

EIR

Executive Intelligence Review

June 3, 1988 • Vol. 15 No. 23

\$10.00

Federal land bank killed by 'creative accounting'
Mexican presidential election: a watershed
'New Age' Aquarians plot to destroy Germany

Suspected Soviet spy cell wrote
Reagan's long-term strategy

U.S. Hunts American 'Mr. X' In Pollard Espionage for Israel

By Bob Woodward
and Walter Pincus

Washington Post Staff Writers

DISCRIMINATE DETERRENCE

Report of
The Commission On
Integrated Long-Term Strategy

Co-Chairmen
Fred C. Ikle and Albert Wohlstetter

Members
Anwar L. Armstrong Andrew J. Goodpassler Henry A. Kissinger
Zbigniew Brzezinski James L. Holloman, III Joshua Lederberg
William P. Clark Samuel P. Huntington Bernard A. Schriever
W. Graham Clayton, Jr. John W. Vessey

January 1988

officials that his Israeli handlers often specified by date and document control number the highly sensitive U.S. documents they wanted him to acquire, and once showed him a top secret U.S. document to which—investigators have established—he did not have access.

It was an index or catalogue that Pollard was then able to use to obtain documents from U.S. intelligence agencies during one phase of his espionage. U.S. investigators have concluded that the other American—Mr. X—had provided this index and other specific information on U.S. secrets that Pollard learned from his Israeli handlers. U.S. intelligence agencies have drawn up lists of

year after Israeli spy Pollard was sentenced in, Justice Department concluded that Israel had another Ameragent—dubbed "Mr. X"—whom investigators—the Defense Department—to inform

Department is contigitation to attempt identity of a second source said.

a Mr. X must exa massive, three- and polygraphing of Pollard over many months

EIR Special Reports

THE SCIENCE OF STATECRAFT

Strategic Studies by Lyndon H. LaRouche, Jr.

Operation Juárez. LaRouche's famous analysis of the Ibero-American "debt bomb"—a program for continental integration. Order #82010*. \$100.

A Conceptual Outline of Modern Economic Science. Order #82016. \$50.

Religion, Science, and Statecraft: New Directions in Indo-European Philology. Order #83001. \$100.

Saudi Arabia in the Year 2023. The thematic task of the Arab world in the next four decades: conquering the desert. Order #83008. \$100.

The Implications of Beam-Weapon Technology for the Military Doctrine of Argentina. Order #83015. Was \$250. Reduced price: \$100.

The Design of a Leibnizian Academy for Morocco. Order #83016. Was \$250. Reduced price: \$100.

Mathematical Physics From the Starting Point of Both Ancient and Modern Economic Science. Order #83017. Was \$250. Reduced price: \$100.

The Development of the Indian and Pacific Ocean Basins. Order #83022. \$100.

MILITARY AND ECONOMIC SCIENCE

***Electromagnetic Weapons: The Technology and the Strategic Implications.** Order #88003 \$150.

Beam Weapons: The Science to Prevent Nuclear War. The year before President Reagan's historic March 23, 1983 speech announcing the Strategic Defense Initiative, this ground-breaking report detailed the feasibility—and necessity—for beam defense. Order #82007. \$250.

Economic Breakdown and the Threat of Global Pandemics. Order #85005. \$100.

An Emergency War Plan to Fight AIDS and Other Pandemics. Issued February 1986. Order #85020. \$250.

THE WESTERN OLIGARCHY

The Trilateral Conspiracy Against the U.S. Constitution: Fact or Fiction? Foreword by Lyndon LaRouche. Order #85019. \$250.

The Libertarian Conspiracy to Destroy America's Schools. Order #86004. \$250.

* **White Paper on the Panama Crisis: Who's Out to Destabilize the U.S. Ally, and Why.** Order #88002. \$100.

A Classical KGB Disinformation Campaign: Who Killed Olof Palme? Issued November 1986. Order #86010. \$100.

Project Democracy: The 'parallel government' behind the Iran-Contra affair. Order #87001. \$250.

THE SOVIET UNION

Will Moscow Become the Third Rome? How the KGB Controls the Peace Movement. Includes transcript of the infamous spring 1983 meeting in Minneapolis at which KGB officials gave the marching orders to Walter Mondale's "peace movement": Destroy the Strategic Defense Initiative! Order #83011. \$250.

How Moscow Plays the Muslim Card in the Middle East. Order #84003. \$250.

Global Showdown: The Russian Imperial War Plan for 1988. The most comprehensive documentation of the Soviet strategic threat available. A 368-page document with maps, tables, graphs, and index. Issued July 1985. Order #85006. \$250.

***Global Showdown Escalates: The Berlin crisis, the zero option, and beyond.** Order #87003. \$250.

INTERNATIONAL TERRORISM

The Jerusalem Temple Mount: A Trigger for Fundamentalist Holy Wars. Order #83009. \$250.

Narco-terrorism in Ibero-America. The dossier that sent the Colombian drug-runners and their high-level protectors through the roof. Order #84001. \$250.

The Terrorist Threat to the 1984 Los Angeles Olympics. An analysis of the U.S. terrorist underground—the information the FBI has repeatedly suppressed. Order #84005. Was \$250. Reduced price: \$100.

Soviet Unconventional Warfare in Ibero-America: The Case of Guatemala. Issued August 1985. Order #85016. \$150.

European Terrorism: The Soviets' Pre-war Deployment. The dual control of terrorism: Europe's oligarchical families and the Russian intelligence services. The case of Germany's Green Party, with profiles of the top families of the international oligarchy. Order #85001. \$150.

Germany's Green Party and Terrorism. Issued November 1986. Order #86009. \$250.

THE MIDDLE EAST AND AFRICA

Moscow's Secret Weapon: Ariel Sharon and the Israeli Mafia April 1986. Order #86001. \$250.

Anglo-Soviet Designs on the Arabian Peninsula. Order #83002. Was \$250. Reduced price: \$100.

The Military, Economic, and Political Implications of Israel's Lavie Jet Project. Order #83010. Was \$500. Reduced price: \$250.

Moscow's Terrorist Satrapy: The Case Study of Qaddafi's Libya. Order #86002. \$100.

*NEW

* First two digits of the order number refer to year of publication.

Order from:

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

Please include order number. Postage and handling included in price.

EIR

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editor: *Nora Hamerman*

Managing Editors: *Vin Berg and Susan Welsh*

Editorial Board: *Warren Hamerman, Melvin*

Klenetsky, Antony Papert, Uwe Parpart-

Henke, Gerald Rose, Alan Salisbury, Edward

Spannaus, Nancy Spannaus, Webster Tarpley,

William Wertz, Carol White, Christopher

White

Science and Technology: *Carol White*

Special Services: *Richard Freeman*

Book Editor: *Janine Benton*

Advertising Director: *Marsha Freeman*

Circulation Manager: *Joseph Jennings*

INTELLIGENCE DIRECTORS:

Africa: *Mary Lalevé*

Agriculture: *Marcia Merry*

Asia: *Linda de Hoyos*

Counterintelligence: *Jeffrey Steinberg,*

Paul Goldstein

Economics: *Christopher White*

European Economics: *William Engdahl,*

Laurent Murawiec

Ibero-America: *Robyn Quijano, Dennis Small*

Law: *Edward Spannaus*

Medicine: *John Grauerholz, M.D.*

Middle East: *Thierry Lalevé*

Soviet Union and Eastern Europe:

Rachel Douglas, Konstantin George

Special Projects: *Mark Burdman*

United States: *Kathleen Klenetsky*

INTERNATIONAL BUREAUS:

Bangkok: *Pakdee and Sophie Tanapura*

Bogotá: *Javier Almario*

Bonn: *George Gregory, Rainer Apel*

Copenhagen: *Poul Rasmussen*

Houston: *Harley Schlanger*

Lima: *Sara Madueño*

Mexico City: *Hugo López Ochoa, Josefina*

Menéndez

Milan: *Marco Fanini*

New Delhi: *Susan Maitra*

Paris: *Christine Bierre*

Rio de Janeiro: *Silvia Palacios*

Rome: *Leonardo Servadio, Stefania Sacchi*

Stockholm: *Michael Ericson*

Washington, D.C.: *Nicholas F. Benton, William*

Jones

Wiesbaden: *Philip Golub, Göran Haglund*

EIR/Executive Intelligence Review (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July and last week of December by New Solidarity International Press Service P.O. Box 65178, Washington, DC 20035 (202) 785-1347

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

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

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

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

Copyright © 1987 New Solidarity International Press Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited. Second-class postage paid at Washington D.C., and at an additional mailing offices. 3 months—\$125, 6 months— 225, 1 year—\$396. Single issue—\$10 Academic library rate: \$245 per year

Postmaster: Send all address changes to *EIR*, P.O. Box 17390, Washington, D.C. 20041-0390.

From the Editor

There was only one thing standing between President Reagan and the likelihood of a leap into total insanity at the Moscow summit, and that was the possibility that the opponents of the Intermediate Nuclear Forces treaty might have delayed its ratification to beyond the week of the summit. But those opponents failed to fight as they might have; even some who made powerful arguments against the treaty or the condition that was attached to it, binding the U.S. President far more narrowly than the Soviets, turned around and finally voted for the very document they had denounced. This shameful story is told in the lead article by Webster Tarpley on page 64.

This says very grim things about the quality of person we have in our Senate, and even worse about the character of the U.S. elites, who could have put a brake on the process. They threw all caution to the wind, on the basis of the very fatuous assumption that the smiling salesman Mikhail Gorbachov is the sole man in charge in the Soviet Union (but see articles on pages 8-11).

It ought to be remembered that, by official U.S. government reckoning, the Soviets have wantonly violated 16 treaties in this century; the sole exception, the one treaty they have faithfully observed, is the 1939 Hitler-Stalin Pact!

So what is wrong with the U.S. elites? The *Feature* (starting on page 22) deals with an important aspect of the problem, unpeeling yet another layer of the onion revealed in the Jonathan Pollard and Shabtai Kalmanowitch "false flag" KGB-Israeli spy cases. It now turns out that the Wohlstetter Report on U.S. Long-Term Strategy was the product of a group under suspicion for having run the Pollard network, a group which has infiltrated the highest levels of the defense and intelligence establishment.

It is no accident that the Moscow summit was also preceded by a shameless orgy of satanic counterculture in West Germany, in a "New Age" conference actually sponsored by the state government of Lower Saxony (page 32). This fits in with a Soviet-steered and allied project of psychological warfare to destroy, in the West, the notion of an "enemy image" (i.e., that backwardness, barbarism, and disease must be defeated). *EIR* will soon feature an in-depth exposé on the shocking story of the psychiatrists engaged in that kind of mass brainwashing, to the benefit of the Russian Empire.

Nora Hamerman

EIR Contents

Interviews

- 17 Winston Bostick**
The physicist at the Stevens Institute of Technology discusses his pioneering work on the plasma focus.
- 46 Cuauhtémoc Cárdenas Solórzano**
The presidential candidate of Mexico's National Democratic Front describes his policies and his strategy for defeating the ruling party's candidate.

Books

- 56 British and Bolsheviks: the romance of the century**
Allen and Rachel Douglas delve into the real story behind Kim Philby, in *The Secrets of the Service: A story of Soviet Subversion of Western Intelligence*, by Anthony Glees.
- 61 Germany's anti-Nazi resistance movement**
William Jones reviews Marie Vassiltchikov's *Berlin Diaries 1940-1945*.
- 62 The stuff that Rambo's made of**
Edward M. Corpus reviews *America's Wars and Military Excursions* by Edwin P. Hoyt III.

Departments

- 13 Andean Report**
Venezuela, debt-strangled.
- 52 Report from Bonn**
Defense motivation revived.
- 53 Report from Rome**
No mercy killings!
- 72 Editorial**
Anti-nuclear totalitarianism.

Science & Technology

- 16 The plasma focus and building fusion reactors**
In the second of a two-part series featuring the work of Dr. Winston Bostick, Charles B. Stevens examines the application of the plasma focus for fusion reactor materials development.
- 17 Near-term uses of the plasma focus**
An interview with Dr. Winston Bostick.
- 21 Why Italy chose C-256 as 'scientific tuning'**

Economics

- 4 Cracks appear in the covenant of lies**
- 6 Federal Land Bank in Mississippi victim of 'creative accounting'**
This is the first failure of a federal land bank since the system was set up in 1917, and spells a threat to U.S. food security.
- 8 Poland rejects 'Marshall Plan'; Hungary's new austerity leadership**
- 9 Gorbachov economic aide tells of woes**
- 10 EC and Comecon sign accord, but what now?**
- 11 Currency Rates**
- 12 Medicine**
New screening test for cancer.
- 14 Business Briefs**

Feature



The shadow of the Kremlin is behind the Establishment's "Wohlstetter Report," and behind the group that wrote it—suspected to be the so-called X Committee of high-level Soviet moles.

22 Suspected Soviet cell wrote Reagan's long-term strategy

Dr. Albert Wohlstetter and Dr. Fred Iklé, the two principal authors of the presidential report, *Discriminate Deterrence*, have been identified by highly reliable U.S. intelligence sources as prime suspects in a Soviet-Israeli "false flag" spy ring.

24 The intelligence search for 'Mr. X'

It's not a man, but a whole committee.

26 The network left behind after the U.S. arrest of Jonathan Pollard

28 Albert Wohlstetter: a Trotskyite mole

International

32 New Age Aquarians plot to destroy Germany

A week-long conference of New Age satanists in Hannover, sponsored by West Germany's "conservatives," signals that, if Germany has historically represented the highest of Western culture, that is now to be destroyed as the country is incorporated into the Soviet empire.

35 What Americans should know about the Anschluss

36 Indo-Pakistani relations at a crossroad, after Afghan accord

38 Singapore holding State Dept. at bay

39 Will Kampuchea be next Afghanistan?

41 Panama deal: a hoax and plot to assassinate Noriega

43 Mexico demands a change in this year's presidential elections

Although the general perception is that the ruling PRI party will win the elections, as it has for the past 56 years, the situation has become unpredictable, because the son of the late Gen. Lázaro Cárdenas has massive popular support.

46 'For a government in Mexico not subordinate to foreign interests'

50 Cherubini Quartet plays Schubert cycle

54 International Intelligence

National

64 INF passage: 'I weep for this Senate'

Webster Tarpley weighs the grim consequences of the passage of the INF treaty, by the U.S. Senate on May 27.

66 Elephants & Donkeys

Bush flails "liberal elite."

67 Eye on Washington

Phelan: Will next crash be 'granddaddy'?

68 Congressional Closeup

70 National News

AIDS Update

14 Spend more on AIDS in Philadelphia

15 High incidence reported in Spain

55 Gallup poll highlights AIDS threat

Cracks appear in the covenant of lies

by Chris White

Thus far, the powers-that-be, at least so far as U.S. financial policy is concerned, have, since the market meltdown of Oct. 19, 1987, attempted to manage perceptions of the deepening crisis through a lying psychological warfare campaign derived from the idiotic inanities of the ill-fated administration of Herbert Hoover.

The most concentrated expression of such absurdity has been the insistence, by those associated with the ups and downs of George Bush's presidential aspirations, that any significant worsening in the crisis now ongoing be delayed, by any means possible, into the first half-year of the new presidency in 1989. The Democratic crowd, which, working ultimately for the same employers in the financial self-styled elite as George Bush, and therefore constrained also by the covenant of lies that U.S. economic policy is overall a success, has played out the same game. With the exception of attacks on Reagan's lack of feelings and hard-heartedness, they have not attacked the substantial failures in U.S. financial and economic policy.

Meanwhile, representatives of both camps collaborate in such bipartisan bodies as the National Committee on Economic Policy of Robert Strauss, Felix Rohatyn, et al., to lay down the guidelines for what the next President will do.

Now, though, it is beginning to appear that this arrangement is in the early phases of falling apart. The symptoms of the collapse, in what could be called the unified psychological warfare front, are recent speeches by Sen. William Proxmire (D-Wis.) and John Phelan of the New York Stock Exchange. For his part, Proxmire warns, like Lee Iacocca before him, that the magnitude of the financial crisis that will hit during the next presidency will be such as to ensure that the party occupying the office will be kept out of office for 40 years in the aftermath, so unpopular will it be. Phelan, in his turn, told the congressional think tank, the Congressional Com-

mittee on the Future, that it's only a matter of time before the next market "correction" hits, and the remaining questions concern, not whether such a "correction" will happen, but how severe it will be, and how long it will last.

Differently focused though their respective choice of subject matter was, both, in their own ways, have raised matters which have thus far been off-limits for the messengers and functionaries of the lunatic denizens of the modern Mount Olympus, insisting obsessively, like some super spoon-bending Yuri Geller, that the laws of the universe will submit to the imposition of their collective arbitrary will. The laws of the universe will not.

Whether those issuing the warnings know it or not, there are, behind the symptoms, three sets of considerations related to developments in the financial crisis, impelling the collapse of the covenant of liars. These are: the developments in the markets, which have prompted Phelan's remarks; the now foreseeable parameters of the budget deficit crisis, which will erupt between August and October, and which the next President will have to deal with; and lastly, the simple reality that the outlook of representatives of U.S. creditors, like Crédit Suisse's Hans-Jörg Rudloff, has come to dominate what is approaching majority level among those creditors. Rudloff has asserted since early in the year, that U.S. attempts to postpone the crisis into next year will result in a far worse crisis once it does hit, and that U.S. creditors are not prepared to finance the U.S. deficit one more time.

A liquidationist mode

On the first of the three considerations: The driving collapse of the physical economy which underlies the collapse of the so-called money and credit market mediation of physical economic processes, is not under the control of those who insist that further deepening of the crisis be postponed.

Contrary to the rhetoric of political representatives like Baker, financial market makers, to defend themselves from the threat of the anticipated next phase of financial collapse, have been in a liquidationist mode since before the end of last year.

The word has been, "Get out of stocks, bonds, and U.S. paper, and into Swiss bonds, gold, and platinum." Contrary to those who assert that the current steady increase in interest rates is related to the continuing strength of the economy, and the fear of inflation, the recent, and continuing rate increases, and the accompanying collapse in volume of transactions on both stock and bond markets, are the result of market makers' liquidations of holdings of paper for what they consider to be better protected classes of investment. The sellers' demand for cash is what is pushing up rates. The converse is seen in the recent behavior of the precious metals and metals markets.

The increasing liquidators' cash demand is reflected in the collapsing average daily volume of the stock market, and in a parallel shrinkage in the bond market. Daily trading levels on the New York Stock Exchange in the range of about 120 million stocks a day, compare with the 180-200 million level prior to the crash last year, and for the last month, if the phenomenon of "dividend stripping" is excluded, is well below the breakeven level for the brokerage houses and related dealers. By now, it is estimated, half the volume of shares traded on Oct. 19 would be sufficient to set off another 20% drop in market indices.

Phelan's assertion that another "correction" will happen, was conditioned in part, on that background. He laid out three options: that the correction might be short and sharp, over with quickly; that it might be protracted, governed by a steady increase in interest rates; or, that after two to three years of straightening out deficit imbalances, it might last another five years. The head of the New York Stock Exchange, then, is warning of depression dangers ahead.

Proxmire added the question of government finances to the mix, in warning of what the next President will have to deal with. He anticipates the collapse of the debt structure built up during the course of Reagan's recovery. Proxmire argued that the next President will have to deal with the collapse of what is now \$9 of debt for every dollar of so-called earnings in the economy, and therefore, with the concomitant wave of financial and corporate bankruptcies, and the unemployment of tens of millions of people.

If the neo-Hooverites responsible for the "stall, stall, and stall again" policy of the financial crowd have their way, Proxmire is not too far from the truth. Phelan offered no idea on when his "correction" will hit, though it could actually be any time. Proxmire's warnings will definitely assume new shape during the period August through October; by then, it will be crystal clear that the budget deficit for fiscal 1989, beginning Oct. 1, will not be the administration's projected \$146 billion, within the Gramm-Rudman guidelines, but perhaps twice that amount. Revenues from individuals are run-

ning \$25 billion below last year's level. The deficit for the first six months of the year is already \$30 billion larger than anticipated. Some \$30-\$60 billion will have to be found from somewhere for the failing thrift system. The commercial banks will need, perhaps, a comparable amount. Each 1% increase in the rate of interest will add \$15 billion to the deficit directly, and more indirectly. By the time the administration and Congress get to their mid-August review of compliance with the Gramm-Rudman guidelines, it will be impossible to cover up the magnitude of the disaster.

This line of thinking impacts on the behavior of foreign creditors. The U.S. is not simply demanding that such creditors continue to finance the U.S. deficit at the present \$160-\$180 billion level, but that the funding be increased by \$40 billion and up. Baker and his statistical fakers at the Commerce Department are unable to reduce the trade deficit fast enough to make any difference. The increased demands were behind the OECD's decidedly unenthusiastic reaction to the recent release of the March trade figures. Instead of backing Baker, Nigel Lawson of the British Treasury and Jacques Delors of the European Economic Commission both reiterated their demands for sharp cuts in U.S. internal consumption. As they did so, the Japanese, who had bought U.S. bonds in the quarterly auction of the second week in May, unloaded what they had bought. The message was clear: The foreign creditors are running out of patience with the standing U.S. policy of having them cough up the loot to cover U.S. deficits.

In an April TV address to Americans, Democratic presidential candidate Lyndon LaRouche showed that the process of collapse now under way in the economic and financial system is eerily parallel to the process unleashed between 1929 and 1932. Back in 1930, during the month of June, the stock exchange went into its second nose-dive, tumbling from about 275 on the contemporary index, down to the 220s. Behind Phelan's warnings is perhaps the dawning recognition that such could actually happen again, with the market tumbling back to, say, the 1250-1500 level, on its way down to 600-800.

If that doesn't occur in June, Proxmire expressed the concern that from the period August through October, new elements are going to be thrown into the picture, which will make that line of development unstoppable.

Neither of them have anything to say about what should be done to stop, or reverse the collapse, which, as they reflect, some are now beginning to admit cannot be held back, and perhaps cannot be held back into next year. They and the others in the shadows have yet to face the fact that it's only Lyndon LaRouche who has come up with a reorganization package that will work. Maybe there are others like Proxmire who recognize that the orthodox ways will make things worse. What is needed, though, is the kind of change in methods and procedures that LaRouche alone is competent to ram through.

Federal Land Bank in Mississippi victim of 'creative accounting'

by Sue Atkinson and Joyce Fredman

On May 20, 1988, the Farm Credit Administration closed down the Federal Land Bank of Jackson, Mississippi and appointed a receiver to manage the \$2 billion institution until its assets are liquidated. The first Federal Land Bank ever to be closed down, it provides loans to almost 22,000 farmers in Mississippi, Louisiana, and Alabama. The Jackson bank had reported a \$44.3 million loss for last year, and has been losing \$4.7 million per month since January of this year.

It took squads of bank examiners and liquidators to deal with the closing, the largest bank action ever. With assistance from the Federal Deposit Insurance Corporation, 360 regulators were dispatched to the bank and its 90 branches. They are now in the process of finding other arrangements for the provision of credit to the farmer-borrowers from the three-state area.

This grim incident reflects the insolvent condition of the Farm Credit System overall, of which the Jackson bank is a part. The Farm Credit System accounts for one-third of all United States agriculture debt—approximately \$60 billion of a \$180-200 billion total. The structure of farm debt in the United States is now disintegrating at such a rate as to threaten the U.S. food supply.

Federal Land Banks

The Federal Land Banks (FLB) were conceived as a credit vehicle for farmers who had difficulty obtaining liquidity for their production needs. The system was set up in 1917 and there are 12 such banks in the country—now 11, plus one liquidation. The banks do not take deposits, their sole function being to lend to farmers. Most of their money comes from selling securities on the bond market. For example, one week after the liquidation of the Jackson bank, the government announced that among the agency issues would be a Federal Farm Credit Bank three-part bond sale totaling \$3.02 billion. An \$828 million issue due Sept. 1 yields 7.25%, while a \$1.4 billion issue due Dec. 1 yields 7.625%. The \$791 million of bonds due June 1, 1989, will have a yield of 7.90%.

As the name implies, Land Bank loans are often, although not always, collateralized by land, as opposed to production loans, collateralized by crops. What is mandated is that when a farmer borrows, he must buy stock in the bank, known as

"B" stock, representing 5% of the loan, which is pledged as collateral. Should such stock drop to less than 25% of its face value, it is required that the bank seek assistance from the Farm Credit Assistance Board (FCAB).

The system seemed to function, and by 1968, farmers were able to pay off everything they had borrowed. But with the advent of Paul Volcker and high interest rates, all that changed. As the farm crisis of the 1980s deepened, the federal policy was to either ignore the problem, or paper over the difficulty without addressing the underlying cause.

The 1987 Agricultural Credit Act is exemplary. This allowed the Treasury to open credit lines to such institutions on favorable terms. But farmers kept going under. It was not nearly enough. At the beginning of 1988, through this vehicle, the Federal Land Bank of Jackson received \$30 million in short-term funding, a drop in the bucket considering their \$1.9 billion in liabilities and \$646 million in bad loans.

Out of the 11 remaining Federal Land Banks, over half are estimated to be in a condition similar to the Jackson bank. The FCAB has just announced an infusion of \$90 million into the Federal Land Bank of Louisville, Kentucky, and has received a request for \$128 million to assist the Federal Land Bank of St. Paul, Minnesota, the largest agricultural lender in the United States.

FCS 'creative accounting'

The situation is indicative of how the Farm Credit System has dealt with the farm crisis. Rather than acting to provide farmers with credit, top FCS officials have resorted to "creative accounting" tactics to make their banks appear solvent. It was announced on May 3 that the FCS nationwide had a combined profit of \$165 million in the first quarter, due entirely to a \$160 million reduction in the loan-loss reserve and a \$10 million net gain on other property owned. The system's net interest income of \$146 million—the difference between interest income and interest expense—fell \$5 million short of its other expenses of \$151 million.

Alan D. Fass, president and chief executive of the Federal Farm Credit Banks Funding Corp., used doublespeak when he reported recently, "The improvement in the agricultural economy experienced in the latter half of 1987 continued into the first quarter of 1988. The Farm Credit System has been

able to reduce its loan-loss reserves because borrowers are considered better able to repay their loans.”

The farm economy looks good only to people who think a Potemkin Village is real. One of the factors contributing to this illusion is the fact that liabilities have been reduced by loan restructuring and write-offs. Another factor is that farmers' expenses have been reduced due to participation in government programs. Under the land set-aside requirements, you don't pay for seed, fertilizer, pesticides, gas, and equipment—because you don't plant. When both liabilities and expenses are lower, a balance sheet appears very much improved. Unfortunately, the improvement was not achieved through increased cash flow—which would have indicated an improved farm economy.

The FCS system officially considers its borrowers better able to repay their loans because the loan analysis is being done differently. In order to redistribute all of the reserves in the system through losses, each loan analysis done used two years' interest expenses and two years' depreciation expenses, as well as a 100% collateral requirement. As reported in *EIR* (Nov. 5, 1987), the FCS at that time decided to change its loan analysis in order to make its loan portfolio appear improved. We are now seeing the results of that hocus pocus.

The obvious question here is: Why are these now excess funds in the reserve for losses such that \$160 million can be removed? In the first place, the losses being reported were made up of both actual losses and expected losses. The expected losses were being produced by the loan analysis form using two years' interest expense and two years' depreciation expense. (That form was in temporary use for just under two years, in order to redistribute the excess funds in the system.)

According to the charter passed by Congress to establish the Farm Credit System (and later amended), the reserve for loan losses cannot have a balance equal to more than 3.5 percent of the outstanding loan volume. With the top-quality loans leaving the system and the bad ones being collected, the loan volume has fallen dramatically. This accounts for the excess funds in the reserve for loss account.

The next obvious question is: Why is the net interest income short of covering the other expenses by \$5 million? Because the system cannot charge a high enough rate to cover its expenses. It boasts that it is aggressively trying to recapture its share of the market. It is going to be offering a lower rate of interest to top-quality borrowers than banks can offer.

In April, the commercial bankers complained of this practice to Secretary of Agriculture Richard Lyng and members of Congress. Bankers were assured that no taxpayer money in the form of a Farm Credit System bailout would be used to subsidize interest rates. The FCS cannot long continue to subsidize its best rates with money from the reserve for loss account. It is a practice totally dependent on the creative accounting being employed.

Another problem facing the FCS is the restructured balances being held in the loan accounts; these are not accruing

interest, but are not being written off as losses. A decision must be made as to their disposition. They must be either collected from the borrowers or charged off against the reserve for losses. Depending on the amount of restructuring done by the system, there could be adverse effects in the future on either the borrowers or the financial condition of the system itself.

Who is lender of last resort?

The Farm Credit System finances its lending by issuing short- and intermediate-term bonds. The rates of these bonds are usually slightly above those issued by the U.S. Treasury. Prior to the 1987 bailout by the government, the Farm Credit bonds were never officially backed by the government, but backing was always implied. This made them a very secure investment, so funding was not a problem.

As actual losses in parts of the system started mounting, the rates on the bonds started increasing. As projected losses mushroomed, investors started worrying about the government backing. System officials started pressuring Congress to back the bonds in order to assure their sale and lower interest rates to farmers in order to make the lending rates competitive and thereby keep the best borrowers. The approved bailout package contained a guarantee for the bonds, which started bringing down interest rates. However, now, even government backing may not be enough.

Another ineffective move by the government was to cut administrative costs at the FCS, supposedly to save money and preserve the system. A congressional directive was issued to merge banks within each district and then merge the 12 districts into 6. Each level of the system adds a spread to the bond rate in order to cover its expenses. In order to get the rate more competitive, some of the spreads had to be eliminated. This could not have been accomplished without a push by the government, because the by-laws state that the local boards of directors, as well as the stockholders, must approve all mergers. Normally, farmers will fight to maintain control of their local association, and will reject merging unless forced to.

The system has been in the process of reorganizing since 1984. Take the Eighth District, of Iowa, South Dakota, Nebraska, and Wyoming, as an example. In 1984, the Farm Credit Bank of Omaha began merging the staffs of the Federal Intermediate Credit Banks, the FLB, and the Bank of Coops. In 1985, the 40 Production Credit Associations and 33 FLBAs began merging their staffs into 15 regional service centers. They have reorganized twice since and are in the process of doing so again. Now they are organizing into one staff per state in preparation for the merger of two district banks. The stress on the staffs has been incredible. Many who have been in the system their entire careers have left. This has two effects. One is to reduce salary and benefit expenses. The other is to eliminate those who understand the manipulation taking place.

Poland rejects 'Marshall Plan'; Hungary gets new austerity leaders

by Konstantin George

Moscow, via an official statement by its Polish satellite, has mixed the schemes of Western financiers for a "New Marshall Plan" for Eastern Europe. The death notice for the intended Marshall Plan—a notion especially pushed by Carlo De Benedetti of Olivetti—was delivered in the May 22 edition of the Polish Communist Party newspaper, *Trybuna Ludu*. The paper rebuffed flat-out Western proposals, which, under the guise of "aid," would increase Poland's indebtedness and, as a consequence, the looting of that country by Western creditors.

Trybuna Ludu declared that the proposals "seek to create . . . a new dependency, under the wrappings of a new Marshall Plan," and that they were being rejected for the same reasons that (on Moscow's orders) Poland and other Eastern European countries said no to the 1947 Marshall Plan: "The aim is the same as always: to change the power alignment in Europe." Such designs are based on "false conclusions drawn from the structural transformations now taking place in the socialist states. . . . We are not, and never will be prepared to sell out the most vital Polish interests."

Poland's rejection was foreshadowed by Moscow in the April 24 *Pravda*, which excoriated Western use of "economic levers" to undermine Poland in particular and Eastern Europe in general. The "Marshall Plan" balloon was being punctured even before it got airborne.

Illusions, however, can tend to die hard. The latest craze among the Western media trumpeters of "liberalization" in the East bloc is a totally unwarranted flood of commentaries praising a "stunning victory of the reformers" in the May 20-22 Hungarian Party Conference, which deposed Janos Kadar, 76, Hungary's ruler since he was installed by Soviet tanks, crushing the 1956 Hungarian Revolution.

Hungary's leadership: fact and fiction

The Hungarian leadership changes that occurred at the special Party Conference appear to have been major, if one looks at the raw numbers in the turnover. Eight of 13 Politburo members and 31 of 108 Central Committee members were removed. The widely published analysis that the personnel changes were perfect for the desires of Western financial circles masked the fact that Moscow got what it had wanted. The illusions arise because the overriding Soviet policy considerations behind personnel changes are ignored or forgotten.

Hungary's policy is, and will be even more so under the new leadership, austerity. The personnel changes reflected the Soviet concerns to have in Hungary the leadership team best able to steer a vicious austerity program and, at the same time, stave off—at least for the present—a social explosion which has been brewing for months. Moscow staged, on this occasion, its version of what Western financiers almost always do under similar circumstances, on their side of the Yalta divide: They bring the radical Social Democratic types into the government, to better enforce austerity against the work force. Therefore the Hungarian equivalent of "radical, anti-Establishment" Social Democrats was coopted onto the Politburo.

Thus, people known as liberals, such as Reszoe Nyers and Imre Pozsgay, were promoted to the Politburo. Nyers is the "father" of the 1968 liberal economic reform, which opened Hungary to Western looting, which led to its \$18 billion foreign debt, the highest per capita indebtedness in the East bloc. Pozsgay is an advocate of a "multi-party" system. Similar additions were made to the Central Committee, including former Prime Minister Jeno Fock (1965-75), who had been expelled from the Central Committee in the late 1970s.

These appointments were the payment for—and what a cheap price to pay—the \$350 million International Monetary Fund standby credit and \$70 million World Bank credit Hungary was granted just days before the Party Conference. The standby credit prevents an immediate collapse in Hungarian debt repayments, which are now eating up some 75% of hard currency export earnings.

As to who will actually run Hungary, Moscow got the leadership core it wanted. The eight deposed from the Politburo were either close protégés of Kadar or the two 70-year-olds, Gyorgy Aczel and the discredited head of the trade unions, Sandor Gaspar, where a "fresh face" was urgently required to stop the flood of workers quitting the government trade unions. The Kadar protégés were weaklings, intolerable to Moscow at a time when Hungary is experiencing its worst crisis since 1956. "Strong men" to do Moscow's bidding were required, and Russia now has them.

The reins in Hungary are now held by two men, Karoly Grosz, 58, the new general secretary, and Janos Berecz, 57, the boss of the powerful Central Committee Secretariat, nicknamed "Hungary's Ligachov." Both are referred to inside

Hungary, with full justification, as “Moscow’s men.”

Berecz, a notorious hardliner, was brought onto the Politburo in 1985, under the same considerations by which the Russian Nomenklatura brought Yegor Ligachov and KGB boss Viktor Chebrikov onto the Politburo in the Soviet Union. Karoly Grosz will continue until about the end of this year also as prime minister, the post he was given in June 1987 to direct the current austerity program. Grosz’s rapid rise and the hand of his Muscovite benefactor were revealed in April 1987, when Yegor Ligachov, during his stay in Budapest, singled out the relatively unknown Grosz for effusive praise.

Behind the scenes management

The Party Conference was skillfully managed by Grosz and Berecz to create the appearance of “sweeping change,” while they actually tightened their grip over the party machinery. The secret behind this bit of Magyar magic lies in the crucial institution in which *no* sweeping changes took

place, the Central Committee Secretariat.

Here, Berecz finalized his control over the body by expelling Kadar’s young protégé, Miklos Ovari, from both the Politburo and the Secretariat, where he had run Kadar’s office.

The post, too, was abolished, thus reducing the Secretariat’s membership from seven to six. Of the six new additions to the Politburo, whose membership has been trimmed from 13 to 11, two of them, Janos Lukacs (responsible for youth affairs) and Miklos Nemeth (responsible for foreign policy), came from the Central Committee Secretariat.

Added to the five Politburo members retained, that makes a core of at least seven, around Grosz and Berecz. It is they who will, on behalf of Moscow, rule. The liberal types now ornamenting the Politburo will have all the power of mannequins in a store window.

How long it will take for this reality to dawn on Western financiers and illusion-ridden governments is another matter.

Gorbachov economic aide tells of woes

by Luba George

The Soviet Union’s population is now seething with discontent, as the spillover effects of the economic catastrophe in Eastern Europe have dropped Soviet living standards down to the level of the 1960s, if not worse. On top of the large-scale national unrest in the Caucasus and the Baltic, there is another pattern of unrest now brewing: strikes, protesting the wage reductions and abysmal supply situation effected under the “reforms.”

Pravda of May 22 reported that bus drivers in the Lithuanian port of Klaipeda (Memel) had gone on strike for one day during April, protesting the “reforms” which now link wages to “productivity,” and, in their case, wiped out their bonuses. The strike only ended after the city promised to restore the old wage system. Recently, the Soviet press has also belatedly admitted at least two strikes last year by Leningrad shipyard workers.

The forced tempo of the post-1982 Soviet war economy program, codenamed *perestroika* since 1985, has been accomplished, *inter alia*, by a prolonged neglect of Soviet light and consumer industry. That neglect was bridged by ever-increasing Soviet looting of Eastern Europe, to sustain the

Soviet civilian economy. Plundering Eastern Europe, however, together with allowing expanded Western looting of the same Eastern European nations during the 1980s, has caused a near physical breakdown of the captive nations’ economies. The result is the worst supply situation in the Soviet Union in decades.

Aganbegyan spills the beans

The gravity of the economic crisis was spelled out in detail by Gorbachov’s economic adviser, Abel Aganbegyan, at a seminar in Moscow in February on the theme “Problems of Radical Change in Economic Management.” Aganbegyan’s speech was published in the March edition of the magazine *Nauka i Zhizn* (*Science and Life*).

The investment neglect was dramatically illustrated: “For a long time, we obviously underestimated the production of mass consumer goods. Judge for yourselves: Although this branch of industry accounts for 37% of all income generated, it has received only 8% of all investments.”

Soviet light industry was characterized as nothing less than a junk heap of obsolete plant and equipment. “Light industry is still operating unsatisfactorily. In 1986 its production rose by only 2%, and last year by only 1.4%. The reasons for this are rather deep: Equipping light industry with new machinery has not been done for *decades*, 40% of the plant and equipment passed its point of amortization long ago. It’s urgent to promote a basic renewal of plant and equipment, but the production of plant and equipment in the U.S.S.R. is not functioning properly.”

Aganbegyan candidly documented the collapse of Soviet living standards—never high to begin with—under the last three years of *perestroika*, noting that the average Soviet

citizen today is worse off than during the period 1960-65.

"Around the middle of the 1980s, our country, on the basis of a number of social statistics, has recorded a drop in comparison to the years 1960-65. . . .

"Today, in the last quarter of the 20th century, 17% of all Soviet families do not have their own apartment or house, half of all apartments and houses in the Soviet Union, above all in the rural areas, have no toilet, no sewage, no running water, let alone hot water, telephone or central heating. . . .

"Compared to other developed countries, we have very low per capita meat consumption—62 kg per year, in other countries it's 75-80 kg and even 85 kg. . . . In the consumption of milk and milk products, the Soviet Union is far behind most other countries; and the variety of these products is very limited and the quality rather poor.

"The Soviet Union is far behind other countries in the consumption of vegetables, especially at certain times of the year. Our population consumes only one-third of the amount of fruit recommended by the medical profession, and this has especially negative effects on the health of the children."

Agriculture was described as being in a "worse situation than during the 1960s," and "agricultural production per capita has not increased since 1978."

The need to end Western dependence

Aganbegyan has been continually played up in the Western media as a "liberal" economist, ironically by the Western financiers who have been promoting illusory schemes of a coming East-West "trade boom." His speech threw cold water on such schemes. Aganbegyan called for nothing less than eliminating grain, meat, and food imports from the West by the 1990s. The following passages reveal the actual form of dramatic upcoming Soviet policy changes, which will lessen dependence on the West:

"A further problem exists, in that one quarter of our cattle, which are slaughtered for meat, are fed with imported feed grains; in the last five year plan (1981-85) we purchased several million tons of feed grain—that's more grain than the Ukraine and Kazakhstan combined supply to the State.

"We bought with hard currency a million tons of meat—that's more than is consumed by the entire Moscow region or all of Kazakhstan. In effect, we have been exchanging our crude oil for grain and meat. But the price of crude oil in recent years has fallen by two-thirds, and now the State *no longer has the possibility* to purchase the same quantities of grain and meat as in earlier times. . . . Our task is, as soon and as fast as possible, in fact by the beginning of the 1990s, to free ourselves from mass food imports."

The situation is too critical to wait for the June 28 All-Union Party Conference. The May 5 weekly Politburo meeting spent most of its time working out measures to deal with "food and consumer goods supply problems." Failure to find a solution soon will lead to a search for a scapegoat. Such a process in the past, under Khrushchov, led to the toppling of a general secretary.

EC and Comecon sign accord, but what now?

by William Engdahl

The European Commission in Brussels, the administrative secretariat of the European Community (EC), on May 24, announced an imminent accord to give formal recognition to the Comecon, the Moscow-dominated association of East bloc economies. The communiqué is expected to win formal approval at a June 24 joint meeting.

On the surface, this seems like yet another big step in bringing Western Europe closer into the iron net of Soviet hegemony. The new accord would do primarily two things, say senior EC Brussels officials involved in the more than two years of EC-Comecon talks: "First, it establishes official relations for the first time between the Comecon and the EC; secondly, it opens the door for future relations."

The president of the European Parliament, Henry Lord Plumb, called the tentative accord "an historic moment that has been long awaited and which will change the map of Europe. . . . We cannot expect immediate results from this agreement, but in the long term it will be of major importance for the development of both political and trade relations in Europe."

Behind the facade

The question is why this accord has been reached just now. Is it a signal of a new Comecon opening of its markets to the West, as many Western bankers hope? Or is it a signal of Western despair over the process of U.S. decoupling from Atlantic Europe? The reality appears to be some complex interplay of both. According to senior East European specialists at the Vienna Institute for Comparative Economic Studies, "This agreement in no way obliges the West to any actions. The EC insists on making bilateral trade with individual Eastern countries, particularly Hungary and Czechoslovakia. The accord should help that."

"The accord was reached quickly last week when the Comecon finally agreed to compromise on recognizing that West Berlin was part of the EC," a Brussels insider in East European affairs revealed. "East Europe and Moscow are afraid that if they did not move to establish official relations with the EC, they would be left out of the EC Internal Market of 1992."

But there was a second party to the engagement. "West Germany sits as president of the EC until June. Bonn wants to push through these pending East-West agreements now,

while it is holding the presidency, so that Bonn remains the focus for future EC-Comecon developments.”

According to these reports, this desire of Bonn, especially Foreign Minister Hans-Dietrich Genscher, was the real reason Dresdner Bank and four other West German banks rushed approval for a DM500 million Soviet sovereign bond issue for the Moscow Bank for Foreign Trade (Vneshtorg). “Moscow saw that Bonn was eager to get the agreement before June, so they pressured them to add the new financing as a ‘sweetener.’ Just after that, they dropped their demands over Berlin, insuring the accord.”

In Brussels, there is also speculation that the unusual DM3.5 billion letter of credit given by Deutsche Bank in early May for “consumer” needs of the Soviet Union, was cheap credit to finance an emergency Soviet import of meat, grain, and other foodstuffs over the coming weeks, agreed to for the same reasons as the new bond financing. According to reports in Bonn and Brussels, these imports would be used by Gorbachov in his internal factional battles to improve food shortages for consumers, and ease popular discontent against his *perestroika* prior to the June All-Union Party Plenum.

The EC-Comecon talks were initiated in the late 1970s by Moscow, when Moscow and the Comecon demanded comprehensive mutual trade accords between the two regional organizations. Those talks broke off after the Russians invaded Afghanistan in 1979. “The new talks are very different,” an EC official noted. “The Comecon initiated a new draft which excludes trade policy; they have significantly reduced their ambitions.”

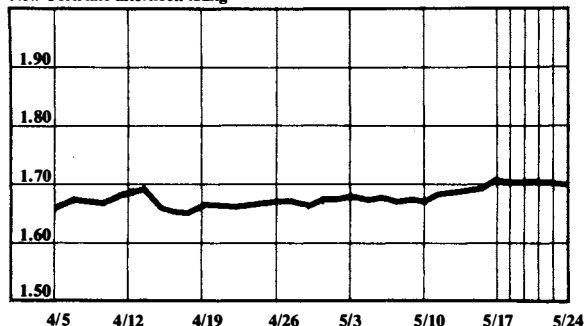
Some informed Europeans see an ominous potential in the closer ties, even if only symbolic and diplomatic, between East and West Europe. Sir Jimmy Goldsmith, the Paris-based financier and publisher of *L'Express* weekly, recently warned of the real issue underlying increased dialogue between East and West Europe. Alarmed at the medium-term implications of a U.S. troop pullout from West Germany, Goldsmith foresees that Moscow will profit from the resulting vacuum: “Their strength is military. If they are able to form a New Europe, decoupled from the United States, then they have a chance of using their military superiority to gain economic strength before their own society decomposes. They would contribute their military power to the New Europe. Western Europe would contribute its industrial and financial infrastructure.”

Under these conditions, says Goldsmith, “the Soviet bloc would be perceived as a privileged marketplace for West Europe’s goods, which would relieve its economic pain.” Goldsmith criticized calls from French ex-President Valery Giscard d’Estaing and Italian financier Carlo De Benedetti for a Marshall Plan for the East, recently editorially endorsed by the influential Paris daily *Le Monde*. Western Europeans, worries Goldsmith, “can read the Iklé report on *Discriminate Deterrence* and receive confirmation that a commitment to the defense of Western Europe is no longer a top U.S. priority.”

Currency Rates

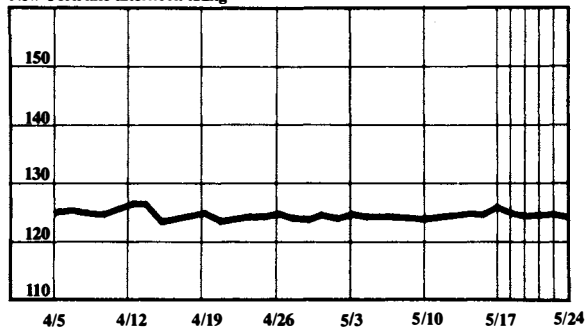
The dollar in deutschemarks

New York late afternoon fixing



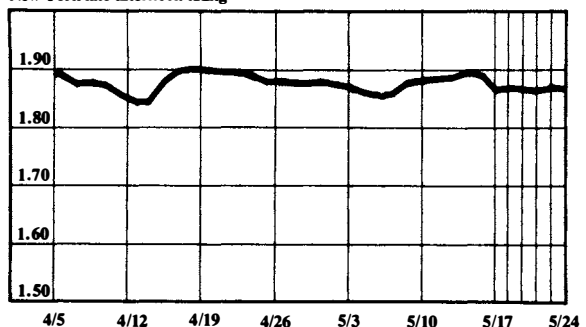
The dollar in yen

New York late afternoon fixing



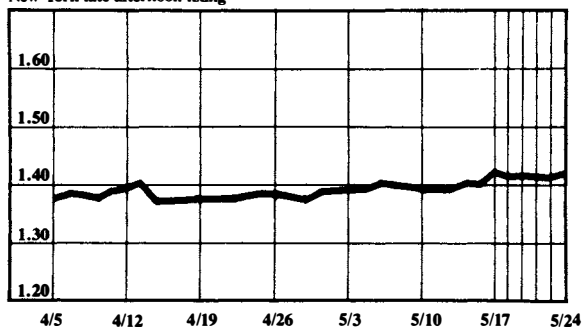
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



New screening test for cancer

Within a year, the test promises to increase the yield of useful information for one of the commonest forms of cancer in women.

A new weapon is about to be added to the armamentarium of cancer detection. Within the next few months to a year, testing for Human papillomavirus (HPV) in Pap smears and cervical biopsies will be commercially available. This holds the promise of substantially increasing the yield of useful information from the widely-used screening test for one of the most common forms of cancer in women.

HPV is a DNA virus which infects surface tissues such as the skin and the lining of the genital tract. Among the 56 varieties of HPV are the viruses which cause plantar warts on the soles of the feet, the common skin wart, as well as warts in such diverse locations as the larynx and the genital tract.

Among these different types of papillomavirus, two in particular, types 16 and 18, are associated with 60% of invasive cancers of the uterine cervix, that portion of the uterus which forms the end of the female vagina, and from which the majority of cancers of the uterus have their origin.

Two other types, 6 and 11, are found in genital warts and other benign growths of the genital tract in men and women.

HPV was implicated in cancer of the cervix in an article published in the Aug. 2, 1986 issue of the British medical journal, *Lancet*. In a study of 100 women with early precancerous changes of the cervix, HPV type 16 was identified in 85% of those who progressed to more severe precancerous changes.

The authors stated that "the detection of HPV 16 appears to identify

women at high risk of rapid progression to advanced CIN [precancerous changes—ed.] and possibly cancer."

The development of the Pap smear, named after the Greek physician, George Papanicolaou, was instrumental in reducing the death rate for cancer of the cervix, once one of the leading causes of cancer deaths among women. By detecting early, precancerous changes in cells shed into the vagina, physicians were able to remove the affected areas before the development of invasive cancer.

This led to a 70% decline in the death rate for cervical cancer over the last 40 years.

Recently, however, there has been a tripling of the death rate for cervical cancer among women under 35 years of age. Many authorities believe that the increasing sexual activity which has characterized the last two decades is responsible for the sharp increase of benign and malignant disease of the cervix. For example, a West German study of cervical smears from 9,295 women found that precancerous changes and HPV infection were most common in those between the ages of 20 and 30 years, and that 65% of visits to physicians for genital warts are made by patients 15 to 29 years old.

As a result, there has been growing concern about false negative Pap smears, especially since there has been a recent increase in the number of questionable Pap smear findings. Thus, in some cases, the Pap smear may fail to reveal cancer or precancerous lesions, allowing a potentially curable tumor to become incurable by

the time it is detected.

The addition of HPV testing to the Pap smear would constitute a "double-barreled" approach to this problem. By identifying lesions of the cervix which contained one of the cancer-associated types of HPV, patients with these lesions could be followed at more frequent intervals or have the lesions removed directly.

Until recently, such extensive testing for HPV has been hindered by the difficulty in detecting the virus. Microscopic changes in the tissue are suggestive of infection, but not diagnostic, and the virus refuses to grow in culture. Virus particles in tissue taken directly from warts can only be seen under the electron microscope after a careful preparation procedure. However, in most lesions of the cervix no virus particles can be found.

In these cases, detection of virus DNA is the only way to establish the presence of the virus. Until recently this was done by a lengthy and complicated procedure, known as the Southern blot assay. While this assay has a near-100% ability to reveal the presence of HIV, its technical demands have limited it to laboratories with the necessary time and personnel.

A number of rapid, simple, commercial assays are now being developed to overcome this problem. Most of these assays are based on the use of DNA or RNA probes which specifically bind to virus DNA. The probe is coupled to either a radioactive compound, an enzyme, or a dye. After treatment with the labeled probe, the specimen is examined for the presence of the bound label.

At present the Food and Drug Administration has limited all these assays to research use until their value and accuracy have been field-tested and more is known about the link of HPV to cervical cancer.

Venezuela, debt-strangled

The collapse of oil prices and soaring debt service costs are driving Venezuela to the financial brink.

According to a report of the Venezuelan central bank, published May 12, oil export revenues during the first four months of the year amounted to just \$1.75 billion, lower than even the minimal official estimates, which were put at \$7.5 billion for 1988, at a \$15/barrel price. That is, oil income did not even cover the cost of the most indispensable imports to maintain the productive sector: Of the \$2.2 billion worth of foreign reserves budgeted for essential imports in the first third, only \$1.675 billion was actually given out.

What was paid punctually, however, was \$1.295 billion in service costs on the foreign debt, both public and private. By the end of the year, debt service costs are expected to reach \$5.5 billion.

To make up for the first trimester deficit, the government of President Jaime Lusinchi continues to pursue a policy of seizing all available funds that are not rooted to the ground: \$465 million from the Venezuelan Investment Fund (FIV), \$75 million from the central bank's operating account, \$530 million from the forever swollen category of "others," which we know includes some credits and "non-traditional" exports, ranging from sale of gold reserves to deeper and darker secrets. In this manner, the foreign exchange deficit for the first trimester of 1988 will be reduced, officially, to "only" \$849 million.

According to Hernán Luis Coriano, ex-president of the FIV, "Technical studies suggest that the balance of payments deficit this year will surpass \$4.6 billion, of which the gov-

ernment hopes to cover approximately \$2.5 billion by transfer of funds from the FIV to the central bank, by indebtedness, and through sale of gold."

The international reserves from which the government traditionally pays debt service and covers its deficits are nearly exhausted. Operating reserves are currently estimated at \$2.7 billion and, according to an agreement with Venezuela's creditor banks, all deals will be canceled and Venezuela subject to embargo if they fall below the \$2 billion level!

A rise in the price of oil, which could give Venezuela a financial respite of sorts, appears improbable, especially given the failure of OPEC's recent conference. Nor is capital raining down on Venezuela from abroad, as the banks had promised. Not even the personal globe-trotting of President Lusinchi, to the United States and Japan, has produced more than a few crumbs.

During a May 2-3 seminar in Caracas sponsored jointly by the Aspen Institute and Latin American Economic System (SELA), International Monetary Fund president Michel Camdessus declared, "There are no reasons to anticipate an improvement in the foreign debt crisis. The adjustment program must be more vigorously pursued . . . even if the poorest sectors of the population are temporarily affected."

What such a program would look like was spelled out in a March 1988 confidential World Bank report on Venezuela, leaked to *El Nacional*. The report urges that "the public sector def-

icit be reduced, increases in wages and agricultural prices avoided, interest rates raised and the exchange rate unified." It further demands "liberalization" of all controls on imports, exports, and both domestic and foreign investment.

Agriculture is condemned to a not-so-slow death by the World Bank recommendation that "existing subsidies for fertilizers should be reduced and interest rates for agricultural credits raised. . . . In addition to avoiding generalized hikes in subsidized agricultural prices, the government should abandon plans to create a state distribution agency and should not create subsidization plans."

Industry is already strangling under current conditions. The director of the Federation of Chambers of Commerce (Fedecamaras), Freddy Rojas Parra, warned, "The country's industries are going to have a difficult and totally bleak second semester in the matter of foreign exchange revenues." The President of the Venezuelan Industrial Confederation (Conindustria), Jorge Chappellín Bello, told the press May 20 that if congress and the executive don't order immediate relief measures, paralysis of the industrial sector would lead to total collapse of the economy immediately after the Dec. 4 federal elections.

According to the president of the Metallurgical and Mining Industries (AIMM), Amador Hernández, a progressive paralysis of the nation's aluminum processing plants is occurring—with at least 17 such firms on the brink of bankruptcy—due to a severe shortage of raw materials on the internal market. It appears that Venezuelan aluminum, the cheapest in the world, is being exported abroad for desperately-needed foreign exchange, while domestic industry, bereft of dollars to import aluminum from abroad, is left high and dry.

Business Briefs

Space

CBO says NASA costs too much

In a report released in May, the Congressional Budget Office complains that the nation's space program simply costs too much to maintain. In the CBO's estimate, even if NASA takes no new initiatives, but simply flies the Shuttle and completes the space station, the agency's budget will have to increase to \$14.4 billion (1988 dollars) by 1993, and \$16.4 billion by the year 2000.

This "core program," it admits, would have the United States bow out of new space science projects, including a return to the Moon, and putting human beings on Mars. It also admits that this would be the end of any U.S. leadership in space, and that, by comparison, during the peak year of funding for the Apollo program, 1965, the budget stood at \$22 billion in 1988 dollars.

But, the nation cannot even afford this no-future program, CBO insists.

Health

Spend more on AIDS in Philadelphia

"No economizing on AIDS," read the headline on an editorial in the May 24 *Philadelphia Inquirer*. It praised Philadelphia for gearing up a serious fight against AIDS.

"Now that AIDS has killed more Philadelphians than died in Vietnam, the city is finally gearing up to fight back," said the newspaper. "In July, Philadelphia's budget for AIDS prevention and treatment will jump from \$1.8 million to as much as \$9.6 million. . . . Spending the full amount that city AIDS coordinator David R. Fair proposed, or as close to it as possible, would transform Philadelphia's AIDS prevention and treatment program from a sick joke into a serious response.

"Philadelphia," argued the *Inquirer*, "has now reached the point where an estimated

40,000 residents carry the AIDS virus, which will kill at least one-third of them, and those they spread it to.

"Obviously, there's no way that Philadelphia can prevail against AIDS on the cheap. . . . The city's costs will escalate dramatically in future years as more and more people are diagnosed. The only question is how strongly Philadelphia moves now to stem the losses from a disease whose scope remains hard even to imagine."

Malthusians

Catholic newspaper exposes U.N. agency

The Italian Catholic daily *Avvenire* has created shock in Italy by exposing the genocidal program and activities of the United Nations Fund for Population Activities (UNFPA), the World Wildlife Fund, and other malthusian organizations.

On May 17 and 18, *Avvenire* ran feature articles on a secret May 15 seminar, held in a room of the Italian Parliament, of the UNFPA and a group called the Italian Association for Population and Development. Speaking at this meeting, UNFPA head Sadik revealed that 65% of the U.N. body's budget is spent on sterilization activities.

One Gianfranco Bologna, vice-director of the World Wildlife Fund/Italy, stated that the population problem in the Third World could be handled by "not permitting the Third World countries to develop as the Western nations have."

A Mr. Penisi, who has just moved from the Italian government Budget Ministry to the U.N. Food and Agriculture Organization headquarters in Rome, stated, "I think the main problem is the fertility of women." He recommended a widespread program of vasectomy and sterilization as the solution, and complained that sterilization is not yet legalized in Italy.

A "gallery of horrors" is the way the newspaper described the UNFPA's report on demography. The article lists the following elements:

- In Hong Kong, there is sterilization of women in refugee camps. Among 1,600 women surveyed, 800 had been successfully sterilized.

- In India, the UNFPA's aim is to sterilize 60% of all married couples by the year 2000.

- In Naples, Italy, there are more than 300 UNFPA officials involved in "injecting contraceptives under the skin," which creates an AIDS danger in the city.

- In Pakistan, there are 110 centers that have succeeded in sterilizing 33,000 women. But this is only 72% of what the UNFPA wants to achieve.

- In Tunisia, the birthrate was cut in half for 1987. Both Tunisia and Zimbabwe are singled out as positive models for controlling population.

Space

U.S. to take Soviet equipment into orbit

Soviet scientists were informed on or about May 12 that the United States had decided in principle to take Soviet Mars-probe equipment into space in 1992 on a planned space launch, deputy associate administrator for space sciences at NASA Samuel W. Keller said May 22.

The move was characterized by the *Washington Post* as "the first move toward tangible U.S.-Soviet cooperation in the exploration of Mars."

Secretary of State George Shultz said on ABC's "This Week With David Brinkley" show May 22 that he expected a U.S.-Soviet Mars mission to be discussed under the space science cooperation agreement signed by himself and Soviet Foreign Minister Eduard Shevardnadze on April 15, 1987 in Moscow. According to Shultz, although such a mission "has been talked about" it is "a long way from being agreed upon." "We have to be careful with problems of technology transfer," Shultz added.

In an interview with the May 22 *Washington Post*, Mikhail Gorbachov had called

Briefly

for a joint U.S.-Soviet mission to Mars. The four-page interview, appearing the same week as the summit and the INF ratification debate, was conducted by *Post* owner Katharine Graham herself, along with *Newsweek* editor Richard Smith, and others.

AIDS

High incidence reported in Spain

Approximately 25% of all AIDS tests conducted recently in Madrid were seropositive, the Health Department of Madrid announced. Of 42,000 persons tested, 10,000 were infected.

EIR was unable to find out by press time if the 42,000 persons were selected for testing as "high-risk group" members, or on a more random basis. The rate is enormous, in any case.

AIDS is spreading faster in Spain than in any other European country, according to the latest European Commission statistics. Between 1986 and 1987, cases reported went up by 198%; the average rate of increase in the EC is 126% for the same period. There are now officially 20.2 cases per million inhabitants in Spain.

Debt

German bankers respond to churches

The German Bankers Association responded to Catholic and Lutheran Church documents on Third World debt of May 16 with a statement denouncing the churches for "polemical tones that won't help any of the debtors in the Third World."

The churches' documents denounced current financial policies toward Third World countries as a violation of Christian moral values.

The bankers' association response re-

jected the idea of debt cancellation, and restated its policy of "enabling the debtors to have more growth of the economy, in order to pay their debt."

In a separate release, Commerzbank at least stated that "there is something just in the churches' view," but added that "from a strict merchant's viewpoint, debt cancellation is not the way out of the debt crisis."

Pope John Paul II's recent encyclical, *Sollicitudo Rei Socialis*, the inspiration for the West German church documents, had denounced economic policies which are conducted without ethical considerations, as it were, "from a strict merchant's viewpoint."

Deutsche Bank had a spokesman say that the churches had "better stick to religious affairs, and leave the finances to those who understand the business"—and he might have added, who are now bringing on the worst financial crash in human history.

Mexico

Oligarchy dictated economic policy

The leading spokesman for Mexico's elite circle of financial speculators, banker Agustín Legorreta, publicly admitted that the government of President Miguel de la Madrid is little more than a front for the country's financial oligarchy.

In a speech to students, at which he requested tape recorders be turned off, he outlined how, in November 1987, he went to the government and told them that if they wanted the cooperation of his circle in arresting inflation long enough for the PRI to win this July's elections, they had better do what the "business sector" wanted in the economy. And they have, selling off the largest copper mine in the country, letting the national airlines go bankrupt, and "privatizing" major chunks of the public sector.

Meanwhile, real wages have continued to plummet, public investment has been slashed, and now, intense suffering from the drought is taking place, and still there is no government action.

● **THE MEXICAN** drought is causing serious crop losses, and a health emergency for its population. Along with threatened loss of 60-70% of Mexico's soy crop, which depends on irrigation, are reports of thousands of infants and children suffering from dehydration in Mexico's north. In numerous townships around the city of Monterrey, drinking water is only available for four hours a day.

● **THE GOVERNOR** of Brazil's Alagoas state, Fernando Collor de Melo, held a meeting with small industrialists in which he said that his state will not respect the budget cutbacks ordered by the federal government because "they are unconditional surrender to the IMF and stem from a government that hasn't the least authority." He also criticized the government for not establishing "a policy of incentives for businessmen to invest in the productive sector and not in the unproductive, which is the open market."

● **BRAZIL'S** trade surplus in April hit \$1.9 billion, most of it in raw materials. The huge margin is a sign of the illness of the economy. It reflects, according to president of the Foreign Trade Association, Norberto Ingo Zadrozny, a fall in imports and a contraction of the internal market.

● **SPAIN'S** largest banking operation in history took place in mid-May, as Banco Central merged with Banesto. The head of Banesto, 40-year-old Mario Conde, is being profiled as the new economic czar of the country.

● **SOUP KITCHENS** are proliferating throughout the United States. Highlighting a soup kitchen in Homestead, Pennsylvania, created in the aftermath of the closing of Homestead's USX steel plant, the May 24 *Washington Post* called soup kitchens "part of a nationwide growth industry—an underground, largely volunteer network that distributes millions of pounds of free food every year."

The plasma focus and building fusion reactors

In the second of a two-part series featuring the work of Dr. Winston Bostick, Charles B. Stevens examines the application of the plasma focus for fusion reactor materials development.

Part I of our series discussed the fact that the plasma focus has been relegated to the scientific basement because it tends to produce apparently anomalous results that routinely baffle scientific opinion. Even so, it has continued to progress experimentally in small laboratories throughout the world, to the point where it has demonstrated the capacity for many near-term applications. Among the applications discussed last week (EIR, May 27, 1988) were the utilization of plasma focus to generate short-lived radioisotopes for medical and biological diagnostics, especially the two scanning techniques called positron emission tomography and computer axial tomography; the ability of the plasma focus to provide a test-bed for developing materials and engineering technology for thermonuclear reactors; also touched upon was the capability of the plasma focus for generating relativistic beams for ballistic missile defense purposes.

It has long been recognized that realization of thermonuclear fusion power reactors based on the neutron generating deuterium-tritium fusion reactions will require development of entire new arrays of materials. These materials range from structural components, insulators, magnets through to heat transfer mediums, and energy conversion systems.

The deuterium-tritium fusion environment represents a major challenge from the materials standpoint. The fusion plasma will operate at temperatures of hundreds of millions of degrees. This plasma will irradiate reactor components with fluxes of high-energy neutrons—several million watts per square meter—which will deeply penetrate into reactor

components and the “first wall” of the fusion reactor chamber, in particular. These fusion-generated neutrons actually contain 80% of the fusion energy generated, so that once the neutrons are deposited within the “first wall” of the reactor, the heat energy generated must be efficiently transferred out of the reactor to electric generators.

And while hot plasma and electromagnetic radiation will interact with the surfaces of various reactor components, and thus cause significant wear and tear, it is the effects of the deeply penetrating neutrons which determine the most difficult problems for designing efficient and economical fusion reactors. These deep penetrating neutrons generate a wide variety of effects which degrade reactor components. For example, the fast neutrons undergo many collisions with the atoms of the material making up the first wall. These collisions cause these atoms to be displaced from their normal positions in the crystalline lattice structure of the first wall material and eventually lead to the material losing its mechanical strength.

Neutrons also generate nuclear reactions within the first wall. These reactions can produce a number of deleterious effects. First of all, they generate radioactive materials that make the first wall too radioactive to handle and repair. This induced radioactivity can also be a serious safety problem. Some of the reaction products are in the form of gas, which causes the first wall materials to swell in volume and undergo various other forms of degradation.

These unique nuclear effects must be combined with more conventional materials problems, such as holding up to ther-

mal and mechanical stresses which will take their toll, especially since most fusion reactors are based on cyclical designs which mean that these parameters will be changing over time.

While many of these effects can be theoretically extrapolated from existing experience gained with nuclear fission reactors, the only certain way to test the full and combined effects is to recreate the same environment that will be found in a fusion power reactor itself.

Recent advances in the experimental performance of the plasma focus indicate that this device could be capable of generating these required conditions at a cost ten times less than other alternatives.

The Stevens Institute submitted a design to the March, 1988 San Diego International Energy Agency Workshop on Requirements for an International Fusion Materials Irradiation Facility for an advanced plasma focus Compact Accelerator Plasma Target (CAPT) system that would meet the requirements for fusion reactor materials development and testing.

The experimental results from plasma focus experiments over the past several decades demonstrate that this compact device has some of the best scalings for producing fusion so that it would be possible to reach levels required for reactor materials R&D with a relatively small system. Recent advances have significantly improved these already good scaling laws.

For example, Stevens Institute researchers have developed a technique involving the introduction of an electric field distortion during the breakdown and initiation phase of the plasma focus. This field distortion is caused by the introduction of a knife edge near the insulator end of the focus. The field distortion leads to the generation of a much more tightly packed moving plasma current sheath which, in turn, leads to a tenfold increase in fusion reactions produced when the plasma pinch forms. The field distortion has also eliminated plasma focus misfirings and creates conditions in which the lifetime of the insulator at the breach of the coaxial electrodes is increased by a factor of 100 to 1,000.

Repetitive modes of operation have been also demonstrated ranging from up to 1 million shots per second down to 2-10 large-scale shots per second which combine trains of many plasma sheaths to form one final pinch plasma.

Professor Vittorio Nardi of Stevens presented to the Workshop the latest experimental results, which demonstrate that a compact 10-million-watt neutron output plasma focus could be constructed at costs many times lower than other proposed devices.

Dr. Nardi reviewed a two-stage proposed program. A \$20 million dollar demonstration facility could be constructed and tested within 3 years. It would consist of a 1 megawatt, .5 million joule plasma focus. The final facility would cost about \$100 million and be completed within 4 years; and would be a 5-megajoule plasma focus with a 10-megawatt neutron output for testing fusion reactor materials.

Interview: Winston Bostick

Near-term uses of the plasma focus

Dr. Winston Bostick of the Stevens Institute of Technology in New Jersey is the world's leading pioneer in plasma focus research.

EIR: Could you outline what some of the near-term applications of the Plasma Focus are?

Bostick: One of the most promising is the creation by fusion with elements of Z greater than 1--that is, a higher atomic number than 1--specifically, carbon and nitrogen, the creation of radioactive isotopes, short-lived, which can be used in tumor tomography. It's called PET: positron electron tomography. These isotopes up to now are created by cyclotrons, but now the plasma focus can do it more economically, and it is basically much more efficient, because the plasma focus uses a very hot plasma target. The target and the accelerator are all really one very small volume, where there are very high magnetic fields and very high electrical fields generated. And the deuterons are accelerated and contained in these high magnetic fields, and the plasma focus does all of this. . . .

EIR: How quickly could this application of the plasma focus for positron electron tomography be developed?

Bostick: It could be developed very quickly. You see, the technology is already developed for the use of these isotopes, as manufactured by the cyclotron. The plasma focus, which would cost perhaps only one-tenth of what the cyclotron costs, would be much easier to operate and could be installed in many, many hospitals, which would make it possible for every medium-sized hospital to have a plasma focus machine to generate these isotopes; and tomography for locating cancer, locating tumors, especially tumors in the brain, would be available for every one of these hospitals. The technology for imaging has already been developed, but the role of the plasma focus would be to make these isotopes available in a much more universal and economical way.

EIR: How soon could that be done, if you had the funds to go ahead?

Bostick: The machines already are in a laboratory state; we should package them and make them so that a trained hospital technician could learn how to use the machine; and this, and the packaging of the machine for commercial sale, could

probably be accomplished in six months to a year, and the machines could be put on the market and manufactured, almost as rapidly as the market would develop.

EIR: How many hospitals, approximately, have the cyclotron technology right now, for producing radioisotopes? Just a handful?

Bostick: Yes, I would say a handful. I could name a few: Johns Hopkins; the University of California at Davis; I don't know about the University of Chicago: They had one once, but whether they are still using it for this purpose I don't know. And there are a few others scattered around. The cyclotrons for this are now being manufactured in Sweden, as they are simpler than the laboratory cyclotrons that were used. . . .

EIR: About how much do the cyclotrons cost?

Bostick: As I understand it, their cost is something over a million dollars.

EIR: And you say that the plasma focus has the possibility of being as low as maybe one-tenth?

Bostick: \$100,000, \$150,000 something like that.

EIR: So that would make quite a bit of difference--it would make an order of magnitude decrease in the capital cost.

Bostick: Of course, the cost of the imaging is still presumably as high; but as the cost of the whole machine comes down, the market increases tremendously, you see, and that opens up a whole new level of hospitals that can get into it. Instead of just a handful of hospitals that can use it, the number of hospitals will go up into the thousands. And that, of course, would then bring the imaging cost down, because they would be able to mass-produce them.

EIR: What are some of the medical applications of PET?

Bostick: Well, for the location of tumors in various parts of the body, the compound is injected into the bloodstream, and it is such a compound--containing the short-lived radioactive isotope--that it would be preferentially absorbed by the tumor. And then, the gamma rays which come out are counted in coincidence--the gamma rays that come out from the positron electron annihilation, come out always along the same line, but in opposite directions. And there is a battery of counters, which sense this incoincidence. And after a short time, the computer synthesizes this, and shows the location of the tumor, wherever it may be in the body. As I understand it, it is especially effective in locating and describing the extent of tumors in the brain.

EIR: So, therefore, they use very short-lived radioactive materials, in order to minimize the amount of residual radioactivity left in the body.

Bostick: That's right; these half-lives are, some of them in

the seconds, others in the few minutes. Which means that in a matter of a few hours, the patient is essentially free, again, of radioactivity.

EIR: Now, if you're dealing with really short half-lived radioactive isotopes, or radiochemical isotopes, is there any advantage to the plasma focus as far as processing the elements into a form that you would inject them?

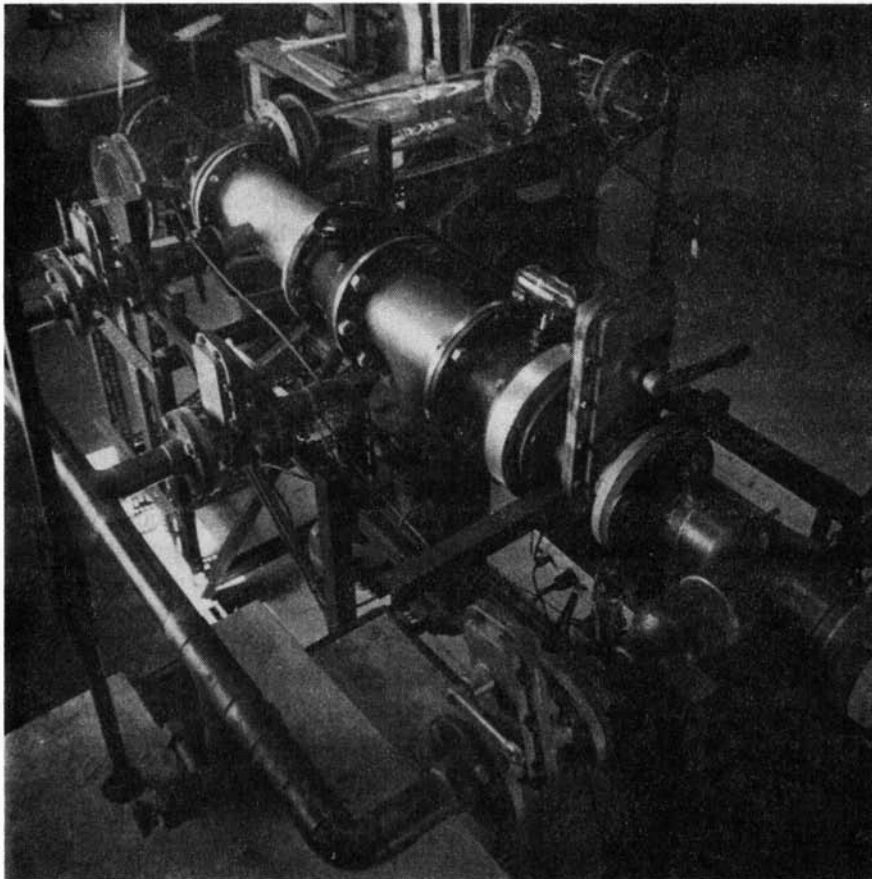
Bostick: Yes, because with the plasma focus, for example, if we wish to make a radioactive isotope out of deuterium on carbon-12, which gives us, as I recall, nitrogen-13, the technique is to have the radioactive isotope appear in gaseous form. And it would be pumped out of the plasma focus vacuum chamber, and absorbed in the appropriate solution, very quickly. If a cyclotron is used, the radioactive isotopes are generated in solid targets, and the target has to be dissolved, and then the chemistry has to start there. The chemistry can be done more readily with the plasma focus, because the radioactive isotope is in gaseous form in the beginning. It is the same way for the reaction of deuterium on nitrogen, which gives, as I recall, oxygen-15. This, again, gives a radioactive isotope which is in gaseous form, and which is more readily usable, as it can be done more simply and more quickly than it can be done when it is produced in a solid target.

EIR: Why does the plasma focus have such an advantage? Here we have an accelerator; maybe you can explain what the advantage of the plasma focus is.

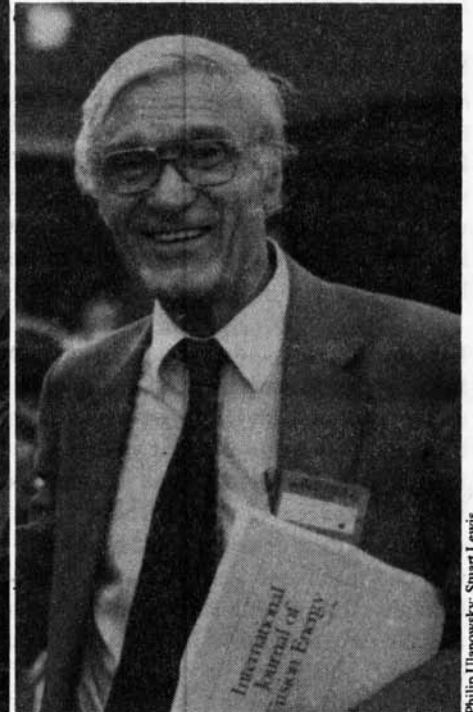
Bostick: With a cyclotron, the deuterons are accelerated and then are shot into a solid target. And most of those deuterons are used, not in producing radioactive isotopes--most of them just spend their energy in ionizing the solid target, heating it up. They come to rest in the target, and only a small fraction of them produce the nuclear reaction. Whereas, with the plasma focus, the deuterons, which are accelerated with very high electric fields in the presence of a high magnetic field, are being accelerated against other--in this particular case, carbon, if the deuterium is doped with methane, or if it's doped with nitrogen--you've got the reaction of deuterium on carbon or deuterium on nitrogen. The deuterons pass by the nitrogen or the carbon nuclei many, many times; all of them are contained in the same nodule of hot--I shouldn't say hot plasma--deuterons that are being accelerated. And the target is ionized and the electrons are very energetic. So very little energy of the deuterons is spent in an ionization process; almost all of their energy is available for making the nuclear reactions.

EIR: So plasma focus, you would say, is much more efficient?

Bostick: That's right. The plasma target and the accelerated deuterons are all part of a very intimate package. And it is all at high energy, and none of the expensive high-energy part



The laboratory plasma focus at Stevens Institute in New Jersey, and plasma physicist Winston Bostick. The plasma focus could produce radioisotopes for perhaps as low as one-tenth the cost of a cyclotron, says Dr. Bostick.



Philip Ulanowsky; Stuart Lewis

of the deuterons has to be expended in heating up something like a solid target.

EIR: So, first of all, the plasma focus would cost less for an initial unit; and what about in terms of energy supplies? That is, average power needed to run it?

Bostick: Well, because of that, the average power is less. Of course, the power needed for these machines is not a primary consideration. But all the components of the plasma focus are smaller, more compact. . . .

EIR: Well, maybe we should get some idea of that. When I have an accelerator and a solid target, that sounds like something where I am going to have at least scores, if not hundreds, of cubic centimeters over which the beam is traveling and going to a target. How big is the region in which the plasma focus is producing these radioisotopes?

Bostick: It's a fraction of a cubic millimeter.

EIR: A fraction of a cubic millimeter!

Bostick: That's right. A millimeter on the side would be a cubic millimeter; it's a *fraction* of a cubic millimeter. The plasma nodules where the plasma in the magnetic fields are highly concentrated, and where the electric fields reach high

values, are in very small volumes.

EIR: So therefore the actual power density that the plasma focus is operating on, is much greater than that of the accelerator?

Bostick: That's true.

EIR: How do you get that high-power density in plasma focus?

Bostick: Well, nature has a way of energy-densification in these discharges of current, where the current goes up to a large fraction of a mega-amp, and nature decides what to do with it. It turns out that the minimum free energy in such a medium, is for the plasma to concentrate in these nodules and not be smeared out in a Maxwellian-Boltzmann type of distribution. It looks as if it defies the second law of thermodynamics, and in a sense locally, it certainly does. Nature makes these concentrations of energy in the elementary particles--which also, we believe, at least I believe, to be minimum free-energy concentrations--entities, so to speak, plasmoids. Well, the elementary particle is similar to the plasmoids which form in the plasma focus. And they are minimum free-energy concentrations which form, just as droplets of water, or bubbles, are always spherical. Because the sur-

face forces are such that the positive surface forces which produce a sphere, which has the smallest amount of surface for a given amount of volume. And that is a minimum free-energy configuration, just as we think that the elementary particle, and also the plasmoid that's involved in the plasma focus, is a similar type of concentration.

EIR: In other words, you are taking advantage of the plasma, to get a miniature accelerator, with much higher fields than what could be withstood by ordinary materials?

Bostick: Nature planned this all by herself! When the plasma reaction was first discovered, nobody expected that this was the process that Nature had in mind. Theoreticians were, for the most part, very much surprised to see that this actually happened.

EIR: Now, I know that you are one of the pioneers in the fusion research program, and although with fusion we are usually dealing with hydrogen--fusion of heavy hydrogen--however, you mentioned that you are actually doing heavy ion fusion, such as with carbon and nitrogen.

Bostick: The big tokamak machines are struggling to get the energies of their deuterons, and eventually it will be deuterium and tritium--to get the average energies up to a few kilovolts. The plasma focus gets the deuteron energies up into not only the tens of kilovolts, but into the hundreds of kilovolts! This makes fusion with nuclei of Z greater than 1, quite possible, because this higher energy can overcome the Coulomb barrier--that is, it makes it easier for deuterons to penetrate the Coulomb barrier, and so these reactions with carbon and nitrogen, with Z equals 6 for carbon and Z equals 7 with nitrogen, occur in very great number--no difficulty in getting them to do it--because nature is so efficient in doing this type of acceleration, and also in containing the particles with these very high magnetic fields. So this opens up a whole new vista for the controlled thermonuclear program, because we don't have to deal with deuterium and tritium alone, which represent Z equals 1. Now, this really offers wonderful opportunities. You see, the tokamak machines are like dinosaurs, or like elephants--they are so large and ponderous, that they can't get more than one or two feet off the ground at once! Whereas the plasma focus is like a grasshopper, that can jump many times its own length in one jump.

EIR: Do you see any applications of the plasma focus to fusion research?

Bostick: Oh, indeed, indeed. Because two of the very great drawbacks of fusion with deuterium and tritium, are: one, the fact that many neutrons are generated. The generation of neutrons makes the metals that are used for constructing the device radioactive; and this induced radioactivity will have to be handled. It's not as vicious a radioactivity as the end products of the fission reaction, but nevertheless, this is one thing that has to be contemplated. And the tritium inventory

has to be very great, and that has certain health hazards. That's one difficulty.

The other is, that the first wall of the tokamak fusion reactors, will have to take such a bombardment of energy from the neutrons, that the search for materials that can take this, is going to be difficult--even the simulation in order to make a test of materials, is going to cost hundreds of millions of dollars, perhaps a thousand million dollars, in order to just make a machine that will be able to test the materials for withstanding this kinetic energy that they have to absorb from the neutrons.

EIR: How soon could plasma focus actually do something about that?

Bostick: Well, if we have gotten these reactions with carbon and nitrogen with no difficulty, it means that if we use proton on boron, then we have a perfectly clean reaction. No neutrons; the only energy we get out is the energy and the alpha particles that result from this reaction. And what will happen then, is that we don't have any bombardment of anything by neutrons; the shielding necessities that we have, are tremendously reduced. Indeed, aside from the high-energy electrons that may produce some x-rays, which can be stopped with lead, the shielding of the machine, as far as personnel is concerned, becomes very simple. And with all of the energy going into charged particles like alpha particles and electrons, it's quite possible to make an electrical scheme in which this energy can be converted directly to electrical energy, without having to go through the Carnot cycle with a steam engine.

EIR: Would it be possible to use a plasma focus to generate neutrons to test materials for deuterium-tritium fusion reactors?

Bostick: Oh, indeed, indeed. The plasma focus is, I would say, one of the leading contenders, in the last analysis probably the most economical contender for this. But of course, there are great vested interests in other schemes, which are promoted by the authors of these other schemes; and it becomes something of a political football, instead of a merit contest. But the plasma focus is certainly one of these contenders. But we might say that the era of clean fusion, and much simpler fusion, with smaller power plants, which can be experimented with much more easily, is in the offing with this higher- z -element fusion. And boron-11 and protons, look to be the best way. There is plenty of boron on the surface of the Earth, and of course protons can be made a dime a dozen, with hydrogen. So, this is a much simpler, much cleaner scheme, and with efficiencies--if we can make schemes for direct conversion of electrical energy--perhaps efficiencies of 80% or 90%, instead of something like 30% or 35%, which is the best we can expect when we are using the Carnot cycle with a lithium blank, which will have to be done with the tokamak machine.

Why Italy chose C-256 as 'scientific tuning'

As a contribution to discussion on the reasons for establishing Middle C at 256 cycles per second as the standard tuning pitch for music, we publish below excerpts of some of the documents produced a century ago in Italy, when the Italian Ministry of War, at the urging of composer Giuseppe Verdi, adopted A-432 (calculated by them as the equivalent of C-256) as the official pitch of the military bands. In our May 6, 1988 "Science & Technology" section we published Jonathan Tennenbaum's address to a recent conference in Milan re-launching the proposal for Italy to adopt that standard pitch, as opposed to today's A-440 and upward. Tennenbaum reasoned from the lawful ordering of processes in our solar system, by the same method used by Johannes Kepler to determine the correlation of the planetary orbits with the musical intervals, to show the absolute value of C-256. The documents reproduced below are indicative of the level at which the problem was being posed a century ago.

The 1884 decree: Why A-432 (C-256) is the scientific tuning

On the selection of a normal tuning for musical works and for bands of the Royal Army (Savona 1884) which accompanies the "Instructions on the new normal tuning" issued by the Minister of War in 1884 for adoption of A-432 as the "scientific tuning." The reference to a difference of "three vibrations" has to do with the French effort to make A-435 international standard pitch, which never caught on.

It would be superfluous to repeat here the long history of the attempts made to reduce the different tunings to only one, typical and universal. And, as has been well said by the illustrious Verdi, it seems incredible that we still should not be able to make understood to all that there is a true incongruence in that what is called "A" in Rome is known in Paris as "B-flat"; while there is only one music the world over, and musical notes are as eternal and immutable as the laws of physics on which they depend! . . . Many musical masterpieces of the past were evidently written under the influence of a very moderate tuning fork. And unfortunately, with our too-high tuning, they are not reproducible today, or only at the expense of spoiling their musical effect. Perhaps one will

not have to go too far from the truth in affirming that the old tunings, which really were measured judiciously upon the natural range of the human voice, differed by about a half-tone from the higher tunings of today. And just so, the scientific tuning of 432 vibrations would be almost a half-tone from today's highest tunings. . . .

The Italian musicians assembled in Congress in Milan in 1881, were most convincing in their arguments, taking as the basis of the question the laws of acoustics and deducing from them the tuning of A-432 complete cycles, which is 864 simple (half) cycles. In the final analysis, such a tuning, by three vibrations, more or less, goes almost unnoticed to the ear; but, instead of being the result of a convention or mood, it is based on science, and is therefore indisputable. . . .

1881 Congress of Italian Musicians

The following extracts come from the proceedings of the Congress in Milan, June 16-22, 1881. The spokesman is scientist Archimede Montanelli.

The unity of tuning is then urgent and of indisputable necessity; it remains with us to establish on which criteria we must fix the standard, immutable rule; if it be practical, produced by the senses; if it be theoretical, produced by calculation. . . . The music world looks to us; it perhaps awaits the result of our discussions to deride us, or applaud and follow us in this reform. Our Italy, which has always been the land of song, must vote for a law which, to be right, must be imposed universally, and in practice will revive this are a which was for centuries her glory. . . . Our unique tonal rule was fixed at 864 simple vibrations per second (432 double vibrations per second). The greatest physicists always advocated its adoption; since the 18th century, Saveur proposed a C of 512 simple vibrations (256 double vibrations) as the normal, immutable standard of the tonality of musical notes. Chladni in his "Treatise on Acoustics," and Prony in his "Elementary Instructions on the Method of Calculating the Musical Intervals," approved this theory. Rudolph Koenig, celebrated builder of physics devices, warns all who "they will want to honor him with their orders, that he has taken as his point of departure in the construction of acoustical instruments in his catalogue, the tuning C-512 simple vibrations (C-256 double vibrations) proposed first by Chladni, as produced from each C by the numbers which are powers of 2, which renders it very convenient for use; this tuning was adopted until today almost exclusively in physics laboratories . . . it is the number used for a long time by church music and for organs."

According to Meerens, the only scientific tuning is that which begins from the most simple number series of 2, 4, 8, 16, 32, up to 256 (C, index 3) (middle C) the number which, according to this count: $27/16 \times 256$ brings the A (index 3) to the abovementioned 432 vibrations per second.

Suspected Soviet cell wrote Reagan's long-term strategy

by Jeffrey Steinberg

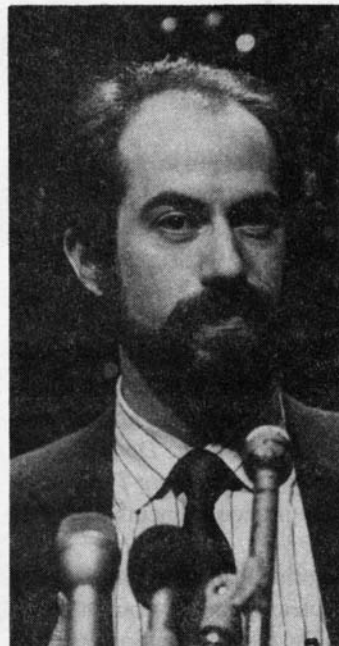
A tightly organized cell of suspected Soviet moles wrote the Reagan administration's "semi-official" long-term strategy for dealing with the U.S.S.R. and also played a major hand in drafting the disastrous Intermediate-Range Nuclear Force (INF) treaty that a deluded President Reagan now hopes will earn him and Soviet General Secretary Mikhail Gorbachov the Nobel Peace Prize.

As shocking as this may sound, Dr. Albert Wohlstetter and Dr. Fred Iklé, the two principal authors of the presidential report, *Discriminate Deterrence*, have been identified to this news service by highly reliable U.S. intelligence sources as prime suspects in a Soviet-Israeli "false flag" spy ring first exposed with the November 1985 arrest of Jonathan Jay Pollard and the December 1987 arrest of Shabtai Kalmanowitch.

On Feb. 19, 1988, *Washington Post* associate editor Bob Woodward published a front-page story detailing the Pentagon and CIA's futile search for "Mr. X," the designation for a high-level intelligence community mole who was believed to be providing Pollard with top secret code numbers of classified military documents that Pollard, a counterterrorist analyst at a Naval Investigative Service facility in Suitland, Md., would then pilfer and pass on to Israeli and Soviet intelligence. Shabtai Kalmanowitch, a Russian-born Israeli multi-millionaire, soon to be tried in Israel as a KGB spy, is widely believed to have been one of the Israel-Soviet "back channels" through which the "Mr. X" loot was shared with Moscow.

According to one Pentagon source, the elusive "Mr. X" is actually known to be an entire cell of shared Soviet-Israeli agents, rather than just one well-placed individual. While Woodward's headline grabbing revelations about "Mr. X" were aimed at blocking the Department of Justice from shutting down its Pollard investigation altogether, under reported strong pressure from State Department chief counsel Abraham Sofaer and Secretary of State George Shultz himself, Pentagon and CIA officials have been reportedly aware that they are dealing with an "X Committee," buried deep inside the American national security establishment.

One version of the "X Committee" list, reportedly passed from the office of the general counsel to the Secretary of Defense and on to the FBI early this year,



Talk by Leo Scanlon; Perle and Gaffney by Stuart Lewis

Left to right: Former top Pentagon officials Fred Iklé, Richard Perle, and Frank Gaffney, Jr.—all alleged to be on a list naming the “X Committee” that was reportedly passed from the Office of the General Counsel to the Secretary of Defense and FBI.

contained such prominent Reagan administration figures as: Iklé, Richard Perle, Steven Bryen, Doug Feith, Andy Marshall, Henry Rowen, and Frank Gaffney, Jr. All were, up until very recently, senior officials at the Pentagon, the Arms Control and Disarmament Agency, and the CIA’s National Intelligence Estimates Board.

For the past month, a team of *EIR* investigators has conducted an extensive background cross-check of these named individuals and others closely associated with them, such as Michael Ledeen, Roy Godson, and Neil Livingstone. This preliminary special report summarizes the findings to date.

Albert Wohlstetter recruits a net

Decades before there was Pollard and Kalmanowitch, Dr. Albert Wohlstetter had already established himself as one of America’s preeminent “nuclear strategists”—certainly one of the figures upon whom the early 1960s character “Dr. Strangelove” was based. First at the Rand Corporation and the University of Chicago, and later at his own consulting firm, Pan-Heuristics, Wohlstetter groomed literally scores of protégés for future sensitive government posts.

Using the Senate offices of the late Henry Jackson (D-Wash.) and Clifford Case (R-N.J.) as stepping stones for placing his epigones into the Washington, D.C. policymaking circuit, Wohlstetter had succeeded, by the time the Reagan administration entered office, in placing his assets in sensitive and powerful positions at the Pentagon. Dr. Fred Iklé, a Wohlstetter protégé from their days together at Rand, became the deputy secretary of defense. Richard Perle, who had come under Wohlstetter’s wing while still a student at Hollywood High School, and who survived a 1970 near-arrest, reportedly for passing secrets to the Mossad while on

Scoop Jackson’s staff, became President Reagan’s most trusted arms control adviser up until his departure from the Pentagon late last year. Perle was the actual author of the disastrous INF treaty proposal jumped on by Soviet boss Gorbachov at Reykjavik. The INF treaty, signed at last December’s Washington summit, has done more in the short term to hasten the decoupling of Western Europe from the United States than any action ever taken by the Russians.

According to one former associate, Wohlstetter carefully avoided ever accepting a formal government post that would have cast him in the spotlight and subjected him to more rigorous security checks. Rather, he cut the seemingly contradictory figure of a big spender, purchasing lavish mansions in Los Angeles and Chicago, and hosting dinners with \$200 bottles of wine at the most expensive restaurants for prospective protégés.

All the while, Wohlstetter apparently went to great lengths to distance himself from his years of activity as a figure in the American communist movement in the 1930s and 1940s. According to several Wohlstetter contemporaries interviewed by *EIR*, while at City College, Wohlstetter was actively linked to the Communist Left Opposition. That opposition sprang up around the figure of Leon Trotsky following Trotsky’s ouster by Stalin, at the point that Stalin moved to decimate the “Trust” apparatus of “cosmopolitan communists” whom he believed were too anxious to cut a deal with Western financier interests.

By 1983, Wohlstetter and his network had so penetrated the national security apparatus of the Reagan administration that the “father of America’s MAD strategy,” as Wohlstetter was known, was formally appointed—at the same time as Henry Kissinger—to the President’s Foreign Intelligence

Advisory Board, a post he retains today. While not exactly an operational assignment, membership on PFIAB entitles Wohlstetter to access some of America's most important and operational intelligence secrets.

When the Reagan administration set out to define a long-term strategy for confronting the Soviet threat going into the early decades of the 21st century, a "private" blue ribbon commission was empaneled by Defense Secretary Casper Weinberger. The co-chairmen of the panel were Wohlstetter and Iklé.

The final product of the Wohlstetter-Iklé Commission, once one grasps the implications of the "X Committee" authorship, was predictable. Released at a Pentagon press conference on Jan. 12 of this year, *Discriminate Deterrence, a Report from the Commission on Integrated Long-Term Strategy*, made two particular policy pronouncements that were tantamount to treason.

First, the report stated categorically that the United States should formally remove its nuclear umbrella from its European NATO allies, thus virtually assuring the Soviets of an unchallenged conventional military takeover of Western Europe at any moment they might choose.

Second, the report called for the abandonment of the President's Strategic Defense Initiative by refocusing on the more narrow objective of a point defense of America's land-based nuclear arsenal. By abandoning the overall doctrinal shift to Mutually Assured Survival based on a broad defense against all Soviet nuclear weapons, the report called for killing the whole program while at the same time abandoning the postwar doctrine of deterrence by massive retaliation.

As if to remove any doubt as to the intention of the report, co-author Wohlstetter told an *EIR* journalist at the Pentagon press briefing, "The SDI will eventually die of embarrassment [because] the notion that the Soviet Union would launch a nuclear attack against the population of the United States is absurd." Emphasizing that Soviet expansionist goals were "narrowly" focused on the Eurasian land mass, Wohlstetter went to the very heart of the *Discriminate Deterrence* policy by asking *EIR*, "Why should the U.S. risk self-annihilation for the sake of defending foreign soil?"

The consequences of the Wohlstetter report were predictably devastating. Read as an abandonment of the entire postwar Western Alliance and a turning toward a go-it-alone Fortress America, the document triggered instant and violent reactions from among America's staunchest European allies. Reagan administration efforts to distance itself from the report fell on deaf ears, as one European government after another began preparing to make its peace with a ravenous Moscow. If internal problems in the Warsaw Pact itself get in the way of Moscow's long-term ambition to consolidate a "Third Rome" empire, it will certainly not be through lack of effort by Wohlstetter and other suspected "X Committee" members who have delivered to Moscow all assistance possible.

The intelligence search for 'Mr. X'

U.S. government investigators are hot on the trail of "Mr. X," the senior U.S. government official deemed responsible for having placed convicted Soviet-Israeli spy Jonathan Pollard in a sensitive post at U.S. Naval Intelligence. Without such an official, or officials, Pollard could never have reached his position. *EIR* has received a list of suspects currently being investigated by the U.S. government for having played that treacherous role. *EIR* investigations have independently confirmed that all the individuals on the list are likely KGB (Soviet intelligence) or Mossad (Israeli intelligence) agents or assets. It is *EIR*'s judgment, moreover, that the individuals on the list, far from being a random collection of suspects, constitute a tightly organized conspiracy, which was responsible, *as a whole*, for patronizing and protecting Pollard.

Perhaps the best description of them is "Albert Wohlstetter's children."

As reported in an accompanying article, "former" Trotskyite Albert Wohlstetter is the mastermind of the Soviet-sponsored U.S. strategic policy known as "discriminate deterrence," that is, abandonment of allies in Europe and Asia. Wohlstetter was one of the founders of the Rand corporation, a center of crackpot strategies, together with Andrew Marshall, Henry Rowen, and Herman Kahn. In former days, Wohlstetter, Rowen, and Kahn were known as "the Father, the Son, and the Holy Ghost of Rand." Others in Washington added Rand founder Bernard Brodie to the group, and condemned them as the "Four Pursemen of the Apocalypse."

Altogether, the list includes:

Henry S. Rowen. Currently a senior fellow at the Hoover Institution, Rowen joined Wohlstetter and Kahn at the newly formed Rand corporation in 1951, following graduation from Massachusetts Institute of Technology. His most recent government post was chairman of the National Intelligence Estimates Board at CIA, 1980 to 1983.

In 1951, Rowen and Wohlstetter succeeded in expanding their penetration of U.S. defense circles through a Rand study on the vulnerability of Strategic Air Command bases to Soviet surprise attack. Rowen and Wohlstetter designed the insane doctrine of "flexible response" and "controlled escalation" at Rand, and later sold it to Defense Secretary Robert McNamara.

In 1959, Rowen, Wohlstetter, and Andy Marshall became key figures in the John F. Kennedy campaign. Following Kennedy's election, Rowen was appointed Deputy Assistant Defense Secretary under McNamara, where he advocated the "Mutually Assured Destruction" deterrence thesis,

in opposition to the traditional military doctrine of "war-winning." Rowen successfully imposed his views during the 1961 Berlin Wall crisis, one of the most important and cowardly U.S. capitulations to the Red Army in the postwar period.

Rowen served as President Johnson's assistant director at the Bureau of the Budget, and then returned to Rand. Rowen reemerged as the leader, with Wohlstetter and Kahn, of the team which wrote Jimmy Carter's notorious PD-59, a policy which removed the strategic nuclear umbrella from Western Europe. As CIA intelligence estimates director in the first Reagan administration, Rowen ensured consistent CIA misestimation of the Soviet strategic threat.

Andrew Marshall. Currently the director of the Defense Department's Office of Net Assessments, a post he has held since 1973, Marshall oversees all Pentagon studies comparing the relative strengths of the U.S. and Soviet military. The office's assessments have been notoriously incompetent. A founder of Rand, Marshall assisted Albert Wohlstetter and his wife, Roberta, in their influential study on the vulnerability of the Strategic Air Command. While at Rand, Marshall also trained future Defense Secretary James Schlesinger.

In 1957, Marshall joined H. Rowan Gaither in directing the Council of Foreign Relations-linked Gaither Committee, which concluded that the United States would not be able to follow the doctrine of "massive retaliation," and had to, they insisted, accept the idea of U.S.-Soviet strategic parity. The committee's ideas were later picked up by Henry Kissinger. In 1973, Secretary of Defense James Schlesinger hired his mentor Marshall to become director of the Office of Strategic Assessment. Under Marshall, it became the key Pentagon office overseeing the subcontracting of strategic assessments to private firms, such as Rand. Marshall has also served as the key liaison with the Israeli Defense Ministry. In 1982, Marshall, Fred Iklé, and Richard Perle co-authored the Reagan administration's guidelines on defense guidance.

Fred Charles Iklé. Product of an elite family associated with the National Bank of Switzerland, Iklé was trained at the Rand Social Sciences department under Wohlstetter and Marshall. From 1981 through February 1988, Iklé was Undersecretary of Defense for Policy. He is the co-author with Wohlstetter, of the recent Pentagon study, *Discriminate Deterrence*.

In addition to serving in his family's Zurich-American Insurance Company and teaching at MIT, Iklé directed the Arms Control and Disarmament Agency under President Ford. He has served as the main patron of the "X Committee's" Richard N. Perle and Stephen D. Bryen within the Defense Department.

Richard N. Perle. From 1981 through April 1987, Perle was Assistant Secretary of Defense for International, Economic, Trade and Security Policy, serving under Undersecretary Iklé. Perle is now based at the American Enterprise Institute. Perle formulated the treasonous "zero option," and

sold the policy to Ronald Reagan for the 1986 Reykjavik summit. He is married to Leslie Joan Barr, formerly a top officer at the Commerce Department and currently in the sensitive post of director of the Customs Service's International Program Management Division.

Perle got his start by dating Wohlstetter's daughter in high school. He was later a London School of Economics college roommate of another Wohlstetter protégé, nuclear

Far from being a random collection of suspects, these individuals constitute a tightly organized conspiracy which was responsible for patronizing and protecting Pollard.

strategist Edward Luttwak. Perle was sent into the Congress in 1970, as a top aide to the late Sen. Henry "Scoop" Jackson, with access to high-level classified information. In 1970, U.S. wiretaps of the Israeli embassy showed that Perle was feeding some of this classified information to the Israeli government, probably in association with Kissinger associate Helmut Sonnenfeldt.

In 1976, Perle left government to form the Abingdon Corporation, an arms trading company, with future Navy Secretary John Lehman. Perle maintained Abingdon's lucrative account with Soltam corporation, Israel's largest mortar manufacturer, which was later implicated in the Iran-Contra arms sales. Perle was later caught receiving over \$100,000 from Soltam, after he joined the Reagan administration in 1980, allegedly for past services due. Simultaneous with forming Abingdon, Perle founded the Jewish Institute for National Security Affairs (JINSA) with Stephen Bryen; Michael Ledeen, a suspected Mossad or Soviet spy later central to the Iran-Contra affair; and Yossef Bodansky, reportedly the Israeli intelligence handler of Jonathan Pollard.

Stephen D. Bryen. Currently employed at the new post of Deputy Undersecretary of Defense for Trade Security Policy, Bryen had been a deputy of Perle at Defense since 1980. Bryen got his start as an aide to Sen. Clifford Case in 1971, quickly becoming Perle's closest associate in the Senate. Bryen co-founded JINSA with Perle, and his wife, Shoshana Bryen, has served as JINSA's executive director since its inception.

In 1978, Bryen was caught red-handed with the Mossad's Washington station chief, Zvi Rafiah, discussing giving the Israeli government classified information. Bryen was then

staff director of the Senate Foreign Relations Subcommittee on Near Eastern and South Asian Affairs. Like Perle, Bryen escaped prosecution.

While serving as Perle's assistant at the Defense Department, Bryen formed the Technology Transfer Center, with oversight over the smuggling of strategic technology. Bryen hired Pollard's reported handler, Yossef Bodansky, to serve at the center, as well as Michael Ledeen's wife, Barbara Ledeen.

Frank Gaffney, Jr. Now based at Herman Kahn's Hudson Institute, Gaffney was deputy assistant secretary of defense for nuclear forces under Perle, and was slated to be his replacement until his resignation from government last November. Like Perle, Gaffney got his start working for Sen. Scoop Jackson, and has often been described as a Perle protégé. Since his resignation, Gaffney has loudly criticized the INF treaty, whose worst features Perle masterminded. He has not broken with Perle, however, and co-authored a loyal "critique" of the treaty with Perle in February.

Douglas J. Feith. At his own Washington law firm since 1986, Feith served as Perle's deputy in varying capacities at Defense since 1982, most recently as deputy assistant secretary for negotiations policy. He had previously served on the Reagan National Security Council.

John F. Lehman, Jr. Secretary of the Navy from 1981 through 1987, Lehman is currently touted as a national security adviser or defense secretary in a Bush administration. A relative of the late Princess Grace of Monaco, Lehman got his start as the Oxford University roommate of David Walker, a future leader of Britain's elite Strategic Air Services (SAS), and founder of KMS, Ltd., a firm which Lehman ensured handled much of the Iran-Contra arms trafficking.

Lehman was a senior staff aide and counsel to Henry Kissinger, both at the NSC and the State Department. Beginning in 1975, Lehman served as Iklé's deputy director at the Arms Control and Disarmament Agency. During the Carter years, Lehman formed the Abingdon Corporation with Richard Perle.

Paul Dundes Wolfowitz. Currently ambassador to Indonesia, Wolfowitz had been Wohlstetter's student at the University of Chicago, together with Donald Fortier, the recently deceased deputy director of the National Security Council. Wolfowitz's first government post was as special assistant to Fred Iklé, 1974-77, then directing the Arms Control and Disarmament Agency. After a three-year stint at the Defense Department Regional Programs Office, Wolfowitz became director of the Policy Planning Staff at the State Department, in 1981-82, and then assistant secretary of state for East Asian and Pacific affairs through 1985. At that post, Wolfowitz played a key role in the overthrow of Philippines President Ferdinand Marcos. The coup was intended by Moscow to lead to the shutdown of the U.S. bases at Clark Air Field and Subic Bay, removing the United States as a Pacific power.

The network left the U.S. arrest of

by Joseph Brewda

Shortly after U.S. Naval Intelligence analyst Jonathan Jay Pollard was arrested for Israeli espionage in November 1985, a network within the highest levels of the U.S. government and policy circles launched an international mobilization to suppress every important feature of the case. The reason for this campaign, which has continued to the present date, is now clear. Honest government investigators had quickly demonstrated that the documents which the presumed Mossad agent Pollard had stolen were forwarded to Moscow, not simply to Jerusalem. Consequently, it could be shown that those senior U.S. figures who patronized Pollard, or acted to suppress the investigation of his case, were agents not merely of Israel, but also the KGB.

Pollard was a low-level misfit and cocaine addict, who had widely bragged of being a Mossad agent since college. His father, Dr. Morris Pollard, moreover, was known to have maintained connections to senior levels of the Israeli government and intelligence community for decades. Nonetheless, despite these obvious disqualifications, Pollard was placed at a Naval Intelligence post that gave him access to the highest levels of U.S. intelligence from several different agencies.

In December 1987, another Soviet-Israeli spy, Shabtai Kalmanowitch, was arrested in Israel, this time on charges of spying for the KGB. Like Pollard, Kalmanowitch was also a Mossad agent, and had used his Mossad affiliation as a means to infiltrate U.S. intelligence. The implications of the Kalmanowitch case have also been buried, by the same network which protected Pollard. Currently, Kalmanowitch's former close associates at both the CIA and the East German Stasi secret services are seeking to bury their problem by negotiating a three-way spy-swap among the United States, Israel, and the U.S.S.R. The swap involves sending the now-imprisoned Pollard to Israel, and the Soviet-client state, Syria, releasing the U.S. hostages held in Lebanon. In one variation of this scheme, Kalmanowitch would be released to travel to Moscow.

The agency which planted, protected, and paid Pollard is the Israeli-U.S. Binational Industrial Research and Devel-

behind after Jonathan Pollard

opment (BIRD) Foundation, an intergovernment organization which acts as a channel between the U.S. Treasury and State Department and the Israeli Defense Ministry and Mossad. The organization is a product of Henry Kissinger's tenure at the State Department, and one of dozens which have been used to run joint U.S.-Israeli covert operations, of the sort typified by the Iran-Contra sales.

Key BIRD activists include:

- **Meir Amit**, the former director of both the Mossad and Israeli military intelligence.
- **Yuval Ne'eman**, minister of science and development, the former deputy director of military intelligence, and father of the Israeli nuclear bomb.
- **Dan Tolkowsky**, former chief of the Israeli Air Force, and founder of one of Israel's top arms smuggling firms, Elron-Elbit.
- **Itzhak Ya'akov**, former chief scientist of the Israeli Defense Ministry, founder of BIRD, and currently U.S. station chief for the Defense Ministry's intelligence agency, LEKEM.
- **Rafi Eytan**, LEKEM chief and Pollard task-master.
- **Harold Katz**, counsel of the Israeli Defense Ministry and BIRD.
- **Dr. Jordan Baruch**, former assistant secretary at the U.S. Commerce Department.

Pollard was paid for his espionage by BIRD's counsel, Harold Katz. He was tasked by the Israeli Defense Ministry's intelligence agency, LEKEM, whose U.S. station chief is Itzhak Ya'akov. Pollard was protected by a network within the U.S. Justice Department, including former Criminal Division director William F. Weld, and former Deputy Attorney General Arnold I. Burns, who are both linked to BIRD.

The BIRD Foundation was established by treaty arrangement between the United States and Israel in 1977, based on discussions held in 1975 when Kissinger was Secretary of State. Its sister organization, the Binational Agricultural Research and Development (BARD) foundation, was formed the same year. Both organizations were modeled on the Bin-

ational Science Foundation (BSF), another U.S.-Israeli organization, that had been formed under Kissinger in 1973.

As their names imply, the three organizations, which have overlapping governing boards, officially sponsor joint U.S.-Israeli industrial, agricultural, and basic scientific research. The joint projects, and associated conferences, have provided traveling Mossad officers the means to find new U.S. scientists and industrialists to recruit. These operatives have naturally targeted major U.S. university science departments and aerospace firms for penetration.

BIRD, BARD, and the BSF maintain an endowment of \$300 million in Israeli banks. One bank known to be tied to the BIRD network is the Bank of Boston, which Harold Katz had used to pay Pollard for his espionage. In 1984, then-U.S. Attorney in Boston William Weld protected the Bank of Boston, when it was caught laundering over \$2 billion in illicit funds used to finance intelligence operations such as BIRD's.

U.S. intelligence sources stress that the secret to the BIRD network is the petro-dollar recycling apparatus established by Kissinger following the 1973 Arab-Israeli war. As a result of that war, oil prices skyrocketed, and the Persian Gulf oil states were suddenly inundated by massive amounts of U.S. dollars. These petro-dollars, however, were never, ever substantially controlled by the Arab states, but simply siphoned back into the Western banking system, primarily through London.

These petro-dollars have various illicit uses. These include financing "off-budget," "privatized" U.S. intelligence operations, outside the knowledge and reach of Congress and even the White House. The use of such schemes has now been made famous by the Iran-Contra affair. The postwar U.S. intelligence community first used such techniques when it began to fund its operations through the sale of Southeast Asian heroin. The BIRD network, and its associated covert banking apparatus, is simply one such "off-budget," putatively U.S.-Israeli capability, that has been financed by petro-dollars and dope.

Since 1973, in particular, the post of assistant secretary of the Treasury for international affairs has been one of the most important in U.S. intelligence, since occupying that position ensures the continuing protection of this "unofficial" apparatus. Significantly, the occupant of that post is also automatically a member of BIRD's six-man governing board.

It is no coincidence that Assistant Treasury Secretary David C. Mulford had been the principal foreign adviser to the Saudi Arabian Monetary Agency (SAMA) about how it should handle its petro-dollar investments, prior to his Treasury appointment in 1984. Mulford's post in Riyadh, beginning 1975, was held by virtue of the fact that he was the director of international operations at White, Weld, William Weld's family firm. Weld's firm held an exclusive contract with Saudi Arabia, and a major contract with Kuwait, to manage their petro-dollars, and foreign investments, follow-

ing the 1973 Arab-Israeli war.

Penetrating the U.S. space program

In February 1983, former Mossad and military intelligence chief Meir Amit announced the formation of a private consortium allegedly designed to put Israel in space. Simultaneous with the Amit pronouncement, Minister of Science and Development Yuval Ne'eman, announced the creation of a 20-man Israeli Space Agency, prominently including Amit, as well as Israeli veterans of the U.S. NASA program.

During the same period that the space agency was formed, Ne'eman assisted in the creation of a related military program, Israel's International Fusion Industries. IFI is a partnership of the prominent Israeli gunrunners Yakov Nimrodi, Shaul Eisenberg, and Adolph Schwimmer, together with *Penthouse* publisher, Bob Guccione.

All of the above individuals, with the possible exception of Guccione, were leading figures in the covert U.S.-Israeli arms sales to Iran and the Contras, and also key in the Pollard scientific espionage network.

Israel's space and nuclear programs were subordinate features of a then-active megalomaniacal project to develop the Lavi jet, an Israeli version of the U.S. F-16, and make Israel a nuclear-equipped replacement for NATO. U.S. capabilities obtained for developing the Lavi, for example, stealth technology, were also promptly sold to Soviet intelligence services.

One Israeli intelligence operative sent to the United States to work on the Lavi project was Yossef Bodansky, currently a partner with *Washington Times* editor Arnaud de Borchgrave in Mid-Atlantic Research. Bodansky had worked with the Mossad-tied Stephen Bryen and Richard Perle at the U.S. Defense Department. According to Israeli intelligence sources, Bodansky was also a LEKEM handler of Jonathan Pollard.

International Fusion Industries' only announced project was that run by the International Nuclear Energy and Science Company (INESCO) of La Jolla, California. INESCO was run by Dr. Rami Shani, an Israeli scientist who had somehow managed to direct the U.S. Naval Laboratory plasma physics

Albert Wohlstetter: a Trotskyite mole

As co-chairman with the Pentagon's Fred Iklé of the Commission for an Integrated Long-Term Strategy, Albert Wohlstetter wrote the report, *Discriminate Deterrence*, which called for the strategic decoupling of the United States from its NATO allies. It would be suicidal, Wohlstetter and Iklé argued in press conferences after the report's release, for the United States to continue to maintain a nuclear umbrella over Western Europe, as it has done since the 1950s. Instead of nuclear deterrence, Wohlstetter and Iklé argued for a conventional build-up in Western Europe adequate to "deter" Warsaw Pact forces.

The Iklé-Wohlstetter report similarly envisioned a U.S. retreat from other areas of strategic commitment in the face of four to five newly emerging power blocs that would challenge American strategic hegemony.

When the Iklé-Wohlstetter *Discriminate Deterrence* report was first published, *EIR* argued that it was the military equivalent of the "New Yalta" deal with which the Soviets have been attempting to lure the West ever since it was first publicly proposed by Soviet Secretary General Yuri Andropov in 1982. Fortunately, the Iklé-Wohlstetter report's conclusions—especially that of lifting the nuclear umbrella from our NATO allies—were not adopted in the President's follow-on report on the

strategic posture of the United States.

Now, however, Pentagon sources report that there is something that would help to explain the treasonous character of the Iklé-Wohlstetter faction's operations in the Reagan administration—namely, that Albert Wohlstetter is under investigation as being the godfather of the "Mr. X" committee behind Soviet false flag agent Jonathan Pollard. According to these Pentagon sources, Albert Wohlstetter is the subject of an ongoing investigation to uncover the network of "moles" that comprise the Pollard "Mr. X" committee. If such an investigation is under way, it is awfully late for the case of Albert Wohlstetter, who in 1985 was appointed with Henry Kissinger to the newly reorganized President's Foreign Intelligence Advisory Board (PFIAB), which advises the President on how to maintain the quality of U.S. foreign intelligence. That appointment required full clearance from the FBI.

How Wohlstetter got FBI clearance, given his background, is another matter worthy of investigation.

A Trotskyite

An ongoing investigation by *EIR* has uncovered the fact that while he was a student at City College of New York and Columbia University in the 1930s, Albert Wohlstetter was a member of a Trotskyite splinter group known as the League for a Revolutionary Workers Party (LRWP). The head of this sect was Max Gould (a.k.a. B.J. Fields), who had been personally trained by Soviet/Trust agent Leon Trotsky to be a leader of the Communist League of America, before Fields founded the LRWP. Fields was a Soviet agent-of-influence, and the LRWP

section in the 1970s. Shani is a subordinate of Ne'eman.

Simultaneous with the creation of the Israeli Space Agency and IFI, four classmates of Pollard at Tufts' Fletcher School of Law and Diplomacy formed the Center for Space Policy (CSP). Pollard had been recruited to the Mossad by Tufts' Prof. Uri Ra'anana (a.k.a. Heinz Felix Frischwasser), a talent spotter for both the Mossad and CIA. As Pollard's subsequent history demonstrates, however, there is reason to believe that Ra'anana is a Soviet intelligence asset.

The CSP advises U.S. industry on business opportunities in space. It underwent explosive growth after President Reagan proclaimed his absurd "privatization" scheme for NASA. In 1986, a CSP subsidiary, Spacehab, secured a memorandum of understanding to exclusively construct a "pressurized mid-deck augmentation module," for the Shuttle. Prospective clients include NASA, the Department of Defense, and companies developing space products. It plans on assisting experimentation on the SDI.

CSP works closely with the New England-Israel Chamber of Commerce, BIRD's primary representative office in

the United States. In 1985, another close associate of the chamber, Boston LEKEM chief Giora Tzur, fled the United States after his connection to smuggling nuclear bomb timing devices, known as krytron, to Israel was demonstrated.

During the Johnson administration, this same spy network was responsible for transporting to Israel several hundred pounds of bomb-grade uranium, which had been "lost" by Pittsburgh scientist Zalman Shapiro, currently at Westinghouse. The uranium was smuggled to Israel by LEKEM head Rafi Eytan.

Tzur's associate in the krytron smuggling, Richard K. Smyth, also disappeared after being indicted for arms trafficking. At the time, Smyth was on the scientific advisory board of the U.S. Air Force, and had been active in designing the MX missile.

The Neshet recruitment ring

An informal breakfast club for Jewish conservative members of the Reagan administration formed in 1984, Neshet remains in place despite the Pollard bust. While not appar-

was a Soviet front, which formed part of the Left Opposition to Stalin's moves against the Trotsky-Bukharin factions of the Anglo-Soviet Trust in the Soviet Union.

In addition to his membership in the LRWP, Wohlstetter was trained in special classes at New York University given by Sidney Hook, who admits befriending a Soviet espionage network when he was a student associated with the Frankfurt School's Karl Korsch in Germany in the late 1920s. Hook also acknowledges that he was enough of a sympathizer of the Soviet Union for Earl Browder, then head of the Communist Party U.S.A., to propose that Hook establish a Soviet espionage network in the United States. This had occurred before Hook met Albert Wohlstetter, who has remained to this day his friend and correspondent.

It was the Rand Corporation that provided Wohlstetter with the means to cover-up his Marxist background. After brief stints in government during World War II, Wohlstetter ended up without a job in southern California, where former New York classmates got him introduced into the Rand Corporation. At Rand, Albert Wohlstetter and his wife Roberta did studies on warfare by surprise attack, how such a surprise attack would render existing nuclear forces vulnerable, and how to maintain deterrence through a survivable nuclear force. These studies were applied to the Strategic Air Command, which previously had relied upon early warning and a war-winning strategy as the essence of deterrence.

Godfather of the "Mr. X" committee

Several of Wohlstetter's former colleagues at Rand

and his students at the University of Chicago (where Wohlstetter went next) are now being investigated by *EIR* as likely members of the "Mr. X" Committee. Perhaps the most important of these is Richard Perle, who is widely known in Washington, D.C. as a career agent of the same Israeli channels that were behind Pollard.

Perle was a teenager when he first met Albert Wohlstetter in California, through a meeting arranged around the Wohlstetter family pool by Wohlstetter's daughter, Joan. Albert Wohlstetter was then involved in his nuclear strategy work at the Rand Corporation, but he developed a lifelong friendship with Perle after first interesting him in strategic studies. Perle described himself at the time of his meeting with Wohlstetter as a "Socialist."

In an article on Richard Perle appearing in the Nov. 24, 1987 issue of the *Washington Post*, this relationship is described as follows: "Wohlstetter's ideas became Perle's ideas; his network Perle's; and, as Perle traveled through the bureaucratic catacombs of Washington, his first mentor remained on call as his intellectual Virgil—always 'enormously helpful,' says Perle. He himself was never an original strategist. His views were mostly elaborations of Wohlstetter's."

According to this *Post* article, it was Albert Wohlstetter who arranged to plant Richard Perle in the Washington, D.C. mainstream, when he had Perle appointed chief researcher for the Committee to Maintain a Prudent Defense Policy (CMPDP), which Wohlstetter had co-founded with Paul Nitze. Wohlstetter introduced Perle to Nitze, and, according to the *Post*, "The torch of Perle's mentorhood had been passed." —*Scott Thompson*



Stuart Lewis

Henry A. Kissinger: The BIRD foundation which planted, protected, and paid the spy Jonathan Pollard, is a product of his tenure at the State Department.

ently engaged in hard-core espionage like BIRD, Neshet places foreign intelligence operatives in key positions in the U.S. civil service.

Well known members of Neshet ("Eagle" in Hebrew), include the Defense Department's Richard Perle and Stephen Bryen, both previously implicated in espionage; State Department legal adviser Judge Abraham Sofaer, who negotiated the cover-up of the Pollard ring with the Israeli government; former Supreme Court nominee Judge Douglas Ginsburg; and former Deputy Attorney General Arnold Burns.

Neshet has been identified as responsible for the nominations (unsuccessful) of Judge Ginsburg and Judge Robert Bork to the U.S. Supreme Court, and the successful appointment of the BIRD-linked Burns to the Justice Department. Some say former CIA counsel Stanley Sporkin, a longtime crony of the late William Casey, was placed on the federal bench through the ring's efforts.

Some indication of how the ring functions is indicated by the careers of its founders.

Founder Joseph Morris is currently the director of the Office of Liaison Services at the Justice Department, where he runs "damage control." Prior to joining government, Morris had directed the "working group on federal government personnel security," at the American Bar Association's Standing Committee on Law and National Security. There

Morris reviewed the problem of foreign infiltration of the U.S. civil service, under committee chairman Prof. John Norton Moore. Moore later drafted the legal opinion for the White House Intelligence Oversight Board declaring the Iran-Contra deals "legal."

Prior to his Justice post, Morris had directed the legal department of the Office of Personnel Management, which oversees the entire U.S. civil service, and then was posted as executive assistant to the director of the U.S. Information Agency, Charles Wick. The USIA was a covert funder of the Iran-Contra sales.

Another founder of Neshet, Jack Kress, is deputy counsel of the U.S. Department of Energy. He oversees security at the government and private facilities which manufacture the U.S. nuclear arsenal.

U.S. Appellate Court Judge Alex Kozinsky founded Neshet after serving as special counsel to the Merit Systems Protection Board at the Office of Personnel Management, where he oversaw civil service promotions. Another founder, Peter Keisler, had been legal adviser at the White House, and is now the clerk to Judge Anthony Kennedy at the U.S. Supreme Court.

Interest in Neshet increased at reports that the ring had been instrumental in the nomination of Arnold I. Burns to the third, and then second, highest ranking posts at the Justice Department in January 1986 and the summer of 1986, respectively. Burns's nomination startled many, since he had no government experience and had never even served in a criminal case. He had, however, a great deal of experience with criminals, since his law firm handled the books for the Lansky syndicate's Sterling National Bank, probably the dirtiest bank in the United States.

Burns was planted at Justice within two months of Pollard's arrest. He reportedly immediately began sabotaging the case. Despite this behavior, he was nominated to be deputy attorney general, the department's second highest post.

Shortly after Burns joined the department, then-tax division director Roger Olson discovered that Burns had formed at least 15 illegal tax-shelters, which criminally evaded some \$40 million in taxes. Olson sought to appoint a special prosecutor to consider indicting Burns for tax fraud. A preliminary investigation of Burns was crushed by Criminal Division Director Weld. Burns then ousted Olson from the department.

It has subsequently been determined that the 15 tax shelters formed by Burns were solely involved in business operations in Israel, under the direction of BIRD governor, Dr Yigal Ehrlich, chief scientist of the Israeli Defense Ministry. The firms had been formed by Burns together with Israel D. Rosen, a Tel Aviv-New York attorney employed by the BIRD network. During the same period, BIRD counsel Harold Katz was financing Pollard's espionage, through accounts at the William Weld-linked Bank of Boston.

SPETSNAZ



SPETSNAZ

In the Pentagon's "authoritative" report on the Soviet military threat, *Soviet Military Power 1988*, the word *spetsnaz* never even appears. But *spetsnaz* are Russian "green berets." Infiltrated into Western Europe, *spetsnaz* have new weapons that can wipe out NATO'S mobility, firepower, and depth of defense, *before* Marshal Nikolai Ogarkov launches his general assault.

ELECTROMAGNETIC PULSE WEAPONS

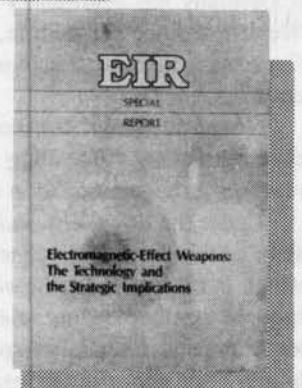
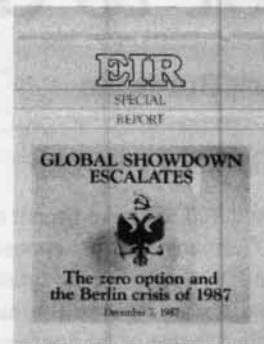
At least the Pentagon report mentions them—but only their "defensive" applications. In fact, they can be transported by *spetsnaz*, finely tuned to kill, paralyze, or disorient masses of people, or to destroy electronics and communications. With EMP, as strategic weaponry or in the hands of *spetsnaz*, the Russians won't need to fire a single nuclear missile to take Europe.

EIR

SPECIAL REPORT

WHAT THE PENTAGON WON'T TELL YOU. . .

Two EIR Special Reports will.



Global Showdown Escalates,
525 pages, \$250

Electromagnetic-Effect Weapons,
100 pages, \$150

Order from: EIR, P.O. Box 17390,
Washington, D.C. 20041-0390.

In Europe: EIR, Nachrichtenagentur
GmbH, Dotzheimer Str. 166, D-6200
Wiesbaden, FRG, Phone (06121) 884-0.

New Age Aquarians plot to destroy Germany

by Mark Burdman

The Christian Democratic (CDU) government of the state of Lower Saxony, West Germany has just sponsored a week-long conference devoted to supporting the satanic New Age/Aquarian movement and destroying scientific and technological progress. The unstated theme of the conference was that, if Germany has historically represented the high points in Western science and culture, that is now to be destroyed as Germany is incorporated into the Soviet empire in the weeks ahead.

Not accidentally, the moving spirits behind the conference are among the leading advocates of appeasement and reaching an accommodation with Moscow.

Under the title *Geist und Natur* (Mind and Nature), the state's Stiftung Niedersachsen (Lower Saxony Foundation), which is run out of the Lower Saxony Ministry of Culture, brought together leading scientists and "New Age" luminaries into what foundation spokesmen described as a "dialogue." But it was much less a dialogue than a bankruptcy declaration issued for the Age of Reason and a pronouncement that the Age of Aquarius would henceforth rule.

Estimates are that as much as 5 million deutschemarks, largely coming from the state, had been disbursed for the event, held at the prestigious Stadthalle (City Hall) in the city of Hanover, with approximately 1,500 individuals in attendance each day. A substantial chunk of this money had to be spent on the dignitaries. These included world-renowned neurophysiologist and brain researcher Sir John Eccles, anti-Plato philosopher Sir Karl Popper, Russian-born Nobel Prize

winner Ilya Prigogine, former Archbishop of Vienna Cardinal Franz König, theoretical physicist Carl-Friedrich von Weizsäcker; Max Planck Institute head Hans-Peter Duerr, and Evangelical (Lutheran) Church "anti-cultist" Father Haack.

From the sex-drug-rock counterculture as such, speakers in Hanover included: R.D. Laing, famous British advocate of mass schizophrenia; Hazel Henderson, "alternative futures" goddess based out of St. Augustine, Florida; Roger Garaudy, Paris-based Sufi gnostic; Hans Sebald, an Arizona-based "sociologist of the occult" and defender of witchcraft; and London "futurist" Peter Russell.

Presiding over the affair was CDU Minister-President Ernst Albrecht, who began by declaring that it was from the time of the Golden Renaissance that one could date the process of religion and natural science moving away from each other. He followed that lie with some slogans about the need for "oneness," warning that the world was in an "ecological crisis," that man had become "a victim of his own technology," and nature was taking its "revenge" for this "exploitation." After this outburst, he appropriately cited Nazi philosopher Martin Heidegger, "Reasoning cannot help us."

Albrecht stressed the necessity of bringing the "concepts and lifestyles" of East and West closer together. and concluded by praising Carl-Friedrich von Weizsäcker as the "spirit behind this meeting."

Von Weizsäcker's father was a leading figure in the Foreign Ministry of Nazi Germany, and a follower of Friedrich

Nietzsche who believed that the Nazis would bring about his philosophical aims. Von Weizsäcker's brother is the President of West Germany, and a leading pro-Soviet figure.

The Stiftung Niedersachsen was founded about two and a half years ago. Earlier, in the 1970s, the Lower Saxony Ministry of Culture's Eduard Pestel was a chief founder and ideologue of the malthusian Club of Rome. But with the *Geist und Natur* event, these Hanoverians have moved beyond the quasi-rational analytic posturing of the Club of Rome, into direct embrace of satanism.

Eccles and Prigogine

As the conference unfolded, there was a very specific method to the madness.

The scientific representatives were, predominantly, of the liberal-gnostic or left-Aquarian persuasion in their views of science and the universe. Either they stated that the universe, the mind, and creativity are impossible to explain scientifically, or they had their own irrationalist explanations for such processes. Either way, the Aquarians ended up the winners, coming forward to proclaim their "holistic" beliefs the way "mind and nature" could be explained in one unified system.

The more "rationalist"-seeming type was New Zealand-born Sir John Eccles, one of the leading researchers in neurophysiology and the brain. Sir John can make many interesting observations about the mechanisms and evolution of the brain, but when it comes to the question, "How did mind develop?" he throws up his hands and says, "It's a mystery. It comes from divine intervention, from God."

That is literally what he stated at the conference—and he doesn't mean the Christian God, either. That is also the theme of many of his writings and lectures. In his 1979 book, *The Human Mystery*, based on lectures given in the 1977-78 period, he states: "I chose the theme of the Human Mystery because I believe that it is vitally important to emphasize the great mysteries that confront us when, as scientists, we try to understand the natural world, including ourselves. There has been a regrettable tendency of many scientists to claim that science is so powerful and all pervasive that in the not too distant future, it will provide an explanation in principle of all phenomena in the world of nature including man, even of human consciousness in all its manifestations. When that is accomplished, scientific materialism will then be in the position of being an unchallengeable dogma accounting for all experience.

"In our recent book [written in 1977 by Eccles and Sir Karl Popper], Popper has labelled this claim promissory materialism, which is extravagant and unfulfillable. Yet, on account of the high regard for science, it has great persuasive power with the intelligent laity because it is advocated unthinkingly by the great mass of scientists who have not critically evaluated the dangers of this false and arrogant claim.

The danger is already evident in the counterproductive flourishing of anti-science."

Here, Eccles has gone beyond propounding the view of German philosopher Immanuel Kant that man can never lawfully know the principles of creativity of the human mind (see LaRouche, *EIR*, Vol. 15, no. 21). Worse, Eccles and Popper have adopted the view of the philosophical school known as the "conservative revolution," which believes that man makes matters worse, not better, by trying to intervene in nature. This view created the conceptual basis for both "universal fascism" and Nazism.

Sir John's God is a *deus ex machina*, an arbitrary god of the Babylonian-Mesopotamian, not Judeo-Christian civilization. Indeed, in his book, he purveys the lie that it was in Mesopotamia that "there was the first great flowering of a civilization that flourished for some 3,000 years. So much of the culture we cherish today had its origin in that miraculous epoch."

Another approach is that of Nobel Prize winner Prigogine, who weaves Russian "Old Believer" irrationalism and Jesuit "liberation theology" activism into a pseudo-scientific belief structure. Prigogine's fundamental belief, expressed in his May 22 conference presentation, is that what you *can* explain is much less important than what you *cannot* explain. The order represented by being able to correctly map the flights of the planets in the solar system over millions of years is less important than not being able to predict the weather two weeks from now. What matters is instability, chaos, fluctuations. "Instead of *singularity*," he stressed in his May 22 speech, "the universe is born of *instability*." Into Prigogine's conceptual pot, are mixed ideas rich in jargon, like "self-organizing structures," "nonlinear processes," "feedback," etc.

Society is going through a period of "transition," he said, in which concepts like "instability, fluctuation, and chaos" would meet with greater interest. "After Oct. 19, 1987, Black Monday, everybody became interested in chaos. The overall atmosphere is developing."

Many speakers at the conference played with Prigogine's jargon. One, Professor Goudblom of Amsterdam, had adapted Prigogine's notion of "irreversible processes," to concoct a wild theory that the "domestication of fire" has forced the hominids and *homo sapiens* into a million-year-long process of dependency which is now leading to man's own possible destruction! Goudblom claims that the "domestication" arose from a struggle between hominids and other species over control of fire, which was won by dominating proto-humans. This presentation was typical of much of the absurdity contained in the "scientific" theorizing.

'Life and death are one'

By the third day, the Aquarians in the audience were becoming restless. Messages were being scribbled on the

conference information board that the conference format represented the "old paradigm" of speakers and passive listeners, with the audience excluded from "participation." To correct this, one scribbler from the United States wrote, everybody should congregate at the vegetarian restaurant that had been set up in the basement of the Stadthalle and discuss a new strategy. Another visitor from the United States made the profound suggestion that the meditation sessions that had been made available to those who wanted to participate, should be expanded to the entire "plenary" of 1,000-1,500 people, so that all and sundry would be "in touch with their energy." By the night of May 23, the word had come back to the Aquarians that the conference organizers had made critical "concessions" in response to their complaints.

In any case, the second half of the event was dominated by the Aquarians' own: Laing, Henderson, Sebald, et al. By some time around May 25, less-initiated folk might have begun to wonder if they were alive or dead: A 90-year-old German Jesuit named Father Hugo M. Enomiya Lassalle, flown in from Tokyo, Japan, pontificated on the unity of the traditions of Zen Buddhism and Christian mysticism. To describe the former, he pointed out that Zen belief contained "no creation, no sin, no revelation," but achieved "liberation" through the "burning out of passions." Through "meditation," he droned, man could achieve unity with the Absolute Being, by which time there is "no individuality" and "life and death are one. It is the dissolution of opposites," "unity with the Cosmos."

Albrecht was seated nearby during this speech, which echoed aspects of his introductory comments. One book by Father Lassalle on display at the event, had a praise-filled forward written by Carl-Friedrich von Weizsäcker.

In and around this, the environment was saturated with "New Age" propaganda. The central book-exposition was composed, minimally, of 50% books dealing with astrology, defense of witchcraft, the occult, transpersonal psychology, mysticism, and the like, while literature from the Bhagwan cult and various esoteric movements freely circulated. Outside the hall, a new political party calling itself "New Consciousness," and linked to a Zurich group formed to overcome "rationalism," was giving out literature announcing that it would be competing in the June 1988 European Parliament elections.

The conference's method was based on an ideological sleight-of-hand. Speaker after speaker equated the "Newtonian-Cartesian worldview" with "science." The real tradition of science, that extending from Socrates and Plato, through St. Augustine, up to the Golden Renaissance greats like Nicolaus of Cusa and Leonardo da Vinci, then through Leibniz and the "Göttingen School" of Gauss, Riemann, Cantor, et al. is either ignored, or is selectively referenced in order to pervert its real content.

In the case of Prigogine, for example, it is noteworthy that colleagues of this correspondent who met him some years

back had the remarkable experience of watching a seemingly rational discussion aborted, as he exploded into a fit of rage and incoherence, when he noticed they were carrying a publication with portraits of Riemann and Cantor.

It became quite clear that the Stiftung Niedersachsen has a special unit to monitor the writings and ideas of Lyndon and Helga Zepp LaRouche, and to undermine these, whether it be (as Benedictine Father Jaeger from Würzburg did) by claiming Nicolaus of Cusa was the father of mysticism in Christianity, or playing around with "Keplerian harmonics" in music, or citing "Leibniz's least action principle" for economics—but always mixing it in with kookery.

'High point of the New Age movement'

In the Federal Republic of Germany as a whole, the *Geist und Natur* event is, regrettably, not the only instance of political-cultural insanity gripping leading layers among the CDU-CSU "conservatives." As the Lower Saxony event got under way, a festival in West Berlin entitled, "Consciousness '88" was entering its third week. It was described by the daily newspaper *Die Welt* May 26 as "the high point, up till now, of the New Age movement in Germany." It has brought together Hopi Indian prophets who believe the world will end in 1992; practitioners of reincarnation therapy; UFO enthusiasts; the therapist of actress Shirley MacLaine and East German-born rock star Nina Hagen. MacLaine's therapist told participants that the actress had been transposed through "acupuncture parapsychology" into her "earlier life." Hagen declared she was forming a new political party that would draw together all UFO true believers and similar types into a global "family of love" linked by vibrations.

All this was officially co-financed by the Berlin CDU-run government. The minister for cultural affairs in West Berlin is the CDU's Volker Hassemer, who had declared several weeks before the conference: "Berlin must become a pivot of East-West cultural encounters. Berlin is the easternmost of the West, and the westernmost of the East." He told the press that this conception had been given to him by President Richard von Weizsäcker, brother of Carl-Friedrich.

With the Christian Democrats of Lower Saxony and West Berlin so out front in the race to the "New Age," can the Christian Social Union Minister-President of Bavaria, Franz-Josef Strauss, afford to be left behind? As always, the opportunist Strauss has to be in on the trends. From Sept. 14-17, the "First International Congress on Cerebral Dominances" will be held in Munich, on the theme "Cerebral Dominances/Left-Right Brain." Conference brochures indicate that the event will be held under the patronage of Strauss, and that assurances of support have come from the ministries of the interior and economics, and from the department of public health. The chairman of the first panel, on the theme "Consciousness," will be Professor Pribram of Stanford University, a collaborator of "Aquarian Conspiracy" author Marilyn Ferguson.

What Americans should know about the 'Anschluss'

by Friedrich Höss
Austrian Ambassador to the United States

The following article was drafted by His Excellency Friedrich Höss, Ambassador of Austria to the United States, and submitted to the New York Times for publication on the occasion of the 50th anniversary of the invasion of Austria by Germany, the so-called Anschluss, this past March. Its purpose was to correct misleading reporting in the New York Times and other major U.S. media, which attempted to distort the Anschluss into a veritable "invitation" by the Austrians for the Nazis to occupy their country.

The New York Times refused to publish Ambassador Höss's article, and he has made it available to Executive Intelligence Review for publication here.

It is because of the memory and the dignity of all those Austrian patriots who gave their lives fighting the National Socialist German Workers Party or otherwise suffering under National Socialist aggression, that I write this article in order to correct a historic view expressed in recent articles in the *New York Times*.

I was five-and-a-half years of age, when the invasion of the German troops took place on March 12, 1938, and I remember it well. On that day, five years of merciless and bloody battle and of the first organized state resistance in Europe against the National Socialist Workers Party and National Socialist Germany ended, under the more or less indifferent eyes of the then-statesmen of the world.

The battle, regrettably fought on one side by a Catholic authoritarian regime—which was one of the reasons it has never received full credit for it in Western democracies—started with the ban of the National Socialist German Workers Party in Austria on June 19, 1933, only six months after Hitler's ascendance to power in Berlin. It was soon intensified with the pastoral letter of the Austrian bishops rigorously condemning anti-Semitism.

The world did not seem to read the signs on the wall, when the National Socialists, unsuccessfully, staged a coup d'état on July 25, 1934, in the course of which they assassinated Austrian Chancellor Dr. Engelbert Dollfuss. One hundred seven people fell on the side of the government; 153

people, including those executed, were killed on the side of the National Socialists.

Despite mounting National Socialist terrorism and increasing pressure by Nazi Germany, Hitler was afraid of the "Plebiscite on a Free and Independent Austria" announced by Chancellor Kurt Schuschnigg on March 9, 1938, to be held on March 13, 1938. It is the established view of all observers and historians that the overwhelming majority of Austrians would have voted against Hitler Germany. At the end of February 1938, the British Minister in Austria estimated the strength of the National Socialists in Austria at about 20% of the population. In order to avoid this plebiscite, Hitler gave the order to the German Army to invade Austria on March 11, 1938.

On that day, the world was silent. The legations of the Western powers were soon changed into consulates. In the *New York Herald Tribune* on March 12, 1938, reference is made to Cordell Hull as follows: "U.S. Attitude on Hitler Coup is 'Hands Off.' Hull defines stand as that of non-interference, denies U.S. joined Britain in protest note to Berlin." In Moscow, which together with Mexico protested the Anschluss, Stalin was otherwise busy in sentencing 21 of his adversaries to death.

At the same time when National Socialist supporters hailed Hitler in Vienna on March 15, practically the whole political leadership of Austria, together with leading communists, monarchists, and socialists were in prison: The country was politically and ideologically disarmed. During the next days, weeks and months, 70,000 people were arrested. Over the years, 35,000 political opponents together with about 65,000 Jewish fellow citizens should die in National Socialist concentration camps. Not quite the idea of a love affair.

After the incorporation of Austria into National Socialist Germany on March 13, her name was eliminated from official designations, the only authority being the central offices of the German administration and the National Socialist German Workers Party in Berlin. Some born Austrians, too many, subsequently participated in atrocities as individual citizens of the German Reich and members of the National Socialist German Workers Party. Austria, however, as a state, had ceased to exist.

Speaking about the rape of Austria, Winston Churchill said: "We can never forget here in this island that Austria was the first victim of Nazi aggression." It is in this spirit that in October 1943, the Allies, expressing the view of the governments of the anti-Nazi alliance, agreed during a conference in Moscow that "Austria, the first free country to fall victim to Hitlerite aggression, shall be liberated from German domination." This declaration had nothing to do with the then far away Cold War, as recently alleged.

National Socialist horrors must never happen again. Therefore, we all must face the historic truth. But it should and must be the full truth. We owe it to those who died for the truth.

Indo-Pakistani relations at a crossroad, after Afghan accord

by Susan Maitra

Two rounds of talks between high-level Indian and Pakistani government officials were concluded May 20, and it has been announced that Pakistan's foreign secretary will visit India from May 31-June 1 to discuss "outstanding issues." This series of exchanges, coming after the tense relationship between the two neighbors heated to the boiling point during April, broke a nearly two-year-long diplomatic standoff.

The reason? The shifting dynamics of the post-Afghanistan Accord situation are compelling both sides to attempt to surmount the deep disagreements that have thrice led to shooting war—disagreements that are mostly the bitter fruit of the subcontinent's partition in 1947. The now-threatened partition of Afghanistan and the continuing presence of the "loose cannons" of the Afghan mujahiddin in Pakistan, pose a threat to Pakistan's integrity which is already being felt in India.

It is apparent that New Delhi has in some sense appreciated the dangers. And, even at the height of the April anti-Pakistan invective in Delhi, Pakistan's Ambassador Humayun Khan emphasized his government's "continued confidence" that the statesmanship and vision of Prime Minister Rajiv Gandhi would ultimately win the day.

Necessity may be the most powerful inspiration. Despite the obstacles and legacy of mistrust, only joint action by India and Pakistan can stem the terrorism and separatist upsurge on the subcontinent and prevent its disastrous consequences.

Taking up where they left off

Efforts by the new Rajiv Gandhi administration in 1985 to put the Indo-Pakistani relationship onto a constructive track were buried in early 1986 under domestic political pressure, and it is the agenda for dialogue set at that time which was resumed May 14-16 when Indian Home Secretary C.G. Somiah and Pakistani Interior Secretary Sayed Khalid Mahmoud met in New Delhi to discuss the problem of cross-border traffic in terrorists, weapons, and drugs.

By all accounts, the talks were frank and produced some results. These include plans, proposed by Pakistan, for joint patrol of the sensitive border area along the Indian states of Punjab and Jammu and Kashmir. The joint communiqué recorded both nations' agreement to take measures to contain

terrorism, drug trafficking, smuggling, and illegal border crossings. Both sides agreed to extend mutual assistance in criminal cases related to drug trafficking and smuggling, and it was agreed that the Home Secretaries would confer and formally meet again within six months.

Significantly, the Pakistani delegation accepted India's charge that sophisticated arms were being smuggled across the border from Pakistan into the hands of Sikh terrorists in Punjab. But Islamabad denied any government agency was involved in the subversive traffic. This issue and the charge from the Indian government that Pakistan was "aiding and abetting" the Sikh separatist campaign in Punjab, had surcharged the atmosphere in New Delhi during April, as the Punjab turmoil came to a new frenzy.

The Pakistani delegation also positively responded to India's proposal that, as proof of Pakistan's good intention, action be taken on two key issues: arrest and extradition of some top Sikh extremists living in Pakistan who are wanted by Indian authorities, and trial of the Sikh terrorists who hijacked an Indian Airlines jet to Pakistan in 1986.

A common threat

In the recent months, a qualitative acceleration of terrorism in Punjab has taken more than 800 civilian lives. With the surfacing of ultra-sophisticated, Soviet-made RPG-7 rockets and the so-far-unconfirmed rumors that the terrorists were also now in possession of American Stinger missiles, all eyes in Delhi had been trained on Pakistan. The Afghan mujahiddin in Pakistan have been the center of a flourishing arms trade.

But if India brought a bill of particulars to the meeting—including Pakistani hosting of foreign-based Sikh separatists and training of terrorists—Pakistani officials have their own complaints and worries. According to Mr. Somiah, Mr. Mahmoud made a passing reference to India's alleged involvement in the Karachi riots and the trouble in the Pakistani province of Sind. Though there is no evidence known to this writer of Indian meddling, the anti-Pakistan lobby in Delhi has been giving top billing to the renewed movement for Sind liberation in particular.

The trouble started as Afghan refugees, armed with mon-

ey and guns, moved south to the port city and Sind capital Karachi, over the past several years. The Afghan occupation of Karachi upset ethnic-political dynamics in the city and province, boosting separatist activity in the process. Violence and rioting have repeatedly swept Karachi for more than a year now, as Afghans fought the traditionally pro-government Mohajirs—Indian Muslims who opted for Pakistan at partition—for control of the area. The alienated and demoralized Mohajirs are now being courted by the reawakened Sind separatist movement, Jiye Sind, which advocates the breakup of Pakistan and has long been celebrated by Indian leftists.

Military matters

On May 20, in Islamabad, Indian Defense Secretary S.K. Bhatnagar and Pakistani Defense Secretary Ijlal Haider Zaidi concluded two days of talks, the third round in several years, on border issues that stem from Pakistan's occupation of a portion of the Indian state of Jammu and Kashmir in 1947. At issue is the strategic, and as yet undemarcated Siachen Glacier, where since 1984 Indo-Pakistani eyeballing has several times erupted into open skirmishing.

The defense officials agreed to examine proposals for settling Siachen at their next meeting, and official Indian sources acknowledged that Pakistan had displayed a "realistic approach." A joint press release records both sides' determination to work for a negotiated and peaceful solution to the Siachen issue in accordance with the 1972 Shimla Agreement. The Indian Defense Secretary, and Indian Ambassador S.K. Singh, also called on General Zia, Prime Minister Jenejo and Minister of State for Defense Rana Naeem Mahmood.

The Shimla pact, signed by Indira Gandhi and former Pakistani Prime Minister Zulfikar Ali Bhutto a year after Bangladesh (then East Pakistan) had broken with Islamabad and with Indian assistance established its independence, states that all outstanding issues between the two nations will be settled between themselves by negotiation. This treaty, and the Indus Water Treaty of 1956, which resolved the division of waters of the Indus River system, remain the high points of the Indo-Pakistani relationship.

Beyond Shimla?

The most crucial development, however, was the announcement May 20 that Pakistani Foreign Secretary Abdul Sattar, a former ambassador to India, would be visiting India at the end of May.

Several items are already on the agenda for these talks—in particular a bilateral treaty to put Indo-Pakistani relations on a new, more stable and dynamic footing. A Pakistani draft "non-aggression pact" and an Indian draft "peace and friendship treaty" are already on the table, and the effort will be to reconcile them. The main stumbling block has been Pakistan's unwillingness to surrender its sovereign defense op-

tions by agreeing that it would never grant military facilities or base rights to a third party.

There is, in addition, an accord on non-attack on each others' nuclear facilities, agreed in principle between Pakistani President Zia ul-Haq and Rajiv Gandhi in 1985, which reportedly requires only the dotting of the i's and crossing of t's. Finally, there are proposals for increasing trade between the two countries.

Mr. Sattar will likely be bringing a high-level political message. His visit follows the one-day visit of Indian Foreign Secretary K.P.S. Menon to Islamabad May 4, as Rajiv Gandhi's emissary to compare notes with Pakistani officials prior to the Soviet troop withdrawal from Afghanistan and the scheduled visit of Afghan Prime Minister Najibullah to New Delhi.

Credibility gaps, old and new

India's hectic activity around Afghanistan since it became clear that an accord would be signed—including efforts to get a joint approach to the post-accord situation with Pakistan—is, at least in part, the most dramatic testimony to Delhi's perception of the dangers at hand. Although India had sought a joint Indo-Pakistani response to the Afghanistan crisis as early as 1980—when the late Indira Gandhi sent her emissary Swaran Singh to Islamabad—New Delhi's subsequent stony silence for eight long years has fueled anew the cynicism in Pakistani political circles about India's bona fides.

It is these circles which are now most resistant to Indo-Pakistani rapprochement. The fragmentation of power in Pakistan between stunted political process, a powerful bureaucracy, and a strong military which remains the controlling factor, compounds the problem. India is undeniably a big target for the little war-games of revenge-seekers among a military elite that is subject to no political controls. In the broader domestic political arena, the "India issue" is the most convenient political football in the constant jockeying for position.

To date, superpower manipulations in the region have done more, perhaps, than anything else to keep India and Pakistan at each other's throats. In India, the Pakistan bogey has been a favorite issue of opportunity for the left, in unholy alliance with Hindu fundamentalists. Especially in its U.S.-Pakistan alliance incarnation, this bogey has given powerful rationale to India's strategic relationship to the Soviet Union. The past years' revelations about Pakistan alleged bomb-making, like the most recent flap over alleged Pakistani testing of a new missile, keep the issue alive.

But here, the fact that Pakistan has legitimate defense requirements, or that, as a small nation, she might be expected to be concerned about India's strength, is hopelessly obscured by the historical fact that it was not India, but Pakistan that opened fire on each of the three occasions the two neighbors fought.

Singapore holding State Dept. at bay

by Mary McCourt Burdman

Singapore's battle with the U.S. State Department is getting broader. Now, former Singapore President C. V. Devan Nair has entered the fray, to denounce Prime Minister Lee Kwan Yew and call on him to resign. Nair, who was a founding member of Lee's ruling People's Action Party, is now a political ally of former Solicitor General of Singapore Francis Seow, currently detained for trying to win release of a number of opposition lawyers and other professionals, whom the government had arrested for a plot linked to the Communist Party of Malaya.

After watching the overthrow of Ferdinand Marcos in the Philippines, by the same combination of U.S. State Department and liberal press, Lee's government is taking no chances.

Mr. Nair himself is clearly not willing to risk incarceration or a legal suit. He made his statements to BBC radio May 22, and then hastily departed to visit relatives in Malaysia before taking off for his final destination: a fellowship at a U.S. university.

Nair accused Lee of creating an "incredible economic success married to an abysmal political style which does not tolerate any dissent. I think the whole thing stinks to high heaven."

Nair admitted advising and assisting Seow, who was planning to stand as an opposition candidate in elections, which might occur later this year. However, he dismissed the fact that Seow had reportedly sought guarantees of asylum from the United States or Britain, should his campaign not succeed. "In lobbying for support of American establishment circles, Mr. Seow has distinguished predecessors. In short, Francis Seow only did what Mr. Lee and his colleagues, including myself, did with far greater panache and publicity," Nair said.

Then, from Kuala Lumpur the next day, Nair called on Lee to step down. "Mr. Lee's continued presence is tantamount to the presence of an albatross around the necks of a younger generation of leaders," Nair said. "I think the kindest thing he can do now, after having served Singapore so well, is to step down." Nair called the fight with the United States a case of "beating the nationalist drum, so typical of people who are politically bankrupt."

Lee responded by threatening to sue Nair for defamation. His press secretary, James Fu, in a statement issued May 23, denounced Nair for alleging that Seow's actions against Singapore's sovereign government, were "not as bad as what Mr. Lee did when he was in the opposition in Malaysia in

1963-65," working to obtain Singapore's independence. Fu said that Lee's discussions at that time with the British, Australian, and New Zealand governments did not put him under any obligation to them.

Nair and Lee first fell out in 1985—the year economic crisis first hit Singapore hard. From its independence from the Malaysian federation in 1964 until 1985, Singapore's annual growth rate was 10% per year—and there was no inflation. But in June 1985, hit hard by the international collapse of trade, Lee announced that Singapore's export-dependent economy would suffer negative growth, which went from -1% in the second quarter to -6% in the last. Singapore has also been investing far too heavily in property development, and not enough in productive equipment and machinery, according to Japanese economists. When the huge public Pan Electric Company collapsed Dec. 1, 1985, Lee's response was to shut down the stock market for three days—a precaution that did not please institutional investors and several big U.S. banks, the London *Sunday Times* reported at the time.

Accounts of Mr. Nair's ouster from the presidency, which he had held since 1981, vary—especially now. He now says his removal from office because of alcoholism, was a mistake, that medical checks since done in the United States told him that Singaporean doctors had mis-diagnosed the cause of some bizarre behavior.

Singapore's Parliament is now debating a motion calling for "firm action of the government" to prevent Singapore from "being subverted, whether by Marxists, communists, Western powers, or other foreign interest groups," the *International Herald Tribune* reported.

First Deputy Prime Minister Goh Chok Tong, told a press conference May 23, "It may seem very right of you to open up Singaporean society and make it more democratic, to have two or three political parties in Parliament, to have more freedom of the press by your definition. But we are Singapore, we are not going to be an image of you. . . . Leave us alone as far as domestic politics are concerned."

Minister of Trade and Industry Brig. Gen. Lee Hsieng Loong, the son of the prime minister, announced at that press conference that expelled U.S. Embassy First Secretary Mason Hendrickson would have been arrested if it were not for his diplomatic immunity, because his attempts to organize a dissident group to run in elections later this year were "full, frontal, and blatant. . . . If any diplomat does it again, he is going to be expelled." This also applies to journalists, he said.

Lee said that Singapore was trying to contain the damage done in its relations with the United States and hoped that there would be no more "intemperate" responses from the United States, which, he went so far as to say, might force a complete rupture. He abruptly canceled a trip to the United States, the *Financial Times* reported May 23, saying he had "better things to do."

Will Kampuchea be next Afghanistan?

by Linda de Hoyos

The visit of Thailand Prime Minister Prem Tinsulanonda to the Soviet Union May 18 has provided the occasion for the Soviet Union and Vietnam to launch new initiatives in solving the Kampuchea conflict. As stated by Soviet Deputy Foreign Minister Igor Rogachev during his late April tour of ASEAN capitals, Moscow is looking to make Kampuchea the "next Afghanistan"—the next point of settlement in the New Yalta deals with the West.

On May 26, on the eve of the U.S.-Soviet summit, Vietnam announced that it will withdraw 50,000 troops from Kampuchea by the end of 1988, following its withdrawal last month of some 20,000 troops. During this spring, 25,000 troops, half the contingent, were also withdrawn from Laos. Vietnam has promised that all 120,000 Vietnamese troops will leave Kampuchea by 1990.

The Vietnamese announcement, Thailand believes, was prompted by the discussions between Thai Prime Minister Prem and Soviet General Secretary Mikhail Gorbachov in Moscow. The Soviets made a point of informing Prem, by then in Budapest, of the discussion before the news was released to the world press.

Simultaneous with Hanoi's announcement of troop withdrawal, Vietnamese deputy foreign minister Tran Quang reported that Vietnam is ready to participate in a "cocktail party" with all factions of Kampuchea, including the Vietnamese-backed Heng Samrin government in Phnom Penh and the three Khmer factions under Prince Sihanouk, Son Sann, and the Khmer Rouge. ASEAN will also participate in the "cocktail party," projected to be held in Jakarta, Indonesia in July. From the Khmer side, only Sihanouk has so far agreed to attend.

Key to the ASEAN door

The Soviets have chosen to pivot their concessions on the Kampuchea conflict around the visit of Thailand's Prem to Moscow, in order to shift the game to their own advantage. For Moscow, the concern is not a resolution of the Kampuchean conflict *per se*, but inducing Western capitals to believe in the chimera of Gorbachov's global *glasnost*. Additionally, in the case of Kampuchea, Moscow has everything to gain by making concessions: an open door to the rich economies of non-communist Southeast Asia.

In April, Soviet Deputy Prime Minister Rogachev answered demands from Bangkok that the Soviets pressure

Vietnam to pull out of Kampuchea, with the laughable retort that "Vietnam is a sovereign country." During his visit to the Kremlin, Prem delivered his reply: Soviet-Vietnamese military withdrawal and cooperation in finding a settlement to Kampuchea are the absolute prerequisites to ASEAN's opening its diplomatic and trade doors to Moscow. If the Soviet Union plays a constructive role in bringing about a settlement in Kampuchea, "it would earn the gratitude of all states in Southeast Asia as well as a positive attitude of ASEAN toward it," Prem told Soviet Prime Minister Nikolai Ryzhkov.

Although the Southeast Asian countries would like to turn the region into a "zone of peace"—that is, the plan for a nuclear-free Southeast Asia as Moscow desires—Prem said this has been "obstructed" by the Kampuchean conflict. "Real peace," the Thai prime minister said, can only be achieved when Kampuchea becomes independent, neutral, and poses no threat to its neighbors. As reported by the May 18 *Bangkok Post*, Prem told the Soviets: If the U.S.S.R. could facilitate such a settlement, all the countries in the Southeast Asian region would recognize it as a power with which ASEAN would like to cooperate much more closely.

"We told the Soviets," reported Thai permanent secretary Kasemaamosorn, "that there are excellent opportunities for further cooperation between the Soviet Union and the countries of the Southeast Asian region, should the Kampuchean problem be solved."

Prem is reportedly "very pleased" with Vietnam's announcement of withdrawal.

The silent partner

Shortly after the announcement of Vietnam's new withdrawal plan, Rogachev said Moscow is "hoping" the move will have created the conditions for direct talks between Vietnam and China on "normalizing" their relations. The statement points to the secondary target of Moscow's initiatives: China. But, if the Soviets are anxious to settle the Kampuchean conflict to gain entry into ASEAN, China, the sponsor and supplier of the Khmer Rouge of Pol Pot, is just as anxious to see that such a settlement never comes to pass, leaving Beijing the freer field in ASEAN.

Hence, while the Soviets and Vietnam have been moving toward concessions, China has been expanding its operations into Kampuchea through the Khmer Rouge. In 1984-85, a Vietnamese offensive cleaned out major Khmer Rouge bases along the western border of Kampuchea with Thailand. Since then, the Khmer Rouge have moved into the countryside of Kampuchea, organizing peasants against the Vietnamese, who have been a perceived enemy of Kampuchea for more than a thousand years. As one Khmer Rouge told a reporter: "In front of the Vietnamese Army, the Cambodian soldier might be very good. But behind the Vietnamese backs, they are all Khmer."

The strategy has met with significant success. On May 19, the Phnom Penh government of Heng Samrin convened

an unprecedented national congress to discuss ways to win what authorities call a "life or death" struggle against guerrilla infiltration of villages and communes. Guerrillas, the report came through the *Bangkok Nation*, were conducting psychological warfare along the Thai border area "with impunity." On May 10, the Khmer Rouge radio claimed that guerrillas had smashed the Vietnamese administrative network in more than 4,000 villages and 200 communes during the dry season that ended in April. Although the report is probably exaggerated, the presence of the Khmer Rouge in the interior of Kampuchea is real.

At the same time, there have been consistent reports from Bangkok that Beijing is arming the Khmer Rouge with better-quality weapons in the process of transforming the guerrillas into a regular army. According to Khmer claims, guerrillas have killed 11,000 Vietnamese soldiers in the last period. Sources on the ground believe the number is one-third that total, but the number reflects Khmer success in the field.

According to reports in the *Bangkok Post*, the Khmer Rouge held a conference last July to lay plans to take over Kampuchea once the war is over—that is, once the Vietnamese withdraw. The Khmer Rouge—who slaughtered hundreds of thousands of Kampuchean during their 1975-79 reign—believe they currently enjoy the support of 50% of the Khmer population. There are also reports, from Phnom Penh and Bangkok, that the Khmer Rouge have planted their own "secret agents" throughout the Phnom Penh government in anticipation of Vietnam's final withdrawal.

The disarmament and political elimination of the Khmer Rouge is a precondition set by Vietnam for a settlement to the Kampuchean problem. On May 28, both Vietnam and the Phnom Penh government issued an international call for guarantees that the Khmer Rouge will not return to power. "The most important issue here is what to do to guarantee the non-return of Pol Pot and the non-recurrence of the genocidal tragedy in Kampuchea," an official Radio Hanoi commentary said. "Public opinion demands that China, the United States, and ASEAN countries assume responsibility for guaranteeing the non-return of Pol Pot." In a more panicked tone, Phnom Penh radio called the presence of the Khmer Rouge in the country "a very dangerous obstacle" to settlement. "It is imperative to absolutely eliminate this obstacle at a time when more than half the Vietnamese troops have already been withdrawn."

Vietnam has already received a preliminary answer. Thai Foreign Minister Siddhi Savestila protested that "the Khmer Rouge is one of the Kampuchean factions, and they have the right to be involved in the affairs of Kampuchea." In other words, despite the fact that Thailand in particular views the conflict as a national security threat and despite Soviet concessions, ASEAN has not lost sight of the fact, that China is a major power in the region. That presence means that making Kampuchea "the next Afghanistan" will not be so easy.

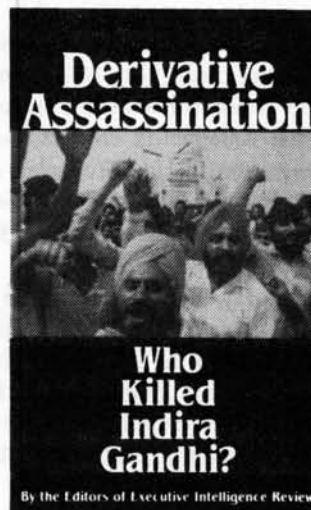
Derivative Assassination:

Who Killed Indira Gandhi?

by the Editors of
Executive
Intelligence
Review

Order from:
**Ben Franklin
Booksellers, Inc.**
27 South King St.
Leesburg, VA 22075

\$4.95 plus shipping (\$1.50 for first book, \$.50 for each additional book). Bulk rates available.



Who
Killed
Indira
Gandhi?

By the Editors of Executive Intelligence Review

Now
Available by
Subscription

Weekly EIR Audio Reports Cassettes

- News Analysis Reports
 - Exclusive Interviews
- \$500/Year**

Make checks payable to:
EIR News Service, P.O. Box 17390
Washington, D.C. 20041-0390
Attn: Press

MasterCard and Visa Accepted.

Panama 'deal': a hoax and plot to assassinate Noriega

by Robyn Quijano

A much-hyped deal between the Reagan administration and Panamanian Gen. Manuel Antonio Noriega to be fixed before President Reagan left for Moscow, fell through on May 26. This was no surprise for readers of *EIR*, but the ordinary public had been treated to such a build-up, that when "the tyrannical dictator thumbed his nose at us again," the Americans were programmed to become enraged.

Secretary of State George Shultz announced that the U.S. "offer" had been taken off the table. Military action is no longer being ruled out, the media reports. On May 17, Stanley Morris, director of the U.S. Marshals Service, the entity which would lead a proposed "multinational force" to kidnap alleged drug runners around the globe, announced that U.S. Marshals would try to apprehend Noriega to face criminal charges in the U.S. if negotiations in Panama collapsed. And then, Sen. Alfonse D'Amato, called for the forcible "extradition" of Noriega, and announced his probable assassination in the firefight.

How General Noriega, the Commander of the Defense Forces of an allied nation, who has such popular support that even hostile U.S. media had to admit that he could win a presidential election, has become U.S. public enemy number one, is an important strategic question.

Why must Noriega, once a close ally of the Pentagon and U.S. intelligence, praised by Interpol and the DEA for his anti-drug efforts, now be gotten rid of? The *Christian Science Monitor* explained in April that since Noriega was not controlled by either of the superpowers, he presented a danger to the regional pacts agreed to by Reagan and Gorbachov. This thesis was proven again on May 26, when the newest agreement in the "New Yalta" pact was announced—a joint war on drugs by the United States and the Soviet Union. The DEA will share intelligence on the war on drugs with the Russian empire, which controls international narco-terrorism as a form of irregular warfare against the West!

And so, the Eastern Establishment's media has changed the face of the enemy. The Soviets are now great peace-loving allies and friends. And any Ibero-American nationalist, who dares to fight for his nation's sovereignty, can be charged with being a drug runner, assassinated by U.S. hit squads, to the joy of the heavily manipulated U.S. population. New York Mayor Ed Koch, among other prominent

politicos, has called for an invasion of any drug-producing nation. Taking the hideous problem of drugs, and turning the U.S. population's frustration against our Ibero-American neighbors, has been very easy.

The Reagan administration has admitted that the indictment of Noriega was conceived in a unique way as a tool of foreign policy. George Bush, on May 17, inadvertently stated that the indictment against Noriega is a fraud. "José Blandón is nothing more than a degenerate and a liar. This Blandón resembles those criminals who are in jail, and believe that their sentences will be reduced or they will be freed if they make all kinds of accusations against someone." This George said because Blandón, an ex-Communist Party member and suspected Cuban agent, had some unfavorable things to say about him. But the entire hoked-up indictment against Noriega is based on the testimony of José Blandón, and two convicted drug runners, handed over to the DEA directly by Noriega. They testified against him to lower their sentences. Both got their sentences reduced, and one admitted in congressional hearings that he was testifying in revenge.

Perhaps that is why D'Amato hopes Noriega will never get to trial. On May 20, Senator D'Amato had the following exchange with John McLaughlin, on the "One on One" television broadcast: D'Amato: "I tell you what we'd do—we ask for his extradition. President Delvalle would grant that, under an old treaty that we have with them. And then we serve notice to let him know we're going to take him out, one way or the other." McLaughlin: "Would you executive [sic] him if he were found guilty in the U.S.?" D'Amato: "... I doubt if we'd get him out alive. There probably would be a firefight, and—" McLaughlin: "Suppose we got him out alive. . . ." D'Amato: "We'd try him." McLaughlin: "Would you favor the death penalty for him?" D'Amato: ". . . "We don't have that kind of charges laid against him. . . ." McLaughlin: "But you would not favor an assassination team to take him out, as the Israelis did Khalid Walid." D'Amato: "I would favor us using whatever force necessary to bring about his removal. . . . And if it took a firefight to bring him out, then so be it. And if something happened in that which brought about his demise, why, that's one of the risks."

"No commander abandons ship in stormy times," General Noriega told Panama's Legislative Assembly on the eve-

ning of May 26, when asked if he planned to retire. Panama's Defense Force commander, was received with a standing ovation by the Assembly, and the hundreds of visitors which packed the hall to hear his report on the details of the talks with the United States. After a brief opening statement, Noriega answered questions for hours.

George Bush's electoral games are responsible for the collapse of the talks, Noriega charged. The world must know that the talks with Reagan's envoy failed, when the envoy delivered an ultimatum, and demanded that Panama accept his last offer, Noriega stated. "On several occasions, Panama accepted changes proposed by aides of the Vice President, in order to protect his presidential campaign. However, even that was not enough. The U.S. wanted immediate acceptance of his ultimatum, so that they could bury what they had agreed to in the news coming out of Moscow." They hoped that what they had agreed to with Panama, would that way soon be forgotten in the U.S.

"We participated in talks, with the hope of protecting the well-being of Panamanians," Noriega noted. The United States was always looking at the talks from the standpoint of the election campaign. "Is that what is sought in a U.S.-style democracy: personal gains for a presidential campaign, which are put above the national interests of their country?" The American people should be reminded of Thomas Jefferson's saying, that a politician only thinks of the next election—a statesman of the next generation.

Noriega also discussed the drug charges, and pointed out Panama's real role in organizing coordinated regional and worldwide anti-drug operations which had been recognized not only in the United States, but by Interpol, whose secretary general just a year and a half ago decorated Noriega with a medal, and recognized Panama's leading role in fighting drugs in Ibero-America.

He denounced the fact that the U.S. government has made a joke of the Torrijos-Carter Treaties from the moment they were signed, subjecting Panama to pressures and aggressions which the American people have never even heard about. This has been the policy of the State Department—no matter who has been in charge, the same policy which the lying Elliott Abrams carries out today.

The previous day, Panama's National Information Service (SNI) had charged the United States with lying about the talks, in order to "psychologically prejudice the Panamanian cause." The SNI release states, "The conversations between Reagan's envoys and Noriega representatives have concluded, without reaching results. The U.S. side, after failing in its effort to impose its demands, obstinately began giving out a false version of the facts. U.S. spokesmen pretended that the contacts dealt with the cancelation of the political farce mounted in courts in Florida, in exchange for which Noriega will leave his post. . . . Panama never agreed to discuss the subject of the false accusations cooked up against General Noriega in the U.S. courts. Because those accusations lacked

all juridical substantiation, because they are only instruments of political pressure, because those courts have no jurisdiction in Panama, nor will they, and above all, because the Panamanian cause is not the case of one man, but of the dignity and sovereignty of a people and the strict respect and fulfillment of the Panama Canal Treaties and of international law."

"The U.S. government is obstinately tricking U.S. and world public opinion, announcing after sundown on May 24, that, supposedly, an agreement had been achieved with Panama, and announcing pretended steps that would take place. There never was any such arrangement; never was the basis of pressure and blackmail wielded by the U.S. side accepted by the Panamanians. . . . The farce of the false accusations has been utilized but the patriotic fortitude and morale of the Panamanian people has never bent. This cause is equally the cause of all Latin Americans and we will be invariably loyal to it."

Fight for economic sovereignty

During the previous week, Panama was in mobilization to define a new sovereign economic policy, including the creation of a Panamanian currency. Panama was exceptionally vulnerable to economic warfare because, by treaty arrangement with the U.S., Panama was forced to use the U.S. dollar as its currency.

Thus Panama seemed the nation of Ibero-America most unlikely to rebel against International Monetary Fund conditionalities, and the kind of austerity policies being imposed upon the entire continent. Panamanian President Manuel Solís Palma blasted the IMF policy followed by Panama since 1984, accused the U.S. of controlling the country's economic policy, and vowed a return to the nationalist policy begun under Omar Torrijos, in a speech delivered in Veraguas May 18. "In the desire to please the U.S., the government yielded to exaggerated payment demands, to the prejudice of the national and popular economy. This corresponded to the process of 'de-Torrijos-ization' and so-called 'structural adjustments' begun by Nicky Ardito Barletta and followed by Eric Delvalle, which brought their respective governments to confrontation with the popular sectors, and to renouncing national sovereignty in decisions on Panama's economic policy."

On May 26, Solís Palma reported that the negotiations with the United States fell apart because the Reagan administration refused to give "guarantees to indemnify the economic damage" done to Panama, estimated at \$1.5 billion. He called the drug-trafficking charges against Noriega "political and faked." In return for lifting them, the United States demanded a national unity cabinet be formed, and a new President chosen. "General Noriega told them no, because he was not seeking to eliminate the accusations, but to redress the [damage] to the Panamanian economy," President Solís said.

Mexico demands a change in this year's presidential elections

by D.E. Pettingell

Mexico is getting ready to elect a new President. Although the general perception is that the Institutional Revolutionary Party (PRI) will win the elections, as it has for the past 56 years, the situation has become unpredictable. Because Cuauhtémoc Cárdenas has massive popular support, and because of the severe economic crisis which has been aggravated by a disastrous drought, the PRI could be in for a surprise—for the first time in over half a century.

The son of the beloved nationalist Lázaro Cárdenas, President from 1934 to 1940, Cuauhtémoc Cárdenas has gained support among the poor, the peasants, workers, and the unemployed—the mass base of the Mexican electorate—which his backers hope will translate into enough votes to defeat the PRI's presidential candidate, Carlos Salinas de Gortari.

In October 1987, Cuauhtémoc, who had been a PRI state governor in Michoacán, split from the PRI in disagreement over the party's decision to nominate Salinas de Gortari. Many PRI members followed him. That same month, Cárdenas was selected presidential candidate by the Authentic Party of the Mexican Revolution (PARM). Later on, two other registered parties, the Socialist Popular Party (PPS) and the Socialist Workers Party (renamed the Party of Cardenist Front), traditionally part of the PRI political structure, formed the National Democratic Front (FDN) to launch Cárdenas as a presidential candidate. Since then, many other groups professing a broad range of beliefs and ideologies have joined the FDN to back the Cárdenas candidacy.

During a recent tour through the large, northern, border state of Sonora, where Cárdenas traveled over 600 kilometers in three days, I was able to see that Cuauhtémoc, as he is universally referred to, enjoys a great deal of support, affection, and, some say, reverence among the population. This is because he is the son of Lázaro Cárdenas, the Mexican leader who, in 1938, expropriated British and American oil companies, returned Mexico's oil resources, and carried out the most widespread land distributions among peasants in the history of Mexico. Additionally, he offers an economic recovery program that would halt the looting of Mexico's resources by creditor banks and use them, instead, to generate millions of jobs (there are currently 8 million jobless in Mex-

ico), industrialization, and education.

His message is hitting hard in the minds of millions of desperate Mexicans who have experienced the worst collapse of their standard of living in modern Mexican history. Cárdenas's message is simple: Let us recover our sovereign right to rule ourselves, let us live by the standards of an independent and dignified nation.

Fed up with lies

Cárdenas's message brings hope to people increasingly disenchanted with the Mexican government due to its capitulation to the International Monetary Fund's austerity policies. A special expression comes over the faces of many peasants when Cárdenas describes, in his low-key manner, the need to give every peasant a piece of land, the need to end once and for all the "disguised latifundia" (large, landed estates owned by the same person through several proxies), the need to bring water to the otherwise fertile lands of northern Mexico. In Quechahuca, in the center of the Yaqui Valley, Cárdenas brought tears to the eyes of the peasants, especially the older ones, as they recalled when Lázaro Cárdenas gave them fertile land, now largely paralyzed for lack of water and credit. Many of them have been forced to give back their parcel to the "latifundists" who monopolize what water there is. Here is where Lázaro Cárdenas carried out the largest land distribution outside the Laguna region in the state of Coahuila.

Salinas de Gortari has also referred, in his own rhetorical terms, to the need for "social justice" in the countryside during his campaign tours. But there there is a deep sense of distrust and disbelief among Mexicans when Salinas or other PRI candidates speak.

"We have been lied to for too long," a peasant told me in the *ejido* (collective farm) "Lázaro Cárdenas" where around 1,000 peasants and their families gathered to welcome Cuauhtémoc. It was like a big fiesta. The peasants slaughtered two cows to feed Cárdenas, his team, journalists, and everybody else under the shade of a palm branch roof on a day when temperatures went up to 115 degrees. Cárdenas called here for a new land distribution of 400,000 hectares in

order to meet the requests for land by thousands of peasants. He added that according to confidential information in his possession, the Mexican government has shelved 7,000 presidential resolutions for land distribution.

Cárdenas was literally mobbed by the peasants throughout his tour with requests and demands. All agree that the main problem the state is facing is the absolute lack of water. This is the second year of extreme drought. In 1987 only two inches of rain fell in the entire state. So far this year, rain has been only one-third of one inch. Dams are dry, and thousands

'We came voluntarily, we are not acarreados; no one forced us to come; no one paid us to do it,' Cárdenas supporters told reporters, with pride. The PRI gathers crowds for Salinas de Gortari through the acarreo, busing in public employees and peasants in return for 10,000 pesos, a sandwich, or simply a day off work.

of cattle are dying of dehydration.

In his speech in the city of Navojoa, where over 7,000 people gathered to welcome him in the center plaza, Cárdenas promised, when he becomes President, to develop as an urgent need the Hydraulic Plan of the Northeast (Plhino), a great project to bring water from rivers in southern Mexico to the northern desert.

'We are not acarreados'

Over 100,000 people saw and listened to Cuauhtémoc in Sonora (population 2 million) in over 30 events that included 10 mass rallies with crowds ranging from 2-8,000 people. This becomes more remarkable considering the fact that every one of those people attended Cuauhtémoc's events of their own free will.

"We came voluntarily, we are not *acarreados*; no one forced us to come; no one paid us to do it," people would tell us reporters, with pride. It is a known fact that the way the PRI manages to gather crowds of people during meetings for Salinas de Gortari or any other PRI candidate is through the PRI technique known as *acarreo*, that is, "busing in" public employees and peasants in return for 10,000 pesos, a sandwich, or simply a day off from work.

But not even with the *acarreo*, was the PRI able to beat

Cuauhtémoc's crowds in cities like the port of Guaymas, where only 1,000 *acarreados* came to see Salinas de Gortari compared to Cuauhtémoc's 3,000. A Cárdenas supporter told me a somewhat ironic joke about the situation. Addressing a rally in the southern part of Sonora during his tour of the state in April, Salinas told the people, "I was told that people in the south were not as warm and nice as in the north. But I see here the same smiling faces I saw in the north." As a matter of fact, as the joke goes, they were indeed the same faces—of those who were bused in from the north to the south.

The enormous support for Cárdenas is also remarkable in the light of attempts to sabotage his events and intimidation tactics many of his supporters and followers are subjected to by Mexico's Interior Ministry and PRI-run local authorities. I was able to witness a good dose of this. In Ciudad Obregón, a city of 300,000 people where Cuauhtémoc's rally gathered around 8,000 people at high noon under a scorching Sun, local authorities decided to cancel public transportation in poor neighborhoods to keep down attendance. At the same time, the mayor's office brought a very popular folk music band to town and gave free tickets in an effort to turn away people from the rally.

'We did not water the streets'

In the town of Vicam, in the middle of the Yaqui valley, after Cuauhtémoc's rally, a local teacher told me that everybody in town supports and will vote for Lázaro's son, but that people do not believe the government will allow him to win. She added that when the official PRI candidate Salinas passed by Vicam, the people decided on their own not to water the streets (which are very dusty and unpaved) to demonstrate that Salinas was not welcome. "You see how nice and smooth the streets are now. We watered them several times to make sure there would not be a lot of dust when Cuauhtémoc would visit us."

In fact, Salinas de Gortari is extremely unpopular, primarily because he is strongly identified with the policies that have brought the economic crisis Mexico is living under. People also resent the fact that Salinas was politically and ideologically formed at Harvard University, where he spent five years earning three different postgraduate degrees with a scholarship granted by Mexico's Central Bank. They believe his mind is more set to satisfy foreign interests than Mexico's. A Mexican journalist told me that there is no doubt that were Salinas to call for a rally and were people not forced to attend through the *acarreo* method, it is certain the PRI candidate would not gather more than 500 people, at most.

Poor Mexicans also resent the extravagance the PRI candidate displays during his tours. Salinas travels with an entourage of 1,000 people, including the Presidential Joint Chiefs of Staff, a very specialized army unit with the exclusive responsibility of guarding Mexico's President! His travels are done in three jets, six helicopters, and hundreds of buses, vans, and cars. His advance team arrives to a given



Dolía Petingelli

Cuauhtémoc Cárdenas (center, in profile) on the campaign trail in Sonora state, accompanied by the state leaders of the three parties that form the National Democratic Front.

town, takes over entire hotels, orders the streets closed down, and redirects traffic. In Hermosillo, the capital of Sonora, there was no public transportation during the days Salinas visited the state, as the buses were taken over by Salinas people to “bus in” public employees. According to opposition sources, Salinas spends around 1 billion pesos (about \$435,000) a day in travel expenses alone.

In sharp contrast, Cuauhtémoc travels modestly on the only commercial airline Mexico now has. His team is no more than 10 people, including his older son, Lázaro, a private secretary, and a photographer. He travels in a 12-passenger van given to him by a supporter. The advance work is done by two supporters who are also in charge of logistics and press work. He likes shaking hands and getting close to people.

Direct contact with voters is perhaps the only way Cuauhtémoc has to communicate his program, as Mexico’s mass media are largely controlled by the government. “We turn on the television set and we are given Salinas in the morning, Salinas in the afternoon, and Salinas before we go to bed,” a student told Cárdenas during a dialogue at the University of Sonora. The mass media have refused to give any opposition candidate equal time.

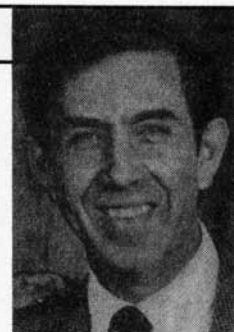
The phenomenon is not only limited to Mexico. The U.S. media has largely ignored Cárdenas. At best he is portrayed as a leftist, radical, or as a nostalgic attempt at reviving the “dead” corpse of the Mexican Revolution. American academicians prefer to say that the “Cárdenas phenomenon” represents a struggle between the “old orthodox nationalist”

tendencies and a neo-liberal technocrat current within the PRI.

“Anyone who defends our right to run our destiny and fights against foreign intervention, as Cuauhtémoc does, will be called a communist. The United States also accused Lázaro Cárdenas of being a communist,” a history professor said to me at the University of Sonora. But like his father, Cuauhtémoc cannot be understood outside the ideology of the Mexican Revolution. Cuauhtémoc’s goal, as he told me during the interview below, is to give Mexico back to the Mexicans and to finally complete the Mexican Revolution’s agenda of economic growth and a fair standard of living for all citizens.

“We ought to win because reason is with us,” he said in his last rally before departing for Nayarit, the only Mexican state he had not yet visited. Given the economic crisis, the drought, and the massive dissatisfaction, nobody knows what is in store in the first week of July when voters choose the next President of Mexico. The question is, how much vote fraud the U.S. Eastern Establishment and their cronies in the PRI in Mexico will carry out to keep this unprecedented situation from slipping out of the PRI’s control. Either way, after the July 6 elections, no intelligent person should take Mexico’s politics for granted.

As the last lines of this article are being written, I have been told that the population of Nayarit also turned out en masse to welcome Cárdenas. He is now back in his native state of Michoacán where in the city of Uruapan (population: 300,000), over 100,000 came out to cheer him.



'For a government in Mexico not subordinate to foreign interests'

The following is an exclusive interview granted to EIR by Mexico's National Democratic Front presidential candidate Cuauhtémoc Cárdenas Solórzano. The interview, conducted by our correspondent Dolia E. Pettingell, took place May 14 aboard Cárdenas's campaign van during his 400-mile tour through the Mexican border state of Sonora.

EIR: What is the National Democratic Front (FDN) expecting from the presidential elections of July 6? What are the forecasts?

Cárdenas: We predict that the FDN is going to obtain a majority vote. This is not just wishful thinking on our part, but objectively, given the response we have been getting from organizations that have joined the FDN, from many groups that have adhered to the Front and which come from organizations of the ruling party, peasant, worker organizations, some of the most important trade unions in the country, the electrical workers, the oil workers, railroad workers, and also independent workers' groups that have already joined the efforts of the FDN. All this tells us that a very broad movement is truly being formed.

We have had very, very large rallies of the population in different parts of the country. In many states, there has been a truly explosive response, very enthusiastic, massive, which is what enables us to predict—along with the polls that have been made, in short, from various evidence—that there is going to be a very high vote in favor of the FDN. Thus, we are predicting a high vote. The higher it is, the easier to defend; the higher it is, the more difficult it will be for the other side to try to disavow it, or to deny who won the victory.

For the first time in the past 30 years, an opposition force is seriously contending for power and to replace the official party in government. For the first time, a different perspective for strengthening democratic practices in Mexico has opened up. We are committed to leading this fight to its final consequences. We stand by this commitment.

EIR: Do you truly believe that the government, or the PRI [ruling party] is going to surrender power through the elections?

Cárdenas: If there is a popular alignment on the other side, of sufficient magnitude to impose victory, it will give in. It will have no other choice.

EIR: The National Action Party (PAN), along with the most radical left in Mexico, maintains that the only means of taking power is violent action. What do you think?

Cárdenas: I do not believe the electoral path has been exhausted in Mexico.

EIR: How does the FDN plan to fight against possible vote fraud, without at the same time falling into the United States' destabilization games?

Cárdenas: With the means the law affords us. Simply by the exercise of our rights, the right to meet and of free expression, to express our disagreement with certain behavior and to demand, by popular mobilization, that in a given case, such behavior be corrected. Everything we can do by means of writing, by expressing ourselves, by talking, by meeting. In sum, by a very active resistance to all possible attempts to change the electoral results, or to attempt to limit the exercise of constitutional rights.

EIR: Nonetheless, the United States is convinced that if there is violence as a result of vote fraud—many of the PANistas have indicated they are ready to resort to violence to defend the vote—the United States would not tolerate it and could intervene as it has in other countries.

Cárdenas: We oppose any intervention from any foreign country or foreign interests in matters that we must resolve ourselves. We reject ahead of time any intervention, and we will identify and condemn those who would call on interventionist forces to resolve national problems.

EIR: An important Washington newspaper gave you 35% of the vote, matching that of PRI candidate Carlos Salinas de Gortari. However, the daily observes that the PRI is the one which counts the votes. What is your comment on this?

Cárdenas: This time the PRI is going to count the votes, but we are also going to count them. We will have sufficient basis for judging how the vote turned out.

EIR: What has been the worst error and the greatest success of the Miguel de la Madrid government?

Cárdenas: I am not aware of any successes. I don't believe it has complied with any of the promises made during candidate De la Madrid's campaign, neither regarding the reactivation of economic growth, nor in defeating inflation, nor in improving living standards, nor in promoting employment. I see these as the greatest failures of the current government.

EIR: Regarding the economic situation, what do you propose to begin to reverse the effects of the economic crisis Mexico has experienced for the past five years, both in terms of national development and in terms of the foreign debt?

Cárdenas: This is a crisis that expresses itself principally in inflation and at the same time, in economic stagnation. . . .

This government, in a particular way, has subordinated us to foreign interests, has subordinated us to a plan of domination by the most reactionary interests of the United States, represented by the International Monetary Fund.

We propose, therefore, a radical change in economic policies, beginning with a radical change in the way the foreign debt has been handled. First, we believe that the priority, in allocating resources, should not be payment of debt service. The priority, for us, is the reactivation of the economy, to relaunch production after five years of no growth, on the average.

In this government, wages have lost at least 60% of their real buying power. It is necessary to raise the buying power of salaries toward restoring the maximum levels they had, in real terms, around 1976. Current salaries represent 30% of those salary levels that had already been reached by a percentage of Mexican workers. There has been a general deterioration of living standards. Public works programs tending to improve the well-being of the population have been suspended.

To make use of resources that are today going to pay the debt, to use them for other purposes, requires negotiation. The FDN does not propose that the Mexican government unilaterally suspend debt payment, but immediate negotiation, that is, using resources that now go to pay the debt for immediate national priorities, while at the same time beginning negotiations that will permit us to establish different terms than the current ones, so as to continue meeting our international obligations. This implies a halt in payments under current terms, and the immediate initiation of negoti-

ations that recognize the real value of the debt. It is 50%, according to those who know, both the banks and the Mexican government itself, but they still pay 100%. It means admitting that significant amounts that they are still charging us interest for, even though they consider them to be unrecoverable, have been written off the banks' books. One must demand admission of co-responsibility for the high level of indebtedness that Mexico contracted, when it was known that the economy no longer had the capacity for more commitments. Here there was, from our standpoint, a clear intention to strengthen the bonds of dependency and the possibilities for political intervention, and not just resolve an economic problem. This part of the debt should be treated politically, and not economically, as one might with the rest of the debt.

We cannot establish a detailed plan at this moment, because the Mexican government has systematically refused to reveal how the debt is constituted, and which are the commitments that make up each of the different parts of the debt. At the point we have this information at hand, we will be able to establish what to pay, and how to pay, and how much to pay.

EIR: What development model do you propose as an alternative to the *maquiladora* [foreign-owned sweat shops] economic model of the government?

Cárdenas: A model that is premised on the concept of strengthening internal markets. It is by strengthening internal markets, integrating our industry, integrating the different branches of production, also accelerating the expansion of agriculture, of fishing, of industry generally, that we believe inflation should be controlled and the country enabled to enter a process of sustained economic growth.

The government seeks to develop us as a *maquilador* and exporting nation. We don't deny the importance of exports, and we believe they should be promoted, but not above or before meeting internal needs. Further, we believe in the need to encourage exports, not of raw materials, or semi-finished products, or the products of the *maquiladora* as the present government seeks, but of products with high added value that will enable us to derive greater economic benefit while, at the same time, a greater development of our national industry.

EIR: What is the main problem that you see in the *maquiladora* scheme?

Cárdenas: Other than the fact that in many cases the *maquiladoras* do not meet national laws, neither in matters of labor, benefits, wages, nor do they pay what should be paid to the workers, in their majority women, nor consider the quality of work done; they impose very severe work loads which cause serious health problems. The trade union organizing of the workers of the *maquiladoras* is prevented by the actions of government, by the bosses themselves; nor is the

law met regarding foreign investment, regarding the percentage that should be in national hands versus foreign hands. I believe that it is an industrialization scheme that is not going to benefit nor integrate the national economy. It remains an enclave that accepts inputs from abroad and sends its final product abroad. It has helped solve an immediate employment problem, but at the same time, this *maquiladora* plan has many defects.

On the other hand, the *maquiladoras* have been receiving benefits, indirectly if you wish, which are not given to industry in the rest of the country. The government constructs industrial parks, the government constructs and improves highways. The case of Sonora is clearest in this sense, with the installation of the Ford plant in Hermosillo. The government is spending on infrastructure so that these companies will come and install themselves here in this country. . . .

The manner of integration of these companies, in many cases as twin companies with others that exist in neighboring parts inside the United States, in many cases with common technical and administrative supervision, or integration that de facto is provided by improving communications, by providing all kinds of opportunities to link them further to the United States, it could reach the point that if we ignore the border zones of the country like Sonora, they could end up being integrated, including a territorial integration, with the North American economy.

This is an invasion not carried out by armies, but silently and peacefully. And in the end, what we are seeing is an integration of our economy and a good portion of our territory, with the activities and under the domination of the economic interests of the United States.

EIR: Why do you believe that the educational, university levels in Mexico have declined so in recent years?

Cárdenas: The government's plan is one of political and economic subordination, also in the educational and cultural terrain. The current government is interested in maintaining cheap labor power, supposedly to make the country attractive to foreign investment. The cutbacks being made in the university budgets are a way of keeping us within this dependency plan, and in terms of what it is doing to economic development, it is a plan which denationalizes us, which makes us increasingly dependent on the multinationals, and which seeks to turn the nation into one big *maquiladora*.

For those who seek to install the *maquiladoras*, and develop the country as a *maquilador* country, there is no need for top-line professionals, nor of researchers who could be the leaders in that field. They want to have professionals who can interpret instructions that come from the United States, who can simply meet these orders without much discussion. That is why they are also stripping the curriculum of civic education, of studies of history, of national problems that should be part of our study plans from elementary education to higher education.

EIR: In the process of Ibero-American integration, what role should Mexico play?

Cárdenas: It should be a positive role, of encouraging that integration in political, economical, and cultural aspects which there should be with the continent—that is, with the Latin American nations. We should give each other a hand and act in solidarity with one another, and gradually develop institutions which enable the gradual consolidation of unity—institutions such as the Latin American Parliament, which could have a greater influence in our countries' internal life—and gradually develop the political and economic ties which this integration requires. Legislative measures could be taken to recognize anyone born in Latin America—that is, all Iberians and Ibero-Americans—as Mexicans, in order to give this great nationality international scope, breadth, and integration. This is what we should aim for in the future, in the immediate future.

EIR: Do you favor an Ibero-American Common Market?

Cárdenas: It must be developed. It's one of the things which must begin to happen on the economic front. The development of a Latin American market must emerge, as well, out of the development of the productive forces and potentialities in our own countries, through the modernization of our production facilities, always relying on better by-products with greater value added, and taking advantage of the opportunities every country may find in order to foster this integration and national development at the same time.

EIR: And are you in favor of a united front of debtor countries, to jointly negotiate aspects of the foreign debt?

Cárdenas: We in the FDN have long been advocating the need to join efforts with those of other countries which also have high indebtedness, and which need solidarity, as do we, so as not to continue acting in isolation as the Mexican government has done, which keeps us from accomplishing unity.

EIR: In the strategic international context, that is, in the context of East-West relations, what direction should Ibero-America take?

Cárdenas: The path of Latin America, the path that all independent countries take, that of full exercise of their sovereignty and of setting their own rules. I believe that Mexico should be a full member of the Non-Aligned Movement. This is proposed in our electoral platform.

EIR: Why do you think the United States chose Panama as the target of one of its greatest assaults against a nation of this hemisphere?

Cárdenas: Because the actions of domination, of imperialism, always tend to increase penetration and interfere with potentially autonomous decisions. We have demanded for some time, since the intervention against the Panamanian people began, the withdrawal of U.S. forces, that the armed,

political and financial intervention of the United States cease, and that it can also cease in other parts of the Central American isthmus, that the Central American people—including the people of Panama—be left alone to resolve their own problems in accordance with their own interests and their own manner of viewing their problems.

We must be in solidarity, active solidarity, with the Panamanian people, in international forums, in inter-American forums, and in bilateral forums, with the purpose of continuing to maintain and support Panama's right to receive the Canal in 1999, in agreement with the Torrijos-Carter treaty.

EIR: General Noriega recently stated that United States' policy toward Panama is a "laboratory experiment" in which the United States is trying to impose its power upon a series of countries, among which Mexico would be one of the first. Do you share the general's opinion?

Cárdenas: I believe that all the interventions of the United States, throughout the history of the continent, have been laboratory experiments; they already know how to intervene when they want to, and they also already know the resistance their interventions will encounter.

EIR: What does Mexico, or a government headed by Cuauhtémoc Cárdenas, expect in bilateral relations with the United States?

Cárdenas: A relationship of mutual advantage, a relationship of close cooperation in economic, cultural, political, and labor matters; but always to mutual advantage, always resolving matters in full exercise of sovereignty. I believe that we can have such a relationship with the United States.

EIR: What do you think of the proposal of Republican candidate George Bush to create a North American Common Market among the United States, Canada, and Mexico?

Cárdenas: I am not familiar with the proposal in detail, but I think that the proposal would quite simply put us at a serious disadvantage, and would, as [Bush] is most likely looking at it, be a way of forcing upon us a greater dependency on the United States economy. I do not believe that we should accept integration in a common market in a disadvantageous situation. Thus one would have to carefully review what forming a common market would imply and how one, in this case, Mexico, could remain autonomous.

EIR: Do you believe that with the possibility of a Democratic government coming to power in the United States, relations with Ibero-America would improve?

Cárdenas: I believe that what is most important is the attitude that the governments of Latin America adopt in their relations with the United States.

EIR: What do you think of the United States' Senate vote reproving Mexico's efforts to fight drugs?

Cárdenas: I find it very serious that foreign governments intervene in matters that are our sole concern. But I find it still more serious that the Mexican government has agreed to sign an accord by means of which its activities are supervised by a foreign government.

EIR: To what agreements do you refer?

Cárdenas: The agreements on fighting drugs established that there will be economic aid, a variety of things given to the Mexican government, as long as the Mexico government complies. I think that the Mexican government should never have assented to the American government being the one to certify its good or bad conduct, or if it meets its obligations or not.

It is one more way of inviting foreign intervention in our affairs.

EIR: However, cooperation among nations to fight the drug trade is necessary.

Cárdenas: Cooperation, yes. But some countries must do some things, and others must do others. It isn't fair to take only one side to task for whatever is being done or not done. In fact, sovereignty is being surrendered, and it has been surrendered in many ways throughout this government of Mr. De la Madrid.

EIR: Ambassador Walters, the U.S. ambassador to the U.N., recently stated that given the enormous power of the drug trade, the only means of fighting it is for the producer nations of Ibero-America to surrender some of their sovereignty so that the United States can send anti-drug squads to act in other countries. What is your opinion?

Cárdenas: That it is inadmissible from any standpoint to declare ourselves helpless, and to have to call upon foreigners to solve our problems.

EIR: Some of the United States' media describe you as a leftist. Where do you place yourself in the ideological realm?

Cárdenas: I don't go by labels. I stand by the principles and ideology of the Mexican Revolution. I identify myself with the principles of the Mexican Revolution. I am fully convinced that by carrying them out, we can resolve the country's problems and establish the basis for the political and economic evolution of Mexico.

EIR: What are the strongest memories and main lessons your father left you?

Cárdenas: The example that he offered throughout his life of consistency in every sense, of not saying one thing and doing another, and of permanently fighting with full conviction for the causes in which he believed.

EIR: Who is the 20th century figure you most admire?

Cárdenas: Lázaro Cárdenas, of course.

Cherubini Quartet plays Schubert cycle

by Hartmut Cramer

To state it at the very outset: The Cherubini Quartet is already right up there among the world-class classical string quartets, and its exciting performances were without a doubt the absolute high-point of this year's May Music Festival in Wiesbaden, West Germany.

The technical mastery shown by these four young musicians—first violinist Christoph Poppen (32), second violinist Harald Schoneweg (36), violist Hariolf Schlichtig (38), and violoncellist Klaus Kämpfer (36)—was perfect and left nothing more to be desired. We were impressed not only by their absolutely perfect intonation, but also by their great instrumental balance and ensemble throughout the entire Schubert cycle—qualities which belie an extraordinary gift for chamber music, and quite a lot of hard work.

Their performance was marred only by the acoustical problems inside the Marktkirche sanctuary, whose strong echo effects considerably distorted our otherwise pure enjoyment of art, and made it difficult to render an effective judgment on the first two concerts. The listener could only surmise the finely differentiated manner in which the Cherubini Quartet was able to shape the musical material; and that surmise was more than confirmed in the final two concerts, which were held in the Casino Hall. It is completely inexplicable, how the directors of the May Festival could have entrusted the selection of a concert hall for a world-class ensemble, to someone who did not personally know the various locales, and who settled for someone else's assurances that the acoustics were "not that bad." Or, perhaps he or she was not even aware of the jewel which had been entrusted them.

Well-composed program

The works for each program were adroitly selected. At each concert, the listeners were first put into the right frame of mind, with one of the "easier" quartets dating from 1813-16, a time during which Schubert not only did intensive counterpoint and fugal studies, but also set to music many poems by Schiller. These already quite artistically elaborated

quartets are by no means "juvenalia"; before he wrote these, Schubert (born in 1797) had already written a whole series of string quartets; his first attempts, at age 12, were intended for his own family's "house quartet," where he played the viola.

The musically impressive counterposition of these finely composed "apprenticeship pieces"—in which Schubert quite audibly works through the quartet literature of Haydn and especially Mozart (particularly clear in Schubert's G minor and E Major quartets)—alongside his "late" works from 1824-28, afforded the listeners an interesting insight into the course of development of Schubert's creative work. In this respect, the final concert was the most revealing; but more about that later.

It was remarkable how confidently Christoph Poppen, who is able to produce anything he wants on the violin, led the quartet, and how intensively his three colleagues played, heard, and felt as one. The second violinist Harald Schoneweg often literally "leaned into" his two other colleagues. The evenness in the quality of their tone and bowing was striking: The "passing along" of the themes and figures from violin to violin was inaudible, and to the viola and the 'cello it could only be heard as a darker tone-color. All this, in the midst of sometimes enormous technical difficulties, which already turn up in his "early" works (in the E major quartet!), and always without false shows of virtuosity, entirely in the service of the whole.

Concerning the violist Harald Schlichtig, we can only congratulate the quartet. He is a very secure, sensitive musician, with a big, warm tone, who always jumps in forcefully when that is required. We would have liked the 'cellist Klaus Kämpfer, who also distinguishes himself with a wonderfully beautiful tone, to have been somewhat more forceful at many points; in the quintet, he certainly proved that he is capable of doing so.

Influence of the Amadeus Quartet

The quartet's musicality was completely in keeping with their technical qualities: The fast movements were fresh and well-accented, and the slow ones song-like and flowing; the minuets and scherzos were very joyful and "Viennese," with clearly delineated, restrained trios. It was evident in every respect, that these musicians had learned quite a lot from the members of the Amadeus Quartet, their great paragons and teachers. This is particularly true of Christoph Poppen, who has profited much from Norbert Brainin's art of bowing and quartet-leading.

This influence was quite evident in the performance of the Quartet in D minor ("Death and the Maiden"), the enormous artistic difficulties of which they surmounted extraordinarily well. Especially successful were the ultra-sensitive second movement, which puts extremely high demands on ensemble-playing abilities, and the last movement, whose chasing rhythm in the original tempo (*presto—prestissimo*)

is very difficult to handle from the standpoint of bow technique. But the Cherubini Quartet solved all these problems in a downright “playful” manner, so that there was even room left over for an impressive shaping of this entire quartet, one of the most difficult in the entire repertoire.

The impression that something utterly extraordinary was being offered at the Wiesbaden May Festival, was strengthened during the final evening of the Schubert cycle, which featured works which typified the process of Schubert’s musical development. First came the Quartet in E Major from 1816, the last of Schubert’s “apprenticeship pieces,” which is a hermetic composition, a “typical” string quartet.

Quartet movement in C minor

Schubert himself was well aware of this limitation, and it took him a good four years before he attempted another string quartet, in 1820—and failed. This “failure,” however, is actually an extraordinary stroke of luck for music as a whole, since the dramatic as well as lyrical Quartet Movement in C Minor, which was performed following the Quartet in E Major, is one of the most powerful movements ever written for string quartet.

The Cherubini Quartet played this movement not only extraordinarily quickly, as Schubert specified (*Allegro assai*), but also with all its inherent tension and intensity, while strictly observing its difficult dynamic shifts. It was truly a technically perfect performance, which hardly left anything to be desired in its shaping of the living musical material.

Is the Cherubini Quartet already at the absolute pinnacle of the art of classical quartet playing? Fortunately not. For if that were true, this young quartet would hardly have any more potential for development. The musicians only began playing together ten years ago; and measured against the approximately 40 years which such famous ensembles as the Quartetto Italiano and the Amadeus Quartet (the latter a veritable musical institution) have worked together, the Cherubini Quartet’s ten years is not all that much. There is, in any case, always something new to discover in string quartets.

Let us take, for example, the correct shaping of the quartet’s internal proportions. In the Quartet Movement in C Minor, the entry of the four instruments, beginning at *pianissimo*, with the violin moving to *affz* and rising almost three octaves from C’ to A’’, succeeded with breathtaking precision and tension; but the following two measures, where the first violin drops down, via a *fp*, to a low B, was not sufficiently deliberate. The immense, pent-up force of measure 9, which goes up to b’’, must be carefully counterbalanced by the immediately following falling eighth-notes—otherwise there is no sense to the lyrical *pp* figure in measure 13, which for its part is merely a presentiment of the song-like theme, beginning in measure 27. Only a tiny nuance of slowing up was lacking here, but it is precisely such nuances of artistic *freedom*, which make musical pieces into entire worlds, and whose adequate, *non-arbitrary* shaping requires

up to 40 years of playing together in the same quartet.

Demonstrating the *freedoms* which the composer has elaborated in his works, additionally requires an explicit—and often crass—accentuation of the “edges and corners,” which thereby lend more *immediacy* to the process of musical creation and development. Measured by this criterion, the Cherubini Quartet’s performances seemed too “perfect,” and often too “smooth.” What is still lacking in the Cherubini Quartet’s interpretations, is the *necessary* element of *lawful freedom*, which can only be demonstrated in the course of very long and intensive artistic collaboration.

High-point: Quintet in C major

Where will this lead? We got a good foretaste in the closing quintet, since the presentation of this grandiose work, composed by Schubert in September 1828, shortly before his death, emerged as the crowning conclusion of the entire Schubert cycle. The addition of Manuel Fischer-Dieskau (just turned 25) as the second ’cellist, was an extraordinarily good choice—not merely because his mastery of his instrument was on a par with that of his colleague, but also because he has an extraordinary poetic sensibility and strength of imagination, precisely the qualities which can create new degrees of freedom in interpretation. Exemplary was the “pizzicato dialogue” between the first violin and the second ’cello in the slow movement (the *Adagio*), whose expressiveness made it one of the most beautiful moments of the entire concert.

Contributing to this lively presentation, was the above-mentioned fact, that the Cherubini Quartet possesses an exceptional violist, an indispensable prerequisite for Schubert’s compositions. Positioned not only visually, but also musically at the center of the quartet, and sometimes brought together with the two violins, sometimes with the two ’celli, the viola frequently becomes the sole “fulcrum” of the quintet, introducing new developments or accentuating the dynamics. Hariolf Schlichtig showed a sovereign mastery of this difficult task, and did so with an ever-beautiful, full tone. The ovations from the audience, who included a large number of young people, was completely well-deserved.

We should note, that it has been not quite a year now, since violist Peter Schidlof’s sudden death, marking the tragic end of the Amadeus Quartet, on which occasion *Ibykus*, the German magazine of culture, science, and statecraft, wrote that it is consoling to know “that these four musicians had also worked toward educating their own ‘successors,’ who, hopefully, [will be] just as original, independent, and unique, and thus, of course, in many respects completely *different*, as their great paragons and teachers.”

If the Cherubini Quartet stays together and continues to work on itself, and summons the courage and the energy to develop as a *quartet*, so that it may conquer new realms of artistic freedom for itself and for its audience, then it will surely be able to step in as the true successor to the Amadeus Quartet.

Defense motivation revived

The new Defense Minister Rupert Scholz is addressing the reality of the Soviet threat.

The vast majority of military leaders in Germany feel relieved by the fact that Defense Minister Manfred Wörner left office on May 18. His sailing along with the rest of the pro-appeasement Bonn cabinet produced a scandalous defense planning package that leaves the armed forces short of some 50-60 billion deutschemarks over the next 12 years. Faced with mounting criticism from senior military leaders, Wörner went so far as to issue an order to the military not to "voice any critique in public any longer."

The ban documented, once again, the reality through more than five years of Wörner's term—namely, that the defense ministry had been under the tight control of Foreign Minister Hans-Dietrich Genscher the whole time.

When the new minister of defense, Rupert Scholz, took office in Bonn on May 18, the climate changed visibly. Scholz himself reopened the public debate on defense on May 4, when he said in an interview that he wouldn't invest too much confidence in Gorbachov's policy of the "joint home for all Europeans," which he evaluated as a "seductive propaganda formula that is marketed in an extremely clever way." Gorbachov's policy is ruled by "anti-American calculus," warned Scholz, remarking that the official Soviet war-winning doctrine has not been altered since Gorbachov took office.

Gorbachov's many public addresses on world peace and nuclear disarmament left Scholz fairly unimpressed, he said in another interview May 8. He criticized "a certain euphoric Gorbachovism among Western

politicians."

The chief Soviet propaganda news agencies *Pravda* and TASS responded promptly, calling Scholz a "hawk" and a man "ruled by the old enemy-image that doesn't fit in the landscape of détente and arms control."

Also, the German foreign minister and high priest of "Gorbachovism" in Germany, Hans-Dietrich Genscher, showed his embarrassment at Scholz's remarks, recommending that the new defense minister "say farewell to enemy-images" and instead "concentrate his efforts on building confidence with the Soviet Union."

Moscow's and Genscher's attacks left Scholz unperturbed, and when he was sworn in May 18, he used the occasion to address "the overwhelming military supremacy of the Warsaw Pact in Europe" and the fact that "seeming progress in the arms control talks" had caused a "general letting-down of awareness of this continued military threat, and of defense motivation in the West." Especially the younger generation—those who are scheduled to become draftees in the German army—have been influenced by this "unbalanced thought." Scholz announced that campaigning for "increased defense budgets" would be among his "prime tasks as minister of defense."

All hell broke loose in Bonn over these remarks. On May 20, the opposition Social Democrats and Green Party requested a special debate in the German Parliament, which featured harsh attacks on Scholz. Green speaker Helmut Lippelt accused Chancellor Kohl of having appointed "a man with the cold-war world outlook of the

1950s as the new German minister of defense," a characterization that was repeated by Social Democratic speakers as well. Several opposition speakers recalled that the late Chancellor Konrad Adenauer, who fought for Germany's postwar rearmament in the mid-1950s, did not even take notice of public opinion polls that rated 82% of the population as being against having armed forces.

The day after that debate, which has no precedent in recent years, *Pravda* attacked Rupert Scholz again, accusing him of "arousing the old spirit of militarism in West Germany."

What the Soviets referred to was not the debate, but the May 17 session of the Christian Democratic Union's (CDU) parliamentary group, which already anticipated the change of climate expected to occur under new Defense Minister Scholz, who was to be sworn in the next day.

The session of the parliamentary group was preceded by a briefing which the inspector general of the ground forces, Gen. Henning von Ondarza, gave to the defense expert commission of the CDU. He said that outgoing Defense Minister Wörner's defense planning package for the next 12-year period deprived the ground forces of some 36.5 billion deutschemarks that were required to keep all 42 army brigades functioning in the 1990s. "Maintaining forward defense against the Warsaw Pact won't be possible under such conditions," said von Ondarza, breaking the debate ban Wörner had imposed on the military just a few days before.

On the condition that the new German defense minister sticks to his stated political objectives, military leaders and defense experts in Bonn feel free now to address the Soviet military threat again, and call for the appropriate increases in the defense budget.

No mercy killings!

A barbaric Trieste court ruling has opened the door to a national debate on euthanasia.

The scandalous sentence handed down by the Superior Court of Trieste against a woman accused of having murdered her mother, has reopened in Italy the debate on euthanasia and even worse, on the ability of any individual to "suppress" the lives of suffering persons.

The 55-year-old woman from Trieste strangled her mother with a nylon stocking and then justified this by citing the victim's "atrocious sufferings." The defendant was sentenced to only three years of house arrest, after a rarely used article of the penal code was applied, "homicide of a consenting person." The article provides that a person who brings death on another who specifically requests it, is not punishable for voluntary homicide.

Needless to say, it is hard for dead people to confirm the statements of their survivors.

Even more serious, the court ruling sets a legal precedent: For the first time a homicide is justified by "mercy." Had the Trieste judges taken the trouble to read the acts of the Nuremberg trial against Nazi doctors, they would have discovered that the same "mercy" arguments were used: "thousands of persons killed because they were suffering so much." Fortunately, at that time, no one believed in that farce.

A recent poll claimed that 46% of Italians favor euthanasia; the poll, based on a sample of 2,000 people, should be taken with a grain of salt, but it was significant that almost total opposition to euthanasia was registered in the poorest strata of society and in the over-55 age group. This

means that the potential victims have grasped the fact that euthanasia would be an *economic* solution to get rid of "useless eaters."

The Trieste case, which has twisted the word mercy into its opposite, has reopened the euthanasia issue in the press and in Parliament. A Socialist Party congresswoman reintroduced a law which would allow euthanasia, and the so-called "lay" parties have more or less lined up behind this bill. We hope that the government of Christian Democrat Ciriaco De Mita will not go down in history as the government which passed pro-euthanasia legislation.

Although Italian law punishes a doctor who brings death to a patient, it is now being reported that this is quite a common practice. Florence gynecologist Giorgio Conciani, a promoter of mass sterilizations, has stated that many Italian doctors habitually practice both active and passive euthanasia for their terminal patients. Naturally, Conciani's statement is aimed at speeding up debate on the law, by demanding juridical legitimization of an already existing situation; it could be considered the usual provocation, but it has been confirmed by many other physicians.

In mid-April in Milan, the first European Congress on Palliative Medicine was staged by the Floriani Foundation, a think tank that deals with terminally ill patients. "Palliative medicine" means that you kill the patient while giving him the illusion that he is continuing to get treatment to help him get well. Giorgio Di Mola, an anesthesiologist and vice president of the foundation, says, "For us it is a

question of offering a good death to those who have no more hope. . . . We alleviate pain. If the sick person wants to live and suffer to the end, I accept his will. If the suffering is too great for him, I put him to sleep and I keep him asleep until he dies. Passive euthanasia, sure. We guarantee that pain will be removed as much as possible. But when there is nothing more to do, we support the patient's desire."

The euthanasia troops have figured out that for now they cannot go for a showdown, but must be a bit more sophisticated. At the "palliative medicine" conference they recommended "not proposing overly audacious and brutal applications of their own theories about euthanasia because people's feelings have to be respected." The other strategy is that of limiting the opposition in the Catholic world, by using all the ambiguous movements which have infiltrated the Catholics.

A resounding reply to this game came in the Milan Catholic Archdiocese newspaper, *Avvenire*. The bishop of Termoli-Larino, Cosmo Francesco Ruppi, wrote, under the title, "The betrayal of all civilization," an article exposing euthanasia as the "legitimization of death camps and all the evils carried out in this century." Ruppi stated, "No authority can make the illicit licit . . . no one can ever legitimize euthanasia without opening up a moral fissure of incalculable importance."

At the same time, the National Retirees Federation of CISL, the Catholic labor confederation, passed a resolution against euthanasia which received very little press coverage. They denounced the refusal to take so-called "heroic measures" in treatment, and warned of the risk that instead there will be cessation of treatment and "assisted suicide."

International Intelligence

Filipino communists hail military factionalism

Military factionalism will cause the collapse of President Cory Aquino's government in the Philippines, according to the founder and head of the Communist Party there. Jose Maria Sison made that prediction in an interview aired on television in Brussels, Belgium on May 14.

Sison, who has many connections in the West, claimed, "We tried to give Mrs. Aquino a chance to side with the people, but she has failed to live up to the people's expectations."

A virtual government under the National Democratic Front, the political arm of the New People's Army guerrillas, has grown stronger in the Philippine countryside. The NDF, according to Sison, now has some 10 million members.

He confirmed earlier military reports that there are about 12 front organizations for the guerrillas operating legally in the country. The People's Party, which took part in the last elections, was the movement's electoral arm.

Other mass organizations named as legal fronts for the movement are The KMU-1 May Movement, the Bayan-New Nationalist Alliance, the KMP-Peasants Movement of the Philippines, the Alliance of Concerned Teachers, the Gabriela, and the League of Filipino Students.

Israelis work in China—for Saudis?

U.S. commercial sources and Saudi sources say that Israeli experts working secretly in China were involved in improving the guidance system of medium-range missiles sold by China to Saudi Arabia. The sources say that the Israelis were also involved in helping the Chinese make the changes required to convert the missiles from nuclear to conventional warheads.

There are also "indications" that Israel was helping China to develop a new combat fighter using technology derived from the canceled Israeli Lavi fighter.

According to Morton S. Miller, author of a U.S. Arms Control and Disarmament Agency report written in April, there is evidence that China and Israel also produced a Chinese version of the Israeli sea-launched Gabriel missile.

In addition, Israeli experts helped the Chinese develop reactive armor for their tanks and worked on Chinese tactical missiles and aircraft.

Savimbi assassination still live option

The Reagan administration's decision to make the Angolan-South African conflict a leading agenda item at the Reagan-Gorbachov summit has revived concern that Angolan UNITA resistance leader Jonas Savimbi is about to be assassinated, despite U.S. State Department denials.

EIR had learned from several sources that Savimbi's murder was imminent: Both superpowers want to remove him as an obstacle to a superpower deal over Angola, possibly involving partition of the country and southern Africa more generally. Any such murder, say the sources, would require the involvement of a British royal household retainer, Tiny Rowland, head of the Lonrho (London Rhodesia) conglomerate.

Rowland is currently being investigated over charges that he masterminded the recent Lisbon assassination of E. Fernandes, the head of the Mozambique resistance movement, RENAMO.

EIR investigations in progress indicate that Rowland, de facto chief of British intelligence operations in southern Africa, maintains close relations with the circles of former CIA deputy director Theodore G. Shackley, and other U.S. intelligence circles responsible for the Iran-Contra arms deals. Rowland is known to have played a pioneering role in these sales.

According to unconfirmed source reports, Rowland, along with former Atlantic Richfield Chairman Robert O. Anderson, has been involved in a plan to import Libyan and Iranian oil into Texas. Rowland and Anderson are partners in numerous business ventures.

It appears that UNITA's hard-won military victories are going to be traded away at the Moscow summit. In that case, Savimbi's life is in grave danger.

Foil No. Korean terrorist plot

A terrorist plot against the Summer Olympics in Seoul, Korea has been uncovered by U.S. intelligence. The plot was masterminded by Kim Jong Il, son of North Korean dictator Kim Il Sung, according to British press reports.

Kim Jong Il convinced his father, according to the CIA, to call on Japanese terrorists, many of whom were trained in North Korea, to spearhead a six-week "campaign of terror" to force the cancellation of the Olympics. If that did not succeed, then a "general reign of terror" was planned.

Kim's plan was to sneak bombers, snipers, and hijackers into South Korea, targeting U.S., British, and French airlines. Small bombings would hit ticket offices in London, Paris, and Washington that book flights to South Korea.

Rear Adm. William Pendley, second in command of U.S. forces in Korea, announced that U.S. forces have been put on "quiet alert." "We are prepared to do everything necessary to guarantee a peaceful Olympics."

U.S. terrorism expert Noel Koch told Britain's *Sunday Express* that "terrorists routinely enter South Korea through Hong Kong."

Copeland says CIA involved in astrology

In a letter published in the May 22 London *Times*, headlined, "How CIA sought help from stars," retired CIA official Miles Copeland wrote:

"It may interest your readers to know that, off and on, the American CIA was in the astrology business for some years. In my day, we had special courses in 'modern astrological techniques' which we gave to agents whom we subsequently planted on

Briefly

various world leaders, among them Nkrumah, Sukarno, and Mehmet Shehu of Albania.

"It was, in fact, the CIA's hastily improvised arrangement of the stars which persuaded Nkrumah to accept an invitation to visit China so that he would be out of the way when it came time for General 'Uncle Dan' Ankrah to take over the Ghanaian government, and many of Sukarno's decisions which played into our hands were based on computations of a computer we gave to him which pinpointed the *present* cosmic locations of various stars. He had previously been relying on the calculations of native astrologers who based their findings on where stars had been billions of light years earlier.

"The 'Cosmic Operations Section,' which I headed in the last year of its existence, was discontinued by Mr. Allen Dulles, when he learned that we were bootlegging charts to certain members of our own White House Staff. He was unmoved by our argument that the charts, concocted as they were to deal with issues as we understood them, made more sense than the stuff the White House was getting through regular channels."

Golden Temple takeover accomplishes little

"Operation Flush-Out" against the leading Sikh shrine in India, the Golden Temple in Amritsar, Punjab, which led to the quiet surrender of Sikh terrorists to Indian security forces, brought little joy there. After the government action, authorities in New Delhi became defensive, senior officials flying to Amritsar to attempt to smooth the ruffled feathers of Sikh religious leaders.

Most Sikh terrorists had, in fact, left the temple before the security operation began. The amount of arms seized following the surrender was minimal. Thus, the majority of arms are with the majority of terrorists who are on the loose all over Punjab. They are virtually rulers of most of the countryside.

Radical Sikhs have been demanding the creation of a separate Sikh state of "Khalistan." The death toll from their terrorism in

Punjab, India's breadbasket, has been terrible.

On May 19, thirty-five people, including seven terrorists, were killed. On May 20, terrorists struck a migrant labor colony along the Sutlej-Yamuna Link Canal construction site, and indiscriminately gunned down 40 migrant laborers. A day later, on May 21, thousands of migrant laborers left Punjab, heading home to Orissa and abandoning the construction work. The same day, 45 persons were killed in Punjab and neighboring Himachal Pradesh.

Gallup poll highlights AIDS threat

La Presse, Montreal's leading French-language newspaper, ran a front-page exclusive May 22 on a Gallup poll released at a Toronto press conference that weekend, which shows that panic about the AIDS crisis is spreading rapidly throughout the world's population, and that support for mandatory testing has risen dramatically.

Headlined "AIDS: Canadians Fear an Epidemic," the article reports on a poll taken in 35 countries during the August 1987-February 1988 period.

Among the more significant findings:

- The overwhelming majority of those polled favor mandatory testing for everyone. In Colombia, 86%; in the U.S.A., 47%; Canada, 60%; Brazil, 83%; Argentina, 64%; Great Britain, 48%; France, 74%; West Germany, 48%; Belgium, 68%; Sweden, 61%; the Philippines, 79%; and Nigeria, 85%.

- 51% of Americans polled believe it probable that AIDS will become epidemic in the general population. That view is shared by 47% of the Canadians queried, 69% of the Colombians, 67% of Brazilians, and 34% in Great Britain.

- 30% of those questioned in the U.S.A. said they thought insect transmission is possible.

Asked how much they feared contracting AIDS, 20% of Americans polled said they were "very worried," with 37% of Brazilians, 40% of Nigerians, 18% of South African whites, and 46% of South African blacks, agreeing.

- **SWEDISH WATERS** are being repeatedly violated by Soviet submarines, and this is "probably undermining the credibility of our neutral status," said Swedish Undersecretary of Defense Per Borg in an interview with the Madrid daily *El Pais*. Another officer told the paper, "We do not think that there is equal danger from East and West. . . . In our thinking, the main threat comes from Russia."

- **FOUR OFFICIALS** of the Bulgarian embassy in Stockholm and of Kintex, the Bulgarian "export-import" company, have been formally expelled by the Swedish government, and the managing director of Nobel-Bofors, the armaments manufacturer implicated in sales to Iran, has been "fired" along with other directors. Kintex has been widely accused by Western intelligence channels of arms and drug smuggling on behalf of the Soviet KGB.

- A **'WHITE WITCH'** named Maritxu seems to control politics in Spain's troubled Basque region. According to Madrid newspaper reports, among her clients are the ex-president of the Basque government, the head of the Socialist Party there, the head of the Franquists, the Duchess of Alba, the President of the Navarrese government, the president of the separatist Euskadiko Ezkerra, and banker Joaquim Garrigues-Walker.

- **PROTESTS** by dozens of Mexican groups and the Catholic Church have forced the Health Ministry to cancel a series of explicit television ads about AIDS, featuring condoms, male and female genitalia, and actors and actresses discussing sex. The ad campaign received a fatal blow when the flagship ad "aborted." Actress Lucía Méndez, whose ad stated, "When I don't know my lover, I always use condoms," confessed that she is pregnant.

- **FOUR OF FIVE** of the world's largest cocaine traffickers are operating out of Spain now, a Drug Enforcement Administration official told Spanish press.

British and Bolsheviks: the romance of the century

by Allen and Rachel Douglas

The Secrets of the Service: A Story of Soviet Subversion of Western Intelligence

by Anthony Glees

Carroll & Graf Publishers, Inc., New York, 1987

\$22.95, 447 pp., hardbound

A more appropriate subtitle for British author Anthony Glees's book were, "A *Defense* of Soviet Subversion of Western Intelligence." That is the gist of this factional intervention into the debates over the penetration of British intelligence by Soviet "moles" such as Kim Philby, Anthony Blunt, Guy Burgess, et al.—in particular, the battle raging since the 1970s over former MI5 Chief Roger Hollis. Was Roger Hollis a mole? Glees weighs in with this judgment: "There seems absolutely no reason to believe that Roger Hollis himself was in any way guilty of treachery, although he clearly made mistakes."

Glees's verdict on the Hollis case is not surprising. He argues that, even if moles do exist, they really do little harm, and perhaps there is no such thing as "subversion" in the first place. The odds and ends of historical material in his book, some of them interesting, are subordinated to its purpose as an apology for the powerful factions of the British Establishment, that have indulged in a 70-year love affair with the Soviet dictatorship. Glees acknowledges the aid of members of such senior Establishment families as the Cecils, Astors, and Balfours.

In defense of treason

Before his recent death, a rising chorus of voices in the

United Kingdom was claiming that former MI6 executive Kim Philby, though he was a general in the KGB, was either a British "triple" agent, or, at the least, never really did Britain much injury. In either case, since he was now working for the great reformer Gorbachov, they would add, it was even more clear that Philby was "on our side." (See *EIR*, May 13, 1988.)

Most vocal in this chorus has been a group of Philby's former associates in MI6, who profess to still believe in his innocence of the crime of treason. Glees comes down on their side, with his comment (p. 208) on a Foreign Office memo which praised Philby: "This sort of statement has led some authors to believe that Philby did in fact do some good work for MI6 while also working flat out for the Russians."

Glees's apologies go deeper, as when he previews his findings (p. 16): "We shall see that in general terms the amount of damage that the moles caused has been grossly exaggerated. Their activities were serious, but there is no evidence to suggest that, except in very detailed areas, matters would have been very different had the moles loyally served the Crown rather than Stalin. . . . If it can be shown that the moles were ignorant of the true nature of Stalinism and the role that Soviet-inspired Communism was set to play in postwar Europe, then it becomes difficult to condemn Stalin's Englishmen and women as evil and sinister subversives. Indeed, subversion itself becomes a questionable term. . . . It would not be easy to convict them of treason if they could prove they had not known that Stalin and the Crown were incompatible masters and that, in serving the former, they could not, at the same time, have been serving the latter. . . . Did not Anthony Blunt argue that during his

period of service for Stalin he was wholeheartedly committed to Britain's cause?"

The question of grand policy

The moles did no harm, in the view of Glees, because "it was only at the fringes of high policy," that changes would have altered the overall course of events. "High policy" was anchored on an Anglo-Soviet Alliance, codified by treaty in May 1942, which was expected to last 20 years, so the moles were merely "knocking on doors that were already open." With respect to Hollis, Glees says, "a cover-up would have only two aims: to protect the British Establishment or to hide a deep and widespread Communist conspiracy in Britain. Of the latter there is not a shred of evidence."

So, we come to the heart of the matter—the role of factions of the British Establishment in decades of espionage and treason against the nation-state of Britain itself.

The real issue, Glees quite rightly insists, is grand policy—who set it and what were their motives and knowledge? Did the extensive assistance offered to Stalin by British Prime Minister Churchill, the Foreign Office, and others at the top of the Establishment, result only from the exigencies of war? Where that help was truly egregious, as in the Yalta concession to Stalin of Eastern Europe, was it because of a "lack of knowledge" about Stalin's intent?

"There will be many," anticipates Glees, "who will assume the very worst straight away. 'Ah, yes,' they will say, 'the whole of British foreign policy towards Russia was subverted.' They might even assume that everyone from Roger Hollis in MI5 to Winston Churchill in Downing Street was a Soviet agent." (The Churchill-Hollis "link"—only through grand policy, mind you—is much on Glees's mind, as his repeated juxtaposition of the two names underscores.)

One of the most notorious such "lapses" in grand policy was Churchill's decision not to support the anti-Hitler German opposition, when he was approached before the war by German General staff representative Ewald von Kleist-Schmenzin, for British approval of a military coup against Hitler, and again in 1942, when circles around German resistance leader Pastor Dietrich Bonhöffer approached London. The former contacts, which involved Sir Robert Vansittart and Lord Lloyd, as well as Churchill, could have stopped the war before it started, had the British given the go-ahead for a coup; Churchill acknowledged, "There was no possibility of a hitch. All that was required for a completely successful coup was Hitler's presence in Berlin." The second approach, by Bonhöffer, could have ended the war in 1942-43, in which case Stalin's army would never have reached Germany, and the postwar map of Europe would have been very different.

Glees turns somersaults to defend Churchill's decision. One excuse he invokes is that Kim Philby downplayed the importance of the German opposition! Here, Glees rather refutes his own claim, that the Soviet moles in Britain made no major difference.

Glees skirts other instances that would damn the Estab-

lishment factions he is defending, such as the militarily insane decision to open a front in North Africa instead of continental Europe. This also helped prolong the war to Stalin's benefit. Having ignored or glossed over these momentous decisions of grand policy, Glees has the gall to state that the Yalta accords of February 1945, which legitimized Stalin's presence in Eastern Europe and half of Germany, were no sellout, because the Red Army took half of Europe and, besides, the West "genuinely did not know" about Stalin's plans for dictatorships in the territory ceded to him.

A different analytical method

Retired MI5 counterintelligence officer Peter Wright and others have dedicated years to tracing out the network of "moles," of Philby's circle and its protectors. Wright's memoir, *Spycatcher* (Viking, 1987, \$19.95, 392pp. hardbound), however, makes clear that even dedicated and gifted counterespionage experts like Wright and his associates could never in a hundred years catch all the moles who riddle the British intelligence Establishment. The problem is not the numbers, but the method.

Wright and others have started with the evidence from Soviet defectors, British signals intelligence, and other sources, that state secrets have constantly shown up in the hands of the Soviets. From that observation, they make three deductions, Sherlock Holmes-style, which have circumscribed their investigations since the 1951 flight of Burgess and Maclean to Moscow: 1) A number of individual moles are responsible for this activity, and there may exist one or more "supermoles," whose job is not to steal secrets, but to provide cover for those who do; 2) since a preponderance of those caught so far began to work for Moscow during the 1930s (largely at Oxford and Cambridge), that time-period is the earliest relevant starting point for investigations; 3) since the enemy is the U.S.S.R., which professes "communism," "communism"—attractive as it was to youth at the time of the depression and the rise of fascism—is the "marker" for treason, the chief ideological factor to be looked for.

From this flawed set of axioms has unfolded a "bad infinity," the search for the "fifth man," the "twentieth man," the "one hundred and twenty-fifth man," and so on, each of whom should be a practicing or closet communist.

If Wright and his co-thinkers employ only this sort of "from-the-bottom-up" approach, they will always fall short of cleaning out Soviet subversion. But if we proceed, like Edgar Allan Poe's C. Auguste Dupin, "top-down" from the question of grand policy, so emphasized by Glees for his own devious reasons, we begin to succeed. Because he set out to apologize not for individual moles, but for the grand policy of the Establishment faction that protected them, Glees pays a good deal of attention to policymakers in the upper echelons of the Establishment, who, in fact, provide a key to unlock the mystery of the moles.

Of Whitehall and the intelligence community, Glees says (p. 263), "There were, it would appear, about half a dozen

leading figures in British Intelligence concerned with Russian affairs. The most senior was probably Robert Bruce Lockhart who had the rank of a Deputy Undersecretary of State at the Foreign Office and was Director General of the Political Warfare Executive from Dalton's departure in 1942 until February 1944, when he became Ambassador to the Czechoslovak Exile Government. But he remained a policy adviser to the Foreign Secretary on PWE [Political Warfare Executive] and a member of it until the end of the war. Next in importance, perhaps, came Brigadier George 'Pop' Hill, a veteran British agent who had been sent to Moscow in 1941." He later adds (p. 272), "It seems that the keynote of Anglo-Soviet cooperation in Britain was struck by Bruce Lockhart, the most senior Russian specialist."

Glees admits that both Lockhart and Hill were decidedly pro-Bolshevik, but attributes their posture to Britain's World War II alliance with Stalin. If it can be shown that the pattern of Lockhart's and Hill's pro-Bolshevism antedates the war by far, and that their earlier pro-Bolshevism also faithfully reflected Establishment policy, then the entire argument of Glees's book crumbles, and we shall also have established certain benchmarks for a competent British counterintelligence policy. The investigation, we emphasize, must reach back well before the 1930s and before 1917, the year when a faction of the British Establishment helped pave the way for the Bolsheviks to take power.

The Round Table

In the early careers of both Lockhart and Hill, we run smack up against what is acknowledged as the most successful Soviet intelligence operation of all time, the "Trust" organization run by Soviet secret police (Cheka) chief Feliks Dzerzhinsky in the 1920s. Those associated with it, such as Lockhart, Hill, their close friend Sidney Reilly, and a score of lesser-known spies, were agents of British SIS or the Cheka or—most definitely in the case of Reilly—both.

Lockhart came from the heart of the Establishment responsible for British grand policy. During World War I, he was an intelligence officer assigned to Russia, under commercial cover in the British consulate. His job was to maintain contact with the anti-Czarist opposition, centered upon a section of Russia's old nobility which had always hated the Petrine state and its Romanov dynasty. In alliance with that nobility was the powerful Old Believer (raskolnik) community, which viewed the state as the Antichrist. Old Believer merchant circles in Moscow were headed by A.I. Guchkov, scion of a leading family of the most radical, "priestless" raskolniks. During the hardship and devastation of World War I, this opposition marshalled its forces for a coup.

Lockhart shared the revolutionary sentiments of these two groups, both by personal inclination and because that was his job. In January 1917, Lord Milner, the leader of the Round Table group and the chief figure in Lloyd George's wartime cabinet, traveled to Russia. Lockhart arranged meet-

ings for Milner with opposition leaders including Prince Lvov, and Chelnokov, the Mayor of Moscow. Both these men declared openly for revolution that very month, and in February 1917, Prince Lvov became head of the first Provisional Government. Milner gave the British go-ahead for the coup; as his biographer put it, "He made clear that his sympathies were entirely with Prince Lvov and the Mayor."

The British ties to the conspirators were manifold. Sir Bernard Pares, known as the father of Russian studies in Britain, would exclaim upon the announcement of the Provisional Government, that "of the twelve new Ministers, seven were actually collaborators of my *Russian Review* in Liverpool. . . . Frankly, it was one of the greatest gratifications of my life."

The most informed circles, both in Russia and in Britain, were well aware that the "liberal" coup of February was but a passing phase, and that the elimination of the Czar would almost certainly propel a revolution to its logical conclusion, the triumph of the most radical wing of the insurrectionists, the Bolsheviks.

Milner was the chief executive officer of the Round Table group, which was pulled together in the 1890s around the fortune of South African gold and diamonds magnate Cecil Rhodes. Behind Milner stood even greater power. One of his close associates was a political operative of the Royal Household, the man historian Carroll Quigley called "the most important adviser on political matters to Queen Victoria, King Edward VII, and King George V," and Lord Esher (Reginald Baliol Brett).

Besides the Cecil family, the Round Table grew to encompass many other great names of the British Establishment—Astor, Rothschild, Balfour, and others—which names recur again and again in the stories of Kim Philby, Burgess, Blunt, and the other moles.

The strategic perspective of the Round Table, elaborated from the writings and teachings of John Ruskin, was that the world should be brought into a "New Middle Ages." In Round Table thinking, "socialism" or "communism" were synonyms for anti-industrial, totalitarian feudalism. Thus, Round Table figures gave enormous support to Fabian socialism, which in turn gave birth to the Communist Party of Great Britain. Milner himself penned a 1923 paean to Fabian Sidney and Beatrice Webb's "A Constitution for a Socialist Commonwealth of Great Britain." His collaborator, Lord Lothian (Philip Kerr), founder and editor of the Round Table's magazine, was Lloyd George's private secretary during World War I, and himself a notorious pro-Bolshevik. The pathway to this New Middle Ages ran through World War I and the smash-up of the political, industrial, and cultural power of Germany. It also ran through a revolution in Russia.

The Trust

Following the Bolshevik Revolution, Lord Milner sent Lockhart back to Russia as his personal emissary to establish

ties with the Bolshevik regime and, if possible, to draw the Soviets back into the war to reopen the Eastern Front against Germany. While Lockhart met daily with one or another high-ranking Soviet leader, Captain George Hill of the British SIS was serving as an aide to War Commissar Leon Trotsky. Hill helped Trotsky to establish Soviet Military Intelligence, the GRU. He also trained the kernel of the Cheka's future counterintelligence unit, the KRO, which was soon to be running the Trust spy organization.

In the summer of 1918, the collaboration with the Bolsheviks of these two and their friend, Sidney Reilly, reached a peak in the so-called "Lockhart Plot." At that time, the Bolshevik regime faced a multitude of internal enemies who, with the appropriate support from outside, had a chance to overthrow the new regime. Lockhart, Hill, and Reilly (the latter had secured a job with the Cheka), supposedly set out to accomplish that end, but they achieved very different results. (See *EIR*, June 5 and Oct. 2, 1987.)

When the smoke had cleared, the uprising was brutally crushed; the American secret service network under Xenophon Kalamatiano was smashed and Kalamatiano imprisoned; Lenin, who had opposed reentering the war, lay wounded from an assassin's bullet; and Trotsky and Dzerzhinsky, who favored the British position of reentering the war, were vastly strengthened. Lockhart was briefly "interrogated" by the vice chief of the Cheka, Jacob Peters, a longtime resident of London who was keeping in touch with his wife and child there by means of letters couriered by Captain George Hill. Lockhart was soon released.

Reilly and Hill, the supposed ringleaders of the great anti-Bolshevik plot, eluded capture despite a massive manhunt by the Cheka—during which, it is recalled, the two quite openly would dine in Moscow restaurants. Kalamatiano and U.S. Consul Dewitt C. Poole were among those who charged, with ample evidence in hand, that Reilly had acted as a witting provocateur for the Cheka, charges which Lockhart vehemently protested.

These widespread suspicions had curiously little impact on Reilly's SIS career. Throughout the early 1920s, he was the chief adviser on Russian affairs to the first head of British SIS, Mansfield Cumming ("C"), and was present in almost all SIS discussions of "anti-Soviet" operations. Robin Bruce Lockhart, son of Robert and cover-story crafter for Reilly, revealed in *Reilly: The First Man*, that Reilly survived after his 1925 disappearance into the Soviet Union and became a top Cheka adviser on the penetration of Western intelligence. Walter Krivitsky, Stalin's GRU head for Western Europe who defected in 1938, said before his murder, "You know the agent Reilly? It was his information which enabled us to penetrate the British network."

Some three years after the Lockhart Plot of 1918, many of its personnel regrouped for the much larger provocation known as the Trust.

Glees prominently mentions George Hill in his book, a

break with the usual practice in British and Russian intelligence writing of the last seven decades, which has been virtually to ignore his existence. But, Glees attempts to put some distance between Hill and Reilly. He writes (p. 267), "Hill was rather scornful of his notorious colleague Sidney Reilly; in particular he disliked Reilly's plan to arrest the Bolshevik leaders and march them through the streets of Moscow 'bereft of their lower garments in order to kill them by ridicule.'" Hill's own memoir, *Go Spy the Land* (1937), tells a different tale, "I was seeing Reilly daily, and he kept me informed of what he was doing and of his plans for a coup d'état against the Bolsheviks. Reilly's plan was bold and masterfully conceived."

Glees disingenuously records that George Hill "knew that 'The Bolsheviks together with the Third International have built up a new and powerful secret service organisation which plays a prominent part in international intrigues and which calls for the most brilliant counter-espionage work on the part of the countries they attack.'" Hill would know, of course, since he himself did much to get those intelligence services off the ground! Clearly it was this, rather than the alleged anti-Bolshevik activities of Hill, that the Soviets recalled during World War II, when they specifically requested that the Moscow liaison from the British Special Operations Executive (SOE) to their own secret police, the NKVD, be none other than Brigadier George Hill!

Thus, the pattern of British-Bolshevik collaboration greatly predates the usual 1930s starting point for examination of the Philby circle. The ties were not based on fashionable "communism" and existed not chiefly at the level of "moles," but through figures such as Hill and Lockhart, on official assignment from the highest policy circles in Britain.

This Anglo-Soviet collaboration, from early on, is not entirely unknown. As one British intelligence figure recently put it, there are to this day, "joint KGB-SIS operations. There is a unit in SIS called the 'Soviet Liaison Unit,' the 'SL Unit,' in SIS. There has been one for decades."

From the standpoint of this decades-long British-Bolshevik collaboration, all of the empirical data assembled by Peter Wright and others, and certain other singular occurrences, must be reevaluated.

What of the extraordinary pattern of assistance to the moles, even after they were suspected as Soviet agents? In this category falls the appointment of the notoriously anti-American Donald Maclean to head the Foreign Office's most important desk, the American Department, when he was already under suspicion as a Soviet agent. Or Philby's appointment, in summer 1944, to head the just-established Section IX, the Soviet counterespionage unit of SIS?

Even Glees has to ask, "Why, precisely, did MI6 decide at that particular juncture to revitalize its anti-Soviet output, and unintentionally, put a Communist mole in charge of its efforts?" Curiously, once Philby's Section IX was established, it was Robert Cecil, of the Round Table's Cecil fam-

ily, who authorized its massive expansion across Europe, under diplomatic cover.

And why and on whose authority, in 1947, was Philby, then the chief of perhaps the largest and most important MI6 section, sent out to head up a mere field post, in Istanbul? Did MI6 chief Sir Stewart Menzies authorize Philby to act as a Soviet agent in that post, since, as Philip Knightley wrote in 1968, "Philby had been given permission to play the full double game with the Russians—to pretend to them that he was a British agent willing to work for them." Might that go-ahead be related to Menzies' own role, recently documented by Anthony Cave Brown in "*C*": *The Secret Life of Sir Stewart Graham Menzies* (Macmillan, 1987, 830pp., hard-bound), in financing the Trust in the 1920s and 1930s, and its remnants right up into the 1950s?

Another question mark, upon which Glees spends a whole chapter, is the notorious case of the Special Operations Executive, established by Churchill in 1940 as a sabotage and irregular warfare unit with the assignment to "set Europe ablaze." The SOE, whose Moscow liaison to the NKVD was *George Hill*, did its job—but with major gains accruing to Stalin. Glees is hard put to apologize for the SOE (p. 100): "As is commonly known, there were a whole host of incidents, all involving SOE and its interest in the future political map of Europe, which went drastically wrong both before and after Hitler's attack on the U.S.S.R. As far as we can tell, all the incidents had the same two things in common: They had to do with the creation, by means of the resistance, of potential political leadership elites in postwar Europe and they produced a situation that was bad for British interests but good, or at any rate, not bad, for the Kremlin."

Winston Churchill

Lastly, on the question of grand policy, what about its chief executive, wartime Prime Minister Winston Churchill? The final story has not been written on Churchill's motivations, but it will require consideration of the following.

Glees records several critical services performed by Sir Winston for the Stalin dictatorship: his refusal to support the anti-Hitler opposition; his signing of the Yalta accords which ceded this occupied territory to Stalin; and his June 1941 order, which effectively eliminated all British intelligence monitoring of the Soviets, by stipulating that no Soviet radio transmission intercepts were to be decrypted!

Glees says about this extraordinary decision (p. 248ff.), "Churchill's interest in signals intelligence, most recently confirmed by Sir Jock Colville, and his interest in intelligence about the U.S.S.R., also recently confirmed by Christopher Andrew, make it all the more curious that on 22 June 1941 it was decided that Russian wireless traffic was no longer to be used as an intelligence resource. Why? . . . At any rate, the decision affecting wireless traffic was bound to have momentous consequences, of which the most critical was that the best source for discovering Soviet secret plans during the war

and, indeed, for unmasking Soviet subversion as a whole was denied to British Intelligence. It was a decision which was, of course, the corollary of Churchill's high policy towards the Soviet Union. But was it a foolish decision?"

Once again, Glees turns acrobat to defend the decision. Yet, these matters of "grand policy" become less inexplicable, if gridded against certain lesser known facts:

1) Churchill was the single most influential sponsor of Sidney Reilly and of Reilly's fellow Cheka operative, Boris Savinkov, throughout the early 1920s. Reilly biographer Edward Van Der Rhoer noted, "Reilly was able to obtain from Churchill the knowledge of high level official contacts that was essential in order to win financial and logistical support in Europe." And this long after the rumor was afoot that Reilly was a Soviet agent! About Savinkov, even after Savinkov openly went over to the Soviets, Churchill wrote, "Yet when all is said and done . . . few men tried more, gave more, dared more and suffered more for the Russian people."

2) Churchill, about whom there were substantial rumors of "Oscar Wilde tendencies" in his youth, kept as his long-time personal secretary, Sir Edward Marsh, a notorious homosexual and member of the Cambridge Apostles secret society, which produced Blunt, Burgess, Victor Rothschild, and many other known or suspected Soviet agents. For decades, Apostles entered leading university, artistic, and civil service positions thanks to Marsh's influence. And, according to author Richard Deacon, "In securing Churchill's ear and confidences, his [Sidney Reilly's] intermediary was Churchill's private secretary, Eddie Marsh."

3) Marsh opened the door to Churchill for other Soviet agents. One of Reilly's closest collaborators in the Trust was the above-cited Old Believer leader, Alexander I. Guchkov, who, together with his daughter and son-in-law, had become a kingpin of the Cheka's "Eurasian" component of the Trust. Said Deacon about Guchkov, "It was the Guchkov circle which led directly to many of Churchill's misconceptions of Soviet Russia's policies."

The correspondence of Guchkov with Anatoli Baikalov, a leading Soviet agent in Britain between the wars, kept in the Bakhmetev Archive in New York City, includes the Dec. 6, 1932 letter of Guchkov to Baikalov: "I know that Churchill related to me always with great trust and favor." On May 25, 1933, Guchkov wrote to Baikalov, "There are rumors in the papers that Churchill might take over [as Prime Minister]. This would be too good to be true."

As Glees has recounted the evidence, there is little reason to think that Trust operative Guchkov, who died before Churchill's appointment as Prime Minister, would have been disappointed.

Glossary

MI5—British counter-espionage.

MI6—British foreign intelligence.

SIS—British Secret Intelligence Service.

Germany's anti-Nazi resistance movement

by William Jones

Berlin Diaries 1940-1945

by Marie Vassiltchikov

Alfred A. Knopf, New York, 1987

\$19.95, 310 pp., hardbound

The publication of the *Berlin Diaries* of Marie Vassiltchikov may undoubtedly be of greater importance here in the United States than the original publication of the *Diaries* in German in 1985. Literature of this nature, reflecting not only the psychological experience of the war from the German side, but also giving a closer picture of the German Resistance Movement which went down in history as the July 20th Movement, is much more profuse and well-known in the Federal Republic of Germany than in the United States. One reason for that is, of course, that the July 20th Movement represents for most Germans in the postwar period the most profound embodiment of heroism and courage in the face of an evil and oppressive tyranny. Much of this experience has, of course, been communicated to the American public through the publication of the prison letters of Pastor Dietrich Bonhöffer or the writings of Father Alfred Delp, both of whom were executed in the mass purges immediately following the July 20, 1944 assassination attempt against Hitler.

Another, more devious reason for the relative scarcity of material in English on the July 20th Movement, is the fact that any thorough examination of the development of that movement—and its failure—would point an accusing finger at the Allied leaders, whose continual refusal to accept the legitimacy of the German Resistance Movement from 1938 on, effectively condemned it to failure. The victims, some of whom were ordered executed by Hitler by being hung up on meathooks, had been, in effect, earlier condemned by the great troika of Churchill, Roosevelt, and Stalin, who had continually refused to recognize any German government which might be formed in the wake of a successful coup against Adolf Hitler.

Two decisions, in particular, undermined the ability of the men of the 20th of July to mobilize a determined resistance within the only organization which by 1938 had any realistic possibility of defeating Hitler—the German Wehrmacht.

Among the old Prussian officer corps there existed a clear political opposition to Hitler, whose most eminent representative was German Chief of Staff Gen. Ludwig Beck. Prior to September 1938, there was also a general recognition within a very broad segment of the Wehrmacht that Germany could not win a two-front war. Even officers who were not openly anti-Nazi could be mobilized to move against Hitler, if they thought that he was indeed preparing such a no-win war. After the September 1938 sellout of Czechoslovakia by British Prime Minister Neville Chamberlain, Hitler was able to present a rather strong case to the wavering elements that a two-front war could indeed be won, since the enemy was obviously not going to put up much of a fight. After Munich, Beck had to leave his post as chief of staff.

The second critical blow to the German Resistance Movement was the announcement at Casablanca in 1943 that the Allies would accept nothing less than an unconditional surrender from the Germans. The Resistance Movement wanted to have assurances that a government resulting from a successful rebellion against the Nazis would, in fact, be recognized by the Allies as a legitimate representative of the German nation and that the German nation would neither be occupied nor dismantled. When Churchill and Roosevelt proclaimed their demand for unconditional surrender, the German patriots knew that their nation would be occupied and possibly dismantled. Their rebellion against Hitler's tyranny would thus also assure that Germany would be occupied by a foreign power. This presented them with an added moral dilemma, making their ultimate decision to move against Hitler even more difficult.

Churchill's fear of a strong German nation, under any political regime, and Roosevelt's general anti-German bias, served to prolong the war and contributed significantly to the failure of the operation. In the purges which followed the July 20 assassination attempt, over 10,000 German patriots were sent to their deaths in prisons and concentration camps.

Most of the historical events mentioned here appear in the *Diaries* primarily as footnotes written for the book by Marie's brother, George Vassiltchikov. Marie Vassiltchikov was a member of a White Russian aristocratic family which had emigrated to Germany after the Bolshevik Revolution. Marie's friends comprise the leading aristocratic families of Germany—the Metternichs, the Bismarcks, the Thurn und Taxis, etc. A number of these were also engaged in the German Resistance.

The Vassiltchikov diaries give a rather graphic picture of the gradual physical destruction of Berlin during the bombings, which became ever more frequent as the war proceeded. Her uncanny ability to “soar far above everything and everyone” as her section chief at the German Foreign Department, Adam von Trott zu Stolz, described it (von Trott was one of the key plotters in the July 20th plot), gives to her portrayal an even starker character. Missie (as she was called) was not herself active participant in the July 20 plot, but she was

strongly anti-Nazi, and knew of the involvement of her own section chief and friend, Adam von Trott, in the evolving script.

The picture she gives of the developments in Germany before, during, and after the failed assassination attempt is one of quiet bravery and resolute determination to eliminate a tyrannical regime. After the assassination plot had been exposed, von Trott's main concern was to assure that people like Missie, who knew of and supported the plot, not be exposed, in order to guarantee that there would still be people around who could make another attempt. (The July 20th assassination attempt was just one of several attempts which had been tried since the beginning of the war.)

Despite the often lighthearted manner and day-to-day reminiscing of much of the material, the *Berlin Diaries* of Marie Vassiltchikov is worthwhile reading for Americans today, both as a means of setting the record straight on the question of "German collective war guilt," but, more importantly, to take a measure of what people did under extremely difficult and dangerous conditions in the fight against Nazism in Germany itself.

Being patriotic in war or in some other endeavor, behind which stands the authority of the government, or of popular opinion, is one thing. Fighting for the survival of one's nation when the nation's own representatives are the main enemy, requires a higher sense of patriotism and a more profound concept of duty.

The stuff that Rambo's made of

by Edward M. Corpus

America's Wars and Military Excursions

by Edwin P. Hoyt III

McGraw-Hill, New York, 1987

\$24.95, 540 pp., hardbound

Journalist Edwin Hoyt's work, in which he purports to trace continuity in American military policy from colonial conflicts with the Indians to the 1986 bombing of Libya, provokes more interest by what it systematically leaves out, than by what it contains.

While stating its purpose to be "preventing some of the

blunders in the future and offering the hope that United States military policy ought really to serve the nation's needs rather than the perceptions of the moment," Hoyt's attitudes toward the American Revolution and Douglas MacArthur are paradigmatic of why it fails in this.

For Hoyt, the "American Revolution was the result of a basic and growing misunderstanding among Englishmen," i.e., no more than King George III's bullheadedness over defense expenditures and taxes versus the propagandizing of hotheaded radicals.

This snail's-eye view must be set against the reality, well-known among Americans until the present century, that the military history of the United States is about its struggle for existence as a nation *unique among nations*. The American Revolution is a watershed in that conflict between the republican and the oligarchic, since the New World was the battleground for a global conflict centuries in the making. At stake was the individual's inalienable right to advance the condition of mankind through mastery of science and industry, under the auspices of the nation-state.

The benchmark of historiography was set by Friedrich Schiller in the 19th century. In his concept of *universal history*, events have significance as they affect *all history for all time*. As paradigms, Schiller drew upon classical Athens and Sparta—one representative of republican nation-building, the latter representing the oligarchic empire—two ultimately irreconcilable views of the state and of the individual.

Schiller, a contemporary witness who ardently supported the American Revolution, referred to it as "the favorite subject of the decade." Is it, then, out of ignorance or deliberate lying that Hoyt asserts, "While the Americans were winning their freedom from England the world was scarcely watching"?

"With trade, and the opening of Canton to American vessels, came consular relations . . . [and] American marines. . . . We simply followed the French and the British," declares Hoyt.

His conclusion? "The essence of it all is that times change, and wars change, and military excursions take on different faces and even different meanings." American military policy has been and still is the result of "political evangelism." That America *may actually have a mission* in the world is an anathema to him.

Admittedly, gross injustices were committed against the American Indian. Americans did participate in the opium and slave trade. But these were examples of the parasitic imposition of oligarchic policies upon America by a traitorous elite—a faction Hoyt barely mentions as such.

It was at the behest of European elites and their junior partners in Boston and New York, that the Anglophile Theodore Roosevelt virtually guaranteed the Spanish-American War and perverted the Monroe Doctrine, originally drafted to stop further European colonialism in the hemisphere, with the "Roosevelt corollary," which turned the United States

into a policeman for debt collection.

However, the Third Expeditionary Force to the Philippines was headed by Gen. Arthur MacArthur, who represented the opposite policy. His governorship positively shaped the relations of the Philippines and United States for generations to come. This was continued by his son, Douglas, one of the best advocates of that American mission.

Hatred for MacArthur

Hoyt, of course, leaves all this out of the picture. Nor are we to be spared from “psychohistory.” In an early chapter, Hoyt states, “The early 19th century was not blessed with psychiatrists, but had there been one in Washington, he might have seen in [Gen. Andrew] Jackson the same combination of paranoia and enormous ego that marked MacArthur’s career.”

Later, on the Civil War: General “McClellan took leave of his army . . . a performance worthy of John Wilkes Booth . . . somewhat reminiscent of the act of Gen. Douglas MacArthur when he made his ‘Old soldiers never die’ speech to Congress after being fired by Harry Truman.”

Early secessionist plotter Jackson, saboteur McClellan, presidential assassin Booth, and Douglas MacArthur, almost in the same breath! As much gratuitous snipes at MacArthur as descriptions of Jackson or McClellan, these statements foreshadow what will be undisguised hatred for MacArthur.

The entire chapter on “Pacific Victory” contains only *two* pitiful references to MacArthur (his “brilliant polemical coup” in wresting overall command—not his role in winning World War II in the Pacific). No mention is given MacArthur’s remoralization of a Philippine resistance that felt betrayed by Washington. While food control policies were being imposed upon Germany, and State Department officials were calling for the humiliation of Japan and the public execution of its emperor, Douglas MacArthur began the process of “winning the peace,” rebuilding that nation and developing its creative human resources. Incredibly, Hoyt states: “The gulf of cultural understanding was so wide that there was no one in authority in the American military who understood the Japanese attitude.”

The OWI background

Who is author Edwin P. Hoyt III? “War and foreign correspondent in Asia and the Mideast” (for United Press Associations in Vietnam at the end of World War II); reporter, editor, and writer for the *Denver Post* and *San Francisco Chronicle*; producer-director-writer for CBS News. However, his role as news editor for the U.S. Office of War Information (OWI) and member of its psychological warfare team in China, Burma, and India is most interesting.

The U.S. Office of War Information’s role was often indistinguishable from the wartime propaganda functions of the Office of Strategic Services (OSS) and later the Psychological Warfare Division of the Supreme Headquarters, Al-

lied Expeditionary Forces (PWD/SHAEP). In the European theater PWD/SHAEP coordinated the firebombings and then the psychological profiling of civilian population centers. After the war the OWI produced the myriad of literature used in “re-educating” the battered German population with the myth of “collective guilt.”

In India, the OWI censored Franklin Roosevelt’s speech calling for equality regardless of race, color, or creed so as not to inflame the population against the British. Shunned and under suspicion by the military leadership in the Pacific, the OWI was purposely kept from the front. Only during the close of the war was the OWI given a role by MacArthur in preparation for his victorious return to the Philippines.

Hoyt was in a position to see first hand the contrast between the brutalization of postwar Germany by John J. McCloy, Gen. Lucius Clay, et al., and General MacArthur’s statecraft toward Japan. Yet under the assumption that America has no historical mission, that any attempt to delineate such a mission is “political evangelism,” and that it is an amorphous “America” which historically blunders into its foreign policy and military disasters, Hoyt runs cover for those who calculated these policies.

The closest reference he makes to the conspiracy of the Eastern liberal establishment is in regard to the War of 1812:

“Another aspect . . . that has always interested me is the virtual disloyalty of Boston and New England to the American cause . . . New England . . . derived most of its profit from trade that involved England or English colonies. Boston bankers were notorious for trading with the enemy. Indeed, there was secession talk in New England.”

No mention of the Boston families, such as Cabot Lodge—early advocates of Hitler and eugenics. No mention of the Dulles brothers’ collaboration with Wall Street, London, and Swiss banking interests in imposing the Nazis upon pre-World War II Germany. No further mention of Averell Harriman’s influence on the State Department’s appeasement of Moscow and China leading to MacArthur’s removal from command in Korea.

Hoyt continues to parrot the standard line concerning the Philippines today, pointing to U.S. support for overthrowing Ferdinand Marcos and the “popular revolution” of Corazon Aquino as a rare example that Washington “had learned something from all the failures all across the years.” The “popular revolution” was run, as *EIR* documented, by the U.S. State Department with the irreplaceable aid of the American media.

As a matter of fact, though the exhausting succession of glosses in Hoyt’s volume “ain’t history,” it is the stuff television “docu-drama” or action-movie scenarios currently substituting for reality are made of. Besides Hoyt, the Office of War Information produced such other notables in communications and entertainment as movie-maker Frank Capra, mini-series historian Bruce Catton, and CBS’s William S. Paley.

INF passage: 'I weep for this Senate'

by Webster G. Tarpley

Promises are like pie crusts, made to be broken.—V.I. Lenin

On May 27, 1988, nearly six months after the Washington superpower summit, the U.S. Senate gave its advice and consent to the INF treaty by a vote of 93-5, with Republicans Helms, Humphrey, Symms, and Wallop, and Democrat Ernest Hollings voting in the negative. Senate approval of the INF has dealt a devastating blow to the future of the United States and of the Atlantic community.

It has opened the door wide to further sellouts on strategic arms limitation during the final eight months of the Reagan administration, possibly including the junking of the Strategic Defense Initiative. With a President who is insane in terms of the duties of his office and his paranoid wife poised in Helsinki to begin the Moscow summit, a new collapse of U.S. national will could be only days away. The Senate, having documented its own strategic insanity, will offer scant resistance.

Thus, the "bum's rush" ratification drive coordinated by U.S. Prime Minister Howard Baker, who stayed behind in Washington to direct this effort when President Reagan and his entourage departed for Finland, has yielded the first U.S. ratification of an arms control treaty in 16 years, with a Soviet Union that is regularly violating all the pacts it has ever stipulated with the United States, arms control or otherwise. The Soviets' right to one such violation, the SS-25 mobile missile, is even enshrined in the text of the INF. The Senate threw all scruples overboard in the rush to ratify, so as not to diminish the ephemeral "luster" of Reagan's photo-opportunity summit.

Ratification became inevitable in the short term when the group of Republican irreconcilables around Helms who had been delaying the treaty with killer amendments, suddenly caved in on Tuesday, May 24 in the face of a joint Byrd-Dole push for cloture that would have matured on Thursday with

a vote to cut off debate within 30 hours if a supermajority of 60 Senators were willing to consent. Helms, who had been ridiculing Reagan's astrological madness ("I'm not sure what sign he's under"), struck his colors almost at once, announcing "I'm licked." Helms and company dropped all obstructionism, giving up filibuster, and even the continuous objections that could have forced the Senate to turn to Reagan's trade bill veto message, which would have taken priority over the INF debate, assuring no treaty vote by summit time. Helms and Byrd had made a deal with Baker, and the obscenity was ratified.

Part of Jesse's *quid pro quo* became visible in the form of a Helms-Byrd-Dole-Simpson condition passed on Friday that called for "close and detailed coordination" by the White House with the Senate on START to obtain "general equivalence" in U.S. and Soviet forces, plus the stricture that "any joint declaration" concerning "a framework for the negotiation of treaties" shall not "constrain any military programs of the United States," unless the framework is formalized in a treaty and ratified.

The last close call for the INF came over the desire of the Nunn clique, originally expressed in the Biden Condition, to truncate the President's constitutional treaty-making powers in favor of parliamentary micromanagement. The White House had raised some *pro forma* objections against the Biden business, but Howard Baker refused to send a single White House lobbyist to whip up serious opposition. The White House would happily sacrifice the Constitution to get a quick fix on ratification. Even so, there was a danger that some moderate Republicans like Specter, Stevens, and Wilson might stage a revolt on the issue involved. A compromise wording was therefore crafted by Byrd, keeping the essence of the Biden innovation, but removing the pointed barbs of the plagiarist's offensive rhetoric.

Byrd's condition states that Senate approval of the INF is

“based on the Treaty Clauses of the Constitution,” so that the United States will “interpret the Treaty in accordance with the common understanding” that is “shared by the President and the Senate” at ratification. According to Byrd, the “common understanding” is “based on the text of the Treaty and the provisions of the resolution of ratification,” but also on the “authoritative representations” made by the Executive branch regarding “the meaning and legal effect of the text of the Treaty.” As a consequence, this country “shall not agree to or adopt an interpretation different from that common understanding” except by a new treaty, a new protocol, or the enactment of a unicameral statute.

Since Byrd’s blander rehash of the offensive Biden concept was still repugnant to a significant number of Republicans, a fourth paragraph was added to the Byrd condition by Sen. William Cohen (R-Me.). This additional paragraph states that “if, subsequent to ratification of the Treaty, a question arises as to the interpretation of a provision of the Treaty on which no common understanding was reached . . . that provision shall be interpreted in accordance with applicable United States law.”

Two-treaty monstrosity

The Byrd condition creates two treaties, one between the President and the Russians, and the other between the President and the Senate, with the latter far more restrictive. As Senator McClure pointed out in floor debate, the Byrd condition is “nothing more than another salvo in the battle over the ABM treaty” designed to “cripple SDI.” “This is not some one-time deal. This is an attempt to reinterpret the Treaty clause to alter the constitutional balance of power. It is an attempt to arrogate to the Senate the President’s right to make, interpret, and implement treaties. It is an unconstitutional power-grab, pure and simple.”

Senator Specter, although a supporter of the INF, took the point against the Byrd condition. He condemned the White House refusal to fight on the issue as “an unconditional surrender.” Specter scored an “unconscionable rush to judgment” on “perhaps the most important constitutional issue which has been on this floor for many, many years and perhaps decades.” Specter added that the “pending amendment is a switchblade knife aimed at the security of the United States” which “imposes a burden on the United States which is not imposed on the Soviet Union.”

In the meantime, U.S. District Court Judge Harold H. Greene had already incorporated the Biden-Byrd logic in a slip opinion in a dispute about a treaty with Iceland. But Bob Dole assured his senators they were “not going to have any impact on the Constitution whatever happens to this amendment.” The Byrd-Cohen condition was passed, 72-27.

The last chance to delay the treaty beyond the end of the summit, and thus perhaps kill it, came in a subsequent vote on a condition supported by Sen. Pete Wilson (R-Calif.) and some other Republicans, in an attempt to undercut the “two treaty” monstrosity wrought by Byrd-Cohen. The Wilson

amendment said merely the following: “The United States Shall not be bound to any interpretation of this Treaty that is not equally binding on the Soviet Union under applicable international law.” Interestingly, this attempt to put the two powers on an equal footing came close to derailing the bum’s rush. The Wilson condition was defeated by 53-45, along nearly straight party lines, with Hatfield, Weicker, and Stafford joining the Democrats, and Hollings the Republicans. This close call roused the ire of Grand Dragon Robert Byrd, who inveighed that “if we are going to have to deal with Mickey Mouse amendments like this one that was tabled, the President is not going to have his treaty before he leaves the summit. And that is no empty threat.” This was answered with cringing propitiation of the Majority Leader by Bob Dole.

On the following day, the treaty passed.

In approving the treaty, the Senate left one glaring ambiguity and probable drafting error in the treaty text (Art. VI, paragraph 2), which according to one reading allows the Soviets to manufacture missile stages for the SS-20 as well as the SS-25. Senator Pell admitted that the double negative in the text was a “very murky style,” but Senator Warner warned Wallop that he was proposing a “category 3 amendment” to the treaty text requiring renegotiation with the U.S.S.R., and thus, perhaps, delay. Wallop responded: “This is no killer amendment. . . . The argument, is ‘do not complicate my life.’ ” Will we, asked Wallop, “let stand an error that we know to exist? Mr. President, I weep for a Senate that would do that, and I weep for a country that has the representation that would permit itself to walk that road.”

After his purely technical amendment was voted down by the appeasers, 68-26, Wallop noted that the “Senate is sleepwalking.” “What must the Soviets be thinking of us, that this Senate would literally panic at the knees of the Great Bear?” “I hope that Senators are not walking out of this room today with their heads held high.”

A similar fate awaited the attempt of Sen. Ernest Hollings (D-S.C.) to save the conventionally armed ground-launched cruise missile from the ban imposed by the treaty. Hollings made an impassioned plea for the Atlantic alliance that went beyond the specifics of his amendment: “The INF treaty puts us into the dilemma of decoupling. It is not arms control. The intent of the INF treaty is to decouple the Alliance, sever the United States from its NATO allies, put them into the position of ‘Heavens above, we know the United States is not going to go nuclear to defend Turkey or Berlin or any little momentary incursion. Knowing that, we had better fend for ourselves.’ ” Hollings was voted down, 69-28. All that could be eked out in the general rout was a Murkowski amendment expressing the hope that no future treaties might limit U.S. air- and sea-launched cruise missiles.

The Senate is in big trouble, and the imbecilic ruling elite of the United States is in even bigger trouble. As for President Reagan, he is already talking about a fifth summit with Gorbachov.

Elephants & Donkeys

by Kathleen Klenetsky

Bush flails 'liberal elite'

George Bush created quite a little uproar when he blasted the "liberal elite" for being soft on defense, in a commencement address at West Point May 25.

"The liberal elite do not understand—they never understood," Bush intoned. "They act as if they believe that strength is the preoccupation of bullies—as if they believe that our desire to remain strong is proof that we are the aggressor. They are so blinded by ideology that they cannot see what Americans have understood for 40 years: that peace flows from strength."

In this instance, at least, Bush knows whereof he speaks. If anyone on the public scene epitomizes the "liberal elite," it is the Vice President himself.

Bush is no down-home Texan, as he arduously strives to portray himself, but a Connecticut-born blue-blood with all the right stuff. Aside from his aristocratic education—Andover, Yale, the supersecret Skull and Bones society—Bush's family connections place him smack in the middle of the "liberal elite." Poppy, as he's nicknamed, is linked directly to the super-liberal Harriman interests on both sides of his family.

Not only was his father Prescott a long-time member of the board of Brown Brothers, Harriman, the Harriman family's major investment firm, but his maternal grandfather, George Herbert Walker, after whom he is named, served as president of W.A. Harriman Co., the investment firm set up personally by W. Averell Harriman.

Bush has always been associated with the liberal wing of the Republi-

can Party—no matter how much he may pretend otherwise. Indeed, he was soundly defeated in the 1980 New Hampshire primary because of his membership in the Trilateral Commission and the New York Council on Foreign Relations.

So, by blasting the liberal elite for failing to recognize the need for a strong defense, Bush is effectively attacking himself.

Why's he doing this, you may ask? The answer is pretty straightforward. Trailing Mike Dukakis in the polls, Bush has been told by certain of his strategists that he must make a big play for the conservative wing of the Republican Party—which historically despises him—as well as the blue-collar ethnic voters who deserted the Democratic Party to vote for Ronald Reagan in 1980 and 1984.

The result of this advice was Bush's West Point speech, and his plans to zero in on Dukakis's Walter Mondale defense policies.

Political insiders don't give Bush's gambit much of a chance. "Bush must be off his rocker to think he can shake his silk-stocking image," one observer told *EIR*. "It just runs too deep. Everyone knows he wears silk underpants."

And as far as his attack on the liberals' anti-defense posture is concerned, the same source commented, "That's a laugh, especially when you consider that the Reagan-Bush administration did more for the liberal elite's arms-control push than any Democratic administration could have hoped for."

Budget woes put squeeze on Dukakis

The \$500 million deficit in the Massachusetts budget is causing no end of

problems for Michael Dukakis, who has made the "economic miracle" he had supposedly wrought in his home state the centerpiece of his presidential campaign.

The mushrooming deficit has put Dukakis in an extremely embarrassing situation. He has already pulled back \$233 million in current spending, which has translated into cuts in AIDS research and assistance for the handicapped, and may have to cut more than twice that much from next year's budget proposal.

Not only will such social spending cuts hurt him in his home state come November, but Jesse Jackson, who's positioning himself to make a big stand at the Democratic convention, will no doubt exploit them as part of his effort to paint Dukakis as just another Reagan Republican.

Jackson is carefully preparing for a major intervention at the Democratic convention, especially around the platform, and has just released a detailed budget proposal, which calls for sharp cutbacks in defense spending, and large increases in domestic programs.

On the other hand, if Dukakis opts for a tax hike, George Bush and the Republicans will seize upon that to prove their contention that he's just another tax-and-spend Democrat.

Recent news stories about the decline in Massachusetts manufacturing jobs under Dukakis' reign are also expected to hurt his "supermanager" image. Since 1984, Dukakis's miracle has resulted in the disappearance of 13.4% of its manufacturing jobs, accounting for 41% of the total manufacturing jobs that have been lost in the entire country during the same period.

While Dukakis, that devotee of the Information Age, might think this miraculous, to normal people, it's downright criminal.

Phelan: Will next crash be 'granddaddy'?

Who could ever forget the stunned look on the face of John Phelan, the chairman of the New York Stock Exchange, that was televised all over the world last Oct. 19 when the stock market crashed over 500 points.

Phelan has apparently recovered, but made it clear May 25 when he spoke on Capitol Hill to the Congressional Clearing House on the Future that he's convinced the monster is lurking in the darkness waiting to attack again. Phelan gave a grim prognosis for the economy, even while insisting he is optimistic.

He stated at least a dozen times that the economy is headed into a very sharp "adjustment period" within the next year, and that the only unanswered question is what form it will take. He gains his "optimism," he said, by looking at the second half of the 1990s. By the year 2000, things should be looking pretty good. What he ignores in that view, however, is that if the "adjustment" is too severe, it may be fatal.

Phelan got much more serious about the coming crash when he took his first question, from this reporter.

I cited the statistics to show that the economy was following the same pattern as that of the post-1929 crash period, noting all the recent bad news on the federal budget and trade deficit fronts. In particular, I said, the fact that federal revenues for April were only a surplus of \$13 billion, one-third the total of a year earlier, and the \$30 billion needed to bail out the Federal Savings and Loan Insurance Corpo-

ration were sure signs that the federal deficit was out of control.

I also noted that the trade bill is full of protectionist booby-traps, which will have the same negative impact on world trade as the infamous Smoot-Hawley bill of 1930. Finally, I noted that interest rates on bonds are starting to rise.

Phelan didn't take issue with any of these points. Instead, he said, "Well, I said we are closer to going into a valley than onto another peak. Just how deep that valley will be is only a matter of opinion. I don't believe, personally, it will be that bad. But I could be wrong. I prefer to look over the valley ahead to the next peak, and to the growth we'll have by the end of the next decade.

"But there's not a time when I see Mayor Koch of New York, when he doesn't show me that chart of how the market behavior in 1929-30 and now are identical in the post-crash months. Perhaps he's right in the point he's trying to make, that we're heading into another depression. He's trying to trim the sails in his city to prepare for the storm," Phelan admitted.

He then rattled off the usual litany of new policies which should, he conjectured, avert the worst effects of the coming "adjustment." However, he cautioned that there is a recession coming, and "the only questions are these: How severe will it be, when will it come, and when will it end." Views, he said, "vary as much as from saying it will only be a rolling adjustment to those who say it is going to be the granddaddy of all time. I am somewhere in the middle between those two extremes in my own expectations."

He warned that the new danger on the horizon, which was not a factor in the 1930s, is the emergence of the Japanese and the European Community as major competitors on the world market. He said this will force the U.S.

economy to adjust for quality, rather than quantity, but added that since the Japanese still appear to be interested in building in the United States, themselves, "it does not serve their interests to do anything to us that would be deliberately discomfoting."

Having made the first point of his message—that a recession is coming—Phelan focused on his second point. That is, the way to get out of it will be a "new social agenda" to deal with, primarily, bringing the federal budget deficit under control.

Phelan was short on specifics, and spoke only in apocalyptic terms. "People don't like change. But they're going to have to be prepared for it, because I can tell you that we are not going back," he said.

Yeutter: Trade bill allows 'wiggle room'

U.S. Special Trade Representative Clayton Yeutter, in exclusive remarks to this reporter May 24, the day the President vetoed the Omnibus Trade Bill, said that even though there are protectionist provisions in the bill, they will not worsen the U.S. trade deficit position, at least during Reagan's tenure.

He said, "There is enough wiggle room" in some of the retaliatory provisions of the bill to allow the President "a lot of discretion on how to apply the laws." On the other hand, he warned, the next President may choose to apply those provisions differently, in a way that could be disastrous to world trade.

Reagan has said that if only the provision requiring advanced notice of plant closings, and certain restrictions on Alaskan oil sales and transport, are removed, he will sign the bill.

'Mussolini of the House' under attack

Speaker of the House Jim Wright (D-Tex.) is under heavy attack on a variety of fronts. Wright, characterized as the "Mussolini of the House" by Republican colleague Newt Gingrich (R-Ga.), for his high-handed methods as Speaker, is being investigated for some of his wheeling-and-dealing on behalf of people who have bankrolled his campaigns.

In mid-May, a self-appointed citizens' lobby group, Common Cause, demanded an inquiry into Wright's earnings from his book, *Reflections of a Public Man*. Accusations have also been raised that the Speaker has used his political influence to attain special treatment from federal authorities for Texas savings and loans institutions which were in economic difficulties.

On May 26, seventy-two Republican congressmen held a press conference, at which they presented a formal request for an Ethics Committee investigation into Wright's financial dealings. On May 24, House Republicans had spent two hours on the floor documenting how a straightjacket has been placed on the House under Wright's tenure of office, turning it into a rubber stamp for measures worked out by the Democratic leadership. Among other things, there has been a "sharp increase" in restrictive rules, denial of minority rights, and various technical tricks to bypass the normal legislative process.

The House Republicans documented how committee hearings have declined by more than one-third since 1978, with more bills rammed directly onto the floor. Nearly half of the bills passed in the 100th Congress (now in session) were of a purely commemo-

rative nature, compared to only 9.5% of the bills in the 95th Congress a decade ago.

More frivolity and less substance, say House Republicans. Some 44% of the bills brought to the House floor in this Congress were under restrictive debate rules that limit amendments, compared to 12% a decade ago. As one Republican, Dick Cheney (R-Wyo.), put it, "It's a Speaker who will not let the House proceed unless he can dictate the outcome."

The problem is well-known on Capitol Hill, but is only now becoming a matter of public concern. As an indication of how widely recognized the problem is, one Senate aide, when told that the Supreme Soviet in Moscow had not yet ratified the INF treaty, said, "Well, it will probably be less problematic than in the U.S. Senate. It's more like a rubber stamp operation, like the House of Representatives."

Wright has characterized the Republican criticism as "carping" by people who "want to throw thumb-tacks on the playing field."

Banking chairman predicts depression

Sen. William Proxmire (D-Wis.), in a statement on the floor of the Senate on May 24, warned of a serious recession or even depression in 1989 or 1990. "Our businesses, our families, our farms are up to their eyeballs in debt," said Proxmire. "We are long overdue for a recession. That recession will be a killer. Here is why: With \$9 of business debt for every dollar of earnings, business failures and insolvencies will sweep through our country like a tidal

wave. As businesses close their doors in bankruptcy, tens of millions of Americans will lose their jobs. Savings are as low as family debt is high. So, with unemployment zooming, millions of families will collapse into bankruptcy.

"Ask Texas," continued Proxmire. "Texas today is America tomorrow."

Proxmire, who has been highly critical of the various gimmicks proposed to prevent a new stock market crash, is demanding massive austerity, "Obviously, what we need is to reduce borrowing. We should increase savings. That, of course, means we have to consume less. . . . It will be political torture."

But does the good senator believe that this will really prevent a depression? No, indeed! He realizes that it is doomed to failure. "In the short run, this will give us sure economic misery. Unemployment will increase. Income will fall. Profits will fall. . . . If we cut our spending, if we reduce borrowing, if we raise taxes, our economy will decline."

And what does the Banking Committee chairman conclude? "The next President and his party at that time will be in a political dilemma from which there will be no escape." To the extent that they see no alternative to the double-zero solution of Dukakis or Bush in this year's election, the citizens of this nation will face that same dilemma.

Senate approves ban on plastic firearms

The Senate on May 25, by voice vote, approved a bill banning the manufac-

ture, sale, or possession of plastic firearms and other weapons not detectable by security devices. The Senate action clears the way for a conference committee to work out a compromise with the House, which had passed a similar bill earlier this month.

The aim of both the House and Senate legislation is to bar firearms which are made of plastic or other substances that elude detection by security devices at airports and in many public buildings. The Senate legislation is also aimed at halting the production of toy guns so closely resembling real ones that they can be used in the commission of crimes.

The National Rifle Association, which originally opposed the bill, dropped its opposition in the face of overwhelming congressional support.

Will Senate override trade bill veto?

President Reagan vetoed the trade bill on May 24, only to have his veto overridden in the House by 308 to 113. In the Senate, however, it will not be such an easy match. The Senate, now fully occupied with the INF treaty, will not consider the trade bill until after Memorial Day. And it is highly uncertain whether there will be a sufficient number of supporters to rally the two-thirds majority needed to override the veto.

President Reagan asserted in his veto message that he is ready to sign a modified version of the trade bill. The main points the President said he objected to were the provision requiring employers with over 100 employees to notify their employees at least 60 days before the closing of a plant, and

new restrictions on the export and transportation of Alaskan oil.

There were other items found objectionable by the President, such as the provision to create a "Council on Competitiveness" and a requirement that the President negotiate a new international institution on debt forgiveness, as well as some other issues. But the President emphasized that if the plant-closing provision and the provision on the export of Alaskan oil were removed, he could pretty much sign the bill as it is. It is highly unlikely, however, that there will be any time to work out a new bill during this session of Congress.

It will be no great loss. Faced with a President who refuses to recognize that the economy is in a crisis, and a Congress that reacts to the economic crisis with a protectionist monstrosity similar to the Smoot-Hawley bill of 1930, barring unforeseen occurrences, the nation is faced with a choice between cholera and the plague.

Bipartisan group talks tough on Sandinistas

As Senate leaders proceed to ratify an INF agreement which will be violated a thousand times over before the ink on the resolution of ratification dries, congressional Contra supporters are demanding that the Sandinistas comply with cease-fire accords and take concrete steps to make democratic reforms. Some congressmen are threatening to push for a renewal of military aid to the Nicaraguan resistance. The lack of progress in ongoing peace talks has caused some irritation among congressional stalwarts.

Well, if you can't take care of the

big guys, like the Soviet Union, you can at least beat up on the little guys, like Nicaragua. If you can't trap an elephant, you can at least kill a bug—if only to prove your manhood.

Let us hope, that when the first cautious reports of Soviet INF violations start to filter in, some of our congressional stalwarts will raise their voices in protest, to add them to the few stalwarts like Helms, Humphrey, and Hollings, and a handful of others, who tried to block this infamous sell-out. One fears, however, that the lion-like bellowing at the antics of a Daniel Ortega by our congressional stalwarts, will become more like the mouse that roared, when the Muscovites are the offenders.

Moscow cheats as a matter of principle

Three Senate Judiciary Committee reports, one Department of Defense report, and seven other federal government reports have shown that, since 1917, the Soviets have committed over 200 international security treaty violations. In the words of Lenin, "Every peace program is a deception . . . unless its principal object is . . . the revolutionary struggle." If one wants to document them since 1920, one will find Soviet treaty violations with the Georgian Republic (1921), Great Britain (1921), Czechoslovakia (1945), Turkey (1945), Afghanistan (1946), Lithuania (1940), Finland (1939), Latvia (1940), Estonia (1940), Poland (1939), Romania (1940), China (1940), Poland (1943), and Yugoslavia (1943), just to mention a few. With a track record like that, who would stop running?

National News

Times prints version of LaRouche letter

The following version of a letter to the editor by Lyndon H. LaRouche, Jr. was printed in the *New York Times Magazine* on Sunday, May 22, in response to an article by Susan Jacoby on the problem of modern marriages.

"Despite my several points of disagreement, I was moved by Susan Jacoby's piece.

"Two of my recent half-hour network television broadcasts have prompted mail from young people below voting age on the subject of 'what I intend to be when I grow up.' Their problem of getting safely through adolescence is a subject well suited to move an old man to tears.

"We came out of the last world war with tremendous global power, but without any sense of national mission other than containing the Moscow threat. Being against something, no matter how justified that might be, is not a very durable mission. The 'American way of life' turned out to mean little more than minding one's own business and getting ahead. We entered the middle-1950s a cynical nation with few surviving heroes.

"The certainty that one's life is centered around some mission is the indispensable basis for a lasting marriage. Lacking this, we shall continue to bore ourselves to death. In that state of affairs, when one person speaks of 'love,' most will respond, 'What's that?'"

'Golden Age' soprano endorses lower tuning

Retired Brazilian-born Metropolitan Opera star Bidu Sayao has signed the Schiller Institute's "Milan petition" for a return to C=256. In so doing, Sayao, who just turned 81, joins Renata Tebaldi and many other international musical celebrities in a movement to restore the lower classical tuning that began with a Schiller Institute conference on the subject in Milan in April. Today's higher tuning of A = 440 (C = 264), it

is argued, both harms voices and the register intent of the classical composers.

Sayao, retired in 1960 as one of the premier sopranos of the Metropolitan's "Golden Age," singing regularly with Jussi Björling and Leonard Warren.

"I agree very well, the situation is very serious for the new singers, especially for the high coloraturas," Miss Sayao said in an interview. "We don't have any more dramatic voices. Dramatic voices, like Zinka Milanov, don't exist any more. No tenors, no baritones, no bassos, no dramatic sopranos.

"Now the lighter voices must sing all the operas. Opera must go on, so they sang operas for dramatic roles—the light voices—and their voices deteriorate, and they force in the key they should not sing, and the voice doesn't exist. Very serious situation, they finish soon, their careers are ruined.

"I think this is very good, very important, especially for the young singers. . . . Write to the others of my generation, Zinka Milanov, Licia Albanese, Rise Stevens. . . . Tell them to sign."

EIR probes CIA, Bush link to drug runners

Investigation of the CIA's role in running the Contra drugs-for-guns pipeline in Central America, including Reagan administration links to Colombia's Medellín Cartel, is turning up new evidence on the roots of U.S. intelligence's involvement with international drug traffickers.

According to U.S. intelligence sources, it was during the Burma campaign in World War II that opium was first introduced as a stock-in-trade of covert operations. At that time, Gen. Joe Stilwell arranged with Gen. Chiang Kai-Shek to have several Chinese divisions march with the American infantry through Burma. The Chinese troops were paid in opium. Involved were OSS personnel from Merrill's Marauders, who were employed to access the opium lords. Flying Tiger aircraft transported the drugs to the division paymasters.

One Thailand-based OSS figure, Jim

Robert Thompson, was reportedly drawn deeply into the opium trade through his silk-exporting business. According to several American intelligence sources, Thompson was recruited by Soviet intelligence, thus laying the basis for a long-term Soviet penetration of U.S. intelligence through subsequent CIA figures who became ensnared in the Golden Triangle opium business.

According to several American intelligence community sources, with the onset of U.S. involvement in Vietnam in the late 1950s, Miami mafia boss Santo Trafficante traveled to the Golden Triangle to open up an American heroin connection. The linkage between this Lansky syndicate apparatus and U.S. intelligence reportedly ran through the Miami CIA station and through CIA networks deeply involved in Vietnam.

Not surprisingly, Irangate figure Theodore G. Shackley was posted at both the Miami and Saigon stations of the CIA, at the precise point that the dope connection was being consolidated. Even Carlos Lehder, the recently convicted Robert Vesco underboss and chief of transport for the Medellín Cartel, has been characterized by one U.S. intelligence source as a CIA asset run through the same Miami station that ran the Contra resupply operation.

If that report is correct, the Washington, D.C. case officer for the Miami-Lehder operations would have been former CIA figure Donald Gregg, now national security adviser to Vice President George Bush.

Time joins dope legalization 'debate'

The cover story of *Time* magazine's May 30 issue carries the headline, "Should Drugs Be Made Legal?" and quotes extensively from various proponents of "decriminalization," including Baltimore Mayor Kurt Schmoke. Selected quotes include:

Milton Friedman: "The harm that is done by drugs is predominantly caused by the fact that they are illegal. You would not have had the crack epidemic if it was legal."

Harvard Law School Prof. Alan Der-

Briefly

showitz: "We've already decriminalized two drugs, alcohol and tobacco. Now it's time to decriminalize a third, heroin."

Baltimore Mayor Schموke was used by such elite agencies as the Inter-American Dialogue to launch the current drug legalization drive, when he called for "debate" on the issue at the National Conference of Mayors Conference in Washington April 26.

While *Time* stayed cautious, the *Detroit News* of May 19 called outright for the decriminalization of addictive and dangerous drugs. The editorial culminates a series of articles and commentaries arguing that attempts to pursue a war on drugs are ineffective and costly.

In a May 17 article, the paper had quoted Rand Corporation "narcotics control expert" Peter Reuter arguing that there is no prospect for affecting the availability of cocaine by being tougher on foreign countries. "Getting the Colombian government to shut down cocaine processing," the *Detroit News* states, "is like asking the government of Michigan to shut down the auto industry." Use of the U.S. military might yield some short-term gains, but would be expensive and ultimately futile, the paper contends. Therefore, "the national debate on drug policy should be broadened to explore other options . . . including decriminalization of at least some drugs."

In the same issue appeared a special column by Schموke calling for drug legalization.

Predict veto of covert operations bill

"There is a serious constitutional question about this legislation," said CIA director William Webster on May 23, speaking of new legislation in the wake of the Iran-Contra affair requiring the President to notify Congress within 48 hours of approving any covert operation.

Speaking before a gathering of federal judges and lawyers, Webster predicted that President Reagan would veto the bill, adding that allowances had to be made "for that rare case where limited delay in congress-

sional notification is critical to preserve the absolute security of an operation," especially when lives were at stake or another country providing crucial input refused to allow notification.

The bill was passed by the Senate in March by a vote of 71-19.

New York judge rules for LaRouche defense

Over the strenuous objections of the New York Attorney General's office, Judge Stephen Crane in mid-May granted, in significant part, the motion made by defense counsel to sever the trials of 15 defendants associated with presidential candidate Lyndon LaRouche. Crane listened attentively as attorney Mayer Morganroth, who represents LaRouche legal adviser Edward Spannaus, explained how the failure to sever the cases in Boston before trial led to a mistrial after more than 90 days.

In Boston, LaRouche and associates were accused of credit card fraud and obstruction of justice, but defense counsel established that the government, whose misconduct led to the mistrial, was in fact conducting a political vendetta against the presidential candidate and his campaign.

Morganroth observed that now both the prosecutor and the judge in Boston believe the case should be severed into more manageable trials.

During the rest of the New York proceeding, Judge Crane on several occasions referred to the "experience" and "wisdom" of Mr. Morganroth and finally ordered the severance of the trial into at least three and, more likely, four trials with misdemeanor counts to be taken up first.

The prosecutors were visibly shaken by the judge's ruling, fearing that 1) it is easier for a defendant to win acquittal standing trial by him or herself; 2) other defendants will gain insight from the first trial into the prosecution's case, and thereby improve their own chances of winning; 3) by placing the misdemeanor trial ahead of felony trial (or more likely two felony trials), the prosecution must disclose all of its case against the defendants who have the least liability.

● **SAN FRANCISCO** Federal District Judge Stanley Weigel has blocked the Reagan administration's plans to test employees of the federal prison system at random for drug use, signing a 10-day restraining order and ruling that "efforts to halt the drug problem in the U.S. must comply with the Constitution."

● **ARMAND HAMMER**, the Soviet agent, "kept showing up in the next chair when Mr. Reagan kept his scheduled appointments at Drucker's barbershop in Beverly Hills," wrote John Elvin in the *Washington Times* May 23. Reagan mentioned this to the head of French intelligence, who told him "in no uncertain terms" to avoid Hammer. But Hammer "eventually, by craft, contribution, and charm, was able to meet with and influence the President."

● **LIZ TAYLOR** was seen stalking the halls of the Congress in mid-May. The fading star was on her way to the office of the Speaker of the House Jim Wright. She is organizing a gala on AIDS and Wright is aiding her.

● **THE PLAY** "A Walk in the Woods," which purports to portray the 1982 incident when arms negotiators Paul Nitze and Yuri Kvitsinsky left the official bargaining table and worked out an arms control agreement on their own, was presented at the Library of Congress May 23, "to some power-brokers who are deeply involved in arms control talks," according to the *Washington Post*.

● **'A MAJOR SDI** missile-tracking project is running \$100 million or more over budget and up to a year behind schedule," the *Washington Times* reported May 23, citing Army officials. The program is attempting to develop a powerful infrared sensor, to be carried on a modified Boeing 767 jet that would detect and track Soviet warheads heading toward the United States.

Anti-nuclear totalitarianism

If there is anything more fundamental to an industrial economy than steel, it is energy. Back during the 1984 presidential campaign, Lyndon LaRouche put up a hue and cry when it became known to him that erstwhile Pittsburgh steelmakers and others were quietly, as it were, blowing up their idle blast furnaces, a new step in the deindustrialization of the United States—the calculated destruction of not only steel production, but steel production *capacities*—pursued for the past 20 years by America's insane self-styled financial elite.

Now, on May 26, it has been announced that a brand new nuclear power facility, the Long Island Lighting Company's Shoreham Power Plant, which has never been put into operation, is going to be demolished, as the result of a deal between the financially strapped utility and Mario Cuomo's State of New York. This incredible Luddite act has been decided upon, despite the fact that Shoreham cost \$5.3 billion and took 23 years to build. Years of litigation brought by anti-nuclear groups had forced Shoreham's costs up 80 times over the years. And now, it will not even exist to go into operation.

With this precedent, the United States marches further down the road to deindustrialization and the near-term doom of a once great nation.

In consequence of the Shoreham deal, Long Island residents are reportedly being given various choices on how they wish to have their electricity rationed, and may expect blackouts and brownouts on an increasingly routine basis. Grumman Corporation, the large transportation and aerospace manufacturer, can no longer purchase the power it needs from local utilities. Grumman has begun to import electricity from Brooklyn.

The anti-nuclear lobby has hailed the permanent closing and bull-doing of Shoreham as a benchmark for "the movement," since never before have authorities in the United States acted so insanely as Mario Cuomo's minions have, to actually stop a fully constructed nuclear power plant from being commis-

sioned, let alone ordered demolished. Anti-nuclear "activists" have now targeted their "movement" on three other nuclear plants: the nearly completed Seabrook power plant in New Hampshire, the operational Rancho Seco plant in Sacramento, California, and the Pilgrim Power Plant in Boston, Massachusetts.

What "movement"? Sure, there are crazed looney tunes out there who stage mass t-group sessions at the gates of power facilities; whose heads are so far up in that proverbial wrong place that they actually believe nuclear energy, nuclear fuel, nuclear waste, and nuclear plants are unsafe. These are just the brainwashed tools of America's fruity financial oligarchy, which decided on a massive anti-nuclear campaign decades ago, to "deindustrialize" the United States. The "movement" is a by-product of that top-down decision of America's star-gazing Eastern Establishment elite.

It would be funny, were it not so tragic, to hear "movement activists" portray the builders and operators of nuclear facilities as money-hungry, power-happy totalitarians placing the American people at nuclear risk, against their will. Guess what the Establishment oligarchy behind the anti-nuclear insanity has in mind for the American people, as "deindustrialization" pushes the United States toward physical-economic breakdown?

Because of 20 years of deindustrialization policies, with sabotage of the nuclear industry a featured element, the United States now verges on a collapse, too, of the so-called money and credit market mediation of physical economic processes. With that *financial* catastrophe, the elite manufacturers of anti-nuclear kookery, as of now, absolutely do plan to force the United States under the yoke of totalitarian police-state rule. George Bush would be good at that. Mario Cuomo, too.

Unless the economic, financial, decidedly pro-steel and pro-nuclear policies of LaRouche were instead adopted, that is America's non-nuclear totalitarian future.

Do you need to be plugged in to the world's best intelligence service?

EIR Confidential Alert

In the age of Irangate, the Zero Option, and glasnost, you may very well need to be ahead of the news.

When you subscribe to the EIR Confidential Alert service, we bring you in on the unique intelligence capability we use to assemble *Executive Intelligence Review's* weekly review.

Every day, we add to our computerized intelligence data base, which gives us instant access to news items provided by our bureaus all over the world. As an Alert subscriber, you get immediate information on the most important breaking developments in economics, strategic news, and science.

EIR Alert brings you 10-20 concise news items, twice a week, by first class mail—or by fax (at no extra charge).

IN THE U.S. Confidential Alert annual subscription: **\$3,500**

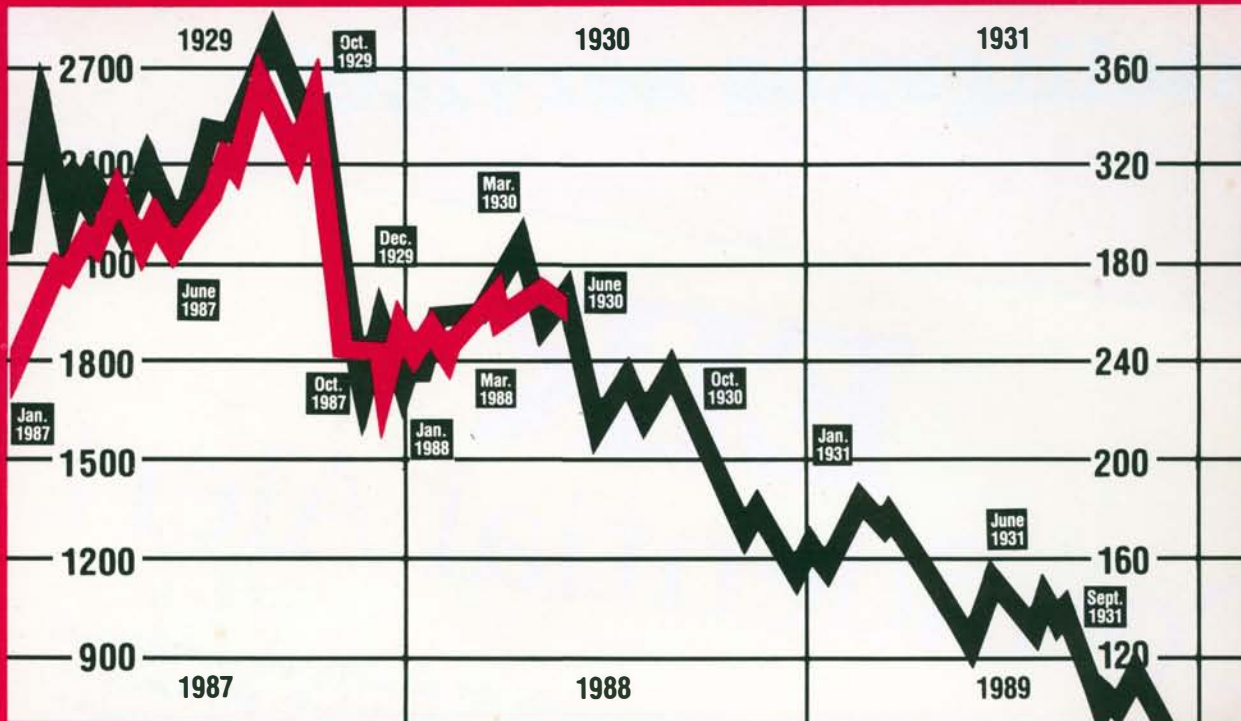
IN EUROPE Confidential Telex Alert annual subscription: **DM 12,000.** Includes Quarterly Economic Report. Strategic Alert Newsletter (by mail) annual subscription: **DM 6,000.**

Make checks payable to:

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

In Europe:
EIR Nachrichtenagentur GmbH.
Postfach 2308 Dotzheimerstr. 166,
D-6200 Wiesbaden, F.R.G.

Do you still believe 'the worst is over'?



EIR readers know **why** the Dow Jones Industrial Average of 1987-88 has an uncanny similarity to market trends of 1929-30—and what must be done to **stop** the slide into history's worst Depression today.

Executive Intelligence Review

U.S., Canada and Mexico only

1 year \$396
6 months \$225
3 months \$125

Foreign Rates

Central America, West Indies, Venezuela and Colombia: 1 yr. \$450, 6 mo. \$245, 3 mo. \$135

South America: 1 yr. \$470, 6 mo. \$255, 3 mo. \$140.

Europe, Middle East, Africa: 1 yr. DM 1400, 6 mo. DM 750, 3 mo. DM 420. Payable in deutschemarks or other European currencies.

Asia and Oceania: 1 yr. \$550, 6 mo. \$300, 3 mo. \$150.

I would like to subscribe to
Executive Intelligence Review for

1 year 6 months 3 months

I enclose \$_____ check or money order

Please charge my MasterCard Visa

Card No. _____ Exp. date _____

Signature _____

Name _____

Company _____

Phone () _____

Address _____

City _____

* State _____ Zip _____

Make checks payable to EIR News Service Inc.,
P.O. Box 17390, Washington, D.C. 20041-
0390. In Europe: *EIR* Nachrichtenagentur
GmbH, Postfach 2308, Dotzheimerstrasse 166,
62 Wiesbaden, Federal Republic of Germany,
telephone (06121) 8840.