augustinian culture in the West.

This report will treat subjects which appear arcane, above all the autistically arcane subculture of modernist musical

composition. The Frankenstein monsters of the musical avant-garde on both sides of the Iron Curtain, command little public attention. Here we are concerned not with their music as such, but with the laboratories that synthesize the cultural poison, whose purpose is to kill the surviving roots of Western civilization. In return for his patience, we promise to show the reader the inside of the Venetian witches' kitchen, which brews the ingredients for a transformation of Western culture on the grand scale.

The difficulty of those among the American political elite who watched with horror as Gorbachov seduced the White House, is most poignantly illustrated by former Defense Secretary Caspar Weinberger. Steadfastly anti-Soviet, Weinberger, in his private capacity as chairman of the Washington Opera, nonetheless presided over the first wave of Russian cultural assault on the capital, in the Russian-centered 1985-86 Washington Opera season, including a new production of Rimsky-Korsakov's *Le Coq d'Or*. Emigré musician Mstislav Rostropovich's appointment as director of the moribund Washington National Symphony had already established Russian dominance of the Washington musical scene.

But glasnost's real triumph in Washington came in January 1987, with emigré director Yuri Lyubimov's staging of Dostoevsky's *Crime and Punishment* at the National Theater's Arena Stage, hailed as the year's cultural happening. On Christmas Eve 1986, three weeks before the Dostoevsky premiere, Lyubimov hinted that he might return to the Soviet Union on invitation from the Soviet authorities; in fact, he had received telephone calls communicating the personal invitation of Raisa Gorbachova, from the composer Alfred

Schnittke, among others. The Chernenko government had stripped Lyubimov of his Soviet citizenship in 1984, following his highly publicized defection in Great Britain. The Soviets also extended invitations to such long-time defectors as Rostropovich, a close friend of Lyubimov, dancer Rudolph Nureyev, and a host of other cultural figures.

Glasnost promoter Marshall Goldman, the Harvard Sovietologist, wrote in the *New York Times* on Jan. 7, 1987, for example:

Little happens in the Soviet Union today that is not connected with Mikhail S. Gorbachov's crusade to transform Soviet society—and that includes the release last month of Andrei D. Sakharov. . . . The problem, Moscow discovered, is that it is hard to stimulate creativity in the laboratory and factory while suppressing creativity elsewhere in society. That seems in large part to account for Mr. Gorbachov's call to Dr. Sakharov. It is also why the great director, Yuri Lyubimov, has been promised that he would have artistic freedom if he returned from the United States to resume direction of the Taganka Theater in Moscow. And it helps explain why after years of refusing readmission for those who have emigrated, Moscow decided to welcome some 50 prodigal sons and daughters back into the country last week.

*EIR's* April 1987 *Special Report*, "Project Democracy: the 'parallel government' behind the Iran-Contra affair," provided extensive documentation showing that Lyubimov's defection and reinvasion followed a pattern of Soviet "homing pigeons," i.e., false defectors, whose conscious or unconscious mission was to re-shape Western intelligence services' view of the Soviet *nomenklatura*. Apart from Lyubimov, the case histories presented included Oleg Bitov, who disappeared during the 1983 Venice "Biennale" film festival, reappeared in a British asylum, and later returned to his job at the Soviet journal *Literaturnaya Gazeta*; and the film director Andreas Tarkovsky, who died in Paris exile in 1986, only to be eulogized by the Soviet press as a martyr to the Soviet bureaucracy; Vitaly Yurchenko, whose aborted October 1985 defection and re-defection colored Secretary of State Shultz's Moscow negotiations prior to the Reykjavik summit, among others.

In that report, we identified the role of former U.N. Ambassador Jeane Kirkpatrick, a member of the President's Foreign Intelligence Advisory Board, in providing credibility to cultural defectors channeled to the West through the Venetian cultural scene, in particular the "Biennale" film and music festival. We concluded, "The importance of the Lyubimov case . . . is that the Russian director remained under Soviet intelligence control [through Soviet-allied Western cultural networks] before, during, and after his supposed defection to the West. . . . Since the Lyubimov case became, in the eyes of Western analysts, something of a thermometer for Moscow's anticipated 'cultural thaw,' his

continued control by Soviet or allied networks, sheds light on the greatest collective blunder of Western intelligence services during the postwar period: their failure to comprehend that the heart of Soviet policy is cultural warfare."

With post-summit hindsight, the Lyubimov affair's impact on Washington appears all the greater. No matter that Lyubimov did not take up the offer (he became the first non-Jewish Soviet emigré to take up residence in Jerusalem); the incident established Raisa Gorbachova's credentials as a cultural liberal.

Western press reports, e.g., this one from the German newsweekly *Der Spiegel* of Dec. 29, 1986, highlighted Raisa's role in the matter: "Raisa Gorbachova, 53, wife of the Soviet general secretary, apparently intervened in favor of the avant-garde stage director Yuri Lyubimov. . . . After a visit to the Taganka Theater, Lyubimov's former workplace, Raisa Gorbachova asked, after a discussion between her husband and the actors' collective, what had happened to the anti-Stalin theater piece, *The House on the River*, and complained that the theater no longer had it in repertory. The show had been canceled when the stage director was sent out of the Soviet Union, and is now being rehearsed again."

It should be noted that Lyubimov, a Dostoevsky fanatic, horrifies Western audiences whenever his cage door is left open. His Arena Stage production compelled the audience to file by two simulated corpses (Raskolnikov's victims in *Crime and Punishment*), and stand a search by theater ushers for traces of blood on their clothing, among other niceties.

## Introducing the magicians

Our Project Democracy report identified the Soviet connections of the Western channels which absorbed and passed on such Russian "dissidents" as Lyubimov and Tarkovsky, through the old Venetian families and the Venice-centered Communist music mafia in Italy and elsewhere. For example, Lyubimov's Western collaborator since the early 1970s was the Venetian modernist Luigi Nono, son-in-law of the atonal high priest Arnold Schoenberg; Nono, who wrote numerous works in praise of bloody red revolution, was in turn the principal Venetian contact of the KGB's leading cultural traveler and talent-scout, the "poet" Yevgeni Yevtushenko. Nono's librettist, Massimo Cacciari, began his political career as the alter ego of fugitive terrorist Toni Negri, then became a Communist Party deputy in the Italian parliament, and finally broke with the Communists to promote a communist-fascist alliance against the Catholic center.

In early 1987, when the report appeared, it could still be hoped that elements of Western intelligence might repudiate the Soviet disinformation campaign directed at establishing the credibility of glasnost. The behavior of U.S. intelligence suggests that it has played this game intentionally, and obtained the results it wanted.

It is not sufficient to trace the birth certificate and adoption papers of this particular Rosemary's Baby; the more impor-

tant question is, "What sort of capability undertook the behavior modification of the Washington elite?" These events stem from a long-term enterprise to corrupt the underlying content of Western culture, by agreement between the Russian oligarchy, and such elements of the Western elite as the old Venetian families and their centuries-old think tank at the Benedictine Abbey on the island of San Giorgio Maggiore; such British cultural-pessimists as the late Arnold Toynbee and Hugh Trevor-Roper; and the official West German cultural mafia headed by Klaus von Bismarck, president of the Goethe Institute, and Bismarck's patron, Herwarth von Bitenfeld.

Strictly speaking, the modern form of this operation was fully formed at the 1815 Congress of Vienna, which crushed the pro-American republican upsurge throughout Europe. Its first incarnation was the Romantic movement of Novalis and the Schlegel brothers in Germany, Wordsworth and Coleridge in England, Madame de Staël in Geneva, Rousseau in France. It ripened later in the century, under Nietzsche's watchword, "God is dead, everything is permitted," and flourished in Russia under the influence of Nietzsche's philosophical twin, the pan-Slavic messianist Fyodor Dostoevsky.

The name of the operation today, is "Neo-Romanticism," with a special emphasis upon Russian Romanticism, because the Venice-centered cultural mafia argues that what passes for Russian culture best expresses the Nietzschean-Dostoevskian collective soul, as opposed to the divinity of the individual which underlies Western culture.

In 1982, a group of Western politicians met under the auspices of the just-founded Aspen Institute of Venice, in the same library of the San Giorgio Maggiore Benedictine Abbey where the heads of state of the seven leading Western nations held their June 1987 deliberations. The Aspen Venice meetings offered the first public hint in Western circles of a Soviet cultural thaw, three Soviet leaders before the ascension of Mikhail Gorbachov.

However, the Venice Biennale, then under the management of Count Ripa di Meana, a CIA-linked Venetian patrician who heads the foreign section of Italy's (now governing) Socialist Party, had begun preparations for the supposed thaw in 1977, with a much-publicized special session entitled, "Freedom and Socialism: the Historic Moments of Dissent." The 1977 Biennale festival, which drew extensive coverage from English-language media, opened with an emotional message of thanks taped by (former) dissident physicist Andrei Sakharov, now back making bombs for the Gorbachov regime which rehabilitated him. Every available dissident was rounded up for the jamboree, which met with thunderous denunciations in the Soviet media.

The Biennale itself was the creation of Count Volpi di Misurata, the Venetian adventurer who served as foreign and economic minister under Mussolini. Volpi, as *EIR* has reported in numerous locations, sponsored Alexander Parvus, Lenin's funding source and contact with the German foreign

ministry which paid for his 1917 return to St. Petersburg. He set up the original "Trust" agreement with the Bolshevik government in the 1920s. The 1977 affair has its roots, therefore, in the origins of the Bolshevik party itself.

The 1977 event had a double purpose. Ripa di Meana, now a commissioner of the European Community, bashed the Soviet government for the benefit of his friends in U.S. intelligence (he went on to direct the Italian side of the Free Afghanistan Committee, among other similar projects). However, the Venetian elite which controls the Biennale, e.g., Count Antonio Foscari, who then sat on the Biennale's governing board, conducted a subtler profile of Russian censorship, with a two-edged purpose. The first involved the grand strategic deception of the West which ultimately sold glasnost to Washington. The second, longer-range Venetian objective, foresaw the resurgence of Russian-nationalist "culture" as the channel through which Venice could, as throughout previous centuries, manipulate the stupid Russian giant which Venice expected to dominate world affairs for the next several centuries.

### The view from San Giorgio Maggiore

In a February 1987 interview, one of the chief cultural planners for the Venetian elite, the Benedictine father Pellegrino Ernetti of San Giorgio Maggiore, argued that resurgent Russian culture would dominate the West. Ernetti, who also heads Italy's Church music association, is the Benedictine Order's principal writer on music and liturgy.

"I am very much inside Russian musical problems," Ernetti said, "and for many reasons. We can distinguish between two parts of Russian music, i.e., liturgical and non-liturgical. The liturgical side of Russia is perfect. The tendency, including the modern tendency, and the tradition of this beautiful Oriental polyphony, fascinates me greatly. Even the modern liturgical composers. On the other hand, in non-sacred music, all the present-day Russian tendencies fascinate me. Russian music has a fascination, even the modernists. There is something there of great importance, which you will not find in Italy, for example. There is a constant line of inspiration, which continues over time; this line of inspiration will branch into one, two, three, four, or five different composers which descend from it. Listening to any of them, one hears immediately that they are Russian, without knowing in advance the nationality of the composer. It seems to me that even the Russian modernists have a common character, above and beyond the individual personality of the musician."

One Russian composer, Edison Denisov, had made the connection between Yuri Lyubimov and the Venetian modernist Luigi Nono, which brought Lyubimov to the West for the first time in 1972 to stage a Nono opera. Asked his opinion of Denisov, Ernetti replied,

"I like him very much. But I like all of them. They all have real life to them, but that is above all a communal life. That is, when we listen to them, we say immediately, 'That is Russian,' or 'This is Russian,' even if they all have their

own character. On the contrary, this can't be said of the last half-century of Western composers. For example, if we take some of the modernists, e.g., [Gian Francesco] Malipiero [the Mussolini fascist who ruled Venetian music for half a century—ed.], Schoenberg, Stravinsky, Bartok, Stockhausen, etc., etc. and throw in some of our own Italian modernists, say Luigi Nono—even if any two of them belong to the same school, say the [Schoenberg] dodecaphonic school—there is no common logic to any of them!”

Missing from the Western musical modernists' output, which the musical public despises, is the inherent “naturalness” of Russian music, Ernetti argues. In fact, the witches' brew of Slavic sentimentality and folkloric populism which characterizes Russian composers has nothing more to do with nature, than the New Orleans whorehouse rags re-worked by Debussy and Stravinsky, and sold back to George Gershwin as “native American jazz.” Nor is there anything new in Ernetti's report. Debussy's generation of jaded “post-Romantics,” bloated after the chromatic orgies of Liszt and Wagner, adopted the Dostoevskian primitivist Mussorgsky, as a novel musical cheap thrill. The Russians Scriabin and Stravinsky inaugurated musical modernism. Arnold Schoenberg's labored imitation of Scriabin was retreaded as “German expressionism,” while Stravinsky regressed to barbaric primitivism.

What emerged as two contending schools of musical decomposition during the 20th century, i.e., the Viennese formalist vs. Russian primitivist schools, had a single, evil underlying conception. Schoenberg's formalism, which employs arithmetical procedures to choose notes, was (in Schoenberg's explicit admission) a form of number-magic, an hermetic cabalism. Stravinsky's primitivism (followed by George Gershwin, Aaron Copland, et al. in the United States) is based upon symbolic magic, in which the listener supposedly responds to musical references to symbols supposedly buried in his unconscious mind.

After a half-century in which Schoenberg's so-called twelve-tone method dominated what passed for musical composition, the Venice-centered cultural mafia decided to “swing the pendulum” back to sentimental barbarism. That is the content of the “neo-Romantic revival.”

A joke told by the Czechs puts the content of Russian culture in an appropriate light. Not long ago, the story runs, Prague decided to set up a Czech Navy. A few generals were fitted for admiral's uniforms, some army buildings were turned into navy buildings, and a press release was prepared. But at the last moment, a party official suggested, “Why don't we ask Comrade Gorbachov about this first?” So a delegation of newly designated admirals took the next plane to Moscow, and went straight to Gorbachov's office in the Kremlin. “Comrade Party Secretary, we have the pleasure to inform you that we shall announce tomorrow the formation of the Czech navy!” they said. Gorbachov was suspicious. “You are a landlocked country with no oceans,” he growled. “What for are you needing navy?” A Czech admiral was nonplussed.

“Well, Comrade Gorbachov, you have a ministry of culture!”

### Case histories: Alfred Schnittke

Raisa Gorbachova opened contact with Yuri Lyubimov through the composer Alfred Schnittke, as noted. Lyubimov's first official word that he would be reinvited home came from Schnittke, who called him from London shortly before Christmas 1986. Schnittke “was in London and told him Gorbachov had attended a Taganka Theater production not too long ago and had spoken warmly of Lyubimov and his work,” Lyubimov told the *Washington Post* Dec. 25, 1986. “Schnittke further said that the troupe, emboldened by the visit, subsequently reinstated one of his most successful productions, *The House on the River*, to the repertory and that the opening night crowd had cheered his name.” As noted, the incident involved Raisa's personal intervention.

Schnittke, like Lyubimov, poet Yevgeni Yevtushenko, and a chosen handful of other Soviet cultural figures, works at the borderline of censorship, and travels freely between East and West as a semi-dissident. He is also the standard-bearer of the supposed new Soviet synthesis of Romanticism and modernism, and the most-performed Soviet composer in the West. Through the support of another Soviet emigré, violinist Gidon Kremer, for whom Schnittke has composed four violin concertos, the Russian's work has gained wide currency with European and American orchestras.

Yuri Lyubimov set Schnittke up as a purported cultural freedom fighter, with a 1983 commission for an oratorio on the Faust legend, using a 1587 German text. It was first performed in Vienna, June 1983, after the Andropov regime banned its performance on the grounds that it reflected “mysticism.” The composer told reporters at the time, “It is a negative passion, since it deals with a Christian who, if not an anarchist, could be called evil. The folk tale says, however, that he died as an ‘evil and good Christian.’ ” So much for Schnittke's Christianity.

The Schnittke scandal of 1983 became Yuri Andropov's prelude to glasnost. Konstantin Chernenko, soon to replace the dying Andropov as interim party chief, told a central committee meeting a week before the Vienna debut of the Schnittke pastiche, that the role of the arts should be to present “positive Communist heroes.” The Soviet authorities then virtually kicked Schnittke across the border to Vienna, to get him out of Moscow before Western journalists could raise a fuss, according to Schnittke's Viennese sponsors. Once identified as an heroic dissident, Schnittke's later rehabilitation could be presented as evidence of Soviet good faith.

Schnittke's oratorio included the participation of Moscow's leading pop singer, Alla Pugachova, whose role was described as follows by a reviewer of the Vienna premiere: “A low, sensual woman's voice entered the hall as if from the ceiling. A seductive blonde in black stiletto heels and a slinky sequined nightgown prowled through from the back, microphone in hand, sending out a lusty vibrato. Taking over



Venetian "entertainments" of the 16th century: Foreigners were amused—and fleeced—by performers of all descriptions, at all hours, in the notoriously depraved City of the Lagoon.

the narration of the piece, she parodied the sobriety of the chorus in archaic German set to rock, the shrill eddying of her highest notes bordering on laughter."

### Wolfgang Rihm and the Goethe Institute

Schnittke's ragbag of modernist noise-making, Rachmaninoff-style romanticism, and popular music, set an unpleasant standard for the sort of music the European cultural mafia set out to promote. The neo-Romantic retooling of Western music began, officially speaking, with a series of radio broadcasts sponsored by West German Radio (Westdeutscher Rundfunk, or WDR), in 1977, just as the Venice Biennale planned its marathon on East European cultural dissent. WDR announced (in the person of *Frankfurter Allgemeine Zeitung* music critic Karl Dalhaus) that a "new simplicity" ("Neue Einfachkeit") would be the common basis of musical composition henceforward.

The composers are still trying to work out what they are supposed to do. The supposed standard-bearer of the school, the 35-year-old Wolfgang Rihm, said in a recent interview, "You ought to know, when you use the conception 'New Simplicity,' that this was an idea introduced by concert promoters and publishers for the most incompatible things. They brought under the same hat minimalist music, neo-expressionist music, post-serial music; everything was packed into this idea, and nobody knew exactly what was meant by it. There was a weekend program on WDR, and one of the editors invented the title for it. And I wasn't even there, and they didn't even play any of my works. And in the next few weeks, it was out everywhere, that I was the principal exponent of New Simplicity!"

Wolfgang Rihm's activity duplicates the pattern of East-West collaboration we saw earlier in the cases of Nono,

Lyubimov, Schnittke, et al., in the smaller pond of East-West German relations. His principal literary collaborator is the East Berlin surrealist Heiner Müller, who provided the text for a number of Rihm works, most notoriously the 1986 piece of "music theater" entitled, *The Hamlet Machine*. (Although it won a national prize for "best new opera of the year," it "aroused interest only from the critics," a reviewer noted, since "the third performance played to a virtually empty house.")

Müller enjoys the reputation of a dissident, and his *Hamlet Machine* text includes references to the Hungarian uprising of 1956, among other jabs at the Soviets. A reviewer called the Müller-Rihm collaboration "history as the junkyard of history; history is rolled in like some kind of family album, in which the writer and composer flip back and forth, led not by logic but by free association." Müller's potpourri introduces an actor playing Hamlet, who then becomes Hamlet, and gravediggers, who again become Hamlet, swimming in cultural references, while Rihm obligingly quotes everything from Handel to Richard Strauss. Press accounts have Müller in trouble with his East Berlin masters, who supposedly dislike the style and content of his dissent. Not so at all, Rihm told an interviewer. "Heiner Müller is very privileged in East Germany. He can go back and forth from East to West Berlin any time he wants."

Rihm is also one of a very few Western modernists recognized by the Soviet cultural authorities, who dedicated an article to him in the February 1985 issue of the official Soviet music journal.

He made the big time early. The Venice Biennale featured his works in 1981. His new opera *Oedipus Rex* (with texts by Hölderlin and Nietzsche) became in October 1987 the first modern opera debut to be broadcast live on West German television, and numerous major orchestras, including the Chicago Symphony, have offered first performances of Rihm works during the past several years, again courtesy of WDR. The New York premiere of his "neo-expressionist" opera *Jacob Lenz* last December at the Juilliard School represented the year's cultural high point for the official West German community in the United States, which formed half the opening night audience. Rihm attended the event, the guest of the Goethe Institute, West Germany's official organization for foreign cultural activities.

A pleasant but troubled man, Rihm met Luigi Nono in 1980, and developed a sort of adolescent crush on the Venetian composer. "When we met in 1980," Rihm enthused in a recent interview, "he naturally knew nothing of mine, while I knew much of his work, but he had a hunger to get to know things, and that inspired me, this openness, this unaffected, simple ability to get access to the other person. He wanted to get to know things ever so much, and I played things for him on tape, and he wanted to hear more, and more, and more, and for me that was—I had never experienced anything like that, that a great composer of my father's generation wanted to know so much. And since then we have been in contact,

and meet often. I try to be just as open as he is, and that is what I can learn from him.”

Nono, a torch-bearer of the Schoenberg tradition (he married and only recently separated from Schoenberg’s daughter Nuria), quietly abandoned the twelve-tone formalist cause in the early 1980s, when the shift to “neo-Romanticism” became mandatory in Venice. Nono confided to friends that his favorite new composer was Wolfgang Rihm.

That is the goldfish bowl which Rihm circles. Examining Rihm’s career, we learn who owns the bowl. As a 17-year-old lad, he came into the good graces of the British composer Humphrey Searle, a wartime official of British intelligence and close collaborator of Sir Hugh Trevor-Roper. Searle, who had been a student of Vienna School guru Anton Webern, made his life’s work the attempt to integrate Schoenbergian modernism with Franz Liszt’s romanticism (Searle founded the international Liszt Society in 1950). More to the point, Searle ran the British Broadcasting Corporation’s musical programming for several years after 1938. Along with Trevor-Roper (for whose book *The Last Days of Hitler* he performed the on-the-scene research in postwar Germany), he was one of the architects of postwar German cultural policy, and above all, the myth of German collective guilt—the rubric under which the Anglo-American pre-war friends of the Nazis reinstated their friends in positions of power under the occupation, reasoning that since all Germans were equally guilty, it did not matter who came back.

Rihm then served an apprenticeship under Karlheinz Stockhausen, the former Hamburg warehouse pianist who became modernism’s leading apostle of a “New Age.” At the age of 24, Rihm found himself, to his own surprise, carrying the standard of “New Simplicity,” courtesy of Klaus von Bismarck’s Westdeutscher Rundfunk, as noted. At the time of Rihm’s “discovery,” von Bismarck had just moved from his 15-year tenure at German radio to the presidency of the Goethe Institute, which in December 1987 sponsored Rihm’s American debut.

Von Bismarck’s political career is the invention of the British occupation, i.e., of Sir Hugh Trevor-Roper and Humphrey Searle. He was groomed for a leading postwar cultural role starting in 1945 at British prisoner-of-war camps. His activity parallels Humphrey Searle’s in a number of respects. Searle directed musical programming at British Broadcasting Corporation from 1938 to 1940, and for years after the war. Searle founded the Liszt Society in 1950 as a vehicle for a new Romanticism; von Bismarck, in 1954, conjured the ghost of Madame de Staël, the salon-keeper of the first Romantic movement, as the guiding light for postwar German cultural policy. De Staël’s corrupted presentation of Germany as the nest of the Romantic movement, should be a “pride and joy” to modern Germany, von Bismarck argued, and “kept alive abroad” through official policy.

In 1961, Bismarck joined the handful of Protestant clergy and laymen who responded to the erection of the Berlin Wall with the infamous “Tübinger Declaration,” which, for the

first time in postwar German history, proposed to abandon the goal of a reunified, free Germany, and accept Soviet occupation as an inalterable fact. Bismarck was then elected to serve on the central committee of the World Council of Churches. He has since become one of West Germany’s most prominent sponsors of neutralist reunification under de facto Soviet domination.

Von Bismarck’s sponsor at the Goethe Institute was Herwarth von Bittenfeld, then concluding a long diplomatic career which had begun with a 1931-39 assignment to the German embassy in Moscow. A participant in the Hitler-Stalin pact, von Bittenfeld, as an undersecretary at Willy Brandt’s foreign ministry in the 1960’s, was the principal behind-the-scenes architect of Willy Brandt’s *Ostpolitik*, i.e., appeasement. In 1969, he undertook the German foreign ministry’s reorganization of the Goethe Institute as an engine of cultural pessimism.

Since his retirement from the foreign ministry, von Bittenfeld occupied himself foremost with the German wing of the International Save Venice Committee, the official link between the Venetian oligarchy and its collaborators abroad.

The Goethe Institute’s sponsorship of a jejeune Nietzschean like Wolfgang Rihm is far from the worst thing it has done under von Bittenfeld and von Bismarck. With a \$150 million annual budget from the German foreign ministry, the Institute expanded its “cultural programs” under Khomeini’s Iran, while President von Bismarck hailed the “spiritual vitality of Islam” as represented by the mullahs. It sponsors foreign showings of “new wave” German films, including the repertoire of the deceased drug-addict homosexual director Rainer Fassbänder. Von Bismarck’s literary preferences run to the modernist writers Gunther Grass and Heinrich Böll, the principal cultural apologists for the terrorist left.

Bittenfeld and Bismarck, no doubt, would share the Venetian Father Ernetti’s complaint that none of the musical modernists of the West are gifted with the “natural rhythm” of the Soviet primitives. The best they can come up with are musicians who profess ideological compatibility with their goals, and Wolfgang Rihm is the best they have found. “Mr. Rihm still thinks of himself as a German Romantic, but the Romanticism permeates his being, rather than defining the surface characteristics of his style,” a *New York Times* account Dec. 12 offered. “The Romanticism that interests me,” Rihm said, “is a literary Romanticism—Poe, Baudelaire, Hoffman. . . . Romanticism is such a misunderstood word. People think of it as a 19th-century musical style, but Romanticism can be found in much 20th-century music, too, as with composers like Luigi Nono.”

Rihm’s Romanticism, more specifically, is Nietzsche’s Romanticism. Music, he believes, should draw forth primal archetypes from the unconscious of the listener, uncovering man’s barbaric, pre-Christian nature.

But the political function for which von Bismarck et al. selected him involves the moral softening-up of the German population to accept von Bismarck’s program. The theme



remains the old “collective war guilt” of the Anglo-American Occupation psychological warfare experts. Asked whether his emphasis on “taking guilt upon one’s self” stemmed from the notion of German collective war guilt, Rihm said with great emotion, “I grew up in a time when this concept was always going around. And I can do nothing without having to think about it, as in the case of this present theatrical subject [Oedipus]: How does it relate to a history, which I must either regret, or deny? And now there is an attempt to construct a healthy world [in Germany], where you can have it good. But one still should know what was. And to simply temporize about what was, to say, ‘It’s history,’ I can’t go along with that. And during a discussion about *Oedipus* I simply put the idea on the table, that this is what is going, when people like Oedipus and Jocasta kill themselves, in Jocasta’s case, or blind themselves, in Oedipus,’ because of guilt, in which they have no subjective, conscious part, but, rather, were suddenly confronted with. And then it leapt into my mind, when history professors in Germany suddenly say, ‘Yes, now we can talk about things as if they were history.’ But they are the present, say I!”

### Glasnost West

Some of Rihm’s listeners might argue that his eruptive, atonal style includes the punishment along with the guilt. His most important sponsors, e.g., von Bittenfeld of the “Save Venice” committee, would look sadly upon Rihm as an abortive experiment. Nono, Rihm, and the Western modernists generally have no future, Father Ernetti warns. “All that happens is that their works receive one performance at public expense. It isn’t music at all. This so-called music has no sense at all, because it does not respond to the demands of nature.” By this, Ernetti means the folksy “naturalness” of the Russian composers whom the Venetians favor.

Glasnost has meanwhile overtaken the modernist vanguard in the West. The *New York Times Magazine* March 1, 1987, offered a group portrait of the modernist mafia, centering on pianist Maurizio Pollini, a close friend of Luigi Nono. British journalist Keith Botsford portrayed the softening of the old quasi-terrorist gang, writing, “With Pollini, the talk is not all of music, but also of people, ideas, politics. For there was a time when, like most Italian intellectuals of his age, Pollini was deeply committed politically. He and [his friend, the composer Giacomo] Manzoni, the composer Luigi Nono and others would perform in factories and in poor districts. He still holds to the Socialist ideal, in which he sees no need for authoritarian government. As Pollini and Manzoni say, in essence, their hopes of the early 1970s were disappointed. Manzoni calls it ‘a lovely and wonderful time.’ Pollini would perhaps like to see ‘what would happen if a Prague Spring were allowed to go ahead, to see what socialism could do in a developed country.’ ”

In Venice, even the red menace Luigi Nono has become passé. Meanwhile, the Benedictines of San Giorgio Maggiore stare out at the lagoon, and wait for the Russians.

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## Interview: Wolfgang Rihm

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# A preference for Nietzsche and Venice

*Wolfgang Rihm was interviewed on Dec. 12, 1987, following the New York premiere of his opera, Jacob Lenz. Excerpts from the discussion follow.*

**Q:** I asked a mutual friend, “Why is Rihm so interested in [the surrealist Antonin] Artaud, Nietzsche. . . .

**Rihm:** . . . Hölderlin, Lenz . . .

**Q:** “. . . Büchner, and so on, that is, people who deal with mental illness. Why this preference for mental illness?” But he assured me that you are quite normal.

**Rihm:** Naturally! Please, one has to be able to separate occupation with something, and the question of identity.

**Q:** But why are you so interested in mental illness as a subject?

**Rihm:** Because, I believe, when I look for a literary subject for music, then there’s no point in setting in music a classical piece which is closed in itself; rather, I look for things, that are broken, that explode, that are wounded. And music has much more to do, I believe, with the confusion of the soul, than with the calming of the soul. Music has confused me more than calmed me, since the first time I heard it as a child. And I love music because it gets me going, because it doesn’t leave me where I am, but drives me forward. And therefore I look for subjects which are not complete in themselves, but have energy—subjects that are hurt.

**Q:** In the classical ideal of music—“All true art is moral progress,” as Beethoven put it, or music for the glory of God, in Bach’s conception—the idea was somewhat different. Would the classical composers have agreed with you?

**Rihm:** Some of them, certainly. Beethoven in many respects, and, surprisingly, I believe Mozart as well. . . .

**Q:** Plato would have excluded you from his *Republic*.

**Rihm:** Plato excluded music from his *Republic* in any event.

**Q:** There is a chapter in Schindler’s biography of Beetho-

ven, in which he reports that Beethoven was a great admirer of Plato's, and agreed with the intention of Book Six of the Republic, that music should provide for moral progress, and put the listener's soul at peace.

**Rihm:** That surprises me, since what I know from Beethoven's late works doesn't put the soul at *piece*, but sets it into motion.

**Q:** Your teacher Karlheinz Stockhausen wants to enlighten the world about a coming "New Age." Do you have something like this in mind?

**Rihm:** It would be inappropriate, to announce something like this as an objective. I can't say, "I am enlightening an age of the world."

**Q:** Then you wouldn't agree with Stockhausen's mysticism?

**Rihm:** I love him very much as a composer, and value greatly his inventiveness, his power of articulation, his discovery of sound *gestalts*. The ideology, the mysticism, doesn't appeal to me, because of my nature. I have a different character.

**Q:** Tell us something about [your librettist] Heiner Müller.

**Rihm:** He is a very privileged man in East Germany; he can come and go to West Berlin whenever he wants. I took his piece *The Hamlet Machine* as the starting point for a musical theater piece. I think that Heiner Müller is a universe in drama. The man has moved mountains. The fantastic thing about his writing is that he doesn't articulate theater as a machine of action and consequence where everything fits together, but he puts a generational block in the space, and says "Look at this, do something." And then you have to work.

**Q:** Let me read you something that you once wrote. "The bringing forth of music in the routine course of a concert preserves remnants of the rituals from which it arose."

**Rihm:** I mean "ritual" not in the religious sense, but in the sense of the primeval, archaic situation. I believe that music is the only art which still has much to do with atheistic archetypes, ritualistic procedures, which are strongly linked to our consciousness. Reflex-like events which we cannot direct intellectually, but whose symbolic importance we experience on the psycho-physical plane. When I write an accent, a beat on the drum, or a chord that disappears—shshshshshsh—*descrescendo*, or, Boom! attacks, those are events, which have their image deep in our souls. But I must not say, "Here, exactly this, find the image for this." That would be the kind of hermeticism I want to avoid. But one has to know: We are playing with primeval matter.

**Q:** I notice that you have a special preference for Nietzsche.

**Rihm:** Very much so, because his texts permit music. They let music in. They invite music.

**Q:** One of your Venetian admirers, who first recommended your music to me, quotes from Nietzsche, that "music is

Venice, and Venice is music." Do you have a special relationship to Venice?

**Rihm:** I link Nietzsche and Wagner together with Venice. I have been there several times.

**Q:** You had a great success there in 1981, at the Biennale.

**Rihm:** There was a beautiful performance of my work at the Biennale, that's right; and Venice interests me because it is a city which once represented the whole world, where all paths met.

**Q:** I find it interesting that you admire [the Venetian composer] Luigi Nono, and he you. Can you say something more about your relationship to Nono?

**Rihm:** When we met in 1980, he naturally knew nothing of mine, while I knew much of his work, but he had a hunger to get to know things, and that inspired me, this openness, this unaffected, simple ability to get access to the other person. He wanted to get to know things ever so much, and I played things for him on tape, and he wanted to hear more, and more, and more, and for me that was—I had never experienced anything like that, that a great composer of my father's generation wanted to know so much. And since then we have been in contact, and meet often. I try to be just as open as he is, and that is what I can learn from him. Where that concerns my musical language, he certainly has radicalized various tendencies in my work, and removed the constraints, or the images, which underlie them.

**Q:** No doubt Nono would agree with you that music should stir people up, rather than content them, for his own political reasons.

**Rihm:** That is also a political question for me. What can I do with people who only groan along to music, who stuff themselves with music, who use music like a drug? I want people who take music as an impulse to think, as a kind of challenge to another kind of thinking, rather than pursue it as a confirmation of their thinking.

**Q:** One thing that interests me is that the Soviets have also picked up your music.

**Rihm:** Really?

**Q:** There was a long article in the Soviet music journal, *Sovetskaya Muzyka*, about your music.

**Rihm:** I didn't know that. It's funny. I had no idea.

**Q:** Who are your favorites among the young Russian composers. Schnittke?

**Rihm:** Schnittke, naturally. But what the really young ones are doing, of my age, I don't know. I would like to find out.

**Q:** There are people in the West—for example, a Benedictine monk in Venice at San Giorgio Maggiore, Father Pellegrino Ernetti—who think that the "naturalness" of Russian

music means that the Russian sort of neo-Romanticism will conquer the world. What does that have to do with the idea of "New Simplicity"?

**Rihm:** A horrible idea! I hate it! But I would say, that if it is Romanticism as such, then it has no chance. Romanticism as such I find too artificial; it has come from inside itself. But you ought to know, when you use the conception "New Simplicity," that this was an idea introduced by concert promoters and publishers for the most incompatible things. They brought under the same hat minimalist music, neo-expressionist music, post-serial music; everything was packed into this idea, and nobody knew exactly what was meant by it. There was a weekend program on WDR, and one of the editors invented the title for it. And I wasn't even there, and they didn't even play any of my works. and in the next few weeks, it was out everywhere, that I was the principal exponent of New Simplicity! It's ridiculous.

**Q:** I would like to go back to the idea of the ritualistic in theater. In the commentary to your opera *Oedipus*, one reads, "The search for the determination of being, according to the necessity of action in the world and its consequence, is the principal subject of philosophical thought in both East and West. While Eastern wisdom seeks to overcome the constraint for action through meditation, Mediterranean culture focuses its chief attention upon the entanglement of the actor in guilt. Two ideal figures of conscious assumption of guilt upon one's self, who are linked as antipodes, are Jesus of Nazareth and Oedipus."

**Rihm:** I didn't write that. I would be careful there.

**Q:** The idea of taking guilt upon one's self isn't yours?

**Rihm:** That is a thought which I employ.

**Q:** Does that have anything to do with the so-called collective guilt of the Germans after the Second World War? Did you come to this question that way consciously?

**Rihm:** I didn't come into this process, that is, I was born into this process. I grew up in a time when this concept was always going around. And I can do nothing without having to think about it, as in the case of this present theatrical subject [Oedipus]: How does it relate to a history, which I must either regret, or deny? At the moment, there is a dispute among German historians; there is a tendency among historians to relativize the guilt.

**Q:** And you don't agree?

**Rihm:** I don't agree with the tone of this tendency at all, because it is an attempt to construct a healthy world where you can have it good. But one still should know what was. And to simply temporize about what was, to say, "It's history," or as the Federal Chancellor has put it, "the mercy of being born late"—a frightful idea!—I can't go along with that. And during a discussion about *Oedipus*, I simply put the idea on the table, that this is what is going on, when

people like Oedipus and Jocasta kill themselves, in Jocasta's case, or blind themselves, in Oedipus's, because of guilt, in which they have no subjective, conscious part, but, rather, were suddenly confronted with. And then it leapt into my mind, when history professors in Germany suddenly say, "Yes, now we can talk about things as if they were history. But they are the present, say I!"

**Q:** It's no new insight to say that [Schoenberg] expressionism is an appropriate musical style for the representation of confusion. But may I refer your attention, on the contrary, to the *Four Serious Songs* of Brahms [the setting of Biblical texts, including I Corinthians 13 of St. Paul—ed.], his last songs, where he explicitly treats the concept of *agape*. Have you ever tried to treat the concept of *agape*, in the sense of universal love?

**Rihm:** I think that if you purposely try to do this, and if you are not in a situation like Brahms was when he wrote the *Four Serious Songs*, that is, deathly ill—he had liver cancer—when you purposely attempt to articulate this love, then something wrong comes out. You really have to be, like Brahms, at the end of your life to do that, in a situation of extreme need, to formulate that, and not to simulate it out of the hectic quality of day-to-day life. One should not do that.



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## The New Yalta and the holocaust in Afghanistan

by Konstantin George

The simultaneous arrivals on Jan. 4 of Soviet Foreign Minister Eduard Shevardnadze in Kabul, and of U.S. Undersecretary of State Michael Armacost in Pakistan, have given rise to a flurry of "optimistic" reports in the Western press that a so-called "political solution" to the eight-year-old genocidal war by the Russians in Afghanistan may be at hand.

The speculation has been fueled by the fact that Shevardnadze's visit was not previously announced, and his talks with Afghan puppet ruler Najib have been shrouded in secrecy.

Then came the Shevardnadze declaration of Jan. 6, carried by TASS, forming headline news all over the world, where he proclaimed that a deal on Afghanistan had been struck with the United States: "In accordance with the prepared documents, the guarantors of this obligation will be the U.S.S.R. and the U.S.A. I stress that the American side agreed to be a guarantor and accordingly to cease helping the anti-government armed groups."

Questioned by a Soviet TV reporter, Shevardnadze added that he and Najib had reached agreement on a Soviet troop withdrawal, "There are not many questions left to be resolved."

Many in the West have remarkably short memories. It was exactly one year ago, on Jan. 5, 1987, during Shevardnadze's first visit to Afghanistan, that we witnessed a similar wave of "pre-settlement" euphoria. At that time Shevardnadze had declared that "we are closer than ever before to a settlement."

The Western media's "optimism" is falsely grounded, because they overlook a fundamental reality principle. Moscow will never pull its troops out of Afghanistan, except

under conditions of a total United States and Pakistani capitulation, expressed concretely through a total stoppage of military and all other forms of assistance, including territorial sanctuaries in Pakistan, for the Afghan Resistance. This precondition for a Soviet troop pull-out has been made by the Soviet leadership, and has appeared daily in the Soviet media since the start of the year.

This position was reiterated by Shevardnadze to Soviet television on Jan. 6, when he stressed that a Soviet troop withdrawal could begin only "after the implementation of a U.S. guarantee" to stop aiding the resistance.

### Military realities

The "pre-settlement" euphoria also ignores the fundamental military realities of the present situation. First, the Russians' puppet Afghan Army narrowly escaped an Afghan "Dien Bien Phu" at Khost, where 8,000 Afghan troops in the surrounded garrison were on the verge of a humiliating surrender to the forces of the resistance.

Second, the combined Russian/Afghan offensive with 50,000 troops to relieve the Khost garrison was mauled by guerrilla attacks from well-protected mountain positions overlooking the road from Gardez to Khost, used by the Red Army and Afghan columns. The guerrillas skillfully exploited the inherent Russian inability to adapt flexibly to a new battle situation, while the Russians stuck to their preconceived idea of an "all-costs" advance via the road to Khost. The result was very heavy losses for the Russians and the Afghan troops.

Third, and by no means least, the battle for Khost is not over by a long shot. Some Russian relief convoys have gotten

through to the garrison, but others have been unable to do so. The heaviest fighting of the Afghan War is now under way, in continuing large-scale battles not only along the road, but in the mountains to the north and to the south of the road, where some 10,000 Russian airborne troops are battling the guerrillas.

At the year's end, already some 10,000 guerrillas were engaged in the fighting, and after the New Year, according to an announcement made by the resistance in Peshawar, Pakistan, an additional 5,000 armed guerrillas had crossed into Afghanistan to join the fighting. Guerrilla attacks have also picked up steam in other parts of the country in the first week of January. No words by Shevardnadze or anyone else can wish these facts away.

Thus, nothing short of President Reagan capitulating to the "New Yalta" lobby inside his administration to accept Soviet demands would permit Moscow to withdraw its army and end the murderous war in Afghanistan. This brings us to another reality principle concerning Afghanistan, where one must ask how so-called superpower guarantees can enforce a settlement that would somehow go around the fact that the Afghan population (which is armed) would settle for anything less than placing the resistance in power.

The eight years of murder and devastation by the Soviets have lawfully created a situation where the Afghan people quite understandably will never accept any government except a government by the resistance. Without the Soviet army of occupation, the Kabul puppet regime would last maybe 24 hours. The population's hatred of the Najib quisling government is all but unanimous, the hatred extending even into Najib's family, as the recent defection of his own brother showed.

### **1979-88: holocaust in Afghanistan**

The level of moral degeneration of Western governments and political leaders is perhaps best illustrated by the sickening curtain of silence, indeed the toleration, of the genocide committed by Moscow against the population of Afghanistan.

In eight years, the Soviet occupation forces have exceeded the rates of brutality and mass murder committed by the Nazis in the occupied countries of Europe during the war. The population of Afghanistan is estimated at 14 million. Under the Soviet Nazis, the toll of these eight long years runs as follows:

- 1,200,000 have been killed, mostly civilians, through endless Russian bombing and shelling of cities, towns, and villages. To this, we must add, the dozens (the exact number may never be known) of Afghan "Lidices," or "Oradours," where the entire civilian population, old people, women, and children, of a village was rounded up and executed.

- In addition to the dead, there are the upwards of 500,000 maimed, crippled, those, including a few hundred thousand children, missing one or both arms or legs, the results of

Soviet bombs, shells, and above all, the deliberate mining of the mountain paths used by the refugee streams fleeing into Pakistan.

- To this toll, one must add the refugees, totaling some 5,500,000, including more than 3,500,000 in Pakistan alone. Their home villages no longer exist, bombed to dust by the Russians. But the 5,500,000 refugees are the external refugees, those who have fled from war-devastated regions out of Afghanistan. To this figure must be added some 2,000,000 internal refugees, who were forced to abandon ruined villages and seek refuge in the cities of Afghanistan.

- Villagers are farmers and herdsmen, and in addition to the villages destroyed, the Russians applied the scorched earth policy to the fields, orchards, and forests in most of Afghanistan, while most of the cattle were butchered. Through this Russian policy of bringing death and forced expulsions, most of rural Afghanistan, especially south of the Hindu Kush Mountains, has been depopulated.

- Besides the villages, the cities of Afghanistan have not been spared by the Russian Air Force and Army. Afghanistan's second and third largest cities, Kandahar in the south and Herat in the west, have suffered very heavy physical damage from repeated air raids, and tens of thousands of civilian casualties.

Thus, in a total population of 14 million, we have a toll of some 9 million casualties, including dead, gravely wounded, or crippled, and refugees, both abroad and internally.

Dec. 27 marked the eighth anniversary of the Russian invasion, and also exhibited the moral bankruptcy of Western political forces seeking a "New Yalta" with Moscow. The West German example best illustrates this. The Hamburg-based *Afghanistanblätter*, an Afghan Resistance publication, had requested interviews with leading West German political figures, whom the publication's chief editor, A. Rahman Nadjafi, had hoped would at least issue pro forma denunciations of the Soviet invasion and occupation.

Nothing of the sort occurred. West Germany's appeasement-loving foreign minister, Hans-Dietrich Genscher, flatly declared, according to Nadjafi, that he chose at the present time not to make any statement on Afghanistan. The Bonn government's labor minister, Norbert Blüm, who had recently posed as a "champion" of human rights concerning Chile and South Africa, pleaded that he didn't even have half an hour's time to make a statement on Afghanistan.

The other political leader who pleaded "no time" for a statement on Afghanistan was Bavarian minister-president and CSU leader, Franz Josef Strauss.

Strauss was too busy leading the post-INF sell-out crowd, propelled by the Liberal Establishment and the Bush crowd to make submission pilgrimages to Moscow. Strauss's sell-out is covered elsewhere in this publication (see Report from Bonn, page 49). For here, we ought to note the importance of the date that Moscow chose for him to arrive in Moscow: Dec. 27, the eighth anniversary of the Russian invasion.

# Colombian regime rolls over and plays dead for dope traffickers

by Javier Almario and Valerie Rush

On Dec. 30, one of the world's most wanted criminals, cocaine czar Jorge Luis Ochoa Vásquez, walked out of a maximum-security Colombian prison, arm-in-arm with the prison warden. Surrounded by lawyers and bodyguards, Ochoa stepped into a waiting Mercedes-Benz and disappeared into thin air. A new arrest warrant for him, and the rest of the "board of directors" of the so-called Medellín Cartel of cocaine traffickers, has since been issued.

Ochoa had been arrested for speeding by Colombian highway patrolmen on Nov. 21, 1987, and transferred first to a military prison, then to the top-security La Picota penitentiary in Bogota. Despite several months remaining on a pending jail sentence he faced for smuggling, and despite an extradition petition against him from the United States, which wants the mafioso on charges ranging from homicide and drug trafficking to racketeering, Ochoa's high-powered lawyers secured his release with a *bona fide* writ of Habeas Corpus for "arbitrary detention."

Ochoa's release poses the question of whether a nation—in this case, Colombia—possesses the moral fitness to survive, since even a cursory review of the events leading to his "legal" escape reveals a spreading stain of complicity which originates with President Virgilio Barco himself. It was no accident that the daily *El Espectador*, whose director Guillermo Cano was assassinated by the mafia in December 1986, greeted the news of Ochoa's release with the blaring headline, "For Shame, Mr. President!"

## The shame

When Ochoa was first brought to La Picota prison, the warden who opposed special treatment for the drug kingpin was quietly forced to resign by the director general of Colombia's prisons, Guillermo Ferro Torres. Ferro Torres was, and remains, a protégé of Justice Minister Enrique Low Murtra. The newly appointed warden of La Picota (since fired) provided Ochoa with a stereo, a color television, a video recorder and videotapes, a comfortable bed, even his own

private cook and imported foods. Ochoa indulged himself by giving a gala holiday banquet for the prison, complete with orchestra.

Ochoa's Bogota lawyers came and went as they pleased, and include at least one former Supreme Court magistrate, a former member of the Council of State (a presidential advisory body on constitutional law), and two former presidents of the National University of Bogota. One of those two former university presidents is Luis Carlos Pérez, the most notorious "fellow-traveler" of the Colombian Communist Party.

While those lawyers were out shopping for a judge who would sign Ochoa's release forms, a suspicious "escape attempt" at Bogota's other penitentiary, El Modelo, occurred, happily occupying the attention of prison authorities and permitting them to ignore the legal machinations around the Ochoa case until it was too late. Three judges refused to sign Ochoa's release order. The judge who ultimately signed the release, Andrés Montañez, was the same man who—reportedly under death threats from the mob—had absolved the entire leadership of Ochoa's Medellín Cartel from authorship of the Guillermo Cano assassination. He is currently "under investigation."

Two days after Ochoa's capture, Justice Minister Low Murtra issued an arrest order for the purpose of his extradition, premised on a petition submitted by the U.S. Department of Justice. On Dec. 17, the same minister revoked the arrest warrant, accepting the argument of Ochoa's lawyers that the drug-trafficking crimes for which Ochoa was wanted in the United States were "already being investigated by criminal judge #45 in Medellín," and international law prohibits the extradition of a national to face the same charges twice.

One day before Ochoa's release from jail, on Dec. 29, Ochoa's two brothers and colleague Pablo Escobar—all of them leaders of the Medellín Cartel—were visited by Judge María Cadavid Montoya of criminal court 45 in Medellín,

for the purpose of determining whether the basis existed for their and Jorge Luis Ochoa's indictments on drug-trafficking charges. The judge determined that "clear evidence of their participation in the events under investigation did not exist," and ordered conditional freedom for all four mafiosi. She, too, is now "under investigation."

With the Medellín charges against Ochoa abandoned and no outstanding arrest warrant against him, the way was cleared for his lawyers to secure his release under claim of "arbitrary" and "illegal" detention.

### Lawyering for the mob

The outcry both within and outside Colombia to Ochoa's scandalous escape forced Justice Minister Low Murtra to attempt an explanation to the population on national television and radio, the night of Jan. 4. In that address, he abandoned any pretense at representing the national interest, and appeared instead as the lawyer for Ochoa's lawyers. He not only presented their argument that Ochoa could not be extradited because of the pending national charges against him (dropped immediately afterward), but defended the prison warden's decision to free Ochoa by insisting that "neither jail officials nor any other public official can deny a release order issued by a judge of the republic." This, despite the fact that the minister also claimed in that same address that Judge Montañez had "lacked the competency" to issue the order in the first place.

Further, Low Murtra protested the "injustice of placing blame on the executive for a sequence of decisions made by officials, whose nominations and whose acts, by constitutional mandate, the government can neither intervene nor involve itself in. . . . It must be understood that the government and justice minister are incapable of preventing the actions of judges of the nation, given the autonomy the Constitution provides that branch."

The next day, *El Espectador* headlined its front page, "God Save the Nation . . . Justice Minister Recognizes Judicial Victory of the Drug Trade." The daily *El Siglo*'s title: "Low Murtra Justifies Release of Ochoa." Wrote *El Espectador*'s editors: "Minister Low Murtra clarified nothing. He told us what we already know. Further, he has handed us over—tied hand and foot—to the despotism of the mafia. . . . What currently prevails as government opinion is the absurd criterion that our state of law has been conceived to protect the criminals, and not society. It is, aside from a sign of weakness, a tacit confession of cowardice."

### Statecraft or franchise?

The question raised by those who know the extensive power of the drug mafia in Colombia, the violence, the degree of corruption, is, "Could the Barco government truly have done anything?" The issue of whether there is genuine statesmanship in Colombia, or whether President Barco merely holds the mob's franchise, was addressed in a Jan. 6 editorial

in *El Espectador*, which attacked the Barco government for "not having dared, for example, to present the [overturned] extradition treaty to the Congress for [re]consideration. It could have, also, advanced new talks with the U.S. government, to modify it along lines it believed opportune and appropriate. And then it could have gone to Congress, to comply with its constitutional mandate in approving it. It did not do so during the ordinary sessions just concluded. It can still do so now, convoking extraordinary sessions [of Congress], exclusively for this purpose.

"It is said that [the government] fears that Congress would not approve the initiative, and . . . that some congressmen seriously compromised with the business of the drug trade and its owners, would block approval of the treaty. Were that so, *the duty of the national government is to cause a rupture, and denounce the anti-social conspiracy of the Congress before the nation.*"

The U.S.-Colombia extradition treaty was one of the single most important weapons in the battle against the drug trade. As the assassinated Justice Minister of Colombia Rodrigo Lara Bonilla repeatedly stated, "While the Colombian judges fear the drug traffickers, the latter only fear the U.S. judges."

However, even while it was in force, the Barco government never used that weapon. On Dec. 13, 1986, the Colombian Supreme Court—which had lost half of its magistrates in the narco-terrorist siege of the Justice Palace—declared the U.S.-Colombia extradition treaty unconstitutional, on the basis of a technicality. The only extradition that took place under the Barco government was that of Carlos Lehder Rivas, an extradition which had been authorized by the previous government.

According to journalist Fabio Castillo, in his just-released book *The Cocaine Horsemen*, the first justice minister under Barco, Eduardo Suescún Monroy, revealed in a private meeting that he would accept the ministry only under the condition that he would not have to deal with the extradition issue, to which President Barco reportedly agreed.

Barco's second justice minister, Edmundo López Gómez, used his earlier position as communications minister to legalize the radio station of drug trafficker Gilberto Rodríguez Orejuela. Later, as justice minister, he denied the extradition of Rodríguez Orejuela and his partner José Santacruz Londoño. The Colombian Supreme Court had actually approved Santacruz's extradition to the United States, but Minister López had insisted, "We can judge better than the Court."

Barco's third justice minister, José Manuel Arias Carrizosa, who was forced to resign that post for having helped a drug trafficker to import a Rolls Royce from Miami, had earlier announced that the government had no intention of presenting Congress with a new extradition treaty, as "that would have been a waste." Besides, he said, it would not have been approved since "they [the drug traffickers] have infiltrated the Congress." Arias Carrizosa ordered the release

from jail of a group of drug mafiosi, who had been awaiting extradition to the United States.

## Strong U.S. criticism

The Reagan administration responded to the Ochoa release with scarcely veiled accusations of cowardice against the Barco government, and with a series of retaliatory measures ranging from humiliating body searches of all Colombians entering the United States, to excruciatingly slow and detailed inspections of all Colombian goods coming into U.S. ports, especially such perishables as seafood and cut flowers.

The U.S. State Department, for all its own criminal failings in the war on drugs, declared correctly that the recapture of Ochoa and his partners was critical “for the well-being of Colombian democracy.”

The criticism and the sanctions had their effect, with the justice ministry using state-of-siege provisions to issue new arrest warrants against Ochoa and the four other Medellín Cartel leaders. At the same time, a U.S. federal court added additional charges to the 39 already pending against Ochoa, which presumably paves the way for reconsidering his extradition to the United States. At least one cynical columnist in Colombia wondered how the Barco government could now justify issuing an arrest warrant for extradition purposes, when it could not do so one month earlier. “Is history repeating itself?” asked the journalist.

On Dec. 19, the Barco government was forced to deny widespread rumors that it had authorized debt-for-amnesty negotiations with the Medellín Cartel. Cartel members have repeatedly offered to pay Colombia’s foreign debt in return for amnesty. According to the rumor, presidential adviser Gustavo Vasco Muñoz—considered the *eminence grise* of the Barco government—was in charge of the contact. Vasco, formerly a Communist activist who had once run for the presidency of the Colombian Communist Party, later rose to the top of the business world, becoming a member of the Santodomingo business group run by a cousin of the pro-drug former President of Colombia, Alfonso López Michelsen. Vasco ran Barco’s presidential campaign, through control of a masonic conspiracy known as the Sanedrin, to which nearly half the current cabinet belongs, along with the President himself.

The financial lure of the drug trade is, of course, a key factor in the government’s “narco-tolerance.” Colombia’s comptroller general recognized that the growth of the real estate sector of the economy in 1987 was abnormally large, due to mob money “repatriated” under Barco’s tax amnesty. Thanks to this money, Finance Minister Ricardo Alarcón Mantilla has bragged that Colombia can punctually pay its debts and continue to receive foreign credits. Banker Fernando Londoño Hoyos recognized that the large loan Colombia is currently seeking is an “unprecedented case of an international banking deal which presupposes the well-being of the mafia for its compliance.”

# Terror wave engulfs

by Susan Maitra

With the Indian Peace-Keeping Force (IPKF) still locked in battle with Tamil terrorists of the LTTE in Sri Lanka’s northern province, political consolidation of the peace plan drawn up between India and Sri Lanka has been held in abeyance. Now new and powerful threats have emerged to dim the fragile hope of reconciliation further.

On Dec. 23, the Sinhala radical terrorist organization, the JVP, gunned down the chairman of the ruling United National Party (UNP), Harsha Abbeywardene, in broad daylight in the capital city of Colombo. The gunman escaped, leaving behind 28 empty shells fired from a Chinese-made T-56 automatic rifle. The 37-year-old Abbeywardene was President Jayewardene’s most trusted confidant.

On the same day, in the southern district of Galle, the UNP activist who had organized President Jayewardene’s Dec. 21 public meeting in Galle was stabbed to death.

The murders were the high point of a month-long campaign by the JVP, with its base in the south, against the Indo-Sri Lankan accord. The campaign has taken the lives of some 250 people since August, when the accord was signed, including at least 60 assassinations specifically targeted to crack the morale of the ruling party and terrorize anyone who dared support the accord. It was the same JVP that nearly wiped out the entire government with its bomb attack on the parliament several months ago.

According to reports from Sekhar Gupta of *India Today*, it is commonplace in the southern rural areas to see placards in front of the homes of UNP functionaries announcing their “severance” of relations with the party. Hundreds of grassroots workers have deserted, and UNP leaders in Colombo admit that it is becoming more difficult to convince partymen in outlying districts to hang on to the party and the accord.

The JVP, which stands for Janatha Vimukhti Peramuna, is not a newcomer to the Sri Lankan political arena, but its influence has exploded into a formidable threat in recent months. The organization was banned in 1983 when its pivotal role in the anti-Tamil riots that ignited the now four-year-old ethnic war in Sri Lanka was found out.

## What is the JVP?

The JVP is led by Rohana Wijeweera, the son of an old communist activist, who spent three years at Patrice Lumumba University in Moscow and returned to form an ultra-revolutionary group. The group launched an uprising in 1971



# Sri Lanka accord

with simultaneous armed attacks on 43 police stations and Colombo city. By the time the "revolution" was over, 20,000 had been killed. Wijeweera was tried and jailed for life.

In 1977, the new Jayewardene government lifted the ban on the JVP and released Wijeweera, who took up electoral politics, outpolling the traditional left parties by 2 to 1. But it was only a prelude to the 1983 terror campaign. After the JVP was banned again—and the government's attention fixated on fighting the Tamil separatists in the north and east—Wijeweera quietly went underground in the south and began assembling his cadres, collecting weapons, and restyling JVP ideology from ultra-left to ultra-right.

By 1986, the JVP had emerged as the most rabid exponent of Sinhala Buddhist fundamentalist sentiment, against any concession to the Tamil minority.

Unconfirmed reports put current membership of the JVP at 10,000, with 2,000 full-time workers—compared to a total of 1,000 members in 1975. In Colombo, membership is said to have jumped by 60% since August 1987, capitalizing on the fact that opposition to the presence of the Indian troops and the accord itself is widespread, cutting across party lines. Its campaign against India and the accord is publicly backed by a strong faction of the opposition Sri Lankan Freedom Party (SLFP), and privately by many members of the ruling party.

Meanwhile, the logic of extremism has made strange bedfellows: The JVP is not only allied with the SLFP, which as the ruling party in 1971 violently crushed its uprising and jailed Wijeweera himself. Intelligence officials say the JVP has made a link between the extreme Sinhala chauvinists and the Tamil separatists.

Jayewardene has vowed to liquidate the JVP terrorists, whom he calls "southern separatists." But it is a measure of the panic and disintegration of the Sri Lankan political process that many insist the only way to deal with the JVP is to lift the ban and bring the terror cult "into the political mainstream."

While it may pose the most difficult problem, the JVP is not the only obstacle to resolving the Sri Lankan crisis. The bills amending the constitution to provide for a referendum on the merger of the northern and eastern provinces and setting up a new provincial council to govern it—the political element of the accord—have been passed by the Sri Lankan parliament. But the IPKF has by no means succeeded in

neutralizing the Tamil Tigers militarily—the backbone of the accord, and the precondition for its full implementation. And the LTTE Tamil guerrilla group has meanwhile refused to accept the terms of a proposed interim council, stipulated in the accord.

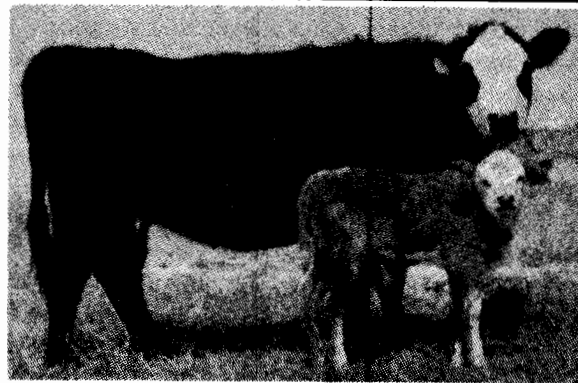
## Hope dashed

The hope expressed in official circles in Sri Lanka that elections to the new council could be held shortly, in spite of the continued low-level hostilities between the IPKF and LTTE, was definitively blown up on Dec. 30 when open warfare broke out between Tamil militants and Muslims in the eastern province near Batticaloa. The Muslim population is a significant minority in the eastern province. They feel squeezed in the power play between Sinhalas and Tamils, and resent the idea of a Tamil-dominated northeast council.

The conflict broke into the open when a member of the Muslim fundamentalist El Jihad shot dead a Muslim member of the LTTE. In retaliation, the LTTE kidnaped two El Jihad members during the night; in the early morning the Muslim group hit back, killing at least four Tamil civilians who happened to be in the predominantly Muslim village.

The vengeance has continued, with the LTTE claiming to have killed at least 30 members of El Jihad, in addition to looting and burning Muslim shops and businesses.

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# U.S.-Israel ties undergoing shift?

by Joseph Brewda

The U.S. vote to rebuke Israel at the U.N. Security Council meeting for its illegal expulsion of Palestinians from Israeli-occupied territories, on Jan. 5, is just one leading signal of a potentially promising shift under way in U.S.-Israeli relations. The U.S. vote against Israel, its first ever, follows by one week a highly unusual abstention from a similar resolution. At stake is whether the Israeli elites will finally rid their nation of such bankrupt political personalities as Prime Minister Yitzhak Shamir, Foreign Minister Shimon Peres, and Defense Minister Yitzhak Rabin, and put together new political combinations to rule the nation based on an orientation toward economic development of the entire region, and peace.

Israel's bloody efforts to crush Palestinian riots in the Israeli-occupied Gaza and West Bank since they began last month, have revealed not only the barbarism, but the stupidity of the current Israeli political leadership. So far, the majority of Israel's leadership and factions has grouped around a savage policy of shooting into crowds, and mass expulsion of Palestinian teen-agers, as their only response to disturbances triggered by two decades of impoverishment and suppression.

Moreover, the unprecedented protest strike by Israel's 650,000 Arab citizens, which brought business to a halt in many regions of the country, exposes a growing polarization in Israel which could only lead to shattering of the Israeli state, despite the fond self-delusion of many Israeli strategic planners. The degree to which these Israeli planners are capable of combining short-term cleverness with strategic insanity is seen by the increasingly obvious disaster resulting from Israel's support of Ruhollah Khomeini and Shi'ite fundamentalism.

Since the beginning of the disturbances in December, Israeli police and military have killed an estimated 25 Palestinian youths and wounded several hundred more by firing live ammunition into crowds. Over 2,000 Palestinians have been arrested, most of them under 17 years old. First-offender rock-throwers are routinely being sentenced to eight months, and those arrested for the second time are being sentenced to as long as 12 years. Palestinian adolescents are being deported after mass, "quickie" trials, without defense

lawyers. Meanwhile, Israeli security patrols have used captured Palestinian youths, bound to their vehicles, as "human shields"—in glaring imitation of Nazi Germany's occupation methods.

In response to criticism, Defense Minister Yitzhak Rabin has cynically justified Israeli brutality as "in accordance with our laws," a view publicly expressed by most of Israel's present leaders.

Such flouting of civilized world opinion has even led to growing outrage in the normally docile American Jewish community. Typifying the ongoing break with the notion of "Israel right or wrong," one Zionist leader recently expressed it, "What good is this policy if in the process, Israel loses its soul?"

In Israel itself, the break with recent policies is being signaled in a variety of ways, largely low-key, including the abrupt resurrection of Israel's "Peace Now" movement, and the beginning of active-duty military officers' protests against Israeli occupation policy. These are the first such demonstrations to take place since former Defense Minister Ariel Sharon ordered the bloody and pointless invasion of Lebanon in 1982.

## Pollard time-bomb

Meanwhile, Israeli and U.S. Zionist leaders have not lost sight of the warning on the state of U.S.-Israeli relations contained in a two-part UPI wire story in December, dealing with the real background to the Jonathan Jay Pollard espionage affair. The stories, written by Richard Sale, corroborate the analysis first published in *EIR* that while Pollard was employed by the Israeli secret services, the ultimate beneficiary of the information he stole was Moscow. The KGB has penetrated Ariel Sharon's Likud circles, the UPI wire states, and has gained access to the high command through negotiations with Israel over Soviet Jewish emigration.

The recent quiet ceremony by senior Israeli "old boys" commemorating deceased former CIA counterintelligence chief James J. Angleton, is viewed in some quarters as a signal that some members of the Israeli intelligence community would like to see Israel refrain from inflaming the region, and recognize that this policy has benefited only Moscow.

Regional observers also note the potential significance of Egyptian President Hosni Mubarak's upcoming trip to the Persian Gulf, Western Europe, and the United States (see page 50). Egypt is expected to play an increasing role in the region, as a result of last fall's Arab Summit, and U.S. negotiations with Persian Gulf states on their security needs. It is expected that the Palestine Liberation Organization's recently announced intention to create a government-in-exile, will lead to the formation of such an entity, based in Cairo. Whether a new regional combination for peace will come into being, first requiring a post-riot reorganization of Israel, remains to be seen.

### Bush league pushes Germans east

*Facing cuts in U.S. troop levels in the post-INF period, politicians here have quickly lost their nerve.*

The political outcome of the trip by Christian Social Union leader Franz Josef Strauss to Moscow Dec. 28-30 is a momentary demoralization among German conservatives, and a panicked trend toward "political arrangements" with the Soviets. Strauss, the longtime "Mr. America" and key defense lobbyist in postwar West German politics, has joined the appeasers; his positive report on Mikhail Gorbachov earned him applause from even the left-wing Social Democrats, whose chairman, Hans-Jochen Vogel, hailed the event: "The Moscow trip of Strauss was the long-overdue capitulation of a former cold warrior."

The idea for the Moscow visit did not exclusively originate in Germany, nor in Strauss's mind. There is ample evidence that friends in the U.S. Eastern Establishment encouraged Strauss to go to Gorbachov.

There are telling hints that Henry Kissinger and other ranking figures of the "Bush league," out of concern that continued resistance against the INF agreement in Germany might ruin George Bush's plan for early INF ratification and, thus, also his presidential bid, told Strauss to support the vice president of the United States.

The token offered to Strauss was an arrangement to have him meet with Gorbachov personally, while his old rival in Bonn, Chancellor Helmut Kohl, is still waiting for his own chance to meet the Soviet leader. The other token, it is said, was the promise by Bush that in case of a U.S. troop pull-out from Germany, Strauss, "as an old friend of the Americans," would be consulted.

It seems that the chief arbiter between Bush and Strauss is Kissinger, who was already doing this kind of thing back in 1969, at the time of the first round of "détente." Then the newly appointed National Security Adviser to the President, Kissinger met Strauss in Munich, to seek his approval for a five-year plan for U.S. troop withdrawal from Germany after a strategic agreement with the Soviets on arms control in Europe.

As a former defense minister in Bonn (1956-62) and longtime leading representative of Germany's "military-industrial complex," Strauss was important for the U.S. Establishment. It is said that, even back then, Strauss did not give a clear "no" to Kissinger's offers.

Concerned circles around the U.S. publication *Strategic Review* found out about this 1969 affair and intended to publicize it. It was considered sensitive enough to have the NSC (Kissinger and Helmut Sonnenfeldt) and the State Department declare the matter "classified," banning its publication.

Kissinger went to Munich to see Strauss on Jan. 7. As in 1969, publicity on this encounter has been avoided. Collaborators of Strauss's in the German military have reported, however, that privately, he has been talking about the "coming withdrawal of U.S. troops," about "the unreliability of the Americans." He is also said to have criticized the United States for "not being born to a world leadership role," for having "missed their historic chance," and the like.

These statements put Strauss in the camp of German conservatives who

have been on the side of the Eastern Establishment as long as it appeared strong. Now that the Western giant is beginning to crumble under the progressive decadence of that Eastern Establishment, German conservatives are looking eastward, to options of accommodation with Moscow.

There are many longtime Strauss supporters among the German right-wing, who believe that "time is running out for deals with Moscow, and we should use our chance as long as the U.S. troops are still here." As a matter of fact, U.S. diplomats like Ambassador Richard Burt have encouraged German conservatives to "see opportunity in the disengagement of the Americans." The seeming opportunity, Germans are told, is that Germany could "rise from the longtime status of a client to one of a partner now."

Moscow is putting the same kind of propaganda into the ears of German conservatives. "For a long time, you in Bonn have been under the rule of the Americans and could not speak freely," the Kremlin keeps telling the conservatives, "but the INF Treaty offers chances for a new partnership between Germans and Soviets." This is what Gorbachov told Strauss in Moscow in their 160-minute meeting Dec. 29. Strauss, as he reported later, found Gorbachov "very convincing."

Well, Strauss has always had one weakness, namely, deep-rooted political pragmatism. He always checks which way the wind is blowing. With George Bush hinting at U.S. troop withdrawal, and Mikhail Gorbachov having the Red Army fully available, it does not take much to "convince" a staunch pragmatist like Strauss.

It may also work the other way around, of course: At the moment that the U.S. Senate were to reject the INF agreement, Strauss would be right back on the side of the rejectionists.

## Egypt: a regional superpower again

*The Gulf countries need to find new military defense options, in the face of Washington's appeasement-motivated "low profile."*

**T**he visit of Egyptian President Hosni Mubarak to the countries of the Gulf Cooperation Council, beginning Jan. 9, opens a new chapter for the whole region. The tour was in the making since the decision at the last Arab Summit in Amman on Nov. 15, that individual Arab League members could restore diplomatic ties with Cairo, severed since 1979. Except for Libya, Syria, and a few other countries, including Tunisia, most members have sent their ambassadors back to the Egyptian capital. But it was only at the end of the Gulf Cooperation Council meeting in Riyadh, on Dec. 30, that an official invitation was given to Mubarak.

This GCC step is in sharp contrast to the other resolutions, which have been characterized as either "too mild" or frustrating, when it came to defining Iran's role in the Gulf war. Officially, this was blamed on Oman and the United Arab Emirates, alleged to have pushed a softer approach toward Iran, because of trade links. Actually, local observers reported that the olive branch to Iran was pushed by Syria's Hafez al Assad, represented at the summit by his foreign minister, Farouk al Sharah, and by Saudi Crown Prince Abdullah. Iran's ally, Syria, was appointed as a mediator.

The GCC countries know that only Egypt could be in a position to defend them in case of war with Iran, as Pakistani troops are being withdrawn from Saudi Arabia, and other parts of the region, at the end of their contract. Reportedly, some 10,000 Egyptian troops are already stationed in Saudi Arabia and in Kuwait.

Mubarak's visit will follow by only a few days the visit of U.S. Defense Secretary Frank Carlucci, who will outline Washington's policy of displaying a "lower profile," a codeword for a smooth withdrawal from the region. The first step came on Dec. 29, when the State Department announced it was seriously pondering Moscow's proposal for an international peacekeeping naval task force, stating that it would be in addition to the U.S. presence. A second step would be for such a task force to be sent in, and the U.S. force withdrawn. With bargaining with Moscow under way, the United States is not expected to intervene to defend the Gulf countries or their shipping.

Hence, GCC countries are betting on Egypt to play a much wider role. A crucial project discussed during the visit of the Egyptian defense minister, Marshal Abu Ghazala, to Kuwait in mid-December, is reactivating the Organization of Arab Industries (OAI), created in Cairo before Camp David. Originally set up between Egypt and other members of the Arab League, with primary funding from the Gulf, the OAI was to become a major regional arms production center. After Camp David, Arab financing stopped, and the OAI was dropped for some time, then reactivated as purely Egyptian. It has since led Egypt into several military ventures, notably with Argentina, for the production of a battlefield missile, the Condor II, an updated version of the Soviet-made Scud-B medium-range missile, with North Korea, and several ventures with Turkey's military industries.

A several-year plan for investing up to \$20 billion is being discussed to reactivate the OAI in its original purpose. Already on the table would be credits amounting to \$4.5 billion, to help Egypt repay its military debt to the United States, in exchange for a broader military presence and technical assistance in the Gulf.

Coherent with Washington's desire to disengage from the Gulf, U.S. administration officials have indicated that they might be ready to supply part of the military technology, if Riyadh will finance the deal. From the cynical election-year standpoint, that U.S. public opinion will be less affected if Egyptians die instead of Marines, they are also encouraging Egypt to get more involved in the region generally.

Such promises are not easily believed. The delivery of Stinger missiles to Bahrain was approved by the Senate, after harsh conditions were imposed and the administration committed itself not to propose any more Stinger sales in the region. In late November, Richard Armitage promised that there would be no more military sales to Jordan. In December, the Saudis were told that their offer to buy F-15 advanced jetfighters was rejected and that they had to accept 60 of the old F-15 version.

Large Gulf investments are being channeled into French military industry for the production of a French version of the Stinger, the ground-to-air Mistral missile. These investments are part of a package which includes closer bilateral military cooperation between France and Egypt. Egypt plays a significant role in supporting Chad's government against Libya. Because of the close relations recently developed between their two armies, Turkey is also expected to play an important role in the framework of Egypt's cooperation with France in the Gulf.

## Church rejects Mexico suicide pact

*The Catholic hierarchy in Mexico is demanding a role in addressing the country's economic and social problems.*

**T**he hierarchy of the Mexican Catholic Church is refusing to back the Economic Solidarity Pact, announced to the public by President Miguel de la Madrid last Dec. 15. That pact—affecting workers, businessmen, and agricultural workers and producers—was the government's response to the 10 million-member Labor Congress' demand for a 46% wage hike, to counter the maxi-devaluation of the Mexican peso by a like amount.

The pact—which has only satisfied the former bankers, led by Agustín Legorreta—establishes a 15% general wage increase, plus another 20% hike in the minimum wage, as of January. At the same time, the pact imposes increases of nearly 85% in the cost of goods and services provided by the state, ranging from gasoline and electricity to fertilizers and telephones.

On Dec. 23, Mexican Cardinal Ernesto Corripio issued a careful criticism of the pact, stating, "The reality of all these pacts is that it is precisely those who appear at first sight to be making the sacrifice, who are the most needy . . . and anyone can see this." On Dec. 24, a document was released over the signature of Sergio Obeso, the archbishop of Jalapa and president of the Mexican Bishops Council, which fiercely attacks the government as responsible for the economic crisis ravaging the nation.

Archbishop Obeso is known for his sometimes radical positions on national matters, a radicalism that has on occasion created problems for the Mexican episcopate. However, the

criticisms in the Obeso document must be taken into account, as they are a reflection of the radicalization which can take hold of a nation in response to suicidal economic policies by the government.

A few days later, on Dec. 27, the president of the Episcopate's Commission on Social Communication, Monsignor Alamilla, was the most categorical in asserting that, if in five years of government "the economic situation of Mexico has not been corrected, one cannot expect it to happen in 60 days."

At the same time, the Church hierarchy has escalated its demands that the government legally recognize its existence, and establish a de facto relationship with it. The Church's aspirations were expressed by the Papal Nuncio to Mexico, Msgr. Girolamo Prigrione, who in a Dec. 19 interview with the daily *La Jornada*, said that it is necessary to change Mexico's laws, since the Church in Mexico "is a reality. Even the blind can see it, and one can't ignore reality."

Monsignor Prigrione added that the relation between the Church and state is "a de facto relationship. Open, respectful, cordial, but *de facto*, not *de jure*." Therefore, he argued, the law needed to be adjusted to reality, because otherwise "a deformation of the national conscience is created: the people become accustomed to trampling on the law." He added, pointedly, that for now, "we are doing okay, because the law is not applied, but over the long term, is it good or bad?"

Also on Dec. 27, Monsignor

Alamilla had said that the Church's intention in seeking to change the Constitution of the republic, is to try to prevent Mexico from sinking into social chaos as a product of the current economic crisis. In his statement, Monsignor Alamilla said, "The Church must say what it feels about the situation prevailing in the country, especially in these days of crisis and of the Pact of Economic Solidarity."

The Church, Alamilla explained, "which is the majority of the country, demands participation in the future of Mexico, since there is no reason for it to continue manacled, cornered, or ashamed." He added ironically that "the Jacobin, Marxist, and Masonic brothers" should not fear that the Church is seeking to change the law to be able to "kick out Miguel de la Madrid or Agustín Legorreta, nor to install a dictatorship."

The statements of the Church about the economic situation in the country are not coincidental, since the problem of the foreign debt is well known, and the relationship between morality and economics is a question that has deeply concerned Pope John Paul II and the majority of Ibero-America's bishops. One sign of this is the visit to Mexico of Colombian Cardinal Alfonso López Trujillo, the first week of December. During his visit, Cardinal López Trujillo—former president of the Ibero-American Episcopal Commission—spoke on the current situation in Ibero-America, and on the role of the Church at this juncture. In his address, given in Guadalajara before 100 important local businessmen, the Colombian cardinal referred to the problem of the region's foreign debt burden, and urged that "our countries pay, but without the huge explosions and social costs that all this conveys, and pay, but under truly rational circumstances and terms."

## Moscow escalates takeover bid

*Colombia's Communists are running circles around the Barco government, in their drive for power.*

**I**n the week before and after the New Year, Colombian authorities registered more than a dozen terrorist incidents—ranging from ambushes of military convoys to guerrilla occupations of entire towns. Most of the incidents were carried out by the Colombian Revolutionary Armed Forces (FARC), the largely rural guerrilla army linked to the Moscow-run Colombian Communist Party. During those incidents, at least 11 people—half of them soldiers and police officers—were killed, and another dozen wounded.

At the same time, the FARC issued a call—through one of its chiefs, Jacobo Arenas—for a new truce with the Virgilio Barco government, allegedly to guarantee that first-ever mayoral elections scheduled for March would be “held in peace.” Those elections are expected to give big portions of national territory over to the FARC, or to drug traffickers, or both.

Mayoral posts have traditionally been appointed in Colombia; by throwing these positions open to the “popular vote” in more than 1,000 municipalities, the Barco administration will submit the nation’s electoral process to the financial and armed muscle of Colombia’s criminal class. In essence, narco-terrorism is being offered a free ticket to Colombia’s political trough.

The Barco government’s pretext for playing footsie with the Communists apparently has something to do with the words “dialogue” and “peace,” so much in vogue these days. A tenuous truce signed with the FARC back in 1985 has more holes in it than

Swiss cheese, and yet, President Barco continues to pretend that some “dialogue” exists with the terrorists. Even several bloody FARC ambushes of military convoys in the summer of 1987, claiming the lives of scores of soldiers, only prompted official threats to tear up the truce. Those threats were never concretized.

The FARC’s sponsorship last year of a new, expanded army, calling itself the “Simón Bolívar Guerrilla Coordinating Group,” was touted by the Colombian Communist Party as 1987’s single most important advance in the “people’s struggle.” And yet, President Barco’s newly appointed “peace adviser,” Rafael Pardo Rueda, told the press Jan. 5, “The Coordinating Group is a political agreement. Terrorist actions continue to be carried out by each one of the [member] groups. It is true that some have been claimed by the Coordinating Group. But I believe that it is still a political agreement and not an agreement for military action.” He insisted that the truce signed with the FARC under the previous administration remains in force.

The price Colombia is paying for such empty trappings of democracy is staggering. During 1987, there were 2,300 violent deaths, including members of the armed forces, political leaders, and guerrillas. The FARC’s proposed truce for 1988 would be a temporary one, according to Jacobo Arenas, to last only through the March elections. Once in control of a score—or scores—of municipalities across the country, the FARC can launch civil war in earnest, turning the country into

another El Salvador. And the Barco government’s one-sided truce will avail it nothing then.

The height of narco-terrorist arrogance was expressed when a FARC regional commander, Raul Reyes, was quoted on a 7 p.m. nationwide news broadcast admitting that one of his guerrilla fronts had murdered the highly popular anti-Communist senator from Magdalena, Pablo Emilio Guarín. The guerrilla leader made his startling admission before the press, during a Dec. 9, 1987 meeting with President Barco’s personal representative, a meeting at which the FARC was “generously” handing over three public officials it had earlier kidnaped.

Guarín’s successor in the Senate, Luis Alberto Rubio Rojas, issued a furious public letter to the attorney general of Colombia, in which he denounced the fact that the crime of murder had been confessed to a government representative by admitted kidnapers, and yet nothing was done. He lamented that political expediency had turned the assassination of a senator into what he termed “a second-rate death.”

To make matters worse, peace adviser Pardo Rueda told the media, when asked about Comandante Reyes’s confession, that it was not a confession by the FARC, but by an individual member. Besides, he added, the government “could not draw a political conclusion” from the confession, since “the conclusion must be drawn by the justice system.” Pardo Rueda’s argument was in essence no different from that offered by Justice Minister Low Murtra regarding the scandalous release from jail of top narco Jorge Luis Ochoa; namely, that the executive could bear no responsibility for the decisions of the judiciary in such matters.

## 'Memory' of imperial past revived

*A 19th-century Russian version of Khomeini is being spruced up for the millennium: N.M. Karamzin.*

**B**oth the Russian state and the Russian Orthodox Church (ROC) wasted no time in proclaiming 1988 the year of reviving Great Russian traditions. Patriarch Pimen, the head of the ROC, delivered a New Year's message at Moscow's Epiphany Cathedral—broadcast on Soviet radio and TV—noting that “we have entered 1988, the 1,000th anniversary of the Christianization of Russia.” He forgot to mention that in 988, neither Russia nor Moscow existed. Moscow first appeared as a village in 1147.

Also on Jan. 1, the Soviet government announced that the renovation of Moscow's Andronika Monastery had been completed in time for the 1988 celebrations. On the monastery's premises, the world's largest icon museum was opened—the Central Museum for Ancient Russian Culture and History, housing over 5,000 ancient icons.

Befitting the opening of the post-INF Treaty era, in which Moscow anticipates an early domination over Europe, the 1988 millennium coincides with a revival of Russia's role in the 1815 Treaty of Vienna and the Holy Alliance—the 1815-48 period when Europe was run in an arrangement between Western oligarchs and Russia, and Orthodox Russia played the policeman for the New Order.

The Soviets have decided to dust off imperial historians S. Solovyov (father of the late 19th century gnostic and “prophet of the Bolshevik Revolution”), V. Klyuchevsky, and N.M. Karamzin, the Holy Alliance supporter and one of the chief architects of the Freemasonic-Slavophile movement.

The Soviet authorities will reprint, for the first time in the Soviet Union, Karamzin's 12-volume work *The History of the Russian State (1816-24)*.

Nikolai M. Karamzin (1766-1826), adviser and court historian to “Holy Alliance” Tsar Alexander I, strongly defended autocracy, serfdom, and the old Muscovite belief that Providence was on Russia's side if it remained true to the “Third Rome” tradition. His writings epitomized the Muscovite hatred for things Western.

Denouncing the “corruption” of autocratic Russia by Western influences, Karamzin wrote in 1812: “Has the name Russia still the inscrutable force for us which it formerly had? Our ancestors, even if they enjoyed many advantages of Western customs, remained always of the opinion that the Orthodox Russian is the most perfect citizen on earth and Holy Russia the first state. . . . One may call that an error, yet how it promoted the love of the fatherland and its moral strength. Now, however, after more than a century of foreign education, we call all the Europeans, whom we formerly called infidels, our brothers. I ask, for whom will it be easier to subdue Russia, for infidels or brothers? Peter [the Great] is responsible.”

The traditional Soviet approach to Karamzin was summarized by historian I. Kudryavtsev in the 1965 volume of the *Soviet Historical Encyclopaedia*, where Karamzin's historical and political views were called “reactionary” and “monarchist.” Now, with the “newspeak” that accompanies glasnost, Soviet philologists are being called on to “re-evaluate” Karamzin

as a “liberal person” and an “unbiased cosmopolitan” of the Holy Alliance.

As early as 1980, Valentin Rasputin, a leading member of the Russian arch-chauvinist Pamyat Society, and today on the board of Raisa Gorbachova's Soviet Culture Fund, declared Nikolai Karamzin one of his favorite historians. He called it a “scandal” that “we can buy the history of Guinea or Ancient Rome, but we are deprived of the possibility of acquainting ourselves with the recognized and best examples of our native historiography.”

Shortly before the August 1986 founding of the Culture Fund, a big push to resurrect Karamzin was given by the Soviet Culture Fund's founding member and chairman, Dmitri Likhachov, a descendent of an old Russian aristocratic family. Speaking before the June 1986 U.S.S.R. Writers' Congress, Likhachov called Karamzin's history “a magnificent and enormous literary work.”

The East Germans and the Czechs began publishing Karamzin's works during 1987. Their example was not followed by Poland, to which Karamzin is anathema. Karamzin despised Poland and for that matter, the Ukraine, as embodiments of hated Western culture and Catholicism.

In his New Year's Message in *Literaturnaya Gazeta* Jan. 1, Rasputin demanded that the authorities do everything to restore the “memory” (*pamyat*) of the Great Russian past by reviving the historiography of Solovyov, Karamzin, and Klyuchevsky, along with Fyodor Dostoevsky and Leo Tolstoy. Echoing Karamzin, Rasputin stressed the dangers of foreign ideas penetrating a “memory-less” people: “If the hearts [of the Russian people] are not occupied by us—then without delay, they will be occupied by the enemy.”

# International Intelligence

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## **Filipinos, Koreans to train Mexican insurgents**

Raul Monter, the Monterrey leader of Mexico's neo-fascist National Action Party, PAN, has announced that his party will begin the creation of "insurgent camps" in the city to train youth to be leaders of civil resistance actions modeled on the Filipino and Korean destabilizations. The training will be undertaken by Philippine and Korean experts, with an eye to the upcoming presidential elections in Mexico.

Monter said that a campaign to discredit the Mexican political system will be conducted, starting immediately, through distribution of leaflets and pamphlets across the country urging non-violent actions to expose "fraudulent electoral practices" of the government before they take place.

In the past, the PAN has been responsible for far-from-nonviolent rioting during and after elections, especially in Mexico's northern border states, the organization's drug-infested stronghold.

Monter said that 50 members of the PAN, from 17-25 years old, will be trained to carry out "peaceful revolution." He declined to describe training sites, but said that the trainers of the youth would be "those who helped bring down Ferdinand Marcos in the Philippines."

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## **Moscow promises Kohl a meeting again**

The Chancellor of West Germany has yet to meet with Mikhail Gorbachov, even though many of his political rivals in Bonn—most recently, Christian Social Union chief Franz Josef Strauss—have been granted such invitations to Moscow. The Soviets have merely dangled that particular carrot before the German leader's eyes, and they did it again on Dec. 21.

In favorably covering Chancellor Helmut Kohl's interview in the Dec. 21 *Die Welt*, Radio Moscow confirmed Kohl's as-

sertion that the latest letter sent to him by Gorbachov promised a meeting during 1988, with the location unspecified. The Soviet radio declared: "Gorbachov hopes his coming meeting with the Chancellor of West Germany will open a new chapter in relations between the two countries."

Kohl, in his interview, had used a nearly identical formulation, "to open a new page in the history of meetings between our two peoples."

Kohl was also warmly praised by Moscow for having told Europeans in the interview that there is "no reason whatsoever" to worry about the Intermediate Nuclear Force Treaty signed by Ronald Reagan and Gorbachov in December. The INF Treaty denuclearizes the U.S. defense commitment to Europe, and portends near-term conventional troop withdrawals, thus promising the Soviet Union hegemony over the continent.

The West German Foreign Ministry has announced that Soviet Foreign Minister Eduard Shevardnadze will visit Bonn in January. There is as yet no Soviet confirmation.

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## **Pugwash to stage conference in Russia**

"A Farewell to Arms," is the central theme of the Pugwash Conference's main event for 1988, a conference due to take place in Sochi, U.S.S.R., in the Crimea, during the late August/early September period, a Pugwash source reports.

Pugwash is an East-West conference which has regularly brought U.S. and Soviet representatives (and others) together to discuss strategic issues since the 1950s. It has constituted one of the most significant "backchannels" for negotiations between the oligarchies of East and West.

Prior to the Sochi conference, Pugwash will stage various seminars, including one on chemical weapons in Geneva toward the end of January. It will hold two meetings on "alternative defense" issues in April, one in Prague and the other in the West German town of Bochum.

The Prague meeting is expected to deal with the issue of "removing the enemy image" of the Soviet Union from Western conceptions.

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## **Cut U.S. defense spending in Britain**

The United States government officially announced on Jan. 6 that it is cancelling millions of dollars worth of budgeted defense expenditures in Britain for 1988. The move will mean significant job losses in Britain, the *Sunday Express* of London reported on its front page Jan. 3.

Reportedly, these cuts are to be "merely the tip of the iceberg," says the paper, adding that "major withdrawals of U.S. forces in Britain and Europe are bound to follow."

Among the key cuts will be \$130 million from the joint Anglo-American project to build a new version of the Harrier jump-jet, and cancellation of new projects at several bases in East Anglia.

An American general is quoted by the *Telegraph*, calling the cuts "a disaster." But a member of the White House economic advisory team is also quoted: "It serves the British right, and now maybe Mrs. Thatcher will stop being so damned critical of our economic policies."

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## **German riots leave many injured**

Violent street riots in several West German cities have left many citizens and police injured.

In the notorious Kreuzberg district of Berlin, a mob of approximately 300 "punks" or *chaoten*, as they are called, set fire to construction vans, private cars, and shops, built barricades, and battled police anti-riot units with stones, flares, and bottles.

At least 22 policemen were injured during the rioting, which lasted from New Year's Eve until New Year's morning.

A camera team of the German TV Chan-



nel 2, there to film the post-riot scene on New Year's Day, was attacked by a mob of rioters, and several cameramen received injuries from bottles and stones thrown at them.

On Christmas Day, a similar riot in the Kreuzberg district left 26 policemen injured.

Also on New Year's Eve, a mob of 500 rampaged through the inner city of Bremen, attacking shops, private cars, and banking and administrative office buildings, throwing stones, fireworks, and bottles at police and passers-by.

Riots of smaller scope were also reported in Göttingen and Hamburg.

According to police reports and non-police witnesses, the violence was largely the work of masked individuals, who displayed what one called "an immense brutality." Even children were attacked in the streets.

The rioters, as documented by *EIR* in its just released special report, "Global showdown escalates: The zero option and the Berlin crisis of 1987," are part of Soviet-controlled "irregular warfare" deployments. Linked to the Green Party above ground and hard-core terrorists under ground, their organizations are funded in significant part by the German Communist Party through East Germany and other Soviet-controlled sources.

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## ***Russians stop jamming Radio Free Europe***

The Soviet Union stopped jamming Voice of America, Radio Free Europe, and BBC broadcasts to Poland on New Year's Day, a move that is being played up in the West as yet another demonstration of Soviet "openness," and a personal victory for Charles Wick, director of the U.S. Information Agency and close associate of Comrade Armand Hammer.

Wick has been pressing the Soviets to stop jamming Western broadcasting into the Soviet bloc, and met with Soviet officials to discuss the issue during the December Reagan-Gorbachov summit.

The Soviet decision came just days after Voice of America director Richard Carlson visited Moscow to discuss the jamming. Carlson said he was pleased by the Soviet decision, while Peter Udell, BBC controller of European services, declared that the move "is another indication of the Soviet Union's new attitude toward international broadcasting."

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## ***Mexican drug lord indicted for slaying***

Rafael Caro Quintero, one of Mexico's drug kingpins, has been indicted as the mastermind of the brutal February 1985 murder of a U.S. Drug Enforcement Administration agent, Enrique Camarena. Other Mexicans were also named in the indictment, three of them former policemen.

U.S. authorities say they will seek extradition of the defendants. Caro Quintero, however, has been held in a Mexico City jail for two years, and is not scheduled for a court appearance there until 1989. Sources say that U.S. authorities wanted the indictments primarily in order to signal to the Mexicans that they want the defendants' prosecution in Mexico speeded up.

However, the indictments were handed down secretly last May by a federal grand jury in Los Angeles. Observers had speculated that Associate Attorney General Stephen Trott delayed announcement of the indictments to avoid any impact on negotiations on a treaty with Mexico to facilitate the exchange of evidence in criminal investigations.

According to the indictment, Caro Quintero was the head of a drug-smuggling ring that was responsible for importing "multi-tons of marijuana and multi-kilogram quantities of cocaine and heroin" into the United States from Mexico.

DEA agent Camarena was killed by Caro Quintero and others, said the indictment, "for the purpose of maintaining and enhancing their positions in a narcotics enterprise."

# Briefly

● **CARDINAL KIM** of South Korea has proposed to Pope John Paul II that he visit North Korea and China in 1989, a Catholic Church official in Hong Kong said Dec. 2.

● **LEONID BREZHNEV'S** name will be erased from a city and from various locations in Moscow and Leningrad, TASS reports. The city of Brezhnev will revert to its old name of Naberezhnye. A recent TV documentary ridiculed Brezhnev, commenting that he had more medals than Marshal Georgi Zhukov, who led the Red Army to victory in World War II.

● **THE U.S. STATE** Department Jan. 7 said it was opposed to any outside military intervention in Haiti, and had no intention of imposing additional sanctions on the country in the wake of the cancellation of elections there. Department spokesman Charles Redman said further punitive measures would only worsen conditions of life for the Haitian people.

● **NO CABINET-LEVEL U.S.** official was sent to Bangkok for the celebration of the Thai King's 60th birthday, leaving Soviet Gen. Yevgeniy Ivanovskiy the highest-ranking foreign official at the celebrations, to the embarrassment of the Thais, the *Far Eastern Economic Review* reported Dec. 24. No high-level official was willing to leave Washington during the Reagan-Gorbachov summit.

● **NATO'S 16** heads of government are planning to hold their first big summit meeting in six years, to rally Europe behind the arms control policies of the Reagan administration before Reagan meets Gorbachov in Moscow in early summer, the *Sunday Times* of London reported Jan. 3. The summit is expected to take place in Brussels in March.

# The coming peripeteia of George Bush

by Webster G. Tarpley

Over the recent period, and especially since the Oct. 19 stock market crash, many aspects of the collective insanity dominating Washington have been prompted by the presidential ambitions of one George Bush. Bush's desire to supersede the fading Reagan regime has dictated above all the wild-west financial machinations and blackmailing carried on by Treasury Secretary James Baker, long known to insiders as Bush's idea man. In a very real sense, the precipitate fall of the dollar and the looming threat of world hyperinflation are part of the tribute that each ordinary citizen has already paid to the Bush campaign.

The monomania of the Bush leaguers has been the need to postpone Black Monday II and Super Black Monday, the likely next phases of the ongoing financial and monetary crash, beyond the currently relevant historical horizon—meaning, in the minds of Bush league pragmatists, until after the first week in November 1988. If only the really big cataclysms could be staved off until after the election, so this schizoid litany went, then Bush would get elected and be in office before the bottom fell out.

Or, according to the principal variation of this litany, President Reagan is scheduled to resign soon, probably under the hammer-blows of new stock market crashes, giving Bush the opportunity to move right into the White House and begin practicing the Schachtian crisis-management of emergency austerity rule.

A subtle change has now occurred in the way the U.S. ruling elite views this chain of events. The elite is confronted with the most massive empirical evidence that the next inflection points of the collapse are immediately at hand, and cannot be delayed until December. The "sucker bull" market of the first week of January changes nothing in this picture. With the crash thus palpably imminent, even the most imbecilic of the Wall Street-Boston immortals is now obliged

to contemplate the specifics of whether Bush is really the man to do to the United States and much of the Western world what Chancellor Heinrich Brüning did to Weimar Germany with his emergency austerity decrees during 1929-31. The oak-paneled boardrooms are ringing with the question, "Can the wimp deliver economic blood, sweat, and tears?"

## Fixers prefer Bob Dole

The signs are multiplying that numerous opinion leaders among the ruling circles are beginning to defect from the Bush camp. According to one insider who has family connections to Chase Manhattan Bank, many patrician power brokers, while they are still prepared to abide by the outcome of the Republican Party contest, would much prefer to support Bob Dole for President. Such patricians see Bush as having two serious problems in his presidential bid. First, the Bush machine is viewed as lacking an institutional base sufficiently large to deal with the crisis. By contrast, the patricians see the Dole machine as enjoying a broader-based consensus among diverse social groupings. Secondly, Dole is deemed as advantaged because of his humble social origins. The plebeian Dole, according to this argument, is the preferable man for the White House during a period of aggravated economic crisis. Dole would be more effective than the wealthy, privileged, prep-school educated Bush, and would also have more insight into the reactions of the common man.

Or, as one picaresque Washington fixer put it: "I'm supporting Dole. Bush won't make it. His consensus is eroding. And then there are big Irangate skeletons in Bush's closet."

Of course, there are other candidates for the Republican nomination besides Bush and Dole. But the Wall Street cabal has been attempting to present the Republican race as being limited to these two, with cruel efficiency in Schachtian austerity as the key criterion of choice. Some patricians have

concluded that Bush, as front-runner and presumptive dauphin of the Reagan regime, is too complacent and too accustomed to pointing with pride, whereas the situation would dictate that he view with alarm, which comes easier to Dole.

In the Republican candidates' debate on Oct. 28 in Houston, Bush summed up his qualifications with the following metaphor: "I've been co-pilot for seven years, and I know how to land the plane in a storm." Dole's counter to that was: "I have made a difference. I can make things happen. Tough times need a tough leader." Dole's main theme in declaring his candidacy is that the U.S. must stop living beyond its means. His stock in trade on the Iowa and New Hampshire hustings is that he is a product of depression-era rural Kansas who had to overcome a grievous wound suffered during World War II. "I understand the poor or the disabled or whatever," says Dole. "I've got a feeling for these people." In Iowa, Dole campaigns with the nativist, know-nothing slogan, "He's one of us." Dole's standard campaign rap includes passages like the following: "I know a little about real people and real problems. I know precisely where I'm from, precisely how I got where I am and I know how to get back where I'm from. I think I have been tested in my lifetime. I think I made it the hard way."

Dole's version of *Mein Kampf* has thrown Bush on the defensive. Bush's father, Connecticut Sen. Prescott Bush, was a partner of the Brown Brothers Harriman investment bank. Bush attended prep school at Phillips Academy in Andover, Massachusetts, and graduated from Yale University, where he was a member of the sinister Skull and Bones secret freemasonic society.

Bush, indeed, has a problem. For about two-thirds of the U.S. electorate, he evokes memories of the prissy and arrogant rich kid who appeared from time to time in the Our Gang comedies—the boy born with a silver spoon in his mouth who could use his new speedboat to impress Darla, but who then abandoned her in a moment of danger, leaving her rescue to regular guys like Spanky and Alfalfa. Bush is used to moving up the steps of the *cursum honorum* without much effort. The rules have always worked for him. When Bush was asked by Al Haig in a presidential debate in December to account for his actions in the White House during the Iran-Contra affair. Bush dodged the question and then simpered, "Time's up" when Tom Brokaw of NBC News rang the gong. He appears as the Little Lord Fauntleroy of U.S. politics, too much even for many bluebloods.

### **Irangate skeletons**

And then there are the skeletons in the closet. During the first week of the new year, the *Washington Post* began the gang-tackling of Bush with a series of leaks about the vice president's involvement in Iran-Contra wrongdoing. The article appeared under the bylines of Bob Woodward and Walter Pincus, experienced Watergaters both. The article relies first of all on leaks from an unnamed "participant" who attended Oval Office morning national security briefings dur-

ing 1986. The said participant specifies that Bush was present at "several dozen" such briefing sessions, including many in which Iran-Contra operations were a prime topic.

Who is this participant? Is it Don Regan? Or Admiral Poindexter? Or Alton Keel, Rodney McDaniel, Peter Rodman, or Howard Teicher, all members of the NSC staff of that time? Woodward does not reveal his source, but it is clear that Bush's presence at so many key meetings exposes as lies his often-repeated lame excuses on Iran-Contra, namely, that he was not familiar with many details of the operations, did not know of the objections of Weinberger and Shultz, was excluded from key meetings and denied key information. According to the mysterious "participant," Bush knew virtually everything that Reagan himself knew.

This allegation is corroborated in the article by references to still-classified notes made during an interview with Bush carried out by the Tower Commission in December 1986.

The previous day's Jack Anderson column had ridiculed Bush as "the little man who wasn't there," pointing to damaging revelations including a 30 April 1986 briefing memo in which CIA operative Felix Rodriguez was scheduled to brief Bush on Contra funding, including funding derived from the profits diverted from Iranian arms sales, which Bush therefore knew about. The Felix Rodriguez in question is the same person as the Max Gomez whose phone number was found in the downed plane of Eugene Hasenfus in early October 1986, and through whom investigators established a link between illegal Contra support operations and Bush's national security adviser, Donald P. Gregg. Then there was the meeting of Bush and his chief of staff, Craig L. Fuller, with Mossad operative Amiram Nir in Jerusalem in July 1986, in which the vice president in effect functioned as an emissary for Oliver North . . . and the list of very damaging skeletons goes on.

Dole has opened up a sizable lead over Bush in Iowa, confirmed by the latest polls. But although a Dole victory there has to some extent been prediscussed, the nightmare of the Bush camp is a third-place Iowa finish, with the place spot going to the Pat Robertson machine. The Bush effort is in any case accurately described as hemophilic, unable to survive the inevitable bruises.

This may become especially acute in New Hampshire. Here both Bush and Dole were roundly repudiated by Republican voters in the 1980 primary. The peculiar mentality of New Hampshire Republicans is far more congenial to a candidate along the lines of Jack Kemp. A victory of Kemp over both Bush and Dole in New Hampshire would be a healthy shock for the Republican Party, and would bring home the political importance of Kemp's rejection of genocidal Social Security cuts.

With the 140-point collapse of the New York Stock Exchange on Jan. 8 being attributed by the news media to the stock market reforms proposed by Bush operative Nicholas Brady, the stage is set for Black Monday II, and thus for the stunning peripeteia George Bush so richly deserves.

# Fear of LaRouche grows among state Democratic Party officials

by Mel Klenetsky

Stock brokers and arbitrage agents are not the only ones, these days, who are regularly dropping their teeth and reaching for the Pepto Bismol. It appears that a whole number of Democratic Party state chairmen, together with the Democratic National Committee, headed by Paul Kirk, have joined the ranks of insomniacs, tossing, turning, chewing rugs, climbing up trees—all because presidential hopeful Lyndon H. LaRouche has begun to qualify for the Democratic primary ballot in their states.

The secretaries of state in New Hampshire, Massachusetts, Virginia, and Arkansas have officially announced that LaRouche's name will appear on the Democratic Party presidential primary ballot. To date, LaRouche has also met the requirements in Illinois, Texas, and Missouri. He is expected to file in more states.

LaRouche's name has not been placed on the ballot automatically. In many states, some combination of decisions by the secretary of state and the party chairman or a presidential selection committee decides who shall be granted ballot status, based on some form of criterion relating to "national recognition."

Rhode Island, Florida, Georgia, Alabama, Mississippi, and Tennessee did not automatically place LaRouche's name on the ballot for 1988, despite the fact that a *Time* Magazine poll of May 1986 showed that Lyndon H. LaRouche had higher national name recognition than any Democratic candidate except Gary Hart and Jesse Jackson.

In Georgia, scores of supporters sent letters to the secretary of state's office urging that Mr. LaRouche's name be placed on the ballot. In Florida, the secretary of state included LaRouche's name, but a majority of the presidential selection committee, which includes both party chairmen, the Florida speaker of the House, the president of the Senate, and the minority leaders of the Florida House and Senate, voted to delete LaRouche's name.

In Virginia, the Democratic Party's state chairman placed all other Democrats on the ballot, but excluded LaRouche. He was the only candidate on the ballot who had to submit petition signatures, in this case 25,000, double the legal requirement, to qualify. In Tennessee, the coordinator of elections told the LaRouche campaign that, "Mr. Crowell,"

Tennessee's secretary of state, "at his sole discretion, as is his right, has decided that Mr. LaRouche is not recognized by the media."

In Rhode Island, Secretary of State Kathleen Connell's office told LaRouche's campaign headquarters that the decision to exclude LaRouche was based on discussions with the state and national Democratic Party.

While these examples begin to demonstrate a definite pattern, or more precisely, a conspiracy to keep LaRouche away from the electorate, the Democratic Party chairs of Virginia, Texas, and Illinois came forward with statements, made to the press, that amounted to announcements of the conspiracy, and admissions of a complete disdain for the electorate and any party claim to fairness and openness.

On the day that the Virginia secretary of state announced that LaRouche had qualified for the ballot, Larry Framme, the Virginia state Democratic Party chairman, lamented, "The Democratic Party has no use for Lyndon LaRouche. I wish we could keep him off the ballot. But the Constitution does not allow it." Virginia Democratic Party officials, present for the secretary of state's announcement, were annoyed that the LaRouche petitions had caught them off guard, and that the law prevented them from excluding LaRouche.

In Texas, the executive director of the party, Ed Martin, had the following comment. "We tried to figure out a way to reject his filing, but it was a valid check."

## Too popular to be a candidate?

Perhaps the funniest and most extreme situation is in Illinois, where LaRouche's petitions are being challenged for having *too many* signatures on them. In March of 1986, two LaRouche Democrats, Mark Fairchild and Janice Hart, defeated party regulars in the Illinois primary for the positions of lieutenant governor and secretary of state.

At that time, the Democratic Party leadership, with a tremendous amount of coolness and aplomb, proceeded to shoot themselves in the foot. Adlai Stevenson III, the gubernatorial candidate, resigned from the party, formed a new Solidarity Party, and ran on his own ticket into devastating defeat. The Democrats refused to replace his vacant slot. Naturally, Republican incumbent Governor Jim Thompson

sailed home with an easy victory.

And this time around? It's *déjà vu*. Victor Demuzio, Illinois Democratic Party state chairman, and Joseph A. Cari, Jr., general counsel to the Illinois party, are currently on the verge of aiming a loaded pistol right where Adlai aimed it in 1986. On Tuesday, Jan. 5, the Illinois Democratic Party formally objected to presidential candidate Lyndon LaRouche's state nominating petitions, saying that had he filed too many signatures! State law requires candidates for the Democratic presidential nomination in Illinois to file 3,000 to 5,000 signatures, but petitions for LaRouche had 5,381 signatures.

Political pundits in Illinois, laughing at the quandary that Demuzio and others found themselves in, noted that the Democrats did not file challenges against several other Democratic presidential candidates, even though they, too, had filed more than 5,000 signatures. Cari said that the state Democratic Party had no plans to check the other candidates to be sure that they hadn't filed too many signatures, "because they're Democrats." "Lyndon LaRouche is not a Democrat. . . . We do not want any of his followers infiltrating the Democratic Party," as Cari put it.

LaRouche associate Sheila Jones, the Midwest coordinator of LaRouche's campaign, had the following to say: "I will laugh myself to sleep at the idea that the reason that they want to kick Mr. LaRouche off the ballot is because he has too much support. Anyone is a Democrat who says they want to run on the Democratic ticket. The point is that, if, in fact, that's what they say . . . then the question I would raise is what's the difference between what the Illinois Democratic Party is doing and what the Soviet Union is doing to those they view as Soviet dissidents."

LaRouche's presidential petitions are not the only thing that has Demuzio and company running around like headless chickens. The 1986 Hart and Fairchild victories, in the estimation of Democratic National Chairman Paul Kirk and Victor Demuzio, brought national disgrace to the Democratic Party. Warped as this perception may be, Victor and his merry band spend all their waking hours making sure that LaRouche Democrats do not, somehow, sneak onto the ballot.

One of the most comical situations was the challenge by Demuzio and Cari to approximately a dozen or so candidates who filed petitions to run for various Chicago and downstate Central Committee positions on the Solidarity Party banner, the party that Adlai formed in 1986 after refusing to run with Hart and Fairchild. Legal counsel Cari is of the firm belief that "the LaRouchies," as he puts it, are waging political warfare against the Democratic Party, running candidates on the Solidarity Party banner so that that party will continue to exist and continue to be a thorn in the side of the Illinois Democratic Party.

Demuzio's fears are partly based on the fact that Alderman Edward Vrdolyak used the Solidarity Party as his vehicle

for an unsuccessful bid against the late Mayor Harold Washington last April. Vrdolyak is the former chairman of the powerful Cook County Democratic Party. His disputes with Washington led to his resignation as Democratic chairman. Vrdolyak switched parties and is now a Republican, further dividing what was once considered the strongest Democratic machine in the country.

One more footnote to the Illinois story: Jack Davis, a Republican candidate for the fourth Congressional District, recently challenged the nominating petitions of a LaRouche Democrat, George Laurence of Romeoville, even though Laurence was not opposing him in the Republican primary, but was running in the Democratic primary. Laurence's opponent in the Democratic primary was George Sangmeister, the same candidate that LaRouche backer Mark Fairchild had defeated for lieutenant governor in 1986. Davis finally dropped his challenge to Laurence, after making much political hay about the fact that Sangmeister had not issued a challenge to Laurence of his own.

Demuzio's nightmare, a LaRouche candidate behind every bush, appears to have spread to Virginia as well. Virginia state chairman Larry Framme is considering challenging every single candidate for State Assembly and Senate who is not known to the regular machine.

Actions such as these show only the bankruptcy of the current leaders of the Democratic Party, who fear, to the point of obsession and desperation, the mere appearance of LaRouche Democrats on the ballot—who fear, in short, the voters.

## **FEC shenanigans**

Those are not the only efforts to make LaRouche's campaign as difficult as possible. LaRouche filed with the Federal Election Commission for matching funds on Nov. 18. The delay in responding to that filing by the FEC meant that North Carolina and South Dakota could not put LaRouche on the ballot, since qualifying for matching funds was the requirement for gaining ballot status in those states.

The same Federal Election Commission rushed Gary Hart's application through in only three working days, giving him plenty of time to meet the South Dakota and North Carolina deadlines. Hart had made his application to the FEC in late December, weeks after LaRouche.

Laughable as the Illinois and other situations may be, the fact remains that LaRouche's efforts to gain access to the ballot are being stymied in every way possible, in total violation of the U.S. Constitution, by a conspiracy of Democratic Party and government officials at the national and state levels. LaRouche himself noted the raw politics of the situation, when he stated, "There is a very interesting irony. The Democratic Party is insisting, on the one hand, that I am a fringe candidate. They are simultaneously insisting that I represent a great danger that must be headed off at the pass, lest I repeat another Illinois victory."

# Elephants & Donkeys by Kathleen Klenetsky

## FEC gives special handling to Hart

The Federal Election Commission is once again displaying its political biases in a most blatant fashion. In a move which even FEC staffers concede was way out of line with ordinary practice, the commission on Dec. 28 declared Gary Hart's revived presidential campaign eligible for federal matching funds, with the first installment of \$100,000 dispensed Jan. 4.

Usually, the FEC takes at least three to four weeks following a submission to decide whether the campaign in question qualifies for matching funds. In the case of candidates whom the FEC doesn't approve of politically, notably Democrat Lyndon H. LaRouche, the commission has failed to act for months. But with Hart, the commission rushed through its approval in seven days—three working days—after Hart submitted his request.

The FEC's 6-0 decision in Hart's favor came "somewhat quickly," commission spokeswoman Karen Finucan admitted, but another long-time FEC observer was more blunt: "It looks like they attached a retro-rocket to the submission, and used Donna Rice as fuel."

The FEC's exceptionally speedy decision to dole out matching funds to Hart won't simply benefit him money-wise. It will also guarantee him ballot status in states where the Democratic

Party requires that a candidate be eligible for matching funds before being granted a place on the ballot. Indeed, the FEC just happened to hand down its pro-Hart ruling one day before one such state party, South Dakota's, made its final decision on who would be on the ballot in the Feb. 24 primary.

As a result of the FEC's inequitable actions, Hart now has a place on the ballot, but LaRouche does not. Making the political nature of the situation even more obvious, South Dakota party officials decided to bend their rules, and give Jesse Jackson ballot status, even though Jackson's matching-funds request was still in doubt.

## Hart to open door for Cuomo?

The FEC's actions vis-à-vis Hart strongly suggest that there is a powerful faction behind his political resurrection—notwithstanding the nasty comments emanating from the media and Democratic Party officialdom.

There are several possible reasons Hart was inserted back into the race, among them, to draw votes from LaRouche. Hart's recent emphasis on the "power of ideas," and his attacks on the media and the establishment, are a rather obvious, if superficial, attempt to mimic LaRouche's appeal, and to draw the vast "undecided" vote—which is LaRouche's vote—behind him.

Another reason is to permit one or another of the major "non-candidates," e.g., New York Gov. Mario Cuomo or New Jersey Sen. Bill Bradley, to take the nomination. The idea is that Hart's presence would prevent any of the candidates from making a significant showing in the primaries, leading to a brokered convention.

This prospect was underscored by

Richard Gardner, a prominent New York lawyer who was ambassador to Italy under Jimmy Carter. Gardner also sits on the board of the Aspen Institute, the powerful think tank which played a major role in creating Hart's political career through its "Young Leaders" program.

Gardner recently told a caller that, although he was backing Al Gore's candidacy, because the Tennessee senator is "tough enough" to force through "hard choices and sacrifices" in domestic and military spending, "I'm also very close" to Cuomo, and would be "delighted" if the New York governor were to get into the race.

Hart's candidacy, he stressed, makes a brokered convention much more likely.

"The convention wouldn't have to turn to Cuomo, but they very easily might draft him, with Gore as vice president." Gardner pronounced a Cuomo-Gore ticket "fabulous . . . a dream come true."

Although Cuomo is still playing coy about his intentions, he told the Dec. 18 *New York Daily News* that in the wake of Hart's announcement, "a lot of Democrats from around the country" had been calling him to beg him to get into the race. "It's a good feeling," he gloated.

But none of this can eliminate the skeletons in Cuomo's closet—which are rattling with a vengeance. In the latest episode in the "Mafia Mario" saga, Cuomo's wife Matilda's cousin was killed Dec. 15 in Sicily, in what the Italian media called "a Mafia-style execution."

Matilda's family has been the focus of numerous probes into alleged links to organized crime, and while Cuomo has heatedly denied any such ties, the prospect of them coming to light is one of the primary reasons he has hesitated about entering the presidential race.

## Customs head wants to down drug planes

A bold anti-drug policy proposal to shoot down planes flying cocaine and other illegal drugs into the United States has been set before the Reagan cabinet by William von Raab, head of the U.S. Customs Service.

Von Raab's controversial plan, which has split the cabinet, is designed to stop the principal means by which deadly drugs are brought into the United States. Small planes, flying across the U.S. border from the Bahamas or Mexico, have eluded stepped-up interdiction efforts by U.S. Customs and Drug Enforcement Administration agents, by dropping their contraband from the air.

Frustrated U.S. anti-drug agents have watched with sophisticated new equipment as the planes load up with drugs, fly across the border, drop the drugs into a pre-arranged remote region, make a 360° turn, and fly across the border out of their reach. Agents radio the planes, informing them that they are breaking the law and demanding that they identify themselves and land, but they are ignored.

Von Raab, in a report sent to the President's cabinet last month, has said that the only way to cope with the problem is to give agents the authority to shoot the planes down.

"It would be a deterrent policy," Customs spokesman Dennis Murphy told me. "We would not need to use sidewinder missiles or 50mm guns to be effective. We could even use plastic bullets or paint that would only dis-

able, rather than destroy, the aircraft."

The four-page proposal created an uproar when it was first presented to a cabinet working group last month, according to reports. Parts of its contents were leaked to the *Washington Post*. But despite a strong division of opinion on the idea, it was forwarded to the full cabinet for consideration, and its fate will presumably be decided before the end of January.

Insiders report that CIA director William Webster and FBI director William Sessions are strongly against the proposal, while Education Secretary William Bennett, Coast Guard Commandant Yost, and, of course, von Raab favor it.

Murphy complained that there is a shortage of public officials willing to come out behind the policy. Congressmen who are otherwise obliged to adopt a tough anti-drug posture have been able to duck this issue by staying out of town on recess until after it is decided. Opponents of the idea are hoping it will die simply for lack of public exposure.

It's another case where President Reagan, who launched a "war on drugs" initiative in summer 1986, has apparently now decided that avoiding controversy is more expedient than escalating the fight.

In a speech to an anti-drug conference in Mexico City on March 13, 1985, Democratic presidential contender Lyndon LaRouche detailed a 15-point plan for a cooperative effort among nations to undertake a military-style war on drugs. The speech, published in the 1985 book, *A Program for America*, included the following statement: "All unlogged aircraft flying across borders or across Caribbean waters, which fail to land according to instructions, are to be shot down by military action."

As von Raab's policy proposal now sits before the President's cabinet, LaRouche's is the only public state-

ment of unqualified support for the policy on record.

## Cruel new twist to euthanasia push

Advocates of institutionalized euthanasia against the nation's sick and elderly added a cruel new twist to their argument in an hour-long documentary, entitled "Who Lives, Who Dies," aired on the Public Broadcasting System Jan. 5.

The documentary devoted lengthy segments to remarks by the infamous former Colorado Gov. Richard Lamm, spouting off about how, given the size of the federal budget and trade deficits and the national debt, we can't afford to provide state-of-the-art medical care to all.

Lamm's remarks made it clear that "living wills" and other policies to pull the plug on the nation's sick and elderly are driven not by merciful, but by cold-blooded fiscal considerations. They were designed to establish that the concept of "rationing" health care dollars is justified by the "reality" of fiscal "limits."

The new argument put forth in the documentary was that, given such rationing, health care priorities are skewed in such a way that those receiving lifesaving organ transplants or other benefits of breakthroughs in medical technology are soaking up limited health care dollars at the expense of millions of the nation's poor who are not getting adequate care.

The documentary tries to place the blame for the fact that 37 million poor Americans without health insurance are not receiving decent health care on the "selfish" desire of elderly or seriously ill persons to receive lifesaving care.

This tactic to turn the poor against the old and sick would have made Goebbels green with envy.

# National News

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## Education Department offers 'model curriculum'

Education Secretary William Bennett released a study on Dec. 29, entitled "James Madison High School," proposing an optimal high school curriculum that would include four years of English, three of social studies, math, and science, two years of a single language, two years of physical education, and one of fine arts.

In a Washington press conference, Bennett identified three "common denominators" of the successful programs reviewed: 1) raising expectations; 2) "it makes a difference what you read—Henry James is not the same as Batman"; and 3) there is a commitment to students and lack of the "bargain between teacher and student, where the teacher says, 'If you don't hassle me, I won't make demands on you.'"

Bennett derided such elective courses as "Current Wellness Issues," "Teen Living," "Baja Whale Watch," and "Rock Poetry."

Asked by *EIR's* Nicholas Benton why the proposed curriculum did not emphasize study of classical languages, which until the 1950s and 1960s were considered essential for college preparatory education, Bennett quoted the report, "There is no reason why local districts should not teach Russian instead of German, Chinese instead of Italian, or Greek instead of Latin. The choice of which languages to offer is clearly a matter of local decision."

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## Rumors persist on death of Harold Washington

Since the death of Chicago Mayor Washington on Nov. 25, 1987, rumors of foul play persist. Some reports have claimed that a mixture of cocaine and strychnine was found in his bloodstream, and Alderman Robert Shaw and others called for the release of toxicology reports.

The *Chicago Defender* newspaper re-

ported on Jan. 5: "None of the persons who have started the rumors that Washington was murdered, have been able to produce any positive information.

"However, Ald. Robert Shaw yesterday called for a preliminary investigation into increasing charges that the late Mayor Harold Washington was allegedly a victim of a political assassination plot.

"Agreeing with Shaw is State Rep. Doug Huff, who said an investigation may be in order, but he has no proof that Washington was killed at this point.

"I think there are rumors floating in the community about this, and I believe that Cook County Medical Examiner Dr. Robert Stein should release the toxicology reports."

"Stein said he ran 30,000 screenings of toxicology tests and said they all showed negative.

"Huff said he talked to Stein and said 'he told me no foreign substances or drugs were found in the mayor's body. He also said there would be no inquest. I am still ill at ease with the way he died.'"

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## Weinberger scores defense budget cuts

Former Defense Secretary Caspar Weinberger, in an interview published in the *Washington Times* on Jan. 7, warned that ongoing cuts in the U.S. defense budget "take us right back to the days of the '70s. All the things the President campaigned against in 1979 and '80. And all the things that the people repudiated about Carter and the whole decade of the '70s."

When Weinberger resigned in November, he cited his opposition to the Gramm-Rudman budget-cutting as one of his reasons, along with personal concerns involving the health of his wife.

The Pentagon has now announced that it is planning to cut 30,000 people from the armed forces, in order to meet the \$294 billion spending limit in the FY89 budget.

"The action of the Congress in this last session I think was very damaging to America's security," Weinberger said. "The cuts were much deeper than are safe. They will

get into the bone, as we shall see, of the force structure . . . [and will] put a good bit of turbulence into what is a fine morale situation" in the armed forces.

Weinberger refused to criticize President Reagan or Defense Secretary Frank Carlucci, blaming Congress for the budget cuts, and denied that the President's views on the Soviet Union have changed.

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## D.C. court upholds 'wrongful birth' concept

Obstetricians in the District of Columbia can now be sued by parents, for delivering children with birth defects, according to a ruling of the D.C. Court of Appeals on Jan. 3.

The court accepted the concept of "wrongful birth" and ruled that parents can sue if the doctors "deprived the parent of the right to decide whether to avoid the birth through abortion."

The unanimous decision of the three-judge panel reinstated a "wrongful birth" suit brought by the mother of a girl born with Down's syndrome, against obstetrician Dr. Marciana Wilkerson. "If Ms. Haymon proves at trial that Dr. Wilkerson deprived her of the parental right to choose whether to avoid the birth of a child afflicted with Down's syndrome, Dr. Wilkerson can be held liable for the extraordinary medical and other expenses attributable to the care of the child," wrote Judge Judith W. Rogers for the court.

Nellie Gray, president of the March for Life, said that "it's because of these kinds of cases that many doctors are getting out of obstetrics-gynecology," according to the *Washington Times* Jan. 5.

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## Rostow: Go slow on INF treaty ratification

Former arms control negotiator Eugene Rostow, chairman of the executive committee of the Committee on the Present Danger,



## Briefly

in a commentary in the *New York Times* on Jan. 5, said that ratification of the treaty on intermediate-range nuclear forces should be tied to agreements providing for "Soviet-American equality in offensive intercontinental nuclear weapons and defensive systems. . . . Both at home and abroad, there is a strong dissenting view that sees the INF treaty as a new Munich."

He warned, "The Soviet goal in the arms control negotiations is to denuclearize Western Europe, which would lead inevitably to a neutral Europe . . . [which] has been part of the primary strategic objective of the Soviet Union since the Second World War."

### NASA: safety problems with Space Shuttle

An internal NASA report leaked to the *Atlanta Constitution* maintains that the space agency still lacks the skilled engineers, clear guidelines, and leadership to ensure the safety of manned space flight. "Despite heightened safety concerns after the worst accident in spaceflight history, the agency is falling into a 'safety second' mind-set," the *Constitution* charged Jan. 5, reporting on a three-month safety risk assessment made by an ad hoc committee last August.

"The concern for safety which peaked shortly after the Challenger accident appears to be waning, and in many areas this has been translated by workers, engineers, and supervisors to a 'business as usual' attitude," the *Constitution* reported, citing the report.

### Senator Melcher demands protectionism

Trade legislation, cuts in military aid to U.S. allies, and the buildup of American industry and infrastructure were the three "New Year's resolutions" outlined by Montana Sen. John Melcher, in the Democratic reply

to President Reagan's Jan. 2 address.

"We must stop paying for everyone else's national defense," Melcher demanded. "We must stop running up U.S. deficits by paying for everyone else's armaments, and always sending our men and women and planes and ships to rescue foreign interests. That means Europe and Japan have to pay their way, or at least their fair share for U.S. air and naval support that we provide to protect their land and their air space and the ocean trade lanes for their shipping."

Melcher's economic proposals had a similar cast, calling for taking care of "our problems here at home." He did recognize, however, that the U.S. economy was "bleeding," and said: "Let's help our own basic industries: agriculture and energy and steel and mining."

### Virginia doctors can report AIDS carriers

Virginia Gov. Gerald Baliles signed an emergency order Jan. 4 giving physicians the right to report the names of patients who test positive for the AIDS virus to state medical authorities. The new order replaces one which permitted doctors to report only known cases of AIDS to local health departments.

"It is absolutely important that we intervene as quickly as possible to help curb the spread of this disease," said a new report on AIDS in Virginia, written by Dr. A. Martin Cader, director of the state Division of Communicable Disease Control, and other state health officials. "The sooner we can give physicians the regulatory authority to report HIV antibody test results, the better we can accomplish this."

In a related development, the School Board of Fairfax County, Virginia, just outside Washington, D.C., voted unanimously on Jan. 2 to allow a child will AIDS to attend school, thereby reversing the previous decision of School Superintendent Robert Spillane. The decision will be reviewed weekly, in light of the child's medical condition. Spillane had apparently recommended the change after a suit was filed against the school system by the child's parents.

● **'BUSH JUST CAN'T** cut it," said a senior representative of New York banking interests, explaining why some on Wall Street are moving to back Robert Dole for President. "After all, how can you have a preppie for President during the middle of the upcoming financial dislocation? Bush has no credibility, and will have no credibility to push the economic programs which are necessary. On the other hand, Dole has humble beginnings and is from the farm belt."

● **ANDREW CUOMO**, son of New York Gov. Mario Cuomo, was served with a RICO suit in Florida at the end of December, by a thrift institution which charges that he violated the Racketeer Influenced and Corrupt Organizations Act in an attempt to bankrupt Oceanmark Federal Saving and Loan Association.

● **OTIS BOWEN**, Secretary of Health and Human Services, has requested \$1.145 billion for AIDS-related research for FY89, according to confidential budget documents leaked to the *New York Times*. Bowen's figure is 20.5% more than Congress allocated for FY88, and 45% more than what President Reagan requested. There is no indication that Bowen has abandoned his "just give 'em condoms" approach to AIDS.

● **CHARLES WICK'S** U.S. Information Agency has conducted a series of studies purporting to prove that Western Europeans prefer the Soviet Union over the United States. The studies allegedly show that it is "almost impossible" to prevent the Finlandization of Western Europe, according to a report published in *National Review*.

● **BOB DOLE**, if elected President, would likely name Democratic Party honcho Robert Strauss as his top financial adviser, either as Treasury Secretary or chairman of the Federal Reserve, according to the *New York Times*.

## Editorial

### *LaRouche's power*

Developments on the international financial markets demonstrate three things without question: 1) There is no faction outside the political movement associated with Lyndon LaRouche that is thinking beyond the task of surviving day to day; 2) the international financial community is developing new fissures every day in the effort to survive; 3) every move that these factions take hastens the day of reckoning for the entire shaky edifice of world finance.

As we go to press, there are calls from Europe for new approaches to the international monetary problem. The major grouping among these is that of former West German Chancellor Helmut Schmidt, whose friends are already on record calling for a "mixture of Schacht and Keynes" as a "solution" to the international crisis. Such a "solution" means, among other things, the elimination of the United States as a world power, in a new arrangement dominated by the Soviet Union.

The activity by the Schmidt crowd, combined with the drive toward "industrial Ostpolitik" by the West Germans, is precisely what LaRouche had projected many months ago, as a response to the economic-strategic crisis. That the Russians are eagerly anticipating taking advantage of this grouping, and absorbing Europe economically, is hinted by the unusual announcement on Jan. 7 of a Swiss franc bond being floated by the Soviets.

In the banking community, the fight for survival is a day-to-day one, resembling that of cannibalistic fish seeking to survive by eating each other. The Morgan move to reduce exposure in Ibero-American paper, aping that of the Swiss and West Germans several months ago, has just that amount of policy content. They are trying to survive by knocking out the others. As could be expected, the British banks and the Japanese are preparing to respond in kind.

It appears that the three-day "rally" around the dollar was the result of the central banks themselves joining the fray. The central banks joined the speculators in attempting to keep the dollar up, and, with the next turn of the tide in speculation, their "credibility" will

be on the line. The next turn against the dollar could already have begun, with the Jan. 7 announcement by one Japanese banker that the dollar had gone high enough.

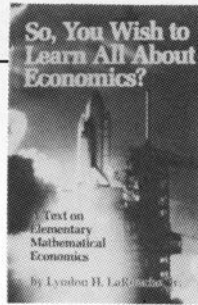
Behind the financial mirrors, the reality is that the Western elite is accelerating its own rate of destruction by trying to save an unsavable system, while the Russians look on in preparation for taking up the spoils. The European and Japanese bankers are determined to force the United States to raise interest rates, and undertake austerity like that killing Ibero-America and Africa. And the U.S. elite is acting like a bunch of baboons fighting over the last banana.

In this situation, it appears that the only thing the U.S. financial elites agree on, is to try to kill Lyndon LaRouche's presidential campaign. They are fighting desperately among themselves—Dole against Bush, Democrat against Democrat. But they realize that it is LaRouche who can mobilize the power of Americans to end the entire game—to change the entire mode of policymaking, which brought the world into the current state of crisis.

The elite will try, as they have so far, to use their police-state power to stamp out the campaign. But, in this respect, they will resemble the man who tried to smash the gnat, only to find that it had already moved somewhere else. For the power of the LaRouche Democratic Campaign lies in the power it is mobilizing in tens of thousands of individual citizens, a power whose source lies in the spark of human reason that can be evoked in ordinary people.

This is the power known in the New Testament as *agapē*, or "charity" in the King James translation of the Bible—not the debased modern meaning of Mrs. Snotty Dorightly making doilies for the poor, but a combination of love of God, love of one's neighbor, love of beauty, and love of truth.

This is a greater power than the raw muscle which the financial elite, and their toadies like Democratic National Committee chairman Paul Kirk are trying to utilize to stop LaRouche. This will become increasingly evident in the weeks ahead.



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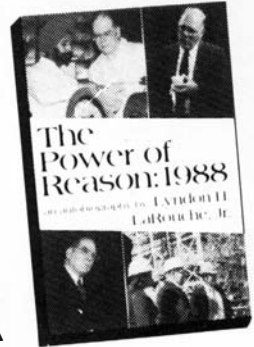
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