

EIR

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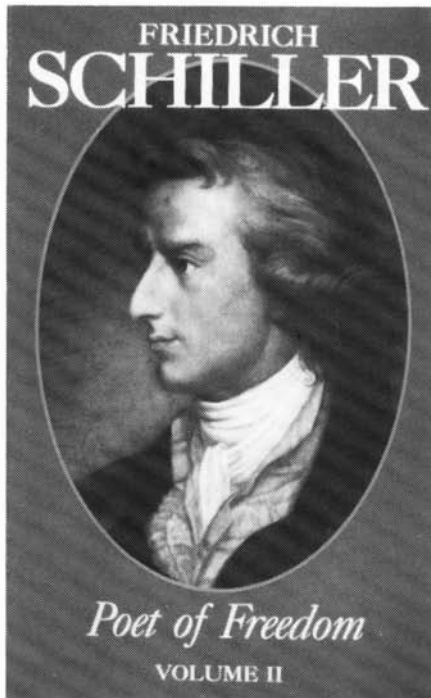
LaRouche: 'A comeback for project financing'
Ascher sentence—more fascist justice in U.S.
Opera star Fiorenza Cossotto on 'Verdi tuning'

China struggle, a turning point for the world



"There is a limit to the tyrant's power."

—Friedrich Schiller,
Wilhelm Tell.



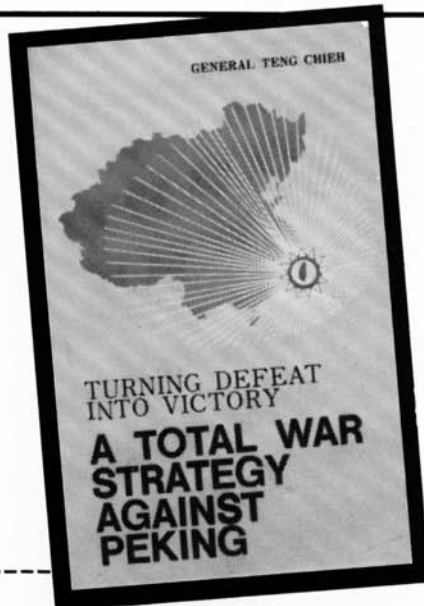
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From the Editor

Lyndon LaRouche, speaking from the jail cell where he has been a political prisoner serving a 15 year sentence since last Jan. 27, stated on June 5 that a “river of blood” divides “peoples within all nations of our planet into two camps.” It comes from the scene of ten thousand martyrs crushed in the streets of Beijing by the appeasers of Moscow, like Henry A. Kissinger, on Bloody Sunday, June 4. Not accidentally, Kissinger is one of the main authors of the frameup that has incarcerated LaRouche, a former U.S. Democratic presidential candidate who repeatedly exposed Kissinger’s evil policies.

In response to the massacre, President George Bush has placed himself firmly in the appeasers’ camp, confirming *EIR*’s warnings that the hated Kissinger regime has resumed control of policy, in the new administration. Our *Feature* this week contributes to the knowledge necessary to build the worldwide anti-fascist, anti-Bolshevik resistance that will take its hope and inspiration from the blood of China’s martyrs.

We have a few happy announcements to make on behalf of the prospects of the resistance movement LaRouche is leading, whose necessity has become much more obvious to many because of the events in China.

First, please turn to page 63 to read about how Lyndon LaRouche’s friend Rochelle Ascher was freed on bond pending the appeal of the political trial against her, after the draconian sentence she was given by a judge in Loudoun County, Virginia who imitated the sadism of the notorious Nazi judge Roland Freisler.

Second, at the top of our *Economics* section is an article written on June 4 by Mr. LaRouche, which tells why the impending financial blowout could provide the chance to stop a new dark age.

Third, in this week’s *Music* report, hear how the campaign to return to classical, scientific tuning initiated in 1986 by LaRouche has advanced dramatically; and read, in their own words, why three famous opera Metropolitan Opera soloists have endorsed the initiative.

Fourth, I want you all to know that political prisoner LaRouche has announced his candidacy for the U.S. Congress from Virginia, and will campaign, from prison if necessary, to give this nation the leadership it so urgently needs during the current period.

Nora Hamerman

EIR Contents

Interviews

20 Fiorenza Cossotto and Ivo Vinco

The renowned mezzo-soprano and bass from Italy explain that today's high tuning not only strains the voice beyond its natural bounds, but ruins great vocal art by altering the register-shifts against the composer's intention.

24 Gilda Cruz-Romo

The Mexican-born Metropolitan Opera soprano says that it is the classical artists—not conductors and promoters—who should determine what is good for the human voice.

33 Students in Beijing

Moments before all communication was cut off to Beijing, a group of Chinese students was contacted by phone from Los Angeles, and told the world what really happened in Tiananmen Square.

Book Reviews

52 A nationalist's view of Pakistan's security dilemma

Susan Maitra looks at *Pakistan's Security: The Challenge and the Response*.

55 Contrasting views of western water works

Hoover Dam: An American Adventure, by Joseph E. Stevens; and *Cadillac Desert: The American West and its Disappearing Water*, by Marc Reisner.

Departments

45 Vatican

How many children die from debt?

46 Report from Rome

No to the Green dictatorship!

47 Andean Report

World Bank demands more usury.

48 Report from Bonn

What can Germany do for the Chinese?

49 Dateline Mexico

On the verge of "Argentinization"?

72 Editorial

AIDS: a disease out of control.

Music

18 New fronts open up in the 'war of the tuning forks'

The Schiller Institute's campaign to re-establish the international tuning standard at C = 256 Hz has scored a big success with the announcement by Italian baritone Piero Cappuccilli that he will sing *Rigoletto* with the London Philharmonic at the pitch demanded by Giuseppe Verdi.

20 Verdi, master of the voice, set pitch to keep register, color

A conversation with Fiorenza Cossotto and Ivo Vinco.

24 'The human voice is an irreplaceable instrument'

An interview with Gilda Cruz-Romo.

Economics

4 A comeback for project financing

Some circles in Western Europe are convinced that a "Richter 10" financial crash is in the offing. Political economist Lyndon LaRouche argues that it may just take such a cataclysm to get leading Western circles to drop their failed policies.

7 Brazil-like crisis seen ahead for U.S.

A group of U.S. economists adds up the bill for two decades of post-industrial looting of U.S. industry, infrastructure, and workforce.

8 Oregon rations health care for uninsured

Senate Bill 27 is a model for the nationwide effort to ensnare the elderly and infirm in a social-Darwinist nightmare.

9 U.S. commits wheat to China's oppressors

10 Top scientists cool 'greenhouse' hysteria

11 Currency Rates

12 The Delors Plan, a supranational financial dictatorship for Europe

14 Agriculture

The world beef herd is dwindling.

15 Banking

The Bush-Brady savings swindle.

16 Business Briefs

Feature



Claude Jones

Chinese students and others rally in Houston, following the June 3 massacre in Tiananmen Square in Beijing.

26 China struggle, a turning point for the world

Against President George Bush's fond fantasies, Chinese Premier Deng Xiao-ping took full credit for the butchery of students and other opponents of the gerontocracy ruling in Beijing. Millions are expected to die in the coming Mao-like effort to exterminate China's intelligentsia.

30 How the world reacted to the Tiananmen Square bloodbath

32 'River of blood' divides LaRouche, Kissinger policies on China

33 'Let the world know the truth'

35 Beijing: good at war, bad at development

Gen. T'eng Chieh, leader of Taiwan's Kuomintang party and collaborator of the late Gen. Chiang Kai-shek, details the moral collapse of the mainland Communist Party.

International

36 Post-Khomeini Iran: radicalism and civil war

The insane scenes around the Ayatollah Khomeini's funeral accurately reflect the current state of mind of Iran's new leaders.

38 Kremlin leaders face grave internal crisis

40 Menem cabinet augurs ill for Argentina

41 Terrorists escalate, while García talks

Peru's President has degraded himself even further by calling for a "dialogue" with the Shining Path.

42 OAS puts off Panama meeting to save U.S. from embarrassment

43 Buendía case: a Mexican Irangate?

50 International Intelligence

AIDS Update

17 New York City to log names of AIDS carriers

50 AIDS spreads rapidly throughout Soviet Union

72 AIDS: a disease out of control

National

56 Congressional bloodletting serves Wall Street's aims

There is a method behind the mad mud-slinging on Capitol Hill: The Eastern elites' shaping of the environment for eliminating constituency-based government.

58 China overshadows Atlantic Council East-West love fest

There was a time-warp atmosphere at the Atlantic Council's meeting in Washington.

60 RICO's assault on constituency groups

61 LaRouche takes case to Supreme Court

Philadelphia attorney Charles Bowser has filed a petition of *habeas corpus* with the U.S. Supreme Court.

63 Ascher freed on bond, in blow to 'get LaRouche' judicial vendetta

Documentation: Mrs. Ascher's statement to the court before sentencing, and excerpts from her recent speech, "Virginia has become a fascist state."

67 Eye on Washington

Chinese students take aim at Kissinger.

68 Congressional Closeup

70 National News

A comeback for project financing

by Lyndon H. LaRouche, Jr.

Recently, well-informed sources in Europe have persuaded dailies such as *Rheinische Merkur*¹ that we must expect the biggest postwar "recession" to erupt some time after mid-summer. Such a U.S. financial crash could turn out, over the longer term, to become very good news for the world's economy.

If governments react to a 1989 U.S. financial crash with the right choices in sweeping policy-changes, a genuine general economic recovery would be set into upward movement. Dumping the bankrupt economic, monetary, and trade-agreement policies left over from the Nixon, Carter, and Reagan years, could mean such included benefits as an early and spectacular revival of the market in international project financing.

One of the perversely achieved, sometimes indispensable benefits of a financial crash, such as the "Richter 10," already overdue, is that a terrifying avalanche of bankruptcies in security and real-estate markets may be the only way in which society is induced to abandon ultimately suicidal, but popular habits of shaping economic and monetary policies of practice. That observation is a sentiment suitable for engraving, very soon, on the tombstone of many among Wall Street Yuppiedom's bastions of "Social Darwinism."

For two decades, Wall Street and Washington, D.C. have insisted on "monetarism or bust." Soon, as the bust is realized, hopefully, we may see a return to old-fashioned industrial and agricultural banking.

That coming "bust" confronts our world with a sharply defined set of choices. Either we put our planet's economic, monetary, and fiscal structures on a sound "mercantilist" basis, as President Washington's Treasury Secretary Hamilton did, or we all slide into the virtually bottomless pit of a planetary New Dark Age.

Were the latter, monetarist's policy-option selected, the spectre of the late Soviet dictator, N.S. Khrushchov, would be sorely disappointed. There would be no available undertaker to bury a bankrupt West; the Communist world is already in worse straits than the Western.

The job to be done, is to raise the per capita physical productivity of the labor force taken in its entirety. It is in the setting of that drastic change from present policy, a change to rapid economic recovery, that a spectacular revival of international project financing is now awaited.

Let us examine, as briefly as possible, how the urgency of fostering rises in per capita rates of physical productivity defines the role of large-scale infrastructural and related kinds of investments, and this to the effect that a spectacular revival in international project financing is to be expected.

Recovery in productivity

Organizing a general economic recovery under the condition of the expected 1989 financiers' debacle, is elementary "mercantilism."

The medium-term and long-term objective is to effect continuing, successive rises in levels of technology and physical productivity, through increasingly capital-intensive investments in agricultural and industrial operatives' workplaces. However, in an economic recovery, at the beginning,

1. *Rheinische Merkur*, June 2, 1989, comments by Frankfurt University economist Peter Kroeger.

for the near-term, we must use the special circumstances, of drastic slashes in employment of clerks, sales personnel, and low-skilled service functions. Such deep cuts in those margins of social overhead expenses, serve us as the opportunity to shift these newly unemployed into operatives' employment, so as to increase substantially the percentage of the total labor-force employed in producing useful physical goods.

That latter action causes a significant rise in per capita productivity and real income of the nation as a whole. Without this relatively shorter term, preliminary phase, of shifting to operatives' employment large rations from clerical, sales, and service employment, a general economic recovery were nearly impossible.

That initial shift is beneficial, indispensable, but there is an upper limit to its usefulness. Soon, the attempt to increase the scale and productivity of employment in this way encounters two most notable, and stubborn obstacles: the presently collapsed cultural quality of the labor-force's younger generations, relative to the 1960s, and a global collapse in per capita and per hectare quantity and quality of basic economic infrastructure.

As a matter of principle, the upper limit for recovery of physical productivity of national labor focus, is defined chiefly in terms of the three following, unfortunate results of the past 20-odd years' policy-trends:

1) A terrible shortage of suitable capital goods, and also of existing, established production capacities for supplying such goods.

2) A disastrous, 20-odd years of rot in basic economic infrastructure of most formerly industrialized nations.

3) An ominous collapse of literacy and even mere rationality among all socio-economic strata of emerging generations of adults.

That set of circumstances confronts any economic recovery effort with the importance of large-scale international financing of projects of development of basic economic infrastructure. This means the wholesale bankruptcy among investments in tourism, and a shift into large-scale ventures in energy, water management, transportation, and associated agro-industrial "development zones."

If we place educational and related improvement of the labor-force onto its own, somewhat distinct category, the remaining problem of sustaining an emergency economic recovery is as follows.

The most limiting factor in effecting increases of productivity in agriculture and industry, is level of development of basic economic infrastructure. We may think of basic economic infrastructure as preparation and improvement of the fertility and fecundity of land.

The ceiling for both a society's potential (sustainable) level of relative population-density and its productivity, for any specific level of technology employed, is defined chiefly by four elements of infrastructure: These four physical-economic constraints upon the efficient assimilation of technol-

ogy are: *energy, water management, transportation, and communications.*

During the recent 20 years, the formerly industrialized nations have performed relatively well in expanding communications, although the quality of what is usually transmitted is often of decidedly negative value to the economy. In contrast to investment in communications, there has been a catastrophic disinvestment in *energy, in water management, and in general transportation.* The collapse of new investment, of maintenance and repairs, in these latter three categories, has shifted the world's economy into a pattern of accelerating economic contraction, leading toward collapse, during approximately the past 15 years.

The reversal of that trend of disinvestment will show itself early a most urgent priority within emergency recovery programs. Large-scale domestic and international projects in energy, water, and transportation will be the dominant feature of the new markets.

The case of China

The present revolution in mainland China, is in large degree a result of the Beijing government's refusal to copy the government of Taipei in the matter of emphasis on state-directed programs of development of basic economic infrastructure. As a result, mainland China's rate of net economic growth fell way below that of Mrs. Indira Gandhi's India—and India has had a most laggard performance on *energy, water management, and transportation* development.

Ironically, Beijing's post-1970 détente with the capitals of Western Europe and Washington, D.C. impelled Beijing to repeat the economic-policy follies of the 19th-century Manchu dynasty, tending to foster foreign concessions in some selected urban coastal regions, without developing significantly the infrastructural potential of China's deeper, rural-dominated interior.

In consequence of that stubborn error of the Beijing government, as in the case of the Gorbachov economic reforms in Moscow, the de-emphasis upon urgently needed basic infrastructural development lowered the physical productivity of the economy as a whole, and so fostering aggravation of the festering existential crisis of the nation as a whole.

China is imbued with its now-erupting revolution, because the economic and related failures of Beijing's policy have threatened China's prospect of future existence as a viable nation.

Take China, the Asiatic Island Rim, and other regions of Southeast Asia, the Asia subcontinent. Here is approximately half the population of the planet. In this area as a whole, no significant improvement is possible without a finite list of rather well-defined, and very large-scale infrastructural development projects.

These include the management of water on scales never before attempted by mankind. This includes programs for generation of new terawatts of energy during a period of a

generation or so. It includes the development of general transportation in a pattern dictated by projects of development of energy and water management.

If we examine these needs, we are shown that the key to the effective, most economical result, is a collection of very large-scale development-zone infrastructural complexes. This is centered around three or four regional water-management projects for mainland China, Southeast Asia, and the Asia subcontinent. These regional water-management projects define implicitly regional and local programs of large-scale development of energy and transportation grids.

The hopeful view, is that out of the revolutionary process within China today, there emerges a three-way cooperation program on such infrastructural development among China,

The economic recovery will require a new mode of generation of large masses of state credit, channeled through systems of national banking. . . . Private finance will function . . . as partners in deployment of national-banking's long-term issues of new, low-cost credit.

the Asiatic Rim and Southeast Asia, and the Asia subcontinent, very soon.

There are analogous cases in the Middle East, in Africa, and in the Americas. The case of Brazil is a clear illustration.

One of the advantages of such large-scale infrastructural ventures, respecting financial, is that they are very long-term performers with built-in investment hedges. It is much easier to finance a large-scale project administratively than a large variety of smaller ones.

So, a relatively small number of very large-scale infrastructural projects along indicated lines, will dominate a world undergoing economic recovery.

New methods of financing

The chain-reaction effects, throughout the world, of the coming U.S. financial crash, mean an end to central banking as we have known it in world markets during the recent hundred years. The U.S. Federal Reserve can not weather the coming financial storms in its present form of functioning. The International Monetary Fund (IMF) and World Bank, as known for about 20 years, will virtually cease to exist.

The economic recovery will require a new mode of gen-

eration of large masses of state credit, channeled through systems of national banking akin to U.S. Treasury Secretary Alexander Hamilton's Bank of the United States. Private finance will function in world trade and large-scale financing of domestic infrastructure development as partners in deployment of national-banking's long-term issues of new, low-cost credit.

In every nation of the world, or virtually so, we shall be confronted, with a great sense of political, social, and economic urgency, with the simultaneity of massive unemployment, and massive needs immediately to be satisfied—the challenge to governmental policy-shaping, is to selected courses of action which reduce these and related critical problems to an administrable form of remedy.

Therefore, the preference must tend to be to eliminate as much of the total problem as possible, by prompt action on the most limited number of infrastructural and related investment projects.

For example, inside North America, the urgent need to employ millions in satisfying critical power and water-management wants, signifies early action to implement the North American Water and Power Alliance (NAWAPA) program. The proper action to unleash the development of a terawatt of new power-generating capacity is a complement to the NAWAPA program.

Reduce the problem of suitable employment of the unemployed, by putting priority on these well-defined infrastructure programs which are urgently needed, ready for immediate implementation, and employ the relatively largest ratios of the unemployed.

This does not ignore the need for industrial expansion in manufacturing and so on. The stimulant to agriculture and industry is supplied in industry's role as vender to large-scale infrastructure projects.

The loans issued will usually not be in the form of advances of cash, but as term-credit for purchases of materials, supplies, and so forth.

In general, in the case of very large development projects for developing-nation regions, 80 to more than 90% of the advances for construction, payroll, and related investments should be supplied in the form of combined national-banking and trade-credit from nations associated with the benefits of the project. Foreign credits should be limited to the function of funding required imports of the undertaking.

It is in the latter aspect of financing that international project financing assumes its special role. The function is to organize term-financing of export-credit for foreign vendors to, and investment in the project and undertakings auxiliary to it.

Such projects will emerge in the aftermath of crisis as the lever which moves the expanding world trade of our planet.

Since we shall all certainly be consigned to a horrifying New Dark Age unless events turn in our proposed direction, the only thing much worth doing is to prepare oneself for a world in which such projects are a dominant feature.

Brazil-like crisis seen ahead for U.S.

by Leo F. Scanlon

At seminars and press conferences in early June in Washington, representatives of industrial and academic circles presented a rare (for Washington) look at the reality of the economic collapse that is soon to hit the United States. The view of the problem differs from forum to forum, and the solutions proposed are notably thin, but the picture painted is stark: The "Reagan Recovery" was financed by inflating the value of the U.S. currency, undervaluing the imports to the U.S. economy, and cheating on necessary domestic investment. The bill for this folly is now being totaled, and is soon to be presented.

"Other governments and businesses cooperate: We argue. Other nations save: We consume. Elsewhere, the cost of borrowing is low: Here our cost of borrowing is high. Our competitors honor excellence and achievement in education: We honor athletes and rock stars. It is only that we are so rich and our margin for error so large that we have remained dominant for so long."

With these words, Kodak engineer Colby Chandler opened a press conference called to present the latest in a series of reports he has produced with the aid of a group of like-minded economists. The reports describe the results of the "post-industrial" policies which have shaped investment in the United States since the 1960s. Chandler and his colleagues, economist Rudiger Dornbusch and Paul Krugman (Massachusetts Institute of Technology), and Yung Chul Park (Korea University), argue that the United States is going to be forced to settle its trade imbalances in the near future, by the only means possible in the real economy—the export of manufactured goods. The question is whether those goods will be "high-wage/high-value" products or "low-wage/low-value" cheap exports.

As Chandler points out, the United States is in the same position as Mexico and Brazil, forced to run an export surplus to generate the foreign exchange to service an immense foreign debt. His predictions indicate that if the U.S. current accounts deficit is to be eliminated over a five-year period, manufacturing output must rise more than twice as fast as the GNP. The sale of financial services and credit cards has been decisively rejected by the more sane nations of the world, and with this, the chimera of a "service economy recovery" has ended.

"A current account deficit is, by definition, only possible if a country is able to sell assets to cover the deficit, either by

liquidating its own foreign assets or by inducing foreigners to invest in domestic assets" the report points out, and then warns, "a country may through changes in domestic policy or growing underlying competitiveness evolve its way smoothly out of a trade deficit, or markets can force elimination of the trade deficit by driving the country's currency down or provoking a Latin American-style debt crisis."

The problem, as Chandler poses it, is that under existing global financial arrangements, even a "best effort" by the United States can only keep existing living standards; anything less will produce social suffering. "Most Americans since the 1950s have come to expect a rising living standard as part of their birthright. Where that American dream is not shared, we already see the results in drugs, violence, and the despair of urban ghettos. Consider an America where the dream has been taken away from the majority. The divisiveness and turmoil in our society could be enormous."

The report points out the need for a tax reform which would favor investment and savings and penalize finance and speculation. "I try to be careful to talk about it in terms of tax structure. We talk an awful lot about tax reform. One of these days we ought to do it. All we've done so far is fool around with the rates."

What frightens Chandler and his colleagues most, is the belated realization that the 1960s "educational reforms" have produced an American workforce which is one of the worst educated in the world. For this reason, capital investment in the U.S. does not compete with "high-wage" Japanese and German labor, further complicating the process of manufacturing our way out of the debt mess.

The Japanese have long recognized this problem, and are calculating just how much more they can support the dollar if investments are limited by the bottleneck of an unskilled U.S. workforce. The "debt bomb" is ticking in the United States, and it is being detonated by the effects of an ongoing cultural collapse. What Chandler and his associates do not consider is the most likely eventuality; the financial structure built on this house of cards will collapse before it can be reformed.

'Decline theorists' join in the fray

Paul Kennedy, the celebrated theorist of the "decline school of history," reiterated many of the above points to a seminar audience at the University of Maryland on June 6. He pointed out, for example, that F-15 fighters built and maintained by Japanese personnel, and heavy armored equipment built and maintained by German personnel, are routinely more reliable than the same equipment in American hands.

Mr. Kennedy made the analogy to Britain of the 1930s, which had reached a similar state of decline in its industrial and military capacity. This condition, according to Kennedy, was a prime consideration in the appeasement policies pursued by Neville Chamberlain. Kennedy declined to draw the military analogy to the policies of Bush and the Joint Chiefs of Staff today.

Oregon rations health care for uninsured

by Linda Everett

Early in April, the Oregon Senate passed a health care rationing plan for all Oregonians without health insurance. Senate Bill 27, by Senate President Dr. John Kitzhaber, is the first of many sweeping the country, promising to solve the miserable state of underfunded hospitals, deflated Medicaid budgets and the denial of medical care to millions of people daily. But, beneath the promises is a national drive to use the present health care crisis to undermine the country's traditional medical ethic and to change, fundamentally and permanently how health care will be delivered in the future to the country as a whole.

Rather than reversing the nation's economic and industrial collapse that spurred the erosion of medical care, proponents of universal health care like Sen. Edward Kennedy on the national level and Oregon's Senator Kitzhaber (D-Roseburg) on the state level, want to enforce a permanent ratcheting down of our medical capabilities by institutionalizing the rationing of health care. As Ted Kennedy said years ago: "The only way to get cost containment is to pass a national health insurance bill." Oregon's bill shows how these bills, at their best, relinquish individual dignity in the name of cost-containment, and, at their worst, force whole families to a new form of social Darwinism where only the relatively healthy will get the medical treatment deemed appropriate to continue their usefulness to society.

Death by rationing

Last spring seven-year-old Coby Howard died after Oregon authorities refused to use Medicaid funds for a bone marrow transplant he desperately needed. The money could be better used, they said, on prenatal care for pregnant women. Now, Senator Kitzhaber wants to dump Oregon's Medicaid plan which covers only 43% of those below the poverty line for a program that covers a larger number of uninsured poor by limiting their care. He plans to save state funds by having thousands of Cobys face death by health care rationing. Once you eliminate the sanctity of individual human life—balancing the budget is a cinch.

For advice on denying health care, Kitzhaber turned to

the health insurance and euthanasia lobbies—to John D. Golenski, a Jesuit priest who "trains" hospital "ethics" committees. Golenski, who spoke on the ethical dilemmas of euthanasia at a 1985 Hemlock Society conference, told Kitzhaber to set up a commission to annually rank medical services according to their "necessity"—and the budget. Golenski led the Medical Research Group of Oregon in the process of rating each health service on its value to "the entire population—not just a portion of it." A high priority service (10) is one where "the personal and social health benefits/costs ratio is high." Lower-ranking care, like Coby's marrow transplant (3), is cut as funding shrinks. The ratings were based on "a scale of public attitudes that quantifies the trade-off between length of life and quality of life." This was recommended by Oregon Health Decisions, a "grass roots" group funded by Prudential, Blue Cross/Blue Shield and the Robert Wood Johnson Foundations to manipulate community "attitudes" in favor of health care rationing and triage of patients needing costly care.

Now the same Nazi "quality of life" ethic used to kill hospital patients will be applied to Oregonians deemed "unworthy of living" under this bill. For "Chronic Disease Management," only acute care that "can restore patients with chronic diseases or conditions to manageable level of function and independence" will be given. Acute care will be not used just to keep you alive if your quality of life is "poor." Cancer patients will get excellent care for their bunions, but don't expect "death-delaying" interventions, because Golenski says he "won't throw money down the drain." Chronically or terminally ill patients will get the kind of "acute" care that will maintain them "in the least restrictive and most appropriate environment." Golenski, founder of Children's Hospice in San Francisco, wants home care or death houses.

After euthanasia, Golenski's quality of life criteria gives highest priority (10) to pregnancy testing, genetic counseling, prenatal care, sterilization, and abortion. Such maternal/child health programs are known nationally to simply target women who have had abnormal pregnancy tests results, miscarriages or children with genetic or congenital defects. When there is the slightest doubt about the health of a fetus, the mother is told that the child she is carrying has defects. She is pressured: It is irresponsible to bring a handicapped child into this world—there are not enough resources to care for it. Solution: abortion, maybe sterilization to avoid future crisis. Should the woman have the child, she will see it die without life-saving care as in a Third World nation.

Kitzhaber says SB 21 will give "all persons . . . an equal opportunity to receive available services." But the bill clearly states: If the budget shrinks, so does the amount of care! Even healthy people are threatened because the plan is built on an individual health care scheme that allots only a certain expenditure per person per month for care, based not on our Western notion of protecting the sanctity of individual human life, but like the Nazis, based on a person's "worth" or utility to a declining society.

U.S. commits wheat to China's oppressors

by Marcia Merry

Immediately after the June 3 weekend of bloody repression in Beijing, the U.S. Department of Agriculture officials announced commitments for huge wheat sales to China. Hard hit by the 1988 drought, China has been in the market all along for large supplies of grain imports since last year's harvest disaster. At least 100 million Chinese are severely hit by hunger, and millions more are malnourished. The food production chain in China has been collapsing under repressive, primitive policies of recent years. However, the timing and arrangements of the June U.S. wheat sales to China are not humanitarian, but come exactly after the violent moves by the Li Peng government.

On June 5, the USDA said that China had booked 1.2 million metric tons of soft red winter wheat. This came in addition to an announcement of a 300,000 tons purchase the previous week. The USDA also announced that a 650,000 ton purchase recently made by an unidentified buyer, had actually gone to Beijing. The total sales add up to about \$2.2 billion worth of wheat. The new purchases of wheat by China amount to one-quarter as much as China bought from the United States during the previous 12 months.

The tunnel-vision specialists in the grain trade evinced "surprise" at these announcements. Typical of the stunned reaction is that of Dr. D. Gale Johnson, an economics professor at the University of Chicago, and an authority on world food trade. He said, "I'm amazed by this. It seems they must be counting on the possibility that there already has been, or will be, some disruption of grain shipments into the cities."

The first shipment of 1.85 million tons of U.S. wheat—for about \$265 million—is already on its way to China. According to the West German daily *Frankfurter Rundschau*, Agriculture Secretary Clayton Yeutter is quoted as declaring that U.S. grain deliveries to Red China will proceed without delay or interruption.

In other European coverage, the explanation is given that the U.S. is doing this according to its standing policy of not wanting to "lose market share" in China or elsewhere in the world. The *Frankfurter Allgemeine Zeitung* wrote June 7, "American food cartel firms have invested in China in the past years, in order to get the consumers there used to bakery goods and wheat products. Therefore, under no circumstances does Washington intend to lose this market for U.S. agricultural products."

In part, this is true. But the whole story is that the sales are just the latest example of the use of the Kissinger 1970s idea of "food as a weapon." Henry Kissinger went on television to justify the bloody repression by the Li Peng government, at the same time that Washington was scrambling to organize the grain deals to the Li Peng government.

The political motive

In order to hasten the deal, and to keep it silent, the Chinese did not even go through the usual trade route of requesting discounts under the U.S. Export Enhancement Program. Kissinger himself is on the board of Continental Grain, one of the top five or six companies (Continental, Cargill, Bunge, Louis Dreyfus, Garnac/André, ADM) that will be handling the shipments to China. These huge deals can be arranged almost overnight, according to the political wishes of the cartel of food companies.

Agriculture Secretary Yeutter is simply a functionary of this cartel. He, too, wants the political motivation of wheat sales to remain in the background, because there is an acute shortage of wheat in the U.S.—the world's biggest wheat exporter. Already, the USDA has quietly looted 1 million tons out of the 4 million tons of the national wheat "Security Reserve" mandated since 1981 to be maintained for the purpose of emergencies around the world. At home in the U.S., the USDA has all but discontinued the provision of wheat flour and other commodities through its food assistance program for institutions and the needy.

Yeutter has been arranging massive U.S. grain sales to the Soviet Union. As much as 24 million tons of grain—the largest amount in any single trade year—may be shipped by the U.S. to the U.S.S.R. this year. Last month's announcement by President Bush that 1.5 million tons of wheat would be offered to the Soviets at a discount under the EEP, brought storms of protest from U.S. consumer groups over the issue of grain shortages and high prices. Meantime, the nations of Mediterranean Africa, for example, Algeria, Tunisia, and Egypt, are suffering for want of grain imports. Food riots have broken out in all major cities of North Africa.

Since the Export Enhancement Program was enacted in the 1985 U.S. National Food Security Law—the five-year farm bill now up for replacement or renewal—the chief benefactors have been the Soviet Union and China. Washington has been using food to cultivate the Gorbachov and Deng governments—in the false name of democratization, but for the actual aim of trying to make pacts and deals. Now that China has exploded, the rotten policy of starving some parts of the world and promising scarce food to dictators, stands exposed.

As of summer 1988, of the 41.5 million metric tons of wheat that had passed through the Export Enhancement Program, fully 18.7 million tons, or 45%, went to the Soviet Union and China. The U.S.S.R. got 12.8 million tons of discount wheat, and 5.9 million tons went to China. Subsidies ranged from \$35 to \$46 a ton.

Top scientists cool 'greenhouse' hysteria

by Rogelio A. Maduro

Three of the most respected scientists in the United States released a report June 6, warning about the danger of implementing policies to deal with the "greenhouse effect" that may be quite harmful, before there is solid scientific evidence that climate will be any different next century. The scientists, Robert Jastrow, Frederick Seitz, and William A. Nierenberg, co-authored a report titled "Scientific Perspectives on the Greenhouse Problem," published by the George C. Marshall Institute and released during an overflow press conference at the institute's headquarters.

The report, so far completely blacked out of the major media, puts the brakes on the mad dash to implement a global fascist dictatorship based on solving the world's ecological problems, mainly the alleged heating of the atmosphere due to the release of carbon dioxide and other greenhouse gases, which will supposedly trap excess heat near the Earth, raising temperatures by as much as 5°C by the middle of the next century.

The technical findings of the report were summarized during the press conference by Robert Jastrow, founder and director for 20 years of NASA's Goddard Institute for Space Studies, who personally appointed James Hansen, the top "greenhouse" guru, to his present position as director. Jastrow told the press that Hansen is now "the odd man out" in the scientific community. Jastrow's recommendations;

- "Current forecasts of the man-made greenhouse effect do not appear to be sufficiently accurate to be used as a basis for sound national policy decisions. Forecasters cannot rely on the temperature increase observed in the last 100 years as an indicator of greenhouse warming in the next century."

- "The prospect of a natural cooling in the 21st century suggests that government action at this time—in the absence of reasonably accurate information as to the extent of the greenhouse warming expected in the next century—may be unnecessary or even harmful."

- "Policymakers would be wise to invest in the additional resources needed to improve the reliability of greenhouse forecasts before undertaking corrective programs that could turn out to be unnecessary or undesirable."

- "Procurement of top-line supercomputers for the major greenhouse forecasting groups could significantly diminish the level of uncertainty in the greenhouse forecasts by improving the treatment of clouds and oceans—the major unknowns in the present forecasts."

He proposed investing no more than \$100 million in supercomputing facilities to upgrade the the climate models.

Soviets want ecological police

This refreshing report stands in stark contrast to the call by Soviet Foreign Minister Eduard Shevardnadze to create an ecological security council at the United Nations, with enforcement powers and its own military, to protect the earth's ecology. In a letter to U.N. Secretary General Javier Pérez de Cuellar released on June 4 by *Pravda*, Shevardnadze writes that the global Conference on the Greenhouse Effect being sponsored by the United Nations in 1991, "will, to a great extent, determine the strategy for the ecological survival of our planet."

Shevardnadze continues, "The conference should evaluate the state of the main ecological problems, generalize the experience of states in tackling them, and outline the main directions of nature protection policy for all countries and international organizations. Its participants could solemnly approve the norms and principles—a sort of code of conduct for states in the sphere of nature protection. It would seem that giving the conference decisions an obligatory juridical status in the form, say, of a framework global convention would make it possible to ensure strict observance of the rules of an ecologically pure common world home by all states."

Pro-Soviet legislators in the United States have not been slow in following the Russian lead; there are over 20 bills now in Congress dealing with the "greenhouse effect," including the bills sponsored by Senators Timothy Wirth (D-Colo.) and Albert Gore (D-Tenn.), which call for a cutoff of credits to Third World nations if they dare build any more fossil-fuel power plants.

Jastrow, Seitz, and Nierenberg looked at two key issues, the large uncertainty in the forecasts of future climate, and what can be done about improving the forecasts; and whether the 0.5°C warming in the past century, which they consider a real phenomenon, is a reliable guide to future temperature increases. Seitz is the past president of the National Academy of Sciences and the American Physical Society and former chairman of the Defense Science Board. Nierenberg is a member of the Global Climate Subcommittee of the EPA and director emeritus of the Scripps Institution of Oceanography of the University of California.

During the press conference, Jastrow addressed the uncertainties in the forecasts, emphasizing:

"The wide spread in the greenhouse forecasts is largely the result of differences in treating clouds. Clouds have a cooling effect on the earth by screening it from the sun's rays; they have a warming effect by blocking the outward flow of

heat to space. These cloud effects are each roughly 10 times bigger than the man-made greenhouse effect projected for the next century.

“When the earth heats up in the first stages of greenhouse warming, the balance of the cloud effects shifts. The shift is hard to determine because we are trying to calculate small man-made changes within large natural climate factors. Does the cloud effect shift in a direction to amplify the greenhouse warming, or cut it down? Different groups get answers that differ by 300% on this question.

“In addition, oceans play an important role in the greenhouse effect. The oceans absorb and store up large amounts of heat. Consequently, the greenhouse forecasts are affected by ocean currents, which carry huge volumes of water and heat from one part of the globe to another. In one representative case, the calculations showed that when ocean currents are included, the global warming is decreased by 1°C—a significant decrease.

“In particular, the Antarctic Ocean hardly warms at all, and may cool slightly. This diminishes the probability of a breakup of the West Antarctic ice sheet, accompanied by a rise of sea levels and flooding of coastal cities all over the world.

“To handle the oceans requires more observation of ocean currents and temperatures, more scientific manpower, and also an enormous increase in computing power. The forecasters break up the Earth into large areas, up to 500 miles across, in order to complete their calculations in reasonable time. But the Gulf Stream which controls the climate of Western Europe is less than 100 miles wide at some points. A 100-year forecast that takes months now would take decades with 100-mile areas and ocean currents properly included. Yet including the effect of ocean currents is essential.”

On the poor quality of regional forecasts, Jastrow points out that “useful greenhouse forecasts have to predict not only global temperature trends but also regional changes. Regional climate changes are often very different from global trends. For example, in the 1970s and 1980s, when the world as a whole became warmer, England and Europe became colder.”

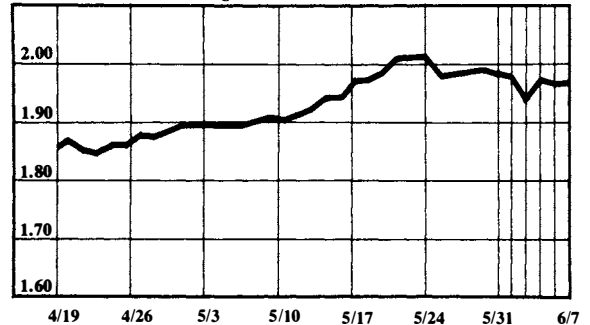
According to Jastrow, “unfortunately, the current greenhouse forecasts do very poorly on regional forecasts. In the United States, in forecasts of the effect of the greenhouse warming in three important regions—California, the Southeast, and the Great Lakes—some greenhouse forecasts predicted substantial *decreases* in summer rainfall, while others predicted substantial *increases*.”

Jastrow also emphasized that the reported increase in the Earth’s temperature for the past 100 years could be attributed to causes other than the “greenhouse effect.” He stated, “Changes in climate occur without any obvious cause. Dr. Hansen did a trial 100-year computer run and found that it is possible for the Earth’s temperature to change by as much as 0.4°C over 25 years as a result of natural variability—nearly enough to account for the observed 0.5°C change in the Earth’s temperature increase observed on the Earth.”

Currency Rates

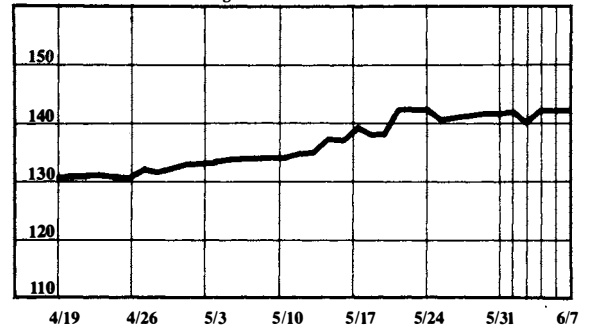
The dollar in deutschmarks

New York late afternoon fixing



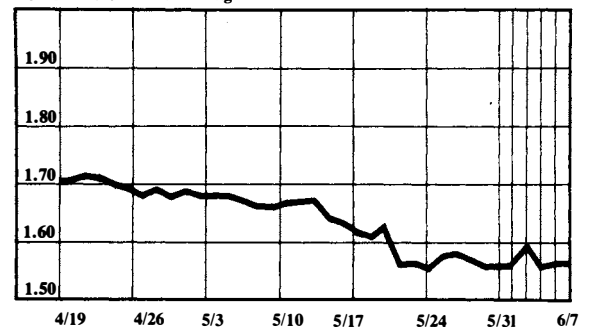
The dollar in yen

New York late afternoon fixing



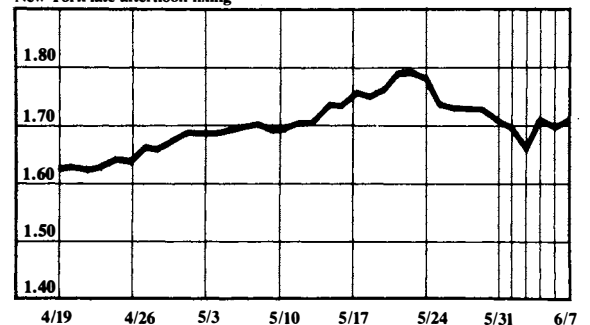
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



The Delors Plan, a supranational financial dictatorship for Europe

by Jacques Cheminade

The author is president of the Rassemblement pour une France Libre (RFL), a new political formation which is presenting a large slate of candidates in the European Parliament elections on June 18.

“Your money or your life,” gangsters used to demand of their victims, when words still corresponded to acts. Today, the victims facing this choice are those European countries that signed the 1992 Single Europe Act in 1985. The “Delors Report on Economic and Monetary Union in the European Community,” released in April, makes the choice clear: If the single market remains “deregulated” and “unharmonized,” capital, banking, and industry will move to those European countries with the lowest taxes, wages, social and work security standards. In order to avoid that, Europe will have to accept a bankers’ monetary order and the loss of sovereignty over economic policy.

Indeed, President of the European Commission Jacques Delors proposes nothing less than abolishing national currencies and establishing ultimately a common Central Bank—“an autonomous Community institution”—which would issue a single currency for all citizens of the EC.

The Delors report points out the ultimate responsibilities European countries accepted in signing the Single Europe Act. “With full freedom of capital movements and integrated financial markets, incompatible national policies would quickly translate into exchange rate tensions and put an increasing and undue burden on monetary policy. The integration process thus requires *more intensive and effective policy coordination*, even within the framework of the present exchange rate arrangements, not only in the monetary field, but also in areas of national economic management affecting aggregate demand, prices and costs of production.”

The trap is complete: the single market leads inevitably to monetary union, which in turn demands “full economic cooperation” or, to put it bluntly, loss of sovereignty. Transfer of sovereignty in monetary and budgetary matters, two indispensable elements of national independence, should take place from the very first step scheduled for July 1, 1990.

Delors follows his usual procedure here: Instead of attacking head-on, open up “negotiations” with his partners,

draw them in and then force them to advance, when retreating would bring about an unwanted rupture. Delors and his 17 experts, including the 12 central bank governors of the EC, propose a step-by-step program which implies an irreversible commitment from the very beginning. “The decision to begin the first phase should be a decision to enter into the whole process,” they state in the report.

From no later than July 1, 1990, negotiations on a new treaty should begin. In fact, “The realization of this objective would call for new arrangements which could only be established on the basis of a treaty change and consequent changes in national legislations. . . . A *transfer of decision-making power* from member states to the Community as a whole would arise primarily in the fields of monetary policy and of macro-economic management.”

The three steps should not be seen as separate, but rather in terms of the end result that the EC bureaucrats in Brussels wants to attain. The first and second steps are but bait.

Economic integration

The main characteristic of the final step is the move “toward irrevocably locked exchange rates.” Governments lose control over their monetary policy, and national currencies are to be replaced “as soon as possible once parities have been finally decided upon.” Then, of course, a new institution will have to be set up to manage this common monetary policy. “Domestic and international monetary policymaking of the Community should be organized in a federal form, in what might be called a European System of Central Banks (ESCB). This new system would have to be given the full status of an autonomous Community institution. . . . It could consist of a central institution (with its own balance sheet) and the national central banks . . . [which] would be entrusted with the implementation of policies in conformity with guidelines established by the Council of ESCB and in accordance with instructions from the central institution.”

Integration of national economic policies would be absolute. “The Council of Ministers would determine the broad lines of economic policy, while the implementation would be left to national governments and the Commission in their respective areas of competence.

"In particular it would seem necessary to develop both binding rules and procedures for *budgetary policy*, involving respectively:

- effective upper limits on budget deficits of individual member countries . . . ;
- the definition of the overall stance of fiscal policy over the medium term, including the size and financing of the aggregate budgetary balance, comprising both the national and the Community positions."

In other words, all credit—from defense credits to those for education—would be subject to supranational control, through this budgetary control. "In the event of non-compliance, the Commission, or another appropriately delegated authority, would be responsible for taking effective action to ensure compliance."

This means a combination of an American-style Federal Reserve and a super-International Monetary Fund (IMF).

Indeed, the European System of Central Banks, like the American system, is made up of a federation of 12 banks topped by a central decision-making agency. The West German central bank and, secondly, the City of London, would play a role similar to that of the New York Fed in the American system. The "upper limits on budgetary deficits" resemble the automatic budget-cutting found in the U.S. Gramm-Rudman-Hollings provisions.

Top political decisions will no longer be taken by national authorities supposed to defend the interests of production, industry, and labor, but by a supranational financial authority dominated by banking and insurance cartels.

The commission will be the "watchdog" for this authority, enforcing "financial discipline" in much the same way as the IMF does in the Third World.

First step: The lure is set

The first step would be preparatory in nature. Member countries would strive to concretize their economic and monetary cooperation, but this would not require any change in official mechanisms. This is the step that British Chancellor of the Exchequer Nigel Lawson has stated he could accept. "I agree to a strengthening of monetary cooperation among EC countries, and to having the pound join this exchange rate system" of the European Monetary System.

What are the pitfalls Delors has laid?

First of all, during this first phase scheduled to begin on July 1, 1990, changes in the EC's founding Treaty of Rome will be prepared and ratified. Then, absolute priority will be given to completing the "internal market," i.e., "a complete removal of physical, technical, and fiscal barriers within the Community."

Finally, a process will be set up for multilateral monitoring of the evolution of economic policies, on the basis of commonly decided upon indicators, and a new procedure for coordinating budgetary policies will be installed.

Who is to direct this "monitoring"? Not nationally elected

officials, but the *central bank governors!*

Hence, the report states: "In the monetary field . . . consideration should be given to extending the scope of central banks' autonomy. . . . All impediments to the private use of the ECU [European Currency Unit] would be removed." Worse still, some members of the Delors Commission recommend creating a European Reserve Fund in the first phase.

The goal of financial supremacy is clear. If the English position differs from that of Delors, it may be because London, with its experience in "divide and rule" tactics, expects to gain more from a "Darwinian jungle," whereas others prefer an absolute supranational order.

Second step: The trap snaps shut

The new treaty is now to be enforced, and vast changes to occur. "In this stage, the basic organs and structure of the economic and monetary union would be set up, involving both the revision of existing institutions and the establishment of new ones." This constitutes a "training process," whose most important element would be setting up the European System of Central Banks to replace existing institutions, including the central bank governors' committee. "As circumstances permitted and in the light of progress made in the process of economic convergence, the margins of fluctuation within the exchange rate mechanism would be narrowed as a move towards the final stage of the monetary union, in which they would be reduced to zero."

The conditions are thus created for moving into the third step, which will characteristically "attribute to Community institutions the full monetary and economic competences described."

The report on economic and monetary union was first debated during an informal meeting of the EC finance ministers May 19-20. It will be discussed at the European Council meeting in Madrid on June 26-27.

Two aspects of this procedure are noteworthy.

The first is the escalation from the central bank governors (12 out of the 17 experts of the Delors Committee) up to the highest political level—the European Council—by way of the finance ministers. The "political" decision thereby depends on the work done previously by bankers and financiers.

The second is just how close at hand it all is: The Madrid summit will take place only eight days after the European elections of June 18, and a few days before France takes over the presidency of Europe.

Former French President Valéry Giscard d'Estaing says he would like "to enter further and faster into an economic and monetary Europe." He suggests broadening the first step and imposing a mandatory timetable for the second. "In my opinion, the role assigned to the ECU is insufficient. It would also be desirable to develop use of the ECU more amply in the second phase." And he reminds any who may have forgotten that "renouncing monetary sovereignty is contained in the Single Act and is not an additional decision."

The world beef herd is dwindling

But according to free trade advocates, this situation is a good export opportunity.

In the polite doublespeak of the market men, the major beef-producing countries are currently experiencing "tight" beef supplies. They say this could lead to export opportunities for the U.S. But why would the U.S. be exporting beef when it doesn't raise enough for its own domestic market?

Just as world grain production is falling, world beef output is falling. The USDA projects world beef and veal production, in 1989, will be about 44 million metric tons, down 500,000 tons from last year. *Oil World*, a newsletter and food analyst group based in Hamburg, West Germany, makes a similar, or worse, prediction—based on their knowledge of tight oil-seed cattle feed supplies.

The shrinking world beef supply is the result of a reduction in cattle herds in many parts of the world, especially the U.S. The United States and Europe are rapidly moving away from trade and pricing policies that have been preserving a minimum existence for individual beef producers. These government policy changes, coupled with the monopoly prices and market manipulations by international food cartels (Cargill, Armand Hammer's IBP, and others) have helped bankrupt many cattle raisers.

The smaller U.S. cattle inventory will be a major factor in reducing world beef and veal production by around 6% in 1989. The size of the U.S. cattle herd by the end of 1989 is projected to have fallen to a 29-year low of 97 million head. This is a 25% drop in U.S. beef numbers since the record high of 132 million head in 1975. So far this

year, beef and veal production in the U.S. has fallen 4% and 6% respectively, compared to the same time period one year ago in 1988. According to USDA reports, the U.S. consumed 7.5% more beef in 1988 than it produced.

Many U.S. producers have quit raising beef because of low prices. The price currently being paid to the U.S. farmers for cattle is about \$.70 per pound and is one of the highest in history. However, this is still 40% below the \$1.16 per pound parity price U.S. beef raisers need to stay in business.

The U.S. beef price is manipulated and kept low by the international meat cartels. This is done by bringing imported beef from some other country into the U.S. at a price lower than the prices paid to U.S. beef producers. This loots the exporting nation and depresses the U.S. domestic price.

Around the world, intense pressure to tear down protectionist trade and pricing policy and replace it with low prices and free trade deregulation is putting many producers out of business. Wildly irrational export-import patterns are occurring between nations, which serve no one but the cartel interests.

For instance, the U.S. is importing beef from Argentina at around \$.62 per pound, which is 8¢ below what the U.S. farmer is getting.

South Koreans are depending more on imported beef as a direct result of international pressure to liberalize trade policies in both Korea and Japan. Since 1986, the new liberalized policy has financially destroyed so

much of the Korean beef industry that the nation is no longer self sustaining, and has been made import-dependent.

South Korea is projecting a 30% drop in 1989 cattle inventories, going from about 3 million head to 2 million since 1986 as a result of liberalized trade policies. Imports are projected to be 40 million metric tons, almost 10 times higher than in 1986. The U.S. is exporting beef to South Korea for around \$.70 per pound, when Korean farmers need \$2.95-3.05 per pound to stay in operation.

The European Community is projecting a 9% drop in cattle numbers, since 1984, while the EC is the largest market for Argentine fresh beef—estimated at 330 million pounds of EC imports in 1988. The President of the Argentine beef board, Alfredo Bigatti, expects that the EC's internal trade liberalization plan, which takes effect in 1992, will mean even more Argentine beef to Europe.

Now look at the big picture of all these crazy trade patterns. The U.S. imports more beef than it exports. But according to projections of the Meat Export Federation, the U.S. stands to acquire 30% of South Korea's beef import business this year, up from 5% in 1985. Meantime, the U.S. remains the largest purchaser of canned and cooked Argentine beef, and the EC is the largest importer of Argentine fresh beef. Canadian cattle are coming into the U.S., but U.S. beef exports to Canada are almost a given as the free trade agreement goes into effect.

This is how "free trade" works. Cheap Argentinian beef is depressing both the U.S. and EC beef market. U.S. beef is being exported to South Korea and is putting both Korean and U.S. beef producers out of business. No one wins except the international food cartels, which control the "buy cheap, sell dear" markets.

The Bush-Brady savings swindle

The Bush administration's \$300 billion S&L bailout could be the most ambitious taxpayer ripoff in the history of capitalism.

One well-placed City of London financial source remarked to me recently, "It appears more and more that the Bush-Brady S&L bailout plan is a scheme to shift the assets of the savings and loan banks to the big New York money center banks and certain Wall Street firms." His comment came in response to a new report from the Federal Deposit Insurance Corporation which calculated ultimate cost over the coming 30-years to American taxpayers of \$300 billion to "rescue" the S&Ls.

What's becoming clear is that there's some remarkable changes going on under the umbrella of "rescuing bankrupt S&Ls," which may well come to haunt President Bush, Treasury Secretary Brady, and Secretary of State Baker far more than Texas book sales have Speaker of the House Jim Wright.

Two weeks ago, one of Wall Street's pre-eminent international financial houses, Salomon Brothers, announced it had formed a new company with Peter Peterson's Blackstone Group. Their new venture, Stone Capital Partners L.P., plans to raise a war chest of some \$600 million, which they say will allow them, under the terms of the Brady S&L bailout, to grab S&L bank assets worth as much as \$20 billion. Peterson, by the way, doubles as chairman of the elite New York Council on Foreign Relations. But he and Salomon aren't alone.

The same international Wall Street houses that lost a bundle in the October, 1987 crash, are all now lining up big artillery to gun down supposedly bankrupt domestic U.S. S&Ls. Shear-

son, Lehman Hutton, the big Wall Street firm tied to Henry Kissinger's American Express, is in on the game, as is Merrill Lynch & Co., Don Regan's old firm.

What these Wall Street financial pirhana have in their sights is the huge backlog of S&Ls which are being put under government "conservatorship" until they can be resold to private interests. The Wall Street gang simply plans to profit in grabbing choice U.S. property assets, on the ultra-cheap, backed by government guarantees for the banks.

A few years ago, few of even the greediest Wall Street moguls would have ever dared dream of such a venture. But daily S&L panic headlines and a remarkably well-timed series of "ethics" scandals hitting key Democrats in Congress who happened also to be opposed to the Republican scheme, could make their prospects brighter.

Salomon has an in-house study which calculates that fully \$400 billion in U.S. S&L assets will be reorganized in the next several years under the Bush-Brady bailout scheme. Clearly, if they are able to put up 3% of total asset value to grab this in a no-lose game with government (i.e., taxpayer) guarantees on their investment, who could resist?

Edwin Gray, former head of the S&L supervisory Federal Home Loan Bank Board, told *EIR* several months ago that the current S&L catastrophe was the deliberate work of key people in the Reagan administration. Gray suggested turning a spotlight on former Merrill Lynch chairman Don Re-

gan, Reagan's first Treasury Secretary, adding his view that Regan's policy on the S&L crisis was directed with an eye to helping his old Wall Street cronies more than to protecting American housing finance institutions and the savings of millions of citizens.

Here's how it works. The government so far this year alone, has put 220 S&Ls worth \$95 billion under "conservatorship." A new government agency, if the Bush-Brady scheme passes an increasingly suspicious Congress, agrees to absorb any big losses from S&L bad loans. And they strike deals with new buyers like MacAndrews & Forbes' Ronald Perelman or Fort Worth's Robert Bass. Salomon or Merrill Lynch then raise the necessary takeover capital from the new funds and make huge killings from charging fees to the new owners, roughly five times what they earn from ordinary corporate bond activity.

Big banks like Citicorp and Chemical Bank are also in the running for this \$400 billion booty. Last month the Federal Reserve announced it was considering allowing a petition by Citicorp of New York to lift legal restrictions on banks' owning of S&Ls. Confidential bank studies have shown that grabbing defunct S&L banks in various states is the cheapest way for big New York banks to acquire an interstate banking network.

Is the Bush administration giving the S&Ls over to Wall Street in one of the most outrageous scams in U.S. history? Jim Wright came out of Texas politics when the late Wright Patman was still a strong voice. He knows the background to the Depression-era restrictions which Patman and other congressmen put on Wall Street after the October 1929 crash. You don't suppose this whole issue has anything to do with the recent witchhunt against him and others in Congress?

Business Briefs

Europe 1992

Cocaine cartel readies invasion of Europe

The Medellín Cartel is preparing for the advent of "Europe 1992," according to an article published in the French *Journal du Dimanche* June 4. "Several pieces of confidential information received by the U.S. Drug Enforcement Administration in the recent period all indicate that the Medellín Cartel, which controls three-quarters of world cocaine production, has just reached a deal with the major 'godfathers' of the mafia. Their objective: Take advantage of the opening of EEC borders in 1993 in order to 'flood' Europe with hard drugs, since the North American market is close to saturation. This alliance between organized crime multinationals (total turnover in 1988 was \$200 billion, according to the FBI) represents a declaration of war against Western democracies," writes Roland Jacquard.

According to the international police agency Interpol, the European market has become more lucrative than the American one, since the price per kilo for cocaine in Europe is between \$36,000 and \$100,000, whereas it ranges from \$12,000 to \$18,000 in the United States.

British Interior Minister Douglas Hurd stated on May 18 during a conference that the only effective way to fight this "plague" is by adopting European-wide legal means to seize and freeze traffickers' bank accounts.

Jacquard concludes that the financial power of the drug-running mafia is so great that it could eventually trigger a new stock market crash.

Labor

Mexico's Velázquez: Wages can pay debt

The head of Mexico's CTM labor confederation has volunteered 20% of Mexican workers' wages to pay the foreign debt. "In case the negotiations with the creditors be-

come difficult, the workers are prepared to donate one day a week of wages to pay the foreign debt," the 86-year-old Fidel Velázquez told the press June 5.

Although acknowledging to an incredulous reporter that "I have no idea where the workers can come up with more resources, since even now they don't have enough," and that "the working class doesn't even have enough to eat," Don Fidel said that "all we Mexicans must put in our grain of sand and be united behind the institutions, to be able to resolve the principal problems afflicting us," and to ensure this result, "the CTM should at the right time issue a call to all its federations and workers' unions, so they won't be unprepared, and to ensure that the answer will be affirmative."

Velázquez went on, in a later statement, to say that the Mexican working class "has such confidence in the institutions . . . that they have no intention of asking for a wage increase until the conditions are propitious for it and there is a definite resolution of our situation with respect to the foreign debt."

Thanks to the Mexican government's acquiescence to the austerity conditionalities of its international creditors, the purchasing power of Mexicans has collapsed by 46% since the beginning of the previous regime of Miguel de la Madrid.

Protectionism

Allies hit U.S. for fomenting trade war

Member nations of the Organization for Economic Cooperation and Development (OECD) criticized U.S. protectionist policies in a joint statement released on June 1. "The ministers firmly reject the tendency toward unilateralism, sectoralism, and managed trade," the statement said, demanding that all countries "halt and reverse all protectionist tendencies."

The communiqué was the OECD's response to the U.S. naming of Japan, Brazil, and India as "unfair trading countries." Blithely ignoring reality, U.S. Trade Representative Carla Hills insisted that this was not referring to the U.S. trade war moves—

and also announced that the United States would not rule out "unilateral action."

The U.S. Commerce Department has made two related, though less publicized moves. The first is the designation of eight countries as "priority" suspects in the violation of U.S. patents and copyrights: Brazil, China, Taiwan, India, Mexico, Saudi Arabia, South Korea, and Thailand. The second is the naming of 17 other nations to a "watch list" for similar violations.

The Japanese have said that though they have agreed to talk with the United States regarding trade complaints, they would not negotiate "under a threat of retaliation."

"Japan, India Plan Joint Action Against U.S. Trade Measures," read the banner headline in the daily *Economic Times* in New Delhi on June 1. The India-Japan Business Cooperation Committee, at a June 6-7 meeting in New Delhi, planned to take up the "U.S. threat as a priority item in the agenda," the daily reports.

The U.S. ambassador to India, John Hubbard, issued a statement saying that in view of India's "very restrictive policies toward foreign investment," the U.S. action was justified and "hardly the end of the world."

Agriculture

Italian apple producers fed up with Greenies

The apple producers association of Trentino, the richest apple-producing area in Italy, on June 2 filed a legal suit in Rome against environmentalists who have campaigned against the treatment of apples with chemical preservatives.

The environmentalists had used the symbol of a poisoned apple to gather signatures for a referendum to ban the use of fertilizers and chemicals in agriculture. The Trentino apple growers had spent several years and a lot of money on an advertising campaign that established the high quality of Trentino apples. The Greens are now accusing those producers of poisoning children.

In spite of pressure from the top layers

Briefly

of the national association, who wanted to keep a low profile, the Concopra decided to go on the offensive, and finally the national association backed the lawsuit. Those charged in the suit are *Espresso* magazine, the committee that organized the referendum, the Italian Communist Party, and Italia Nostra, the premier environmentalist organization in Italy.

If found guilty, the defendants will have to pay millions in damages to the apple producers and will have to change their posters.

Environmentalism

OECD seeks role as ecology enforcer

The Organization for Economic Cooperation and Development (OECD), meeting in Paris at the end of May, took upon itself the task of providing "firm analytical data to facilitate environmental decision-making. It will, for example, assess the economic costs and benefits and resource implications of environmental proposals. . . . Until now, there has been no repository of expertise to tell policymakers what environmental action will cost in terms of economic growth," reported Peter Norman of the London *Financial Times* June 5.

A major focus of the OECD effort will be to "spread the industrialized world's green concerns to a developing world where economic growth has failed to keep pace with growing populations and rising indebtedness."

Health

New York City to log names of AIDS carriers

New York City Health Commissioner Stephen Joseph announced June 5 that the city has adopted a new policy of centralizing the names of AIDS carriers, in order to track their drug and sex partners. The plan will go into effect as soon as new studies are published showing the alleged effectiveness of

new AIDS treatments.

The new policy effectively ends the era of anonymous testing, and represents a small concession to the need for public health measures to control the epidemic. "We will have no choice but to change some of our most basic HIV-related policies," Joseph said in a speech prepared for delivery to the Fifth International AIDS Conference in Montreal.

"Aggressive contact tracing will become standard public health applications for controlling infection," he said. Joseph also indicated in his speech that he plans to move away from "voluntary" testing. He said it is becoming necessary to do "routine" testing.

Corporate Strategy

Tiny Rowland in court on contempt charges

Tiny Rowland, the industrial thug and dirty tricks expert for the British Crown, appeared before Britain's "Law Lords" on June 6, to begin what is expected to be a two-to-three-week hearing on contempt charges. Rowland, the chairman of Lonrho Corp., was accompanied by a battery of 12 Queen's Counsels, several Lonrho board members, and Donald Treford, editor of his *Observer* newspaper.

The charges are that Rowland and the *Observer* illegally published material regarding the decade-long takeover battle over the House of Harrods, and sent it to members of the House of Lords in an attempt to shape the outcome of that battle.

Rowland is reported to be terrified at the proceedings before the House of Lords' legislative committee—Britain's equivalent of the U.S. Supreme Court—from which there is no appeal. In preliminary hearings the week before, Rowland personally showed up every day, though the proceedings were largely technical and he was informed he did not have to come. A highly informed Rowland watcher commented, "That shows you how scared he is. He is the only guy at Lonrho who makes any decisions, and here he is sitting in court all the time. It is so bad, that even his lawyers have lawyers."

● **U.S. TRADE** with Communist nations has soared to a record \$19.2 billion in 1988, up from \$13.8 billion in 1987, according to figures released June 5 from the U.S. International Trade Commission, an independent agency. Reuter reports that the rise was due chiefly to "increased exports of farm goods to major nonmarket nations and an increase in manufactured goods from China."

● **AIRPLANE PRODUCERS** cannot keep up with demand. Three thousand new planes are on order worldwide, because of the effort to replace decrepit airplanes before more fall apart in mid-air. The orders amount to about \$203 billion.

● **THE U.S. SUPREME** Court, in a June 5 ruling, rejected without comment an appeal filed by former junk bond king Michael Milken and two other employees of Drexel Burnham, whose object was to remove Judge Milton Pollack from their fraud case. The ruling clears the way for Drexel to plead guilty to six felonies and pay a \$650 million settlement for charges made under the RICO (racketeering) law.

● **CORPORATIONS** have spent \$400 billion on technology to cut auto pollutants 90%, take lead out of gasoline, filter out industrial soot and remove sulfur from coal combustion gas, since the Clean Air Act was enacted in 1971, according to the June 5 *Washington Post*. But much to the government's embarrassment, to this day, not a single scientific or medical report has documented a single case of lead poisoning due to auto emissions.

● **U.S. CONGRESSMAN** Henry Waxman (D-Calif.) has proposed a bill that would ban about 20% of pesticides used in farming. The bill would require that human beings be exposed to no more than a "negligible risk" from an agricultural pesticide, meaning chances of the pesticide causing cancer could be no greater than one in a million.

New fronts open up in 'war of the tuning forks'

With the London Philharmonic entering the fray, the Schiller Institute's campaign for a return to the scientific musical tuning looks like it's unstoppable.

"A return to the natural A is totally possible, and I will demonstrate this in September when I will sing *Rigoletto* with the London Philharmonic, which will respect the A at 432 vibrations." This sensational news, which crowns a year of efforts by the Schiller Institute to get the scientific tuning fork advocated by Giuseppe Verdi adopted as law in Italy, was reported on May 19 by the Italian daily *Il Giornale* in an article titled "The Tuning Fork that Divides Uvulas from Brasses."

Cappuccilli's announcement comes as the culmination of a series of concerts held in Europe and the United States this year, which in a preliminary way demonstrated the superiority and benefits of natural, scientific tuning, over the current arbitrary standard of $A = 440$ —not to mention over the still higher tunings which many musicians have been forced to perform at in concert halls around the world, destroying both their own voices and the intentions of the great classical composers.

An initial effort to have $A = 432$ made into law in Italy failed earlier this year, when a byzantine parliamentary maneuver changed the wording to read " $A = 440$ "—i.e., no change from the current standard. But the backers of the legislation view this as just the beginning of the fight. Retired Metropolitan Opera "prima donna" Renata Tebaldi, the renowned Verdi baritone Piero Cappuccilli, along with Prof. Bruno Barosi who directs the acoustics laboratory at the Cremona Institute of Violin Building, and Maestro Arturo Sacchetti, who is an organist and the artistic director at Vatican Radio, jointly addressed a letter to the editors of all Italian daily newspapers, which reads in part:

"We have learned that even the Entertainment Committee of the House of Deputies, after that of the Senate, has approved a modification to the orchestral tuning bill which had been presented last July in the wake of an initiative by the Schiller Institute.

"We were present at the Schiller Institute's initiative on April 9, 1988. Following that conference, more than 2,000 musicians from all over the world, among them such colleagues as Placido Domingo, Carlo Bergonzi, Joan Sutherland, Fiorenza Cossotto, Fedora Barbieri, Mirella Freni, Renato Bruson, endorsed the petition favoring Giuseppe Verdi's $A = 432$."

"If, for purely commercial reasons," the letter continues, "the gentlemen of the political realm have chosen to not take into the slightest consideration the plebiscite of the entire musical world, they could at least have been smart enough not to attribute to poor Giuseppe Verdi their own compromises which having nothing to do with Italian art. Therefore, we dissociate ourselves from the decision of Parliament, which is so unworthy of Italy, the cradle of bel canto and the most beautiful voices in the world, and which ought to do a better job of defending its musical tradition."

A good negative measure of the the campaign's success, has been the recent fits of incoherent babbling from music critics and Liberal Establishment newspapers such as the *New York Post* and the *Washington Post*, over the fact that the campaign is being steered in part by Schiller Institute founder Helga Zepp-LaRouche and her husband Lyndon LaRouche. But the media antics seem to have only encouraged more musicians to add their names to the call for getting the scientific tuning made into law in Italy and then instituted worldwide.

The very fact that not a single significant opera singer has come out in opposition to the "Verdi A," has made it exceedingly difficult for the opposition to come up with convincing arguments against it. This was highlighted by the Rome paper *Il Messaggero*, which in reporting the above-mentioned musicians' letter, noted that supporters of $A = 432$ include world-famous singers Tebaldi, Domingo, Bruson, Freni, and Suth-

erland (in favor of Verdi's A = 432), while the leading opponent in Italy is a physicist named Pietro Righini, whose authority on making beautiful music is questionable, to say the least.

In the United States, the press has trotted out one Stefan Zucker, editor of a New York-based publication called *The Opera Fanatic*, to oppose the Schiller Institute's initiative. Zucker, who claims he is "the highest tenor in the world," is also known to advocate the re-introduction of castration as a means of producing more higher-pitched voices—scarcely a credible figure to rally the masses against the natural tuning demanded by Verdi.

Historic concerts

Late last year, the Schiller Institute set out to prove the superiority of Verdi's (and Bach, Mozart, and Beethoven's) tuning pitch by a series of unique concerts contrasting each tuning onstage, so that listeners could decide for themselves. At the first such concert, on Dec. 12, 1988 in Munich, West Germany, Norbert Brainin, formerly first violinist of the Amadeus Quartet, conclusively demonstrated that the great Stradivarius violins were originally constructed to sound best at a C = 256 (the middle C from which Verdi derived a concert A of 432 vibrations).

On April 9, in New York City, members of the New Jersey-based Lubo Opera Company and guest singers from Italy dropped a bombshell on the jaded New York music scene, with a concert of opera arias and ensembles, all sung at A = 432, along with one demonstration of the same piece sung at both tunings. Parts of the New York establishment threw a fit, with the May 3 *New York Post* peddling the line that the Schiller Institute was merely "trying to mine a rich new vein of cash [for Lyndon LaRouche] by appealing to the interests of the opera community."

But even the New York establishment showed deep fissures on the issue. On May 1 the *New Yorker* magazine music critic Andrew Porter observed that with the long list of top operatic singers endorsing the campaign, "victory could surely be won. All that the singers and conductors need do is insert a pitch clause in their contracts, such as Tebaldi (even though down to only A = 440) used to have written into hers: any higher, and I won't sing, won't conduct. . . . In its campaign to lower pitch—to reduce strain and stridency, to replace 'automatic' brilliance by fullness, naturalness, and eloquence—the [Schiller] institute is likely to have musicians' support. The mathematical difference is small—less than a semitone—but singers claim that it makes a big difference: puts the breaks between registers and the *passaggio* notes where the composers put them." (See interview with Fiorenza Cossotto, p. 22).

On May 28, the Lubo Opera Company repeated their demonstration concert in Washington, D.C., this time with three different demonstrations of the same piece sung at the two different tunings. With one aria, "Tu che la vanità," from

Verdi's *Don Carlo*, sung by soprano Jodi Laski-Mihova, a violinist also demonstrated how the same aria sounded at the absurdly high pitch of A = 452—the pitch at which the performer had been made to sing Verdi works during a recent tour of Bulgaria!

The Washington, D.C. concert elicited the same schizophrenic reactions from the heavily Soviet-influenced Washington musical scene. "Question: Why has Lyndon LaRouche rented the Lisner Auditorium for tomorrow night?" began the lead article in the *Washington Post*'s prestigious "Style" section. "Answer: He wants to change the way people sing." The *Post* deigned to agree that the Schiller Institute's insistence on the coherence of classical beauty with natural law "perhaps . . . deserves a few minutes of thoughtful attention," and snidely recommended that people go and hear works from the great Verdi operas "sung slightly and consistently off-key."

Just before that, in Milan, Italy on May 22, the Schiller Institute sponsored yet another demonstration concert by the mezzo-soprano Graziella Biondini accompanied at the piano by Walter Frazzi, who had the piano tuned to Verdi's concert A of 432 Hertz.

The audience, which included many experts, remained in the hall long after the recital to discuss the experiment, and most of their judgments were positive.

Meanwhile in Parma, the north Italian city adopted by Verdi as his personal musical capital, the Verdi Choral Society and a group of the most dedicated opera fans gathered to reiterate the need to get back to Verdi's tuning fork and harshly rebuking the "swindle law" of the politicians which sanctions the unscientific, unmotivated paradox of A = 440. Umberto Tamburini, president of the "Club of 27," an organization for which each component stands for a different Verdi opera, stated that "440 Hertz just does not fit the Italian voice." Ernesto Matteucci, chairman of the Verdi Choral Society, says, "We absolutely have to go back to 432 Hertz." Nestore Montagna, the 86-year-old "dean" of the Parma opera-goers, adds, "Any way you look at it, you have to conclude that Verdi was right."

Now all eyes and ears will be trained on London, where Mr. Cappuccilli will make his grand demonstration with Verdi's *Rigoletto*. Reached in Japan, the legendary "bel canto" tenor Carlo Bergonzi was apparently delighted to hear about Cappuccilli's announcement. "For sure, if a *Rigoletto* is performed at A = 432, no one can deny any more that the Verdi A is feasible." He added, "After *Rigoletto*, it will be obligatory to perform other operas at the Verdi tuning. What sense does it make to adopt A = 440 which has been around for years? In Busseto [Verdi's home town, where Bergonzi leads a master class] we have been doing Verdi's operas at A = 440 for years, so there was certainly no need to conduct a battle for *this*. But it *is* worthwhile to fight for Verdi's scientific tuning fork, A = 432, which respects the color and the registral passages which the great master wanted."

Verdi, the master of the voice, set pitch to keep register, color

*The following interview with Italian mezzo-soprano Fiorenza Cossotto and her husband, bass Ivo Vinco, was conducted Oct. 11, 1988 in Guttenberg, New Jersey by Schiller Institute representative Jeanne Percesepe Bell. Miss Cossotto was in town for the New York Metropolitan Opera season's opening, and sang the role of Azucena in the opening night performance of Verdi's *Il Trovatore*. In the summer of 1988, she had endorsed the Schiller Institute's campaign in Italy to lower the tuning pitch to A = 432.*

EIR: What is your opinion of the current trend internationally, to constantly raise the tuning pitch?

Cossotto: I start from one consideration: the period in which Giuseppe Verdi composed his works—*Il Trovatore*, *La Traviata*, *Rigoletto*, *Aida*, *Don Carlo*—all the great works. I am sure that the vocal technique of the great singers of the time had reached perhaps even the limit of human possibility; to wit, they had subjected the vocal organ to a correct, adequate effort spanning two octaves—the tenor, for example, singing two octaves up to the C of the second octave; and we all know that a bass goes from an F to an F, etc. Verdi, in composing these works, based himself on these human possibilities of his time, and for me they were the highest, the best possibilities, because they were the great singers who had experienced, even before Verdi, the possibility of maximum exploitation of the human voice, which cannot go beyond the true human voice.

The true voice of an opera singer cannot go beyond two octaves, because if it is stretched too high, the bottom is lost. One can sing a high C-sharp, but lose the low D-flat or low C-sharp, of the two octaves. It is like the bedcovers; if you take the blanket and pull it up too much, the feet are exposed; if instead, the feet are covered too far down, now the head is exposed!

To expand on this, these singers made great careers, they were singing all of Verdi, and surely they based themselves on this tuning fork of 432, that of his time. It was his ideal because he tuned the orchestra to it, in order to be able to execute well all these roles, even the most difficult.

By raising the tuning pitch, I am sure that the voices cannot be preserved, because they are subjected to a physiological strain beyond the normal, beyond the maximum of the possibilities which I am convinced that these singers

attained. In fact, today with the tuning getting higher and higher, we have fewer and fewer singers; their careers are shorter, careers that last three, four, five years, because they are subjected to inappropriate repertoires, but also because they are subjected to anti-human force. The vocal cords are organs—muscles—which the good Lord has given to us, but if we subject them to too much stretching, forcing them by overly-high tuning, first of all the low zone is lost, then even the center—which is the basis of the entire voice—and afterward, one strains so hard, that it is like a spring or an elastic band which by stretching too much, loses the physiological strength of this muscle.

On the other hand, an instrument, such as a wind instrument—above all, the wind instruments—the trumpet, the horn, and oboe, the more they are played in the orchestra, the more they warm up, and the more the pitch rises. Their approach is based on their tone being brilliant, and they do not take into consideration the fact that their instrument is made of [inert] material, while we have an instrument which is physiological and ours does not change. It is always the same way, and the vocal cords of 100 years ago had the same musculature as today. We cannot follow the brilliancies intended by certain orchestra conductors who are not concerned with this, who are concerned only with the orchestra and leave the pitch up to the oboe, the wind instruments, which, I repeat, as they warm up go up in pitch. It is not like the harp—the more you use it, the lower the pitch—because the harp is not based on the same principle; because the harp is pegged to the wood and the peg in the wood, when it is played, goes back and makes a “nnnnnn” sound, and slackens. The violin rises in pitch—the steel strings and the gut strings rise. . . . But above all it is the winds . . . which go up in pitch as they get warmer. . . .

In fact, many times when there is an *Aida*, the Egyptian trumpet players must go out [to the pit] an hour before at least, if they have a professional conscience, to play *pah-pah* . . . because otherwise, when they arrive, if they begin immediately to play without preparation, without warming the instrument and even their embouchure, these instruments are always flat. Thus, the more they play and warm up, the more they produce sounds at the right intonation.

But the vocal cords can not be subjected to this, and therefore I join with all the others for this reason: The vocal



Fiorenza Cossotto in the role of Azucena, from Verdi's *Il Trovatore*

ords cannot be stretched like violin strings and have absolutely to be protected, if we want to preserve voices for the future. This is my opinion.

EIR: What are your thoughts on the subject of the high tuning today, and Verdi's insistence on A = 432?

Vinco: For me, the master of the singing voice is Giuseppe Verdi, and I will tell you why: because Giuseppe Verdi, first of all, teaches us to connect [the tones, in phrases]; to create 'cello-like singing lines, a *legato*, which is perhaps greater even than Bellini's, not to mention Mozart. Mozart, as we know, was not the master of *legato*, but Verdi created melodies with 'cello-like singing lines for all the voices and prepared for the difficulties in the high notes with preceding notes that assist you, like a springboard for a jumper. An athlete who must take a jump, uses a base from which to arrive at the height with facility, whereas we find in other composers certain huge leaps, taking a low note and then immediately a high note, like weight-lifting. Verdi is a master, the great master for the voice. Whoever sings Verdi, and sings it well, can never ruin his voice. . . .

EIR: Miss Cossotto, you've performed the heroic roles in Verdi, which are most difficult. Could you describe what problems the higher tuning poses in the performance of a role such as Eboli [the mezzo-soprano role in *Don Carlo*].

Cossotto: Before speaking about Eboli, I would like to speak in general. I think that no one knew vocal technique as Verdi did, because he had a particular genius and also because of an historical fact. Before Verdi, since Rossini, Donizetti above all, and even before that, they were basing themselves on instrumental song; that is, they were imitating the instruments. Then, they were making all these ornaments, and



The Italian bass, Ivo Vinco.

flourishes, and a little of this is still found in Bellini, but much less. Until Bellini, there is still this tendency to imitate instruments with the voice.

With Verdi, no. Verdi composed in such a way that the voice would be in its full capacity to produce the maximum that two vocal cords are able to produce, not imitating a vocal cord which is artificial, and made of metal. Verdi studied the human vocal cords and wrote his music based on their difficulties, not on the difficulties of instrumental song. Then, with the tuning fork, he set the tuning fork at this correct level, at 432.

Because, in the human voice—I am a mezzo-soprano, and I speak of myself, because I have my experience—in the human voice there are, in the mezzo-soprano, three vocal registers; in the soprano, there are two. The mezzo-soprano has the lower, central, and upper registers. Between the lower, and the central, there exist two or three notes which are called notes of the *passaggio*. Between the center and the upper, there are other notes of *passaggio*, for which reason, in order to get to the upper register, it is necessary to study these notes well. This is a physiological passage, which everyone has, sopranos, tenors, and basses, too. They have it there in particular notes, they are not all equal. The mezzo-soprano has them in certain notes, the soprano, they are a bit shifted upward, she has two registers. The soprano has the middle and the upper; the tenor, the middle and the upper only, they do not have the lower register; they don't have the added difficulty of the lower *passaggio*.

Now, Giuseppe Verdi studied this, but very profoundly, because his music intentionally dealt with the human voice and for the difficulties that he wrote into his music, as in Eboli. He wrote the music and the difficulty of the voice itself because he knew where the difficulties of the voice were.

What happens? If a voice is entirely shifted upward, you will lose the harmonics, the round voice that Verdi wanted in the mezzo-soprano, because he wanted a voice rich in harmonics above all in the middle and lower notes, because the center is what characterizes the mezzo-soprano. Shifting much of the middle zone to the high notes causes the voice to become thinner, smaller. By shifting the tuning fork, the voice becomes smaller, thinner. The true mezzo-soprano voice cannot be subjected to a great force, because it means that then if it is a big voice, it is not able to make the stretch and go up to the very high notes. It must go to the high notes written by Verdi, but written with Verdi's tuning fork, that of Verdi's time.

Now it happens that in order to remedy this mistake of the tuning fork—that the tuning fork is too high—they bring on sopranos who sing as mezzo-sopranos. And they take very light voices who sing in place of the mezzo-sopranos, and who must act as mezzo-sopranos. All the light voices who sing the Eboli repertoire, the high repertoire, are false voices, and the orchestra directors choose sopranos to do Adalgisa, who is typically a mezzo-soprano, to contrast to the color of Norma's voice [in Bellini's opera *Norma*]. Now, with the heightened tuning fork, they take small-voiced sopranos to sing the roles like Eboli, Adalgisa, and everything is ruined. I ask myself if [the great dramatic tenor Enrico] Caruso could sing today, given that they don't want the dark voices anymore; they want light voices, due precisely to the tuning fork. . . .

But this is not right! This is ruining singing, causing the vocal art to die. It is a debasement and a shame to have arrived at this point. It happens so often that in order to place a small voice to sing a part which should be done by a mezzo-soprano voice, they must put an even smaller voice in the soprano role. If they have a soprano who sings Adalgisa, they have to make a light soprano do Norma, such as the ones who now sing Lucia [in Donizetti's *Lucia di Lammermoor*, a lyric-coloratura soprano role].

Vinco: The dramatic voices are no longer wanted.

Cossotto: They take voices not written by the composers. And it shows that the composers wanted the dark voice, the true voice of the mezzo-soprano, like the true voice of the dramatic tenor, the dramatic soprano. It shows because in the orchestrations of Giuseppe Verdi, which are always short, he uses trumpets, dramatic instruments to produce a dramatic atmosphere; he wants the voice to be heard over these instruments; to reach the audience he does not want tiny, little voices there. Instead, today there is a fight against the big voices, against the true voices.

One studies an entire life to achieve perfection, even in the high notes, but also in the center register, because the center is the foundation of a voice. When the center is there, it is the telltale sign, which says, "you are a mezzo-soprano; you are a soprano"; if the center is dark, it is a mezzo-soprano; if the center is light, it is a soprano, not a mezzo. Today, sopranos sing without the center.

Vinco: Because they pass from the upper register to the chest notes, and do not have the center.

Cossotto: But by singing that way they do not last long, because they sing wrong. It is a physiological thing, and unfortunately the degeneration has even led to a fashion—not for the public, the public must suffer this abuse of power of certain gentlemen who can publish their opinions in the newspapers or in books, but this is not the opinion of the public—they are contributing to the decadence of the voice, of the vocal art, of singing.

EIR: Renata Tebaldi, at the Schiller Institute conference in Milan on April 9, 1988, said that Italy, which has given bel canto to the world, has the possibility of reviving today these great voices, which are there, but cannot develop for reasons of the high tuning. Is this what you mean when you say that Caruso could not sing today?

Cossotto: I am sure that the voices are there. They are not developing because the high tuning goes against the nature of the voice. It is a physiological thing. I am an exception, after all, because I have a large voice, and I go up, but I am an exception; because I sing *Cavalleria Rusticana* and I sing *Un Ballo in Maschera*, but how long can I keep it up? It is not normal.

Vinco: Conclusion. If this system continues, only the lightest voices will sing; they will no longer be able to do *Trovatore*, *Aida*, *Otello*, these dramatic operas of Verdi, they will no longer be able to perform them, or they will be performed in a wrong way, totally wrong. . . .

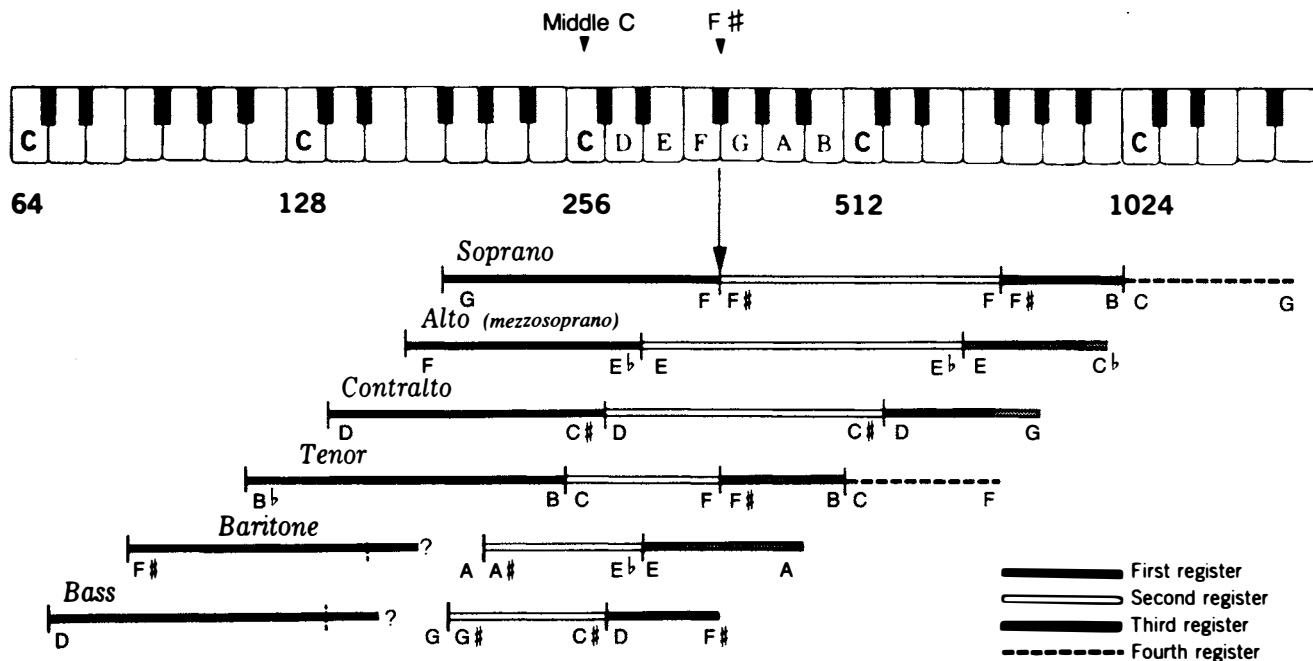
Not long ago, a top, a celebrated orchestra director produced *Aida* in his theater with a light, lyric soprano, a light, lyric tenor, and a Rossinian mezzo-soprano. The young people who have not known the voices of [Mario] Del Monaco, [Franco] Corelli, how will they know what a dramatic tenor sounds like?

Cossotto: The true theatrical voice is sacrificed for all the others which are not theatrical voices. The true operatic voices, instead of becoming popular, become less popular because they are not allowed to sing anymore, because they have mediocrities sing. If the tuning fork were as Giuseppe Verdi wished, and as it ought to be for the nature of the voice, a lyric soprano who sings as a mezzo-soprano would not be able to sing, because the register passage of the voice, being lower, has more difficulty, and the center would be ruined in short order. The history of singing has degenerated from the time of Verdi to today.

EIR: What message can we give to conductors and directors in the United States who are looking at this initiative in Italy?

Cossotto: I would like to bring a message, that they not allow themselves to be influenced by what has become a kind of fashion, of having small voices sing what the composer did not want. This is not to say that the smaller voices must not sing, but they ought to sing their repertoire, and leave room for those who truly have great possibilities; don't pay

The six species of the human singing-voice



The range and natural register-shifts of the six species of the human voice is shown, according to information assembled by a team of researchers working with the Schiller Institute. The upper and lower extremes of each voice are based on passages found in actual classical compositions; however, most voices have sub-species which concentrate only on a portion of the range shown here. Thus, although the register-shifts remain the same in all compositions for that voice species, within any single composition the range for a particular voice will usually be narrower than what is represented here.

attention to whether they are foreigners or if they are Americans, because this is a gross wrong which is done to the vocal art, and to the paying public. . . .

Another message to the orchestra directors: Do not let yourselves be influenced by any faction which is able to support this or that artist, for business reasons, because it's all business, and art gets left behind. But the public pays to hear art, to hear a beautiful voice, and to experience emotions, emotions which can only be produced with the color of voice that the composer wanted, that is to say, with the low tuning. If Verdi has written a dramatic phrase, I cannot sing it with a thread of a voice, with a light voice. The voice is like a painting, like a palette of colors. I must produce a color of dark voice, dramatic, and when I must produce a word that the composer has wanted very sweet, I must produce it with the color of a light voice. The artist studies for years to produce a palette of colors, this is the perfect voice. It must have so many colors, because the words that it speaks in the role it performs reflect so many colors, and it is not possible to have always the color of a white, light voice.

Vinco: Conclusion: less business and more opera! Beniamino Gigli used to say that the singer should only publicize himself in the evenings on stage.

EIR: Television, above all in America, often broadcasts the operas of the Metropolitan, but it has created the myth of the superstar. What effect does this have on opera?

Cossotto: For me, it is a completely mistaken effect, and completely harmful for true opera. It is a false effect.

I can say one thing: Television has done much to popularize the art, especially in cases where one is unable to go to the theater, either because one has no money, or because it is too far away. But it is still an artificial thing, because it has created big stars, but held back many others from emerging.

Vinco: Not only television, but recordings. There are only five recording companies in the world. I know many singers, many basses, who are murdered by the monopoly of the record industry.

Cossotto: Many hear a great voice on a record, or on TV, then they hear it in a theater and get disappointed. A star, be it woman or man, imposes on the theater, the artists with whom he will work. "I do not want this artist." Why don't you want him? Because he is good, because he or she wants to prevail? The star does not want the young ones who are better than the star! It is a phenomenon which has been going on for several years.



'The human voice is an irreplaceable instrument'

Gilda Cruz-Romo is a Mexican-born soprano who has made her home in the United States, having starred at the Metropolitan Opera of New York for many seasons. She was the first major artist in the United States to endorse the Schiller Institute's campaign to lower the tuning pitch to A = 432, the pitch of Giuseppe Verdi, and backs the legislation in Italy to set a uniform pitch at that level. Miss Cruz-Romo is known the world over, especially for her interpretations of the Verdi heroines, including the title role in Aïda, Leonora in La Forza del Destino, Desdemona in Otello, and Elisabetta in Don Carlo.

The following interview is abridged from a longer discussion held at Miss Cruz-Romo's home, conducted by the Schiller Institute's Jeanne Percesepe Bell, with the help of soprano Jodi Laski-Mihova, founder of the Lubo Opera Company.

Q: What do you think will happen if, and when, the legislation to lower tuning to A = 432 passes in Italy? There, the campaign to lower the tuning pitch, is actually reviving the pride that Italians have always had in their music, in their singing, in the heritage of great art that they have brought to the rest of the world. Do you see such a revival as being possible, for instance in Mexico, or in the United States?

Cruz-Romo: Well, I really wouldn't know exactly the whole situation in my country, because I have been away. . . .

In this country [the United States] . . . we have to sing in so many ways. It [the human voice] is not only an instrument, a woodwind or brass, it is *within us*. We have to go and sing in a place at sea level. Then we have to go and sing at a place at 5,000 feet high. Then we have to go to one that is 400 feet, another at 2,000. . . .

Now, the strain that it puts on the body is already bad enough. All of a sudden—you're singing in America, for example, the pitch is high already. Then you go to Europe, and all of a sudden you have to sing a half-tone higher. It's bad on everybody. Mentally, you adjust very fast. Your body *cannot* adjust very fast. Even when we travel to different places, your body does not adjust. It will adjust in six months. Your mind adjusts in five seconds. Your body starts waking

up at 1:00 in the morning, things like that. . . .

We have to go against so many things, and we are the least powerful of the artists. Everybody thinks about the conductors, the stage directors, the instruments, but they never think about the human voice, which is one of the most precious instruments. They cannot be replaced. They can get another violin, another piano, another of everything, never another voice.

Q: What could you tell our readers about what this does to the music itself—to the message of the composer—when the singer is so bent on just hitting the notes?

Cruz-Romo: I don't have to go too far to tell you what it is. I have just seen what all the artists have been doing, whenever they colorize the old movies. The artists are so upset, and I don't blame them. It is exactly the same. We are—I hate to say the word, but—bastardizing the situation. . . .

Q: Earlier you were talking about the role of the artist. We've named our Institute after Friedrich Schiller, the great poet and dramatist. In one of his poems, *Die Künstler*, "The Artists," he speaks to the role of the great artist in uplifting mankind, that we are the conscience of humanity. What do you see, in the broadest terms, as the role of especially an opera artist, who is not only singing, but is interpreting some of the greatest dramatic works ever written?

Cruz-Romo: We are in a very materialist world. Like it, or not like it, that's the way it goes. It is run by how many dollars, or yen, or whatever you call it, someone has. The thing is this: If a great executive at the moment of great stress, and big problems in the company, can either shed a tear, or loses his temper . . . it is looked at as a gesture of weakness. When we go to the theater, and in the darkness the artist moves you, and you shed a tear, the pressure of the day goes out, through that. You are *not* ashamed, you are not characterized as a weak person, because probably everybody is in the same boat. If we have moved a person, to laughter, to tears, and he comes out and says "Gosh, I feel good about it," he's ready for the fight the next day. Well, that's what entertainment is all about.

We are going into a world of make-believe. How can you tell me that anyone who is 15 years old, can play Juliet, in the opera? They cannot. And still, we are getting directors who say, "No, I want so-and-so." She may look the part, but . . . they have gotten away from the fact that [when we enter the theater] we are in a make-believe world.

With the pitch, we have done the same. We are putting more strain into something that is already very difficult. The thing is, the people who have the brains, are the people who have to go back to where we have to go. . . .

Q: Can you talk a little bit about what goes on when you, as a singer, perform some of the heroic roles, in Verdi or Mozart?

Cruz-Romo: I don't think anymore about it [the pitch]. You cannot afford to, because you make yourself into a terrible bundle of nerves. After all, the performance has to go out, and be done well. So, you try your best, but it puts a strain on the singer. . . .

All of a sudden you have this costume which weighs a million tons, 24 different kinds of steps. Many of the steps are uneven, and you have to be gracious coming down and going up. So there are so many things to worry about, that really you forget about certain things. You just go and do your best job.

Q: Could you tell us a little about your background, how you became involved in music?

Cruz-Romo: Well, I was born into a beautiful family. My parents were beautiful, musically inclined people. . . .

They used to have a symphony subscription. We didn't have that much music in our city [Guadalajara]; the symphony was the only thing, and visiting companies. . . . All the kids—the teenagers—used to go to the theater, way up, to the top, top, top, because we didn't have that much money. We formed a club, and one parent used to take 10, 15 of us, way up there. And we used to go to all the concerts. I saw Rubenstein, I saw Weisenberg, I saw Arrau, every artist that came to town. But we had put all our pennies together to go sit way up there. And I remember, we would hunt from up there—"there's a seat, right there"—and we used to run through the steps of the beautiful theater in Guadalajara. It is really special, because the guard at the theater, he knew us already, and he was always with his back to the door whenever we sneaked in to get into the orchestra seats. . . .

After that, we always took piano and guitar lessons. My father never thought that I would go into this professionally. He almost had a heart attack when I told my parents I wanted to, because at one time it was not very dignified for a lady to go on stage. But . . . they never put any hurdles out for me. On the contrary, they helped me, and I went to Mexico City and started studying.

I was very lucky. I had a great baritone who was a great teacher. There are still many people who are still singing in my country who were his students.

Q: Maestro Esquivel?

Cruz-Romo: Yes, oh, yes. His name was Angel, and he was an angel. You see, that's another of the things that I think that we are lacking in this day and age, that our materialized world has cheated from us. *Teaching is an apostolic job*. Not everybody can be a teacher. . . . He was not only a teacher, a great teacher, he was a great artist himself, he was a gentleman, and for me he was the father, the adviser, the friend, even a companion. . . .

For example, one day, I had a lesson of 10 minutes, because that's all I needed at that time. The next session, I would have an hour-and-a-half. Now, they have to fill one hour! I'm sorry, that's wrong: One hour is a long time for somebody to be singing continuously. But they charge them so much, and they have to make that, so that they feel that they get their money's worth.

And what happens, they push too soon. And then, with the pitch the way it is, there we go! The problem doesn't start only with the pitch. It starts way before.

Q: One of the things we tried to demonstrate in the need to lower the pitch, was the fact that the natural registral shifts of the human voice are distorted, and you're forced to distort the music, if the pitch is too high. When a composer wrote an F#, he wrote an F#, he did it for a reason, because that's when you're going into your next register. I would love to hear any insight you have into how Maestro Esquivel taught about the registral shifts. The reason I ask is that many voice teachers today don't even talk about register.

Cruz-Romo: They don't know. I'm sorry to say it. I don't think they know. I've been judging some auditions, and all of a sudden I hear a tenor who goes up to an A; he screams it out. And I say, "What happened, why didn't you pass?" And he says, "Huh?" "What happened? Open up there." He looks at me as if to say, "What are you talking about?" And these are people who are already in their thirties. What are we ever going to do?

Q: What do you think that the advent of rock music and the drug culture has done? . . .

Cruz-Romo: It's destroying our world. They have to take this to get excitement, when there is so much excitement, when there is so much joy to see around.

Q: The Schiller Institute recently held another conference in Italy, on the subject of reviving classical culture. Much of what was discussed there were not only the beautiful aspects of our work, but also the need to combat the organized evil that is responsible for the drug trade, and now, the Satanic cults that engage in ritual murders. . . .

Cruz-Romo: We are a very powerful nation, and as that, our enemies are undermining us. . . . That undermining of our society, also in our children, is one of the most terrifying things. They are destroying the nucleus of the family. And once you do that, we will be very vulnerable.

China struggle, a turning point for the world

by Linda de Hoyos

After an absence from public view of 21 days, Deng Xiao-ping, the “paramount” leader of the People’s Republic of China, reemerged on Chinese national television June 9 to extol the People’s Liberation Army troops who had carried out the slaughter at Tiananmen Square June 3-5. Deng was flanked by President Yang Shangkun, who, it was rumored by the media, had attempted his own power play against Deng; by Prime Minister Li Peng, the stolid Communist who publicly issued the order for martial law on May 19; Wan Li, chairman of the National People’s Congress who had assured President George Bush May 31 that he would return to ensure the moderates’ victory; senior Vice Premier Yao Yilin, a pro-Soviet ally of Li Peng; state Vice President Wang Zhen, another elderly veteran of the Long March; and various military chieftains.

Speaking as the *primus inter pares* of China’s collective leadership, Deng spoke of the massive slaughter in Beijing in the following terms: “Our officers and troops in the face of mortal danger did not forget the people, did not forget the guidance of the party, and did not forget the interests of the country. They [the unarmed student movement] wanted to transform the People’s Republic of China into a bourgeois republic. . . . Our basic direction, our basic strategy and policy will not change. China will move forward in a more stable, better and even quicker way after passing this test.”

With these words, Deng Xiao-ping took credit for the Beijing massacre, and placed his personal imprimatur on the repression and purges that are now beginning—contrary to all expectations of the Bush administration. The misperception that Deng would be found to be “above it all,” a mere unwilling or dying spectator of the week’s grisly events, has been the justification for the Bush administration’s morally tepid response to the slaughter of unarmed students and citizens in China.

In a display of wimpish equivocation, even at the point that the State Department had ordered all Americans out of the P.R.C., President Bush, who considers himself a personal friend of Deng, told a press conference June 8 that “What I



The Chinese Revolution, 1989: centers of resistance to the Communist regime.

want to do is preserve this relationship as best I can. We don't have totally normal relations unless there's recognition of the validity of the students' aspirations. And I think that will happen. What I want to do is take whatever steps are most likely to demonstrate the concern that America feels. And I think I've done that. I want them to know that I view this relationship as important and I view the life of every single student as important."

Bush may have been listening to the assurances of Soviet agent of influence Armand Hammer, who has said that once Deng reemerged, the violence would stop. According to sources at the Inter-Action Council of Helmut Schmidt and Henry Kissinger, "The U.S.-Soviet condominium is in full operation vis-à-vis China; the U.S. and the Soviets are in hourly contact on China—that is a fact." As one of the early implementers of Henry Kissinger's China card policy, operating in Beijing in 1972, Bush has a personal commitment to maintaining good relations, even at the cost of America's humiliation worldwide. Bush admitted he was not even able to get Deng or any other Chinese leader on the phone.

Both Moscow and Washington are clinging to a world strategic framework that no longer exists. For Moscow, after months of assiduous effort to woo the Chinese into agreement for normalization of relations, Gorbachov went to Beijing, only to have the entire summit blow up in his face at Tiananmen Square.

Aside from the foreign-policy debacle, Moscow is clearly quaking in its boots at the fear of the contagion of popular rage against Communism. European analysts, with the view

sian control, and in the East bloc, believe that the Chinese democracy movement will be sweeping its way the entirety of the Eurasian land mass. The impetus is the same in China as in the East bloc: Communism has lost its credibility; it cannot feed its people. Therefore, just as Bush has met with humiliation in regards to Beijing, unless he readjusts policy to the reality that is emerging, he will commit dangerous blunders of judgment that could bring the world to the brink of catastrophe.

Coverup

In the service of Bush's commitment to maintain relations with Deng, the U.S. media has distorted news to fit the policy:

- The maximum number of people killed in the Beijing slaughter has been listed by the Western press as 3,000. Sources from Beijing, however, report the toll is far higher, closer to 20,000. Not only were the students killed who stayed in Tiananmen Square. Throughout the city, the military was involved in street fights, shooting on unarmed citizenry incensed with their attacks on the students. Bodies were cremated as quickly as possible, to hide the evidence, and therefore counts from hospitals are far below the actual number killed. In addition, the military pursued a "black list" of students in the universities, shooting them on sight, along with any witnesses. The killing in Beijing has slowed down as of June 10, but it continues.

- The Western media was also eager to play up divisions within the military, in the hopes that a rival faction to the

hardliners would rescue the situation. This is a chimera. Many hopes rested on the 38th Army, based in Beijing, which had refused to act against the students in the early days of martial law in May. However, in the meantime, the 38th was purged of all officers and soldiers who rejected orders to kill unarmed students, and the commander of that army is under house arrest.

To be sure, even after the purge of the Zhao Ziyang, reformist faction, there are sharp conflicts with the Communist leadership on many issues. These include conflicts among the military on such issues as: How far will China go toward the Soviet Union? Will the Soviet Union maintain its military enemy status for the military? How will economic reform continue, or will it be brought to a halt? How will or will not leadership attempt at all to alleviate the massive food problem China faces?

However, once the Communist leadership felt its existence threatened as the sole leadership and premier institution of the country, the Communist leadership closed ranks, like a herd of enraged dinosaurs. In the active leadership now are the octogenarians of Deng's stripe, who remember the many sacrifices they and their comrades suffered in order to achieve the People's Republic of China. To them, the wanton slaughter of students who pose "a mortal danger" to the regime is justified by the sacrifices of the past. And despite the fact that almost all of these leaders—including the most rabid "anti-bourgeois pollution" crusaders such as propaganda chief Bo Yibo—were victims of the Cultural Revolution, they have acted with insane ferocity against any who might want to achieve a "new China" of science and democracy.

These leaders are encompassed within the Central Advisory Commission, which includes President Yang Shangkun, who controls sections of the military through his brother and nephew; Chen Yun, the political godfather of Li Peng; former president Li Xiannian; Peng Zhen; Wang Zhen; and Deng Yingchao, widow of Chou En-lai and adoptive mother of Li Peng.

This grouping, as the collective leadership of China, will now unleash harsh repression throughout the country, as announced by Li Peng June 8. In his first televised appearance since his May 19 declaration of martial law, Li, wearing a Mao suit, congratulated the military: "On behalf of the State Council, I bring you greetings. I hope you will continue to work hard to preserve peace and order in the capital."

Earlier in the day, the Communist Party's "Discipline Inspection Commission," headed by the spartan security chief Qiao Shi, order the party's 47 million members to combat the "counter-revolutionary threat." The martial law command further decreed that the unofficial student and worker unions were "counter-revolutionary organizations," while the television repeatedly broadcast telephone numbers for finks to use to inform on union members or students. Then on June 9, the government warned student leaders to give themselves

up, or be killed.

But the real tone of this crackdown, which will reach millions of people, was indicated by Jia Zhijie, provincial governor of Gansu province, who proclaimed over Gansu radio that: "It is necessary to form a deterrent force against them, so that when a rat runs across the street, everybody cries, 'Kill it!'" He claimed that there was massive looting and rioting in the province, which he blamed on the "dregs of society." And in the city of Chengdu in Deng's home province of Sichuan, the imposition of martial law has resulted in the death of at least several hundred. Foreigners who have left the city describe piles of corpses in the city's hotels. Similar crackdowns are taking place in other cities—while the expected repression in Shanghai, where citizens and students control most of the streets, undoubtedly is awaiting the final negotiations of the army in Beijing.

A nation's suicide

Despite their heritage as victims of the Cultural Revolution, the Chinese ruling gerontocracy will, perforce of its own commitment to power, revert to the suicidal campaigns of Mao's assault on the intelligentsia.

As one its first unified acts, the leadership ordered the shutdown of the Chinese Academy of Sciences. Despite its woeful inadequacy in shaping China's reformist economic and social policies, the message was clear: The intellectual elite of the country will be hounded out of any positions of power and purged, if not killed. The Beijing University has also been sealed off. The intelligentsia has now become the "dregs of society."

Second, the Chinese Communist leadership has not accorded foreigners any politeness. Beijing's major hotels have been shut down, after being shot at. To stop foreign reporters from viewing the city through their windows, the windows were boarded up. On June 7, a diplomatic compound was shot up. The chasing out of foreigners is reminiscent of the Boxer Rebellion of the dying Manchu dynasty. The mass expulsion of foreigners—mostly Americans and Japanese involved in joint economic and military ventures—further indicates that the Chinese leadership is willing to lose up to billions of dollars in investment, in order to defend its Neanderthal existence. Deng's "Four Modernizations" have been violently superseded by the "Four Cardinal Principles"—that is, the party, the party, the party, and the party.

This is a prescription for China's destruction. The dynamic now in operation was aptly described by Hong Kong reporter Marlowe Hood. The China crisis, said Hood on June 8, "conforms in most important ways, to the end-of-dynasty syndrome that has punctuated 3,000 years of Chinese history." This trend, he says, has been visible for at least two years, in the collapse of central authority, the growth of corruption, and "hundreds of incidents of peasant violence against local officials and attacks by workers on factory man-

agers. . . . Repeated efforts to reverse the process of disintegrating central power failed.”

If a more benign leadership is not soon installed, Hood warns, “the alternative is truly terrifying. If the government persists in trying to bludgeon the Chinese people into submission, China could face a large-scale popular rebellion. The full fury of China’s semi-literate population is still below the surface. Should it emerge in opposition to the government, it could engulf the country in violence far greater than Beijing’s.”

Light after the darkness?

Deng’s reemergence to congratulate Beijing’s butchers brutally dampens hopes that the Communist leadership might

Deng’s ‘Four Modernizations’ have been violently superseded by the ‘Four Cardinal Principles’—that is, the party, the party, the party, and the party. This is a prescription for China’s destruction.

choose sanity. Some facts of the Beijing slaughter indicate the truth of Hood’s perception of the fury in the population. On June 4, at the height of the massacre in Beijing, Mable Chan of Hong Kong Asia television reported this incredible description of unarmed citizens fighting the military: “Guarding the square . . . are two rows of troops and one rank of tanks. . . and facing them is a wall of human barricades, and every time after troops open fire at the people, they disperse, but after 10 to 15 minutes, people go back there again. They form the human barricade again and face the troops. They are defiant. . . . We are seeing very stubborn crowds here. They are shot, they disperse, they run away, and they go back, and this is an ongoing hourly routine.”

It is believed that many of the student leaders have fled Beijing, dispersing to the countryside and also to Shanghai, as they go deeply underground. From Taipei, Taiwan, General T’eng Chieh (see also below, page 35) commented on the prospects of the democracy revolution, in a speech June 5. There are four levels to the current revolution in the People’s Republic of China, he said.

The first level is the awakening of China, after years of disastrous conditions. The second level is the call for democracy and freedom by the students. These are only the surface

demonstration of what is really going on inside China.

The third level is the organization: The student leaders in China are very well organized. They are using the organizing methods of the Communists—against the Communists. Many of the leaders are very young, but they were five to six years old during the Cultural Revolution. They know how tightly, top down, the Communists organize their movements. Now the students are using these methods—for a very different cause. Each phase of the revolution is well-planned and understood by its leaders. First they called for democracy and freedom. Now, the revolution is out in the open, and the leaders are demanding the end of Communism.

The fourth level, General T’eng said, is the great change within China. All the controls of the Maoist period are gone. In those days, 10 years ago, Chinese society was totally controlled. There were only local newspapers; no national newspapers. If you lived in one city or town, you had no idea of what was happening in another city or town. You were tied to your “Iron Ricebowl.” You had to be registered at one job all your life, or you would not get food coupons, and you would not eat. There was no choice, there was no other way to get food. People also could not travel. To go from one place to another in China, you had to have a “passport.”

But now, this has broken down in the past decade. People travel, they read national and some international newspapers, the “Iron Ricebowl” is gone. There is no way the government can now re-impose such controls; the population will not go back to the past. China is profoundly changed, and this is the basis of the revolution.

International support required

The government has not only lost credibility as capable of solving the nation’s problems; now, with the slaughter in Beijing, it has lost all moral authority. It is viewed by the populace as a fascist, authoritarian regime. However, if this revolution is to succeed, over the long-term, and China is to avert a long dark age, it will take massive international support “to keep the fires going,” said a Chinese veteran. That is the hope and expectation of the Chinese students who died at Tiananmen Square.

On June 1, two days before the slaughter that would kill her, student leader Cao Ling published a statement in the *Sing Tao Wan Pao*, on the earth-shattering importance of the student movement. Beijing, she predicted, would stage a “maniacal revenge on everyone concerned, because the Chinese have a strong mentality for revenge.” But she went on to state, “This movement’s great meaning is that it is a history chapter unfolded by the masses themselves. The darkest day hasn’t come yet. . . . Our generation needs the courage to die for our fight . . . but we won’t go after death, we must live to victory and see our republic come under a bright sky. This work must be continued for . . . this is a matter of life or death for our country.”

How the world reacted to the Tiananmen Square bloodbath

United States

Many members of the U.S. Congress June 4 chastised the Bush administration for its do-nothing approach. "It's folly. We should stand with these young people," said Sen. Jesse Helms (R-N.C.) who vowed to block a sale of aircraft electronics components to the Chinese as an expression of U.S. anger. Rep. Mickey Edwards (R-Okla.) stated: "You have to act on an outrage like this immediately or it has no impact."

On June 5, the White House announced the suspension of government-to-government sales and commercial exports of weapons to China and private military exports. According to congressional sources, however, no arms sales to China are currently pending.

Bush stated that the United States would not break relations with the P.R.C. government, nor break commercial ties. He added that the June 12 visit to the United States of P.R.C. Foreign Minister Qian Qichen would not be canceled.

On June 7, the Senate unanimously urged consideration of further sanctions against China because of its "brutal use of force . . . against unarmed advocates of democracy and human rights in China." The resolution, approved by all 100 senators, commended Bush's suspension of U.S. military sales but urged further steps: 1) Bush's consultation with major U.S. allies to determine whether they should jointly take further sanctions; 2) review of any new loans for U.S. trade with China by the U.S. Export-Import Bank and Overseas Private Investment Corp. to determine if China still meets the human rights requirement for such loans; 3) consideration of the situation in China by government agencies before they liberalize regulations to allow more U.S. trade with China; 4) an increase of the number of U.S. Voice of America broadcasts into China.

On June 8, as the hardliner consolidation in Beijing became clearer, Bush maintained his position: "What I want to do is preserve this relationship as best I can. We can't have totally normal relations unless there's recognition of the validity of the students' aspiration. And I think that will happen. What I do want to do is take whatever steps are most likely to demonstrate the concern that America feels. And I think I've done that. . . . In terms of our trying to find our their internal order, it is extraordinarily difficult. And I did try to contact a Chinese leader today and it didn't work. But I'm

going to keep on trying. I want them to know that I view this relationship as important and I view the life of every single student as important."

Center for Strategic and International Studies fellow Dr. William Taylor told the Cable News Network that he likened the Tiananmen Square massacre to the Kent State University killing of 1970 in Ohio, adding that in Kent State no one had really been in charge. CNN's moderator came back in amazement: "Are you saying that what happened in Beijing was an accident?"

On the other side, the *New York Post* June 5 editorialized: The Tiananmen Square massacre "has reminded the world that [China]—for all the talk of reform—remains a Marxist totalitarian state." There is a tendency in the West "to forget that China—and the U.S.S.R.—are fundamentally different from Western states, a tendency to ignore the fact that the moral principles which animate governance are entirely irrelevant to the Communist universe." And a *New York Times* opinion column June 6 by A.M. Rosenthal stated: "How strange it is that at the very time when Communism is in its vicious death agonies in China, contemptuously rejected in Poland and a disaster wherever it still clings to power, the U.S. and its Western allies are committing themselves to support a desperate attempt to keep it alive in the Soviet Union." Commenting on Bush's non-action, Rosenthal noted: "All those mumbled arguments in Washington that strong American support for the students would annoy the Beijing regime and make it nasty—what mockery they are now."

East bloc

Soviet Union. The Soviet Parliament June 6 condemned all outside attempts to put pressure on Beijing over the clashes between troops and civilians. "The events happening in China are an internal affair of the country. Any attempts of pressure from outside would be inappropriate. Such attempts only blow up passions but do not promote stabilization of the situation," said a resolution adopted by a large majority of the new Congress of People's Deputies.

A columnist for the party newspaper *Pravda* stated June 8: "The use of force to maintain public order is a measure as extreme as amputating a sick man's leg. It always hurts; it is always undesirable. But it is sometimes necessary to save a

human life. Crowd elements easily become a weapon in the hands of evil forces. We in the U.S.S.R., alas, have such examples here. It seems that in connection with the tragic events of Tiananmen Square, none of us can play role of prosecutor or defense, because the image of armored vehicles at the crossroads touches one of our sensitive nerves."

Poland. In a rare special news bulletin that interrupted normal broadcasting in Warsaw on Sunday, a Polish state television reporter said he saw Chinese soldiers firing into the backs of students fleeing from Tiananmen Square. Poles held a demonstration outside the P.R.C. embassy in Warsaw in protest.

Hungary. Hungarian Foreign Minister Gyula Horn stated June 5: "I consider it to be a horrible tragedy from two points of view. First, it is an assassination against thousands of people which, I think, cannot be excused by anything. Second, I very much fear for the political consequences of this, that is, that this can strengthen, not the resurgence, the reform, but on the contrary, the camp of those who believe in violent solutions in China."

Endre Aczel, chief commentator for Hungarian television, stated June 6 that "similar operations" could occur in other socialist countries. He said, "The murderers in Beijing are true devotees of order," and such persons "exist in great number also in other socialist countries. They kill in the name of order, at a time when history has already gone beyond them. The bloody methods which he [Deng] has resorted to, will not solve China's problems. The gruesomeness which has begun in Beijing, has showed the world the kinds of reserve capabilities that the anti-reformers in the socialist lands still have at their disposal."

East Germany. The Parliament June 8 passed a unanimous resolution supporting the Li Peng regime, welcoming the "use of the state's full might against elements hostile to the constitution."

Western Europe

Great Britain. Prime Minister Margaret Thatcher stated on June 4: "It is a reminder that despite some recent easing of East-West tension, a great gulf remains between the democratic and Communist societies. We are all deeply shocked by the news from Beijing and appalled by the indiscriminate shooting of unarmed people."

On June 6, Thatcher further stated: "Communism stands ready to impose its will by force on innocent people. Everyone who witnessed those scenes on television was afflicted with utter revulsion and outrage at what happened. . . . Clearly, normal business with Chinese authorities cannot continue." Great Britain said it would not abrogate its arrangement to turn Hong Kong back to the mainland's sovereignty in 1997.

France. French Foreign Minister Roland Dumas stated June 4: "Brutal force was used to stop, to break the growing movement for the ideas of liberty. This action clearly runs

counter to the cause of history." On June 6, French Prime Minister Michel Rocard reported that "France has decided to freeze relations with China at all levels." He said "the member states of the [European] Community are at this moment coordinating their position regarding China."

Federal Republic of Germany. See *Report from Bonn*, page 48.

Asia

Japan. Japanese Deputy Foreign Minister Ryohei Murata June 7 told the P.R.C.'s ambassador: "Japan has been adhering to a stance of maximum restraint on internal matters of China, but the Chinese government's actions are intolerable from a humanitarian standpoint. Japan greatly regrets the lamentable turn of events in which many lives were lost owing to the use of military force."

A Japanese government committee is considering plans to impose economic sanctions against China. Japan's assistance currently makes up 68% of China's total bilateral aid. Representatives of the 100 Japanese corporations operating in Beijing were called back to Tokyo June 6.

Australia. Prime Minister Bob Hawke said June 7 that Communist Party leader Zhao Ziyang offers the only hope for China to emerge from its present crisis. "The welfare of his country very significantly depends on his capacity to survive and to be reinstated to his position of leadership. He is in my judgment not merely the voice for moderation but the person who has the capacity and the vision to bring China together and to enable it to come out of this absolute tragedy."

Republic of Korea. On June 7, the South Korean government called for suspension of direct investment in the P.R.C. It asked Korean firms to evacuate their employees and halt negotiations on investments with China.

Thailand. Prime Minister Chatichai Choonhavan stated June 6: "Right now the world is talking about this event but we cannot say much about it because we are close to China." Armed Forces Chief of Staff Gen. Sunthorn Kongsompong is quoted: "Not even the U.S. and the Soviet Union have officially criticized the Chinese government." He said the Thai army would refrain from making any criticism because it might affect its good relations with China.

Hong Kong. On June 4, there was a call by legislator and teachers' union leader Szeta Wah for a general strike June 7. Wah and legislator Martin Lee said they would no longer take part in drafting the mini-constitution that will rule Hong Kong after it is handed back to China. Lee told a crowd: "This is the darkest hour of human civilization. I think they have gone completely mad." Hong Kong's most senior legislators, Dame Lydia Dunn and Allen Lee, issued a statement condemning the violence.

Vietnam. The state radio broadcast that the Chinese Army "could in no way refrain from taking action after a number of hooligans and ruffians insulted or beat up soliders" took some of their weapons and destroyed military vehicles.

'River of blood' divides LaRouche, Kissinger policies on China

The following statement was issued by former U.S. presidential candidate Lyndon LaRouche on June 5, 1989:

"Yesterday, world television screens witnessed Bloody Sunday, the earthshaking China revolution, 1989. Today from that scene, the blood of ten thousand martyrs flows eternally, a surging, impassable river dividing the peoples within all nations of our planet into two camps.

"On yesterday's television screens, this division of the world was made clear. The world was separated between those appeasers of Moscow who, like Henry A. Kissinger, propose we condone the massacre without emotion, and those who receive the blood of ten thousand martyrs as a sacred trust.

"So that river of martyrs' blood flows today from yesterday through the lands of the subjugated nations of Moscow's vast growing empire to Western Europe and the Americas. So it divides the people of these nations into two camps.

"Another branch of that living river flows through the nations of Asia. It flows along the course of the Asiatic Island Rim through the nearly half billion people of Southeast Asia and among the billion souls of the Asian subcontinent. Along the banks where the Asia branch of the river flows south, dwell more than half the people of our planet. To them, the blood of China's martyrs bathes the souls of nations with new hopes. So, let the blood of those martyrs live forever in our dedication to a new world order based on those principles of universal economic and spiritual justice held in common with our Abraham Lincoln and China's Dr. Sun Yat-sen."

What LaRouche and associates have said

Linda de Hoyos, in *EIR* Vol. 15 No. 24, June 10, 1988, wrote, "In the not-so-long run, China's attempt to become an imperial power will doom it. Given the economic timebomb in China today, the chances of the Red Dynasty's lasting are less than any of its predecessors. China's survival will depend upon a reversal of the current strategic catastrophe along with new policies emerging from especially Japan and the United States, which seek to reverse China's potential economic holocaust while blocking its geopolitical ambitions with a rim of economic and republican cooperation stretching from Islamabad to Seoul."

Webster Tarpley, in *EIR* Vol. 15, No. 45, Nov. 11, 1988, wrote: "The Beijing regime is even more desperate, even more crisis-ridden than the Soviet Empire itself. Deng's 10-year-old economic reform program has now reduced the Chinese economy to utter chaos, and this final failure of the Beijing regime has torn away its last shred of political legitimacy. The facts point to a cataclysmic political-economic crisis in mainland China during the years immediately ahead, with the potential of sweeping away the post-1949 order in the world's biggest country."

Tarpley added in *EIR*, Vol. 16, No. 2, Jan. 6, 1989: "Despite the recent flailing attempts of the Beijing leadership to avoid catastrophe, mainland China is now in the throes of a breakdown crisis so severe as to rend the very fabric of civilization, perhaps setting the stage for a breakdown in central authority and the emergence of a new warlord era similar to the 'Warring States' epoch of Chinese history between 403 and 221 B.C., or to the chaos that prevailed in the country during and after the First World War."

Lyndon LaRouche, in a dialogue with legislators and other leaders of the People's Republic of China (Taiwan) on Sept. 4, 1988 (*EIR*, Vol. 15, No. 47, Nov. 25, 1988, p. 52 ff.) ". . . There is a conflict among those Satanic allies. In the United States, we have wealthy families like the Harrimans. . . . Then, you have the powerful insurance companies of Venice, the British royal family, which has said in public that it is pro-socialist. Then you have Moscow and Beijing. These are the three forces that are now negotiating on the fate of Asia. There is supposed to be an agreement of Moscow and Beijing on Southeast Asia by next spring.

"But there is a problem among these four forces. The Anglo-Americans want the white race to rule the empire they are creating, as Henry Kissinger explained at Georgetown recently. . . . Moscow intends that the Great Russian race will rule the world. The communists in Beijing naturally have different ideas. There is an inherent conflict about who is going to become Satan. . . .

"I have a slogan which shocks people: Kill Satan. . . . The period we are entering makes it possible for us to win. Some here in China remember the 1921-27-33 period. We are now in a period like 1927-33, but worse. . . .

“What is required is the creation, perhaps of a party, but certainly of a unified force among nations, with each member a patriot of their nation and also a world-citizen.”

What Kissinger has said

Kissinger is of course the author of the “China card” policy by which the United States stabbed its longtime allies in Taiwan in the back and extended full recognition to the Beijing regime of first Mao and then Deng. As recently as *May 18, 1989*, Kissinger advised a group of 250 Swedish business and banking leaders whom he addressed in Stockholm to invest in the People’s Republic of China. According to participants who reported what occurred to *EIR*, “Kissinger was astonishingly pessimistic about Gorbachov. . . . Kissinger sees more hope in the future of investment in Red China, as it goes to a ‘free economy.’ ”

The financial operations of the America-China Society that Kissinger set up in 1987 out of the office of his consulting firm, Kissinger Associates, could be one motive for his statements that “vital interests” preclude U.S. intervention on behalf of republican revolutionaries in mainland China. It is said to be highly influential with the Bush administration on China policy.

On June 4, as the massacres were being carried out in Beijing, Kissinger was all over the Western print and electronic media. On ABC-TV’s “This Week with David Brinkley,” he said that “Deng has done this very reluctantly, very reluctantly,” and panicked when the question of sanctions against the regime of Deng Xiao-ping was brought up. He said that, although he agrees with the Bush administration that the bloodbath in Beijing is undemocratic, nonetheless the United States must be extremely careful not to give the Russians any pretext to regain ground with China. In an interview with BBC Kissinger said, “China is too important a country for us to drive it back into isolation or maybe towards the Soviet Union,” by applying sanctions.

In a full page column appearing in the Sunday *New York Post*, Henry Kissinger kept plugging Deng Xiao-ping. “I have been following events in China with the pain of a spectator at a quarrel in a family to which one has a special attachment,” Kissinger began. He called Deng “courageous,” “the symbol as well as engine of China’s reform,” a man who “sought to transcend the process of periodic purges by which communist countries typically settle their leadership problems.” He depicted the students as merely a “chaotic” disruption of the Chinese society. A similar Kissinger commentary appeared in *Welt am Sonntag* in West Germany.

Kissinger made it clear that his position has nothing whatsoever to do with morality: “For Americans it is important to keep in mind that the opening of China. . . took place during Mao’s China, for which morally and politically we felt no affinity whatsoever. But it has remained the view of four U.S. administrations of both parties that a close relationship between China and the United States serves the interests of both. . . .”

Interview: Beijing Students

‘Let the world know the truth’

The following phone interview with students at Beijing University was conducted at 11:30 a.m. (Pacific time) on June 3. Since then, phone calls into Beijing University are now no longer technically possible. The interview was conducted by students in Los Angeles, with the assistance of several CBS correspondents.

Q: How is the situation in Beijing?

Beijing: The bloody massacre at Tiananmen Square is finished; they are now moving into the schools.

Q: The army is moving into schools?

Beijing: Yes, can you pass this news out? The dead and wounded are impossible to count.

Q: The dead and wounded are impossible to count, you said?

Beijing: Yes.

Q: We now have two CBS correspondents here with us; you may talk to them too. You may talk in Chinese. I’ll translate. You may talk now.

Beijing: At about 10:40 at Muxidi [three miles west of Tiananmen Square], the army trucks headed with armed police kep sweeping the crowd on the street with heavy machine gun shooting while they were moving towards Tiananmen Square. They used real bullets. At the beginning they may have used rubber bullets. They even shot at the residence buildings along the street. Many residents were injured in their homes and were sent to the hospital. Up to 2:45 a.m., in Fuxing Hospital only, 26 people died, most of them were students. The army and the armed police even shot at the ambulance that tried to rescue the wounded. Some medical staff wearing white garments and Red Cross were injured and were sent to Fuxing Hospital. Now the shooting at Tiananmen Square has ceased. A telephone from the southeast corner a moment ago said that, most of them are [unintelligible], those not dead have been arrested. Information from Beijing University says the army will enter the university at 4:00 o’clock. The dead are impossible to count.

Q: What do you want to say to the American public? What do you want us and the American public to do?

Beijing: We hope to let the people all over the world know the truth about this massacre. Let them know that the darkest and bloodiest tragedy in human history is happening in China. But people in our country will not bend. They believe the final victory belongs to us. The final victory belongs to the people. We hope all the peace-loving people in the world will give a helping hand to the Chinese people who are struggling desperately under the machine gun fire. I want to express our thanks to them, on behalf of our miserable people. [Both sides cry.]

Now the situation is urgent. What will happen tomorrow is hard to predict. However, the brutality of this massacre is rarely seen in human history. I have a name list of those who died in Fuxing Hospital. It was sent to me by telephone a moment ago. I'll read several to you.

Q: Please read it.

Beijing: Zhaong Qing, male, Han nationality, student of Optical Instrument department, Tsinghua. Bullethit on head. Brain injury. Died 1:30 a.m.

Wang Weiping, female, grade 83, Beijing Medical Science University. Bullet through chin; died midnight.

Huo Xiangping, age 54, female, retired worker from Beijing Communication Component factory. Bullet hit heart when walking home at Muxidi. Died 1:30.

Yin Jing, age 35. Engineer of the Metal Recycling Company of Beijing Metallurgical Industry Department, living in Muxidi 24th. Bullet hit through head on nose when he was in his kitchen; died instantly.

Wu Xiangdong, worker of Beijing Dongfeng TV Factory, now attending the employee university of Beijing Electronic Instrument Company, the employee university of Beijing Electronic Instrument Company. Bullet through main artery on the neck. Died one minute later. He is a handsome young man, only 21.

Tan Zhigiang, male, age 30. Carder of the 2nd City Construction Company, living in 7th Changchuen Street. Died at about 1:00 a.m.

Ge Chunming, male, age 21. Biology Teacher of Beijing 61st middle school. Bullet hit at back. Died.

Lin Keqing, age 22. Graduate student of grade 88, Journalism Department, Chinese People's University. Injured twice on the waist. He was injured when he was trying to rescue the wounded at the south gate of Yienjing Hotel.

So many are dead, including a 67-year-old lady living on the 13th floor of 22nd building at Muxidi.

When the medical staff send transfusion blood from the blood bank to the hospital, many medical staff wearing white garment and Red Cross [uniforms] were injured. The army shot at the ambulance.

Q: We will let American people and the people in the whole world know what really is happening in China.

Beijing: Thank you.

Q: What kind of troops?

Beijing: Not really know what they are. They should be the troops which has stationed in the vicinity of Beijing, since June 2, early in the morning, and from June 2 in the evening. They disguised themselves, brought with them kitchen knives and ropes as well as guns and daggers and sneaked in division into Tiananmen Square. They were discovered and held by the citizens.

During the night today, the Han Din District Committee courtyard which is next to Beijing University are stationed with troops and it is only 200 meters away from our school. Right now the students in Beijing University are broadcasting and urging students leave the university and go home; they also persuade the workers and civilians who are protecting the students both inside and outside the campus to leave, in order to avoid more bloodshed.

Q: Is the soldiers arresting people or the police?

Beijing: The soldiers, but the police also involved.

Q: Is Tiananmen Square being cleared out?

Beijing: The communication with Tiananmen Square has been totally cut off and the information I go by was telephone from Dong Dan Lu Kou.

Q: What was that?

Beijing: The story was that the massacre at Tiananmen Square was over and people's blood has become a river. Everyone alive has been arrested. Two hours ago, I heard on the phone that the gunfire was fierce over the Square. The demonstrators retreated to the Monument of the People's Hero, because they did not want to leave but ready to die at the Monument. As the Square had been blockaded we could not hear directly from the people who had witnessed the real situation, but only overheard on the phone.

Q: What else can you tell?

Beijing: That's about it.

Q: Now the students are going back home? What about the communication?

Beijing: You can call this number. I will be there.

Q: All of our students here will try by all means to fight the government.

Beijing: Thanks.

Q: We give you our full support. We salute you.

Beijing: You may call us by this telephone any time.

Q: You take good care of yourselves.

Beijing: Same to you.

Q: Thank you.

Beijing: good at war, bad at development

The following lines were written in 1987 by Gen. T'eng Chieh, a member of the National Assembly of the Republic of China (Taiwan) and a longtime close collaborator in the Kuomintang party with the late Gen. Chiang Kai-shek, in his most recent book, Turning Defeat into Total Victory: A Total War Strategy Against Peking. General T'eng knows more than perhaps anyone about the genesis of the present popular revolt against the bloody Beijing (Peking) regime, since for years he has been at the center of careful preparations to overthrow that regime and unify all China under the Three Principles of Sun Yat-sen, symbolized by the Statue of Liberty erected by the students in Tiananmen Square. In the fall of 1988, General T'eng met in Taiwan with former U.S. presidential candidate Lyndon LaRouche to discuss ways to expand and activate the worldwide anti-Bolshevik resistance movement. For simplicity, EIR has edited the spellings of Chinese names to match the style used elsewhere in this publication.

The enemy are unlike us [in Taiwan] in that they are good at war and bad at development. This is because Marxism-Leninism is nothing more than a campaign for conquest on a world scale. It may be described as a military verity rather than a developmental one.

Since the Cultural Revolution, Marxism-Leninism has shown itself to be bankrupt and has lost its dominant ideological position. Currently, internal unity within Communist China does not rely on ideology but depends rather on political power. If the Chinese Communists lose political power the Chinese Communist Party will cease to exist. At present the Chinese Communist Party contains over 40 million members. All have vested interests and rely on their political power for their livelihood. In order to preserve these vested interests they must continue to uphold the political power of the Communist Party. Thus their one and only aim is to uphold their political power. The Chinese Communist Party is no longer held together by beliefs, it is held together by common interest. These interests are very easily changed, so it would be easy to destroy this party.

On the mainland, three decades of socialist construction have led to utter failure. The people are poverty stricken and

at odds with the government. In order to remedy the situation, Deng Xiaoping decided at the beginning of the 1980s to launch the Four Modernizations—of industry, agriculture, defense, and science and technology. At the same time, however, he also had to advocate four cardinal principles, namely: 1) the socialist road, 2) the dictatorship of the proletariat, 3) the leadership of the Communist Party, and 4) Marxism-Leninism and Mao Zedong thought. There exists an inherent contradiction between the Four Modernizations and these four cardinal principles. It is a contradiction which cannot be resolved by “taking the planned economy as the main force and market forces as the subsidiary force,” as advocated by Chen Yun. Neither can it be resolved by Deng Xiaoping’s formula of “invigorating the domestic economy and opening up to the outside world.” What these four principles advocate is the system of public ownership, totalitarianism, the class system, and world domination coupled with internal control of the country. The system of public ownership destroys the incentives necessary for economic development, totalitarianism suppresses the vitality needed for political development, the class system breaks down the harmony necessary for social development, and the policy of world domination coupled with internal control of the country has meant that all development is incapable of keeping up with the times. The reason why mainland China remains poor and backward, why its people remain exploited and enslaved and why there are struggles without end, is simply that they have persisted with these bankrupt systems. The conditions necessary for the Four Modernizations to succeed are exactly the opposite. It is obvious that unless these four cardinal principles are renounced there is going to be no way this state of poverty and backwardness can be remedied, let alone the ideal attained of a “Chinese-style socialist society.”

These facts show how the Chinese Communist Party’s spiritual life has utterly collapsed, and without any hope for material development either, the future is black indeed. Their only hope is to make use of what they are good at, starting wars. Since their military organization is still very strong they can, in a limited period of time, achieve superiority. Therefore they have decided on a quick, decisive battle and have launched a campaign.

The aim of their attack is on the one hand to exploit the U.S.-Soviet conflict to carry out “anti-hegemonism” while attacking weak points in our defenses in Taiwan. The attack on Taiwan is their main objective. . . . Their motive in attacking Taiwan is to completely annihilate their one remaining enemy so that no force capable of resisting them will ever be able to form within China and their regime will be placed on a stable foundation forever.

Up to now, their campaign has been fairly successful. They have many serious internal weaknesses, but because there are no external forces attacking them these weak points have not been exploited and for the time being have not hindered their outward offensive. . . .

Post-Khomeini Iran: radicalism and civil war

by Thierry Lalevée

The television scenes of mass hysteria during Ruhollah Khomeini's funeral on June 6 may have been the strongest political message to date as to Iran's immediate future in the post-Khomeini period.

This came as a sharp contrast to the seemingly smooth transition of power which occurred on June 4 when, less than 24 hours after Khomeini's death, President Ali Khamenei was elected as the Ayatollah's spiritual successor. However, the June 6 scenes of funeral rioting were doubtlessly the public expression of the real state of mind of the leaders of the so-called Islamic Republic of Iran.

Whether that republic can ultimately survive the death of its master is an open question. This was uppermost in the minds of the leadership which gathered on June 4 and decided to immediately appoint a successor to Khomeini, as a gesture of strength. Yet, behind the facade of national unity, which is expected to be maintained over the next 40-day period of mourning, each faction is sharpening its knives. Though the Islamic Republic is not about to collapse in the short term, the country is about to be engulfed in major political and social upheavals, which can be expected to last for weeks and months.

Ultimately the death of Khomeini is expected to have the following international and internal consequences:

International crisis

Coming in the wake of China's plunging into a civil war, the upcoming Iranian crisis is an additional threat to the proponents of an American-Soviet condominium. Since the 1987 American-Soviet negotiations over the Persian Gulf which led to U.N. Resolution 598 and the August 1988 ceasefire, the consensus of the superpowers was that any attempts at changing or reorienting the political regime in Teheran, as

long as Khomeini was alive, were doomed to failure.

Subsequently both Washington and Moscow reached a tacit agreement that both would refrain from interfering until then.

Even though that agreement was violated in recent months with Moscow strengthening its economic and intelligence ties with Iran, Washington saw fit to close its eyes to the matter. Washington's assessment was that the present trend of Iran-Soviet negotiations was a mere game of pressures by the Iranian leadership against the West, and that the leadership around Khomeini would never agree to a strategic relationship with Moscow.

A new game is now on. Clearly both Moscow and Washington were caught unprepared, not expecting Khomeini's death to occur so soon, and being so ill-timed with the other ongoing international crisis. Their immediate reactions have been to claim neutrality. While Soviet party boss Mikhail Gorbachov sent a condolence message on June 6, stressing that good relations between the two countries were "closely associated with Khomeini personally," George Bush emitted a few wishful hopes on Iran's potentially releasing Western hostages.

More concretely, the State Department immediately moved in, giving strict orders to the Voice of America not to broadcast in its Farsi transmissions any calls for the overthrow of or rebellion against the regime.

Yet, how long can such a neutrality be maintained? Already by force of events, both the Soviets and the United States have been reorienting a large part of their regional intelligence operations toward monitoring Iran's internal fights. The KGB chairman may have told the *New York Times* a few weeks ago that cooperation between the KGB and the CIA was proceeding smoothly; the interests of both agencies,

as well as of both government will soon be conflicting.

A thorough investigation into the June 5 murder of Iranian monarchist, Col. Ataolla Bay Ahmadi, in Dubai, may be revealing as to the already ongoing intelligence warfare.

As Iran plunges into social strife, both superpowers will activate their political and intelligence assets to influence the power struggle in diverging directions, even though the Henry Kissinger group in particular may be reactivating its years-old plan for a division of the country and its sharing between both powers.

The mere publication of such a plan now, and any attempt at its implementation would send destabilizing shock waves throughout the region, endangering the very stability of the American-Soviet agreements reached on other parts of the region. But while Washington and Moscow are pondering the various geopolitical scenarios that would enable them to profit from the Iranian situation, events in the country are expected to take a turn for the worse in coming weeks.

Iran's internal strife

Though a major political fight is to occur around the late-August presidential elections, those elections are not expected to resolve the matter. Right now and contrary to the public appearances, Iran is not led by Ali Khamenei, but by a troika made of the President and Khomeini's official spiritual successor together with Parliamentary Speaker Ali Akbar Hashemi Rafsanjani, as well as Ayatollah Ali Meshkini, the powerful chairman of the Assembly of Experts which elected Khamenei.

The principle of the troika was decided in the days which followed the official disgrace of Ayatollah Montazeri, then Khomeini's nominated successor, and they were de facto made public several weeks ago, when Khamenei decided to give full public support to Rafsanjani's bid for the presidency in August.

Yet both would have been powerless without the support of Meshkini. With the presidency, the Parliament, and Assembly of Experts under their control, they could move swiftly on June 4 to impose Khamenei. Ultimately, their plan is that by next August, a well-elaborated division of power will be established among the three, once Rafsanjani is elected as President with new kinds of executive powers—along the lines of the just-concluded constitutional reforms.

Yet the matters obviously does not end there. If the mass hysteria of June 6 is of any value in political terms, it has shown that the followers of the mullahs are now as radicalized, fanatical, and as militant as they were in February 1979, when they welcomed Khomeini.

'Moderation' not in view

The political consequences are obvious. To maintain itself in power, the troika will have to ride the crest of the wave of militant Islam. The time for the Islamic Republic becoming more "pragmatic" and more "moderate" has certainly not

come. To the contrary, the present leadership will have to sponsor militant actions within the country and potentially abroad to establish its legitimacy.

Indeed, as far as Rafsanjani is concerned, Khomeini clearly died a month too early. His death has prevented the Speaker of the Parliament from making his long-expected trip to Moscow which, besides consolidating the relations between both countries, was to give him some kind of international legitimacy as Iran's top political leader.

Whether such a trip is being merely postponed or canceled altogether remains to be seen. Moscow has now to think twice whether it really wants to be involved in Iran's internal fight by favoring Rafsanjani now.

Meanwhile more radicalism will only prove right the more fanatics within the leadership who have definitely not given up hopes to reach full political power. Any reports announcing that Ahmad Khomeini has been inflicted a decisive political defeat, are not only premature but wrong. With no other official position than to be the son of the deceased Khomeini, Ahmad still enjoys the support of the Interior Minister Ali Akbar Mohtashemi, Security Minister Reyshahri and Hojatoleslam Mehdi Karroubi, chairman of the Foundation of the Martyrs and Khomeini's special representative to the *Hajj* (the pilgrimage to Mecca).

Besides the obvious importance of both ministries, Karroubi is a powerful ally—he is also number two of the Parliament. His foundation is the main institution financing the Pasdarans (Revolutionary Guards) and the local Komitehs, the very grass roots of the Islamic movement.

Additionally, the political commissioner for the Pasdarans, appointed by Khomeini last winter, Sheikh Abdullah Nuri is also a close personal associate of Ahmad Khomeini. Likewise the present Chief of Staff, Gen. Ali Shahbazi was Khomeini's military *aide de camp* for several years.

These are powerful alliances to confront and challenge the power of the troika. In the immediate aftermath of the mourning period, Ahmad Khomeini's faction will launch its offensive. This may include Ahmad himself standing for the presidential elections. With no new elections for the Parliament immediately planned, the Parliament is still very much in the hands of deputies who have been hand-picked by Mohtashemi, creating a situation whereby the new President—whatever executive powers he may be given by the new Constitution—will be a mere political hostage.

Additionally, others factors have to be taken into account. While in disgrace, Ayatollah Montazeri still enjoys some popular support. His supporters will not remain idle.

The same can be said about former Prime Minister Mehdi Bazargan and his friends, who have traditionally enjoyed the protection of Montazeri. Both groups may converge in their activities, however marginal.

Likewise, the opposition abroad is not expected to remain neutral, and each group is already gearing up, ready to intervene into the political fight.

Kremlin leaders face grave internal crisis

by Konstantin George and Luba George

Since the beginning of June, an East bloc-wide wave of eruptions has confronted Mikhail Gorbachov and the Kremlin leadership with their gravest internal crisis since Gorbachov's 1985 election as Communist Party general secretary.

A leadership crisis atmosphere was already evident June 2, when Politburo member Alexander Yakovlev suddenly announced that an emergency Central Committee Plenum had been called for that very evening. Ultra-secrecy, even by Soviet standards surrounded that plenum.

Right before that, a visit by Bulgarian leader Todor Zhivkov, who had been scheduled to arrive in the first days of June, was abruptly postponed.

The delay of Zhivkov's visit was one of a series of sudden cancellations of planned early-June activities involving the Soviet political and military leadership. Gorbachov's military adviser, Marshal Sergei Akhromeyev, and Central Committee member Georgi Arbatov, head of the Moscow U.S.-Canada Institute, canceled their plans to go to the United States to appear before the House Armed Services Committee. A Warsaw Pact summit originally set for June 7-8 in Bucharest, Romania, quietly fell by the wayside.

On June 7, the West German government announced that Gorbachov's program for his planned June 13-15 Bonn visit had been "sharply curtailed," and Bonn could "not totally exclude" a postponement.

In between, on the fateful days of June 3-6, a full-scale crisis erupted inside the East bloc.

● June 3: A leak from a liquid natural gas trunk pipeline east of the Urals, was ignited by sparks from two passing trains, creating an inferno, with up to 800 people killed. The tragedy was a horrendous monument to the incompetence and extremely backward methods of operating inherent in the Soviet civilian system. The liquid gas leak had been under way for hours before the holocaust occurred. Pipeline managers, who had monitored the sudden drop in pressure along the line, knew that something was wrong, yet, instead of simply finding out *what*, tried to correct the pressure drop by *increasing* the gas pressure. This accelerated the flow of liquid gas from the leak, reaching the railway tracks much faster than would have been the case otherwise.

● June 3: There was a similar rupture of a natural gas

pipeline running adjacent to a trunk rail line in Soviet Moldavia, near the Romanian border. Everything points to a major pattern of KGB-run sabotage, and disasters which will be termed sabotage.

It is but a matter of time before the Soviet leadership makes a grand announcement to this effect, and uses this to inaugurate a wholesale purge along the lines of the aftermath of the 1934 Kirov assassination, which triggered Stalin's Great Purge. Gorbachov's speech on the rail disaster to the Soviet parliament stopped just short of citing sabotage as the cause. The Soviets chose KGB chairman Vladimir Kryuchkov to announce in *Izvestia*, June 6, the formation of a "commission of inquiry" on the pipeline disaster.

● June 4: The bloodiest case of inter-ethnic slaughter, surpassing the intensity of last year's anti-Armenian pogroms in Azerbaijan, began in the Fergana region of Soviet Uzbekistan in Central Asia, with mobs of Uzbeks on a rampage against Meskhetian Turkish and Crimean Tatar minority groups. The carnage lasted for four days, with no stop, with hundreds killed and thousands wounded (the official death toll was first 56, then 67 killed and 521 injured—in itself confirmation that many hundreds had been killed) and large sections of Fergana city, the region's capital, and the other towns of the region, in flames.

The militia was incapable of bringing the situation under control. As earlier in the Transcaucasus, the Soviet Interior Ministry troops were called upon to do the job. Their total had climbed to 12,000 by June 7, with the Soviet Army waiting in the wings. Of the Fergana region's 15,000 Meskhetian Turks, 11,000 were brought to camps set up by the troops.

● The Transcaucasus tinderbox was again approaching a flashpoint. TASS of June 5 revealed that the Armenian-inhabited region of Karabakh had been again paralyzed by a general strike and daily illegal mass demonstrations since May 30.

● June 4: A renewed Polish crisis broke out following the massive defeat for the ruling Communist Party in the parliamentary elections.

The election results were significant on two counts: First, the Polish Communist Party's discreditation had become complete; in 254 of 261 races where a Solidarnosc figure had run against a party official, Solidarnosc emerged victorious in the first round, and in the remaining seven are certain to win the run-off. The government's national list of 35 candidates, led by Prime Minister Rakowski, ran without opposition, yet were all defeated by voters who crossed their names off their ballots.

Secondly, nearly 40% of the electorate, despite endless exhortations by both the regime and Solidarnosc, *boycotted* the election.

Portrait of incompetence

These events have portrayed and brought to the forefront

a picture of utter incompetence by the Soviet civilian party leadership in running the empire. Under the shocks of the expanding crisis, one can also witness a growing irritation by the Soviet military over this spectacle of civilian ineptness and indecision in dealing with the crisis.

Even before all hell broke loose, the Soviet military was loudly proclaiming that the time had come to take "decisive measures" against national unrest. The Soviet Defense Ministry daily *Krasnaya Zvezda*, May 25, carried a report on nationalist "extremist" disturbances and "provocations" against the Army in the Latvian port city of Liepaja.

Krasnaya Zvezda reported that a group of youths belonging to the Latvian "Popular Front" had marched through the streets of Liepaja, to the Army's "Officer's Home," and unfurled banners and placards containing "crude insults" against the Soviet Army, calling the Army: "occupiers," "aggressors," and "fascists." *Krasnaya Zvezda* added that this was "not the first" such case in Latvia involving the youth of the "Popular Front," and concluded with a clear message to Gorbachov and the party and state leadership: "Isn't it time to take decisive counter-measures?"

Rallies in the Ukraine

Added to the list of the Baltic, Poland, and Hungary as potential headaches for Gorbachov, is the Ukraine, the larg-

est non-Russian republic.

During the last week of May, demonstrations were held by hundreds of university and high school students in the Ukraine and the Baltic Republics in support of the Chinese students. During this same time, the Ukrainian capital of Kiev briefly took on the character of a mini-Beijing.

That was on May 22, the high point of six continuous days of rallies in Kiev, around the 175th birthday of the Ukrainian national poet, Taras Shevchenko, when over 20,000 people gathered at what began as an official rally. The rally quickly became quite "unofficial" with calls for Ukrainian sovereignty and independence and banners reading, "Long Live Ukrainian Independence!"

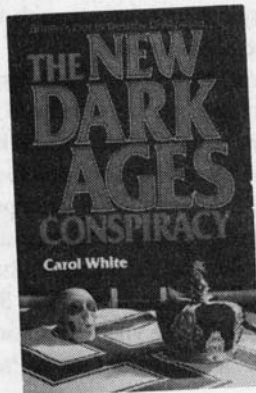
Special units of the Interior Ministry arrived, arrested and beat the standard bearers, putting them into police cars. Then, something happened which had never happened before at such a demonstration. The crowds blocked the street, surrounding the police cars. The vastly outnumbered police promised to release those arrested, if the crowds would let them pass. The crowds refused, and the police had no choice but to release their prisoners on the spot. Only then did the crowds disperse.

How long Gorbachov can keep the lid on in the Ukraine, Poland, Hungary, and the other restive captive nations of the Russian Empire is more questionable than ever before.

'If a black death could spread throughout the world once in every generation, survivors could procreate freely without making the world too full. The state of affairs might be unpleasant, but what of it?'

—Bertrand Russell

This evil is from the father of the peace movement—find out what the rest of them think.



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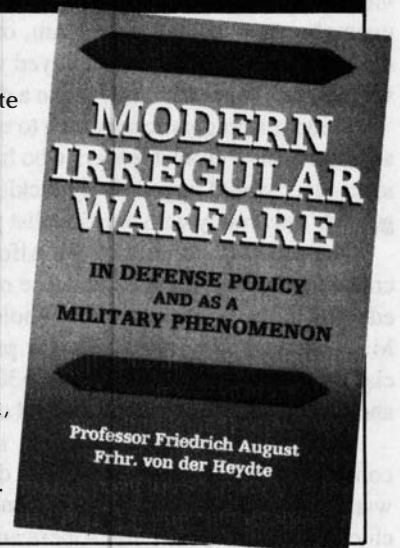
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Menem cabinet augurs ill for Argentina

by Peter Rush

As Argentina's economy sinks ever more deeply into hyperinflationary crisis, president-elect Carlos Saúl Menem, governor of La Rioja state, has announced most of his projected cabinet appointments, in anticipation of an accelerated transfer of power, perhaps as early as July 9. His choices, which include a large number of individuals from outside his own party, reflect a capitulation to powerful financial and political interests inside and outside Argentina. These forces argue that a broad-based, non-Peronist, and *non-nationalist* cabinet and policy orientation, is the only way to stabilize Argentina's volatile political and economic crisis.

In fact, the opposite is true. The only way that Argentina can survive as a nation is for the future government to adopt a war-economy based on a nationalist economic program, break with the International Monetary Fund, and rebuild the nation's infrastructure, agriculture and industry. Under current breakdown conditions, failure to adopt such a program and restart growth will ensure escalating unrest. Although the rioting and looting of late May and early June has been replaced by an uneasy calm, this will not last if things do not improve, as wages do not even permit most people to purchase enough food to eat. In an effort to stem further unrest, the government has just announced implementation of an unemployment insurance program, offering \$50 a month to the growing number of unemployed workers for a period of six months. This will hardly make a dent in the problem.

Menem's pragmatic approach to selecting his cabinet has angered many Peronist leaders who had hoped that the President-elect would aggressively tackle the rebuilding of Argentina's economy with a nationalist perspective.

The pro-IMF policies of the Alfonsín government have created a hyperinflationary collapse of the economy unprecedented in the postwar world. Wholesale price inflation in May topped 100%, and consumer price inflation was officially reported to be 79%, or 104,530% on an annual basis, and it was much higher for food and other basic necessities.

Economic activity is becoming impossible under these conditions. "Production will break down in June or July," warned Rodolfo Rossi, a private economist. Juan Luis Bour, chief economist at the Latin American Research Foundation, elaborated the point, saying that "commercial deals have

come to a halt, manufacturers cannot buy raw materials, and there's no certainty about the exchange rate." He added that "this trend cannot be solved through indexation. As inflation mounts, the economy will tend to slow down to a stop."

The response of the government has been to raise taxes, raise government-set fares and prices, and print money madly to finance a deficit that is more than half of the government budget. "The economy is in a vicious circle," economist Rossi said. "The rate at which the government is printing banknotes will make June's inflation impossible to calculate." Even so, the shortage of banknotes has been so acute that it threatens to shut down all financial activity, so great has been the inflation. The government announced a 40% hike in public utility rates on June 6, and major new price increases throughout the economy are expected any day. Gasoline prices will go up a further 30% next week, which prompted private bus operators to announce that effective immediately, they will cease operating between 9 p.m. and 6 a.m. because the high cost of gasoline means they lose money during those hours. This will make it impossible for thousands of people to get to work for late shifts.

Renewed rioting is expected any time. Leftists who sparked looting in Rosario at the end of May are reported to now be in the city of Córdoba preparing to incite similar disorder; years of austerity and budget cuts at universities have also created the potential for mass unrest among the student population.

Early takeover likely

Both parties in Congress are reportedly near agreement on a bill to reform the Constitution, that would permit Alfonsín to resign and be immediately replaced by Menem. In addition to naming non-Peronist Miguel Roig, a longtime executive of the multinational grain cartel Bunge and Born, to the all-important post of finance minister, Menem named Domingo Cavallo, a monetarist economist, as foreign minister, reportedly because he enjoys close relations with the World Bank and other U.S. financial institutions.

The new labor minister, Peronist labor leader Jorge Triaca, was Miguel Roig's choice for the post, and is backed by monetarist and liberal business interests. In the past, he has opposed the general strikes called by the Peronist-run General Confederation of Labor (CGT) against Alfonsín's pro-IMF policies. Another non-Peronist, cement and ranching millionaire Amalia de Fortabat was named "roving ambassador" because of her close business contacts in the U.S. She frequently hosts David Rockefeller when he visits Argentina. Several other appointments are associated with former President Arturo Frondizi.

Peronists who have been chosen for remaining cabinet posts include Italo Luder, the party's 1983 presidential candidate, named as defense minister; some of Menem's close personal advisers, who worked as his presidential campaign coordinators, have also been named.

Terrorists escalate, while García talks

by Liliana Pazos

In the midst of one of the most ferocious terrorist offensives ever to hit Peru, President Alan García met on May 24 in Bogota, Colombia, with three of the leaders of the narco-terrorist M-19 and, in a shocking act of submission, issued a call for dialogue with the Peruvian Shining Path, the Pol Pot-styled narco-terrorists whose targets of destruction are anything that smacks of progress or development inside the country.

One week later, narco-terrorists in Lima bombed a bus carrying Government Palace guards, killing 8 and seriously wounding another 30.

While Peruvian military strategists have begun issuing warnings that Shining Path is on the verge of closing in on the capital city of Lima, the newly appointed cabinet has had nothing to offer in the way of an effective anti-subversion strategy for the country. This is demonstrated by the intensification of assaults in the northern zone against Huaraz-Huacho; to the south, in the city of Cañete; in Huancayo and Pasco through the central sierra, and in nearly the entirety of the Huallaga Valley. In the month of April alone, the number of civilians assassinated reached 118, and the number of terrorists killed numbered 120. In the month of May, even those figures were surpassed.

Selective targets

The most relevant characteristic of the last few months' terrorist offensive has been the selectivity of the assaults, primarily against individuals involved in scientific research, the directors of cooperatives, peasant leaders, educational personnel, congressmen, etc. The offensive has as its final goal the capture of the entire Andean Spine, moving out from Peru to the ultimate seizure of the entire continent.

This has been the Soviet plan of domination for years, to be carried out by its irregular warfare armies—the terrorists and the drug traffickers. This scenario has been openly described by M-19 leader Antonio Navarro Wolf, who was recently pardoned by the pro-“dialogue” government of President Virgilio Barco in Colombia, for his role in the bloody November 1985 siege of the Colombian Justice Palace in which over 100 people died, including half the Supreme Court. Navarro Wolf, with whom President García met in Bogota, will reportedly be visiting the capital city of Lima

on García's invitation.

Despite García's readiness to play footsie with the Satanic forces ravaging his own country, those forces appear less than eager to accommodate. The Túpac Amaru Revolutionary Movement (MRTA)—one of Peru's two narco-terrorist forces—was one of the first to publicly denounce “the dialogue held between Alan García and the M-19 of Colombia.” Speaking through its mouthpiece, the daily *Cambio*, the MRTA reminded the M-19 of their formal alliance through the Andean-wide “Americas Battalion,” and demanded that the M-19 respect “the principles of proletarian internationalism and revolutionary solidarity, for which many revolutionaries in both Peru and Colombia have fallen.” The MRTA also absolutely rejects García's own proposal of dialogue.

Playing the government's game, the daily *El Nacional* emphasized in an editorial that the experience of the Americas Battalion “makes that discussion [between the M-19 and García] more valuable, and one can only hope that we may have the opportunity in Peru to dialogue with someone.” This, according to *El Nacional*, is the hope of the majority of Peruvians.

But, contrary to *El Nacional's* claims, the majority of Peruvians have come out in condemnation of terrorism and are demanding that instead of dialogue, the government should be formulating a serious anti-terrorist strategy. Msgr. Francisco D'Alteroche, the bishop of Puno, declared that the Shining Path attacks “will not succeed in defeating the people nor the Catholic Church, and those who assassinate humble farmers and destroy material goods haven't the slightest authority to present themselves as the nation's saviors.”

The Peruvian Bishops' Conference issued a communiqué denouncing the ideology of hate and destruction of the narco-terrorists, who, according to the statement, “reveal an incredible contempt for the most elementary rights. . . . We reject this barbarism which impedes the progress of our people.” Secretary General of the Episcopate Msgr. Augusto Vargas Alzamora demanded that the terrorists surrender their arms as the precondition for any dialogue, but also warned: “If those who have chosen the path of violence one day come to rule, we will all be slaves. . . . By this path, all of Peru will be razed; we will never surrender.”

Even within the ruling APRA party, dissident voices have emerged, such as that of Sen. Humberto Carranza Piedra, who charged that “there can never be dialogue with those who bloody our Fatherland, with those who murder our farmers and soldiers.”

There is a growing concern within the Armed Forces over this dramatic advance by narco-terrorism. These sources report that the military is demanding the establishment of a centralized military command, with full autonomy to operate in the terrorists' so-called “liberated” zones. They are also demanding genuine anti-terrorist action on all fronts—political, cultural, social, and economic—which is where the definitive battle against subversion must ultimately be fought.

OAS puts off Panama meeting to save U.S. from embarrassment

by Carlos Wesley

The Organization of American States (OAS) voted at a special foreign ministers' meeting on June 6 to extend by six weeks, until July 19, the mandate of a special commission that is supposed to negotiate the removal of the commander of Panama's Defense Forces (PDF), Gen. Manuel Noriega, the dissolution of the Panamanian government, and the transfer of power to the United States-backed opposition. The OAS commission, made up of Ecuador's Foreign Minister Diego Cordovez, Mario Palencia of Guatemala, Sahadeo Basedo of Trinidad and Tobago, and the Secretary General of the OAS, the Brazilian João Baena Soares, was originally appointed May 17 with instructions to come up with recommendations for final action at the June 6 meeting. Instead, after several junkets to Panama, the commission reported that "progress is being made," and requested more time.

The Ibero-American governments, facing growing internal pressures from their citizens for having gone along with the Bush administration's demand to vote against Panama during the OAS meeting in early May, clearly wanted to stall action that would signal support for further U.S. moves, including a military intervention into Panama. In fact, the Ibero-Americans did not even want to hold the meeting at all. But, according to Ibero-American diplomatic sources in Washington, the Bush administration began twisting arms for the meeting to proceed as scheduled. The administration also demanded, according to the sources, that the OAS adopt sanctions against Panama at the meeting. State Department employee Juan B. Sosa, who poses as "Panama's ambassador to the United States," said in an interview June 2, that the options being considered by the administration for the OAS meeting included trade embargoes, breaking diplomatic relations, and measures such as "those utilized in 1965 in the Dominican Republic," when the United States simply invaded and got the OAS to authorize the invasion after the fact.

In an interview in the *Washington Post* June 2, President Bush himself laid down the line: "I will be encouraging the OAS to continue, hopefully more vigorously, its role. That is the proper step at this point," he said. Bush went on to say that there was widespread agreement "in terms of the fact that it is seen clearly that Noriega stole this election and brutally beat up the opposition. A picture is worth a million words when you saw [Panamanian banker and opposition vice-presidential candidate] Guillermo Ford beat up and bleeding."

But just three days later, the administration was willing, in fact eager, to agree to the Ibero-Americans' request for a postponement. What happened to bring about that change of heart? "The dramatic events in China," reported Mexico's *El Financiero* on June 7, had forced the United States to seek the OAS compromise formula "to maintain appearances."

The Bush administration's response to the Communist government's massacre of thousands of students in Beijing and elsewhere in the China made it impossible for the OAS to proceed with the U.S. gameplan against Panama at this point. Bush merely "deplored" the violence in China, and refused to impose trade or diplomatic sanctions, on the grounds that they would "hurt the Chinese people." He echoed the Soviet and Cuban line of "not interfering in China's internal affairs," and his only concrete action was to order a useless ban on arm sales, which the Chinese weren't buying anyway.

In contrast, against Panama—where the restraint shown by the Noriega-led PDF limited the death toll to 5 (two of them members of the PDF) in over two years of unrest fomented by the Central Intelligence Agency (CIA)—the United States has waged an economic war that has caused mass unemployment among the poor, wage cuts, and reduction in health and sanitation services, which threaten epidemics of malaria and dengue fever.

And while Bush waxed eloquent about Guillermo Ford being "beat up and bleeding" during a *melée* caused when his bodyguards, on loan from the United States embassy in Panama, shot at Panamanian security forces, he limited himself to mouthing bland platitudes about the thousands of dead Chinese. But then again, banker Ford is white, and the Chinese students are not.

Resistance to 'regional solution'

Meanwhile, "the decision of Latin American countries to cooperate with Washington's efforts to seek a 'regional solution' to the crisis in Panama through the Organization of American States has generated widespread criticism and skepticism in the hemisphere," reported *The New York Times* on June 4.

This was dramatically demonstrated on June 5 in Mexico, when 30 congressmen took over the office of the secretary of foreign relations and held a peaceful sit-in until the day after the OAS meeting, to demand that Mexico "rectify its attitude before the OAS and support Panama in the meeting just

getting under way.” The lawmakers, all members of the PPS party, said in a letter that “the position that Mexico adopts at the [OAS] meeting is of extreme importance in order to prevent the U.S. Government from concretizing its interventionist plans and objectives.”

Even more remarkable, the Mexican lawmakers defended General Noriega by name as “the legitimate heir and most firm defender of Torrijismo,” a reference to the political doctrine established by Panama’s late leader Gen. Omar Torrijos. In a published statement, they noted, “the escalation of aggressive actions is under way: first, the slander campaign against General Noriega; second, the economic blockade; third, the attempt to divide the PDF; fourth, the open support for the candidate of the anti-patriotic forces Guillermo Endara and the discrediting of the electoral process; fifth, the attempt to use the OAS as an instrument of its policy against Panama; and sixth, the announcement by sectors of the U.S. Congress that they don’t want to appoint a Panamanian administrator in 1990 as specified in the Treaties.”

In Argentina, veterans of the War of the Malvinas staged protest demonstrations. Demonstrations were also held in the Dominican Republic, and advertisements condemning the attacks on Panama appeared in the local press. In Uruguay, the foreign minister was hauled before Congress to explain the vote against Panama.

While the crisis has been postponed, it is by no means over. The Panamanian government has given no indication that it is willing to surrender. In fact, right after the OAS meeting June 6, Panama’s Foreign Minister Jorge Ritter said that no improvement in relations is possible until the U.S. lifts the economic embargo against Panama and stops threatening the use of force. Panamanian delegations fanned out across the continent, to rally defense for Panama’s sovereignty. General Noriega himself placed advertisements in several Central and South American newspapers, warning that if the United States succeeds in its war against Panama, who will come to the defense of their own nations when their sovereignty were attacked?

In an interview with Mexico’s *La Jornada* published May 25, Noriega reminded people that Panama’s mobilization to head off U.S. military action against Panama, is also in the best interests of the United States itself. “I would say that the U.S. has much to lose and will gain little” from a military intervention in Panama, said Noriega. “We know, and they know, that if there is an invasion of Panama’s civilian areas, it could have incalculable consequences,” turning all of Ibero-America against the United States.

If people “want to fool themselves with the disinformation that the aim of this war is Noriega, that’s their problem,” he said. But what is at stake, is Panama’s geographical position “in the center of North and South America. A nation as small as ours can be torn up,” he said, “but he who plays with fire inevitably gets burned. We hope that reason prevails, that solutions are found, but we know that the future of Latin America is being decided right now in Panama.”

Investigative Leads

Buendía case: a Mexican Irangate?

by Isaias Amezcua

Last May 30 was the fifth anniversary of the murder of leftist Mexican journalist Manuel Buendía, by a professional hit carried out in the middle of Mexico City. Behind the assassination hides a powerful political apparatus linked to the drug trade and to intelligence activities, which has the nation in its grip. There lies the real source of corruption in Mexico, but it is a corruption that will not come under attack from President Carlos Salinas de Gortari.

Manuel Buendía enjoyed enormous influence in all strata of the country. He specialized in matters relating to the drug trade and to international espionage. On several occasions he was instrumental, in collaboration with various Mexican intelligence officials, in dismantling dirty CIA operations on Mexican soil. His denunciation of Lawrence Starnfield, the former CIA clandestine operations chief in Europe who, in 1978, became The Company’s station chief in Mexico, was notorious. It was Buendía who forced the U.S. Embassy to withdraw Starnfield, once Buendía’s revelations made Starnfield *persona non grata* in Mexico. Buendía was also a declared enemy of George Bush, when Bush was CIA chief.

When Buendía was shot in the back on May 30, 1984, political circles in the country were shaken, since it had been widely assumed that Buendía had government protection. That protective umbrella, however, had ceased to exist the moment then-President Miguel de la Madrid removed Fernando Gutiérrez Barrios from his position as chief of the government’s security service.

Within days of the assassination, President De la Madrid ordered an exhaustive investigation of the crime, which was never carried out. Just the opposite occurred. The various police agencies that intervened in the supposed investigation succeeded in destroying whatever evidence might have led them to the authors of the crime. One of the principal figures responsible for this was Antonio Zorrilla Pérez, who was director of the Federal Security Service (DFS), a body that included the political and anti-terrorist police forces.

Private investigations, some of them carried out by a group of Buendía’s friends, have established that Zorrilla

was the first police chief to arrive at the scene of the crime, within minutes after it occurred. It was his agents who seized the documents the murdered journalist had been carrying, and took control of Buendía's private office, containing his files and notes. Zorrilla appropriated the journalist's clothes and the bullet fragments that were found. Zorrilla also detained all witnesses to the crime. None of Zorrilla's actions was authorized by or reported to his superiors.

In March 1988, Zorrilla Pérez was questioned by the special prosecutor in charge of investigating the assassination, Miguel Angel García, and claimed that he had not surrendered Buendía's clothes or the bullet fragments because he had not been asked to. However, the judicial probe indicated that in June 1984, Trinidad Gutiérrez, chief of the Mexico City Judicial Police, did receive the clothes and bullets from Zorrilla, but he, too, failed to hand them over to the authorities in charge of the case. Gutiérrez's illegal act incriminates his political protector, Victoria Adato de Ibarra, who served as Mexico City chief prosecutor, and thus is properly held responsible for Gutiérrez's actions.

Like Zorrilla, Mrs. Adato owed her position not only to a personal friendship with President De la Madrid, but also to her links with Manuel Bartlett, former Interior Minister. Mrs. Adato was also a close relative of then chief of the Federal Judicial Police Jorge Ibarra, and of the chief of the narcotics division of the Judicial Police, Miguel Aldana Ibarra.

Despite the evidence, Zorrilla was never arrested for his participation in the coverup. Various press media and political observers have suggested that Zorrilla was only carrying out orders for the purpose of protecting the higher-ups who were the true masterminds of the hit.

The 'time bomb' explodes

In recent weeks the Buendía case was revived in nearly all the national press. Although the unsolved crime reached its five-year statute of limitations on May 30, a fact which will make punishment of those responsible more difficult, new revelations surfaced on April 18 like a time bomb going off.

Journalist Rogelio Hernández, a close friend of Buendía's and one of those who has been most insistent on finding and punishing the culprits, revealed in the daily *Excelsior* that the prosecutor's office investigating the Buendía case has turned up new information confirming the thesis that the journalist was murdered because he was preparing to reveal the names of police and political officials associated with the drug trade.

That information in turn surfaced in confessions by chief of the Sinaloa state police Eduardo Moreno Espinoza, who was arrested for his participation in the protection and information network run by drug kingpin Miguel Angel Félix Gallardo, himself arrested in early April. Moreno confessed to having been a partner of Zorrilla in the drug trade. He also

confessed to having close relations with one Victor Gómez, who was chief of a "special brigade" of the Federal Security Police and who—according to Hernández—"could have been the one who helped the journalist's assassin escape on a motorcycle."

On May 17, nearly one month after his first revelations, Hernández set off a new "bombshell" with the unofficial report that judicial authorities are preparing a "vast operation" to arrest the person responsible for Buendía's assassination, who is "linked to public positions and to police agencies." According to Hernández's report, preparations for the operation were being blocked by several officials of the current government, whom he described only as "government circles linked to the previous administration" and as "authorities in charge of security dependencies," also linked to the previous government. People are asking, what individual could Hernández's description fit?

The tie-in of Félix Gallardo's name to Zorrilla Pérez's once again confirms the latter's association with the international drug mafia. That association first came into evidence when it was discovered that behind the 1985 assassination of U.S. Drug Enforcement Administration agent Enrique Camarena was a drug mob that relied on the cooperation of Zorrilla Pérez and various of his underlings, such as Daniel Acuna Figueroa, Federico Castelli del Oro, and many others. Drug traffickers such as Rafael Caro Quintero and Ernesto Fonseca even carried credentials issued by Zorrilla and the Interior Ministry, identifying them as agents of the Federal Security Service.

The discovery of these criminal associations proves that the "eyes and ears" of then President Miguel de la Madrid were controlled and directed by the international drug cartels. The most serious of all is that Zorrilla was never arrested. Following the scandal, Zorrilla resigned from the DFS, but only to be run as a federal congressional candidate by the ruling PRI party. Fortunately, PRI party leaders at the time forced Zorrilla to abandon his candidacy as well.

The effort to make Zorrilla a congressman was the desperate action of then-Interior Minister Manuel Bartlett to prevent the investigations from reaching his door. Among political circles, it was known that Zorrilla first got his post at the DFS thanks to Bartlett. Today, Bartlett serves as Education Minister in the Salinas de Gortari cabinet. Zorrilla was named director of the DFS at the end of 1982, after the FBI, the U.S. Justice Department, and the CIA had carried out an operation to discredit his predecessor, Miguel Nazzar Haro, who was forced to resign.

From then on Zorrilla served as the official liaison with U.S. intelligence services, and especially with the Central Intelligence Agency. On the one hand he worked for the drug-trafficking Medellín Cartel, and on the other for the CIA. Political observers say that Zorrilla played an important role in the clandestine supply operations to the Nicaraguan Contras.

How many children die from debt?

On his fifth pilgrimage to Africa, Pope John Paul II posed the question directly.

John Paul II's recently concluded, fifth pilgrimage to Africa has been little noticed, if not downright covered up, by the majority of the mass media. The reasons are well known: Convergence of empire-building interests of the two superpowers, their pragmatism, and the abandonment of all policies that favor the development of the poorest nations, leave no room at all for dramatic realities like those present in the African continent.

The Pope visited Madagascar, Reunion, Zambia, and Malawi, countries stricken by poverty, unemployment, and the dramatic problem of refugees, crushed by an enormous burden of unpayable debts, and internally weakened by terrible epidemics like AIDS. He touched on all these topics in his homilies and speeches.

"Africa," he said, "is at a crossroads not only for itself but for world history."

In Madagascar, a country reduced to misery by the incompetent policies of a socialist regime and its foreign debt, the Pope denounced population-reduction policies: "Reject the imperialism of contraception, and even more, abortion, which is also contrary to Malagasy wisdom and to civil law," he exhorted. Listen to your bishops' teachings against "attempts to impose, from the outside, methods to limit population growth, other than natural family planning."

The Pope responded to youth who had described the problems and anxieties about the future of their country by encouraging them to have faith: "I understand that the future worries

you," and added, "I do not see you as a canoe adrift . . . it's not my task to analyze nor to propose solutions, because it is you, the Malagasy, who must act." Working for development, he reiterated, "is a moral duty. A duty of all citizens and leaders. In the face of unequal distribution of resources, there is a duty of solidarity within a people. And even beyond their own borders."

Speaking to the diplomatic corps in Tananarive, the Pope harkened back to Paul VI's Encyclical *Populorum Progressio*, and challenged those in power to effectively carry out the words of peace which they so dutifully pronounce. "In the Encyclical," the Pope noted, "which I consecrated to the social question to provide a followup to my predecessor Paul VI's appeals of some 20 years ago, I already invited the nations of the North and South to better coordinate their means. In this regard, technology transfers appear as a growing necessity. The sharing of knowledge for everyone's benefit, is this not perhaps a requirement of justice?"

"If truly the Earth's inhabitants shall attain peace, will they then be able to tolerate that two-thirds of humanity continues to suffer hunger, that they cannot get enough education to allow them to effectively take their own development in hand, that they continue to be deprived of the means of information and communication that are currently available elsewhere and considered indispensable?"

In his next stop, in Zambia, the Pope underlined the need to resolve

the problem of external indebtedness: "The problem of the international debt is a clear example of the interdependence that characterizes relations between nations and continents. It is a problem that cannot be resolved without mutual comprehension and a mutual agreement between debtor and creditor nations, with sensitivity toward the real situations of the indebted countries on the part of the credit agencies, and without a wise and committed policy of development on the part of the industrialized nations themselves.

"Is it only a rhetorical question to ask how many children and newborn infants die every day in Africa because the resources are used to pay the debt?" he concluded. "Now is the time for a new and courageous international solidarity which is not based on one's own selfish interests, but is inspired and guided by an authentic concern for human beings."

During his stopover in Malawi, one of the tiniest African states, with a very young population, John Paul II confronted the drama of the spread of AIDS. Nine out of ten babies born in that state are seropositive for the HIV virus. The number of the victims of the disease being treated in hospitals is around 14-16% of the population, which has a 50% rate at present of seropositivity. "Today a greater and greater number of persons is affected by AIDS. We have to treat them as we would treat Christ himself," said John Paul II.

At the close of his African journey the Pope renewed his pressing appeal for the creation of a juster world: "On many occasions I have called for a new economic order which would allow the peoples of developing sector countries to guide their own destinies and to guarantee job resources for the active population." The time to respond to this call, is now.

No to the Green dictatorship!

The Schiller Institute shows how to win, when 5,000 demonstrate in Rome against a punitive tax on plastic shopping bags.

The first serious counteroffensive has been launched in Italy against the deindustrialization campaign promoted by the Greens. On May 11, industrialists joined with workers in the factories that produce plastic bags, against a crazy tax of 100 liras (about 7¢) imposed on a product that only costs 20 liras, and mounted a very combative demonstration in one of Rome's central squares, the Holy Apostles, a few steps away from the Ministry of the Environment.

The rally, organized by the ANSAP (Association of Producers and Transformers of Plastic Bags), was supported by the Schiller Institute, whose banner, "No to the Green Dictatorship," not only dominated the square but set the political tone of the initiative.

The feistiest demonstrators gathered right under that banner and took bundles of the newspaper *Nuova Solidarietà*, which supports the Institute's work, for distribution. They held up signs reading "Yesterday terrorists, today ecologists," and a particularly popular one, "The ecologists are green like Qaddafi's dollars," referring to the money channels that feed into the "Green" and "peace" movements in Europe.

From early morning onward, the square bulged with thousands of demonstrators from all regions of Italy, carrying tens of banners—all, naturally, made of plastic. The initiative marks the birth of an alliance between the productive sector and workers. Both the proprietors of the companies that have been forced to shut down because of the tax, and the workers

who have been drawing unemployment for five months and are worried about their job futures, were present.

The big industrial associations have long since abandoned the interests of the plastic bag producers, which "only" represent 5% of the sector, and they have accepted the tax willingly as a means of getting rid of small and medium-sized competitors. The politicians, who reckon that the plastic bag sector does not add up to many votes, have put through a tax which is blatantly unjust and hits a manufactured product which is actually much easier on the environment than the paper bags which are supposed to replace the plastic ones!

One of the shouts that went up from the rally was: "The politicians want to tax plastic bags because they are used to getting their bribes in paper envelopes," and also, "Politicians sold out to the interests of the paper industrialists."

A particularly serious problem is that the unions tried to sabotage the Rome demonstration in every way. One industrialist from Naples revealed that the CGIL (Communist- and Socialist-linked confederation) and CISL (Christian Democratic-linked confederation) called up all the factory councils and mobilized them *against* taking part in the demonstration. It seems the unions don't care if 10,000 jobs are lost.

"I changed my activity," said an industrialist from the Abruzzi region, "and with a group of partners, I invested 4 billion liras in plants for plastic bag production, and now I'm out on the street."

Thousands of bags were passed out during the demonstration with a tree drawing and the slogan, "Don't cut me down, use plastic bags," which passersby grabbed eagerly, asking why plastic bags, which are so useful to housewives, should be so hated by environmentalists, who propose cutting down thousands of trees to produce paper bags.

A delegation formed by the president and vice president of ANSAP then marched to the Ministry of the Environment at nearby Piazza Venezia, hoping to be received by Minister Giorgio Ruffolo, who for more than six months has refused not only to retract the provision but even to meet with sector spokesmen. Probably the delegation would have waited another six months in front of Ruffolo's doorstep if a Schiller Institute member had not invited all the demonstrators to move toward Piazza Venezia until they were right under the ecologist minister's office window, to underline with their presence the advisability for the insolent minister to receive the delegation.

Only when the whole square—which happens to be Rome's major traffic crossroads—had filled, did the Environment Ministry bureaucrats agree that the cabinet chief would receive the delegation.

Ruffolo himself, who arrived in a fret by a side door, assented to the creation of a task force of ministry staff and plastics industrialists, to review the measure and find an acceptable compromise. While no one thinks Ruffolo's promises will be kept, it was the first time the environmentalist dictators were forced to review their positions in the face of a protest by a sector that has no intention of rolling over and playing dead.

It will sound the trumpet for all those other sectors of industry and agriculture that want to fight.

World Bank demands more usury

Colombia gets its reward for being a "good" debtor—tougher loan conditions and credit suspensions.

In mid-May, the World Bank delivered to the Barco government in Colombia a memorandum establishing new preconditions for receiving credits. The memorandum demanded, among other things, the elimination of development credits to industry and agriculture, through the elimination of preferential interest rates to those sectors of the economy. It also demanded reductions in wages and in social benefits to workers; an increase in domestic interest rates; abolishing export incentives; increasing energy service charges; new currency devaluations; and the elimination of import tariffs which have served as some slight protection for the little domestic industry that hasn't yet been gutted.

The conditions were presented diplomatically, of course, but the World Bank nonetheless made it clear that if Colombia did not meet those conditions to the letter, all credits would be suspended. Perhaps to drive home the point, the long-awaited signing of \$1.65 billion in new credit (the "Challenger" loan), scheduled for the last week in May, was indefinitely postponed.

According to Colombia's Comptroller General, the delay in receiving the new money will make Colombia a net exporter of capital for the first time, something the Barco government of President Virgilio Barco had pledged it would never permit to happen. As a result, the opposition has already begun to demand a renegotiation of the foreign debt.

The World Bank memorandum was issued as part of ongoing negotiations with the government, which is

seeking still further credits. The memorandum, apart from setting out new conditions, warns that if Colombia does not meet its "recommendations," the country will face an exchange crisis in the course of the next decade, and its economic growth rate would fall below 4% a year. The bank has already suspended one important credit to the electrical sector, because the government failed to substantially raise interest rates.

President Barco's zeal to apply the World Bank's program—his ability to enforce it notwithstanding—has triggered widespread protests by the economic associations representing both agricultural and industrial producers. Such, for example, is the case of José Raymundo Sojo Zambrano, president of the National Cattleman's Federation (Fedegan), who charged that Finance Minister Luis Fernando Alarcón Mantilla is a "minister of usury," because he refuses to intervene to reduce interest rates, which have already reached 50% a year.

Other associations, such as the Colombian Farmers Association (SAC) and National Grain Growers Federation (Fenalce), have demanded state intervention against usury. Food production will be endangered if the government eliminates development credits through raising interest rates, as the World Bank demands. Industrial leaders are saying that "there is no effective reduction in credit costs." Businessmen report that one cannot get credit in Colombia today for less than 36%.

In an attempt to defend the finance ministry's position, the banking su-

perintendent "clarified" that usury doesn't begin until interest rates are above 60%!

In direct response to the World Bank, Fabio Echeverri Correa, president of the National Industrialists Association (ANDI), sent a letter to the economic cabinet, describing the bank's proposals as "irresponsible," since the memorandum "recommends a total opening and elimination of export incentives. . . . We do not share those opinions."

Despite the fact that the economic associations have not protested the "freeing of imports" demanded by the World Bank, this—in combination with reduced wages—could considerably affect Colombian consumption levels. Imports are controlled by the state as a means of preventing internal shortages, particularly of food. But if buying power continues to fall and international food prices continue to rise, starvation could become a serious threat.

Even the daily *El Tiempo*, which has always backed the monetarist policies of the International Monetary Fund, World Bank, and Colombia's procession of finance ministers, complained editorially, "The country is not ready nor can it tolerate such a strong dose of 'liberalization' as the World Bank proposes. A greater devaluation at this moment would only contribute to our further impoverishment." Nonetheless, *El Tiempo* proposes as an "alternative" that the World Bank program be applied little by little, instead of in a single blow.

The government has already announced, through a message delivered by the development minister, that this slower method of committing *hara-kiri* is, indeed, more to its liking. It remains to be seen whether the World Bank, IMF, and Colombia's other creditors will permit such deviation.

What can Germany do for the Chinese?

China is not just a market for West Germany, it is a country, a nation under repression.

‘Naturally not,’ responded Chancellor Helmut Kohl in an interview June 7 by the mass-circulation daily *Bildzeitung*, which had asked him whether after the Chinese massacres, there could be “business as usual” between the government in Bonn and the regime in Beijing. Kohl declared: “These pictures are disgusting. How can you fire with machineguns into the masses, or have tanks roll over human beings? This is a very bad lesson. I have personally taken the side of the policy of reforms, you know.”

“The call for freedom can not be rolled down by tanks, in the long run,” said Kohl, reporting that once, he had received Zhao Ziyang at his home to discuss perspectives of economic and political reform in Red China. Kohl is, according to insiders in Bonn, deeply shocked that Zhao is stripped of all leadership functions and is said to face a show trial soon.

The remarks Kohl made put him at least in verbal opposition to Foreign Minister Hans-Dietrich Genscher, who sails with the Kissinger geopolitical cabal and opposes sanctions against the regime in Beijing. Like Kissinger, Genscher said that sanctions would “reduce the West’s influence in China and drive the Chinese into the hands of the Soviet Union.” A rather duplicitous statement for a politician who would not miss any chance to show how closely he’s working “with Moscow.”

In fact, the Gorbachovite majority faction of German big industry is also with the “Dengists” in Beijing. Since Deng Xiaoping took power in the 1970s, German industry has become

Red China’s first trade partner in Europe, and fourth on a world scale (behind Hong Kong, Japan, and the United States). In 1988, West German industry exported goods (machines, industrial equipment, turn-key facilities, and transportation technology) of a total volume of 5 billion marks, and imported raw materials (such as coal, textiles, straw carpets, bamboo) and light-industry products from Red China of a volume of DM 4.3 billion.

Before 1988, when U.S. trade with Red China saw a dramatic increase of 45% to a level of \$5 billion (exports) and \$9.2 billion (imports), West Germany was even the first Western trade partner of the Beijing regime outside Asia.

The big names in the China trade are the same in the Soviet-German business. Volkswagen and Daimler-Benz resolved to continue their car and truck operations in Red China along the line “business as usual, the [Deng] reform policy will go on, once this chaos is settled.” When the AEG company closed its offices in China and pulled back its personnel after the massacre, this was the exception. Many other companies like Siemens are staying, but have moved their staff out of Beijing for the time being.

Vereins- und Westbank, having a dominant position in the German-Chinese business through its daughter bank, East-West Consultants, is telling German businessmen not to move out, assuring them financial and other support. The line is given out that once German industry gives up the Red Chinese market, other rivals will take over. Also Otto Wolff von Ameron-

gen, gray eminence of Eastern trade of West German industry, declared that the contracts between Germany and Red China “can not simply be frozen, even after this military action in Beijing.”

It would make a great difference, though, if West Germany, which trains several thousand scientists, engineers, and students from Red China, imposed economic sanctions against Beijing. Chinese who demonstrated in numerous cities here over the past two weeks, have called on the Bonn government to declare an economic and political boycott on the regime that killed thousands of unarmed people on Tiananmen Square.

At these public protest rallies of the several thousand young Chinese living in the Federal Republic, Chinese from Taiwan and the mainland joined hands in the call for democracy and human rights. Although Bonn broke relations with Taipei when the Nixon-Kissinger “China card” policy imposed the shift to relations with Beijing, the Germans still have a good reputation among the Nationalist Chinese of the Kuomintang party in Taiwan.

There is a strong tradition dating from the days of Sun Yat-sen which German-Chinese relations can build on. A member of the first revolutionary government in China, Sun Yat-sen called in specialists from Germany to develop the water supply system and farming in the 1920s. German military instructors helped Gen. Chiang Kai-shek build his army in the 1920s and 1930s. This cooperation stopped when Nazi Germany’s ally Japan invaded China in 1937. It was revived, then with Taiwan, by West German Chancellor Konrad Adenauer in 1950.

Reopening diplomatic relations between Bonn and Taipei would send a clear signal of support to the democratic movement in mainland China.

On the verge of 'Argentinization'?

The Salinas regime faces capital flight, impending new devaluation as bankers scoff at debt reduction demands.

Events since Carlos Salinas de Gortari assumed the Mexican presidency barely six months ago confirm that the looting of the nation under his predecessor Miguel de la Madrid has not only *not* stopped, but has been dramatically sped up. Mexico is now closer than ever to the desperate straits already experienced by Argentina, Brazil, and Venezuela. Yet Mexico's creditors are demanding another show of abject submission from President Salinas: a drastic devaluation of the peso.

On May 31, the deadline by which—according to constitutional mandate—President Salinas had to present his National Development Plan (PND), it was revealed that the sole premise of the plan was a favorable renegotiation of Mexico's foreign debt. Salinas announced that a goal of the PND was the achievement of a 6% annual growth rate—*by the end of his six-year term*. He also pledged to reduce the net transfer of resources from 6.1% of GNP to 1.5%; "gradual" recovery of employment; raising of living standards, etc.

All of this to be achieved by exerting "iron discipline" over finances through the same "solidarity pact" imposed by De la Madrid in December 1987.

Salinas's PND appears still-born indeed. Government officials consulted on its viability have admitted that for it to work, \$61.5 billion in capital would be needed during the course of Salinas's presidential term. "In case that amount were not obtainable, the [PND's] objectives would be hard to fulfill."

One banker consulted in Madrid during the World Monetary Conference which began June 6 stated that Mexicans "are dreaming if they believe that the private banks are going to agree to their demands to the sale of the debt at a 50% discount on the secondary money markets." The banker, who refused to be identified, told reporters that "I think it would be good for us if there were a crisis in the Mexican debt negotiation." The Mexican news agency Notimex commented that such a crisis would oblige the U.S. to guarantee the Mexican debt, precisely what the bankers want.

Far from inspiring creditor confidence, the Salinas PND has instead served as a trigger for capital flight which has consumed more than \$11 billion worth of Bank of Mexico reserves. Salinas had not even finished his PND broadcast when the Bank of Mexico had to face a speculative onslaught by former bankers who now own Mexico's brokerage firms. Those ex-bankers appeared at the government's regular auction of Cetes (the government's primary internal debt instrument) demanding interest rates of 65%, while the Salinas strategy has been to bring interest rates under the 20% level.

Buyers for these bankers were very clear in describing the situation: "The clients . . . demand increasingly higher rewards for keeping their savings in pesos. . . . Among the stock exchanges there is the impression that interest rates . . . cannot be reduced *until a deal with the creditors is struck*." Indeed, as Citibank's John Reed, president of the creditors' steer-

ing committee on Mexico, declared in early June: "The private sector is almost without exception in very good shape, in excellent shape I would say, *but it is keeping its savings outside the country.*"

The scope of capital flight has prompted some journalists to dare to name the masterminds of the looting. On June 6, *El Sol de México* correspondent Jesús Michel Narvaez wrote that "just as we do not seek to justify José López Portillo's decision to establish exchange controls in 1982, neither can we accept the 'degradation' of the measure by Miguel de la Madrid, who went so far as to eliminate controls of any kind. . . . How much longer will Miguel Mancera Aguayo continue to give the orders?" Mancera is the main architect of the denationalization of Mexico's banks.

On June 7, journalist Luis E. Mercado asserted that whether a deal on the debt is reached or not, "what is sure is that the levels of uncertainty in our country are growing by the hour. . . . On the money markets, the Bank of Mexico made huge efforts to prevent uncertainty from pushing rates upwards; they nonetheless managed to reach 60%; in the banks and exchange houses speculation against the peso was open and nervous. The environment, in sum, grows seriously worse."

Porfirio Muñoz Ledo, senator for the new Party of the Democratic Revolution (PRD) of former presidential candidate Cuauhtémoc Cárdenas, has charged that the Salinas government's deal with the International Monetary Fund "covers up the imminent devaluation of our currency" to occur after July 6, which is election day in various states around the country. All eyes are on state votes in Michoacán and Baja California Norte, where Salinas was defeated by Cárdenas during last year's July presidential election.

International Intelligence

U.S., Soviet military will sign pact

Chairman of the U.S. Joint Chiefs of Staff Adm. William Crowe, who instituted the "military-to-military" dialogue with Soviet Chief of Staff Marshal Sergei Akhromeyev, is expected to sign a pact with the Soviet military entitled, "The Prevention of Dangerous Military Activities." It is intended to prevent accidental military confrontations from growing into wider conflict or nuclear war.

The pact was negotiated by secret teams of the U.S. and Soviet military officers, and it was recently approved by the White House and the Soviet political leadership, according to the *Washington Post* June 7. The agreement's key paragraph specifies that "the parties shall take measures to ensure expeditious termination and resolution, by peaceful means without resort to the threat or use of force, of any incident which may arise as a result of dangerous military activities."

Crowe, who supervised the negotiations, is slated to sign the accord during an 11-day visit to the Soviet Union.

In a background briefing on June 7, Crowe stated that he considers the Soviet Union a "potential adversary," not an enemy. "When you say 'the enemy,' I don't know quite what that means," he said. "Maybe they're your enemy. They're not my enemy. I'm a military man and we do what we have to do, but I don't particularly look at them as an enemy. Incidentally, the last major war we were in, they were our allies."

Brazilians enraged over U.S. ambassador

The expected Bush administration nomination of Richard Melton to become the U.S. ambassador to Brazil, has provoked protest from that nation's government.

While Melton, a crony of former U.S. Assistant Secretary of State for Inter-Amer-

ican Affairs Elliott Abrams, has not been formally named, it is known that he has been given the nod by President Bush, which caused the Brazilian foreign minister in late May to make it known that his government considers Melton to be an interventionist thug, suitable to serve only in a "banana republic."

Off the record, a presidential spokesman told Reuter that "the case is causing unease. The Brazilian government really would not like this diplomat to come here. . . . We are hoping that the information being leaked will make the U.S. give up on him. . . . Brazil considers that the attitude of the U.S. in choosing Melton as ambassador to Brazil is one which diminishes its status."

One of the leaked reports is a letter written by one Ricardo Zarattini, an aide to a Brazilian congressman, who claims that Melton personally interrogated him in a Recife jail in the late 1960s when he had been arrested by the military. "In the many instances of violence I have suffered during the dictatorship, none struck me more than being interrogated by an agent of a foreign government," he stated in his letter.

Israeli cabinet minister meets PLO official

Israeli Science Minister Ezer Weizman met a senior official of the Palestine Liberation Organization who was representing PLO chairman Yasser Arafat in Geneva on June 2.

Weizman, the founder of the Israeli Air Force and a former defense minister, is the first cabinet minister ever to meet a PLO official. At present, the Israeli government prohibits any contact with the PLO.

In an interview with the weekly newsletter *Middle East Insider* in February, published in *EIR* on March 17, Weizman explained why he believes Israel must negotiate with the PLO. To overcome the impasse in which it currently finds itself, Weizman said, Israel will have to find "a de Gaulle."

In a related development, Abie Natan, an Israeli peace activist, will go on trial June

26 for breaking a law against meeting with terrorist groups, after he met Arafat in Tunis in September 1988.

Shimon Peres, Israel's vice premier, called for Arabs in East Jerusalem to be given the right to vote in elections that would choose Palestinian representatives to negotiate peace with Israel.

AIDS spreads rapidly throughout Soviet Union

At least 70 people were infected with AIDS in two hospitals in the Soviet Union when nurses used the same syringe to give injections to several patients, Dr. Vladimir Pokrovsky, president of the Russian Academy of Medical Science, said June 1 in Montreal.

Speaking at a meeting organized by the American and Canadian Medical Associations, Pokrovsky said that money for AIDS control is being cut in the Soviet Union while the number of infections *tripled* in the last three years.

The Soviet government has required testing for criminals, female prostitutes, and patients and doctors suspected of having AIDS. Tests are required for persons entering the country from Africa and other suspected high AIDS infection areas, as well as Soviet citizens who travel abroad for more than three months.

People who knowingly spread the virus face prison terms of up to eight years. "The Russian AIDS outbreaks are of great importance," said Dr. Jonathan Mann, the head of the World Health Organization's global AIDS program, "because they were the last place in the world where one would expect an outbreak."

CAP says terrorists welcome in Venezuela

Venezuelan President Carlos Andrés Pérez declared June 1 that "It's an error to call 'terrorists,' a group of Basques who . . . had to be exiled from their country for the sole reason that they aspire for the indepen-

Briefly

dence of the Basque region.”

Pérez was specifically referring to a group of 10 members of the ETA, an explicitly terrorist organization to whom CAP gave temporary exile in Venezuela at the request of Spanish authorities who wanted them out of Spain.

Pérez welcomed terrorists to come to Venezuela. “I am pleased to have been able to give exile to this group of Spaniards who came to Venezuela. Basques live here who have the same position as those who have just arrived and they never have caused the country any trouble. Therefore our country . . . has the door open for all those who for one reason or another cannot live in their country.”

Observers note that CAP’s statements have heightened fears that his invitation will be extended to “narco-separatists” and narco-terrorists throughout the Andean spine region.

Italian art prize goes to LaRouche associate

Art historian Dr. D. Stephen Pepper, a long-time collaborator of Lyndon H. LaRouche, will receive the Luigi de Luca national prize, awarded in Italy for the best art book of the year, for his *Guido Reni*, published by the Istituto Geografico de’ Agostini di Novara. The book is a study of the Bolognese painter Guido Reni (1575-1642), who carried on the tradition of Raphael in the 17th century.

The prize is awarded each year to a single art book without restrictions on the topic or style of the book. Dr. Pepper will receive the award on June 24 in Matera, in the south of Italy.

Dr. Pepper is a specialist in Italian Renaissance and Baroque art. In 1985-86, he served as guest curator at the National Gallery of Art in Washington, D.C., for the exhibition of paintings of Emilia, “The Age of Correggio and the Carracci.” More recently, he was a major contributor to the scholarly catalogue accompanying the Guido Reni exhibition that took place in Bologna, Italy, the Kimbell Art Museum in Ft.

Worth, Texas, and the Los Angeles County Museum of Art.

Greenpeace exposed as fraud, blames LaRouche

Icelandic journalist Magnus Gudmundsson brought his campaign to stop Greenpeace’s economic warfare against Iceland and other Scandinavian countries to the United States on June 8, with the first U.S. showing of his documentary film, *Survival in the High North*. The press conference took place at the National Press Club, under the sponsorship of *21st Century Science & Technology* magazine.

The most explosive part of the documentary is the footage showing how Greenpeace staged the torture and killing of seals in order to get “good footage” for their fund-raising films. Two environmentalist bigwigs are shown agreeing that seals and whales are their best money-raisers (\$4.5 million was raised this way for Greenpeace from June 1982 to June 1983 alone).

The film has created a furor where it has been shown in Europe, and in one case, Gudmundsson broke up an international environmentalist conference by showing it, with Greenpeace members tearing up their memberships in disgust. Greenpeace is frantic, but, as Gudmundsson pointed out, they have not sued—they have only threatened to sue—and they follow him around wherever he goes.

Greenpeace’s frenzy was evident in two leaflets they passed out at the press conference: One was titled “Good morning, You have been conned,” and started out with the following: “The screening of this film has been sponsored by the publication *21st Century* . . . part of the Lyndon LaRouche empire. . . . Greenpeace intends to pursue legal action against its producers for defamation under U.S. law as well as in other countries where the film has been shown as a legitimate documentary.”

Gudmundsson told the Greenpeace representatives that he was ready for a suit anytime they were. He is negotiating to get the film shown on U.S. television.

● **KIM DAE-JUNG**, the South Korean opposition leader, has announced his backing for U.S. troop cuts in his country, leaving only Air Force and intelligence units.

● **SOVIET** Foreign Minister Eduard Shevardnadze has called for the 1991 U.N. global conference on the environment to be given powers of enforcement. “Giving the conference decisions an obligatory juridical status in the form, say, of a framework global convention, would make it possible to ensure strict observance of the rules of an ecologically pure common world home by all states,” he wrote, in a letter to U.N. Secretary General Javier Pérez de Cuéllar.

● **PRIVATE EYE**, a London magazine which has exposed the Iran-Contra links of President Bush and others, scandal, has been fined £600,000—about \$940,000. The jury decision May 24 came after the wife of the so-called “Yorkshire Ripper” accused the magazine of libel. Industry magnate Tiny Rowland is reportedly preparing to offer to pay the fine and take over the publication.

● **YUGOSLAVIA** is “the greatest single crisis in Europe, of which no one seems to want to talk,” according to William Griffith of the Massachusetts Institute of Technology, speaking at a conference in Loccum, West Germany. Martial law is being imposed right on the European continent, in the province of Kosovo, he pointed out.

● **MARGARET THATCHER** warned the West not to be taken in by Gorbachov’s latest propaganda ploy about cutting Soviet defense spending. Speaking to the House of Commons on June 7, she said that, despite Gorbachov’s claim that the Soviet defense budget was twice that previously admitted, the fact is that reliable estimates show Soviet defense spending to be *at least twice as much again*.

A nationalist's view of Pakistan's security dilemma

by Susan Maitra

Pakistan's Security: The Challenge and the Response

by Air Chief Marshal Zulfikar Ali Khan (ret.)
Progressive Publisher, Lahore, Pakistan, 1988
156 pages, hardbound, Rs. 150.00

As preparations are under way for Benazir Bhutto's visit to Washington on June 5, her first as prime minister of Pakistan, one would hope that some in positions of power in Washington have given fresh thought to the U.S. relationship to this important South Asian nation. But as of this writing, no such re-thinking appears to have occurred. It looks as if Miss Bhutto will be subjected to a grilling-and-threatening routine over the alleged Pakistani bomb, following which some F-16s may be granted to the supplicant ally. Press hype and flowery rhetoric from both official and congressional quarters about the "revival of democracy" will paper over the continuing travesty of America's relationship to Pakistan.

It ought to be evident to anyone with even rudimentary knowledge of the tortuous history of U.S.-Pakistan ties—not to mention Pakistan's present predicament—that to put the relationship on a viable and durable footing will require on the U.S. side an act of deep and unflinching reflection on postwar foreign policy in general, and policy toward the Persian Gulf and South Asia in particular. The slim volume under review here could give such an undertaking the necessary focus.

Precisely because it is neither a study of U.S.-Pakistan ties nor intended for an American audience, but is instead the effort of a senior Pakistani military man and nationalist to assess his country's national security concerns in the wake of the Soviet invasion of Afghanistan, the book is a powerful—and often startling—antidote to the hollow formulas of the U.S. State Department and National Security Council on what has been described as the United States's "most allied ally" in West Asia. In short, the book provides a perspective notably absent in most Western nations—namely, that of Pakistan's sovereign national interest.

American officials certainly won't like what they read, and can be expected to grab the nearest pretext for dismissing this little book. The layman would certainly be shocked and perplexed by the frank portrayal of U.S. policies as they look to others. (For instance, the Rapid Deployment Force: "How this force could have met a Russian threat was not explained. Russia, because of its proximity to the area, could have moved 200,000 troops in the time it would have taken the Americans to deploy 20,000 troops in the area, the name of the force notwithstanding.")

They are advised to reconsider the contents and honestly pursue the questions raised in this book. It is not the product of some freelance scribbler, professional critic, or communist agent. On the contrary, these are the considered views of a nearly 60-year-old, distinguished senior military officer of Pakistan who happens to be a top adviser to the Bhutto government and Prime Minister Bhutto's ambassador-designate to the United States.

Born in 1930 and commissioned in December 1950, Zulfiqar Ali Khan belongs to the first generation of Pakistani military men who were fully educated and trained within Pakistan. Air Chief Marshal Khan took over as Chief of the Air Staff, Pakistan Air Force in 1974, and remained in command until July 1978, the first graduate of the Pakistan Air Force Academy to have reached the highest appointment in the Air Force. This generation of military officers—which also includes the present Pakistan Army Chief of Staff Gen. Aslam Baig—has a straightforward nationalist perspective that is impatient with the baggage of the Anglo-American colonial ties.

His book is a collection of essays written by ACM Khan and originally published in the English- and Urdu-language press of Pakistan during 1984 and 1985—long before the signing of the Geneva Accords, the removal of the Junejo government, the demise of Gen. Mohammad Zia ul-Haq, and the elections which brought the Pakistan People's Party (PPP) and Benazir Bhutto to power. In 1984-85, the combined pressures of the events in and around Pakistan—the fall of the Shah of Iran, the Soviet invasion of Afghanistan, the continuing tension with India, coupled with mounting internal social and economic disintegration—had already begun to take their toll. If at that time, these essays were meant to pose the “tough questions” needed to stimulate a balanced assessment of the national security issues facing Pakistan, they can be taken today as invaluable glimpses into the thinking that informs the policies of the new Bhutto government.

A ‘frontline state’

One might readily agree that the jargon characterizing Pakistan as a “frontline state” following the Soviet invasion of Afghanistan hides more than it explains. But one has to take a good look at the Afghanistan crisis through Pakistani eyes to begin to get a real sense of the cynicism of the super-power game.

As Khan describes it in 1984-85: “The position is now so adverse that when we are faced with the present problem of a serious confrontation with a superpower, we do not have a single friend who is likely to come to our assistance.” China could be counted on to issue strong words, but its intervention is unlikely. And, we are informed, there was never much illusion in Pakistan that the United States would intervene in the event of a move on Pakistan by the U.S.S.R., even though, as Khan notes in another context, the Soviet Union is very capable of striking Pakistan quickly and hard.

No sovereign nation in the world has had its border violated repeatedly and with such impunity as Pakistan's western border, and yet, “we are virtually helpless to stop it,” Khan writes. In forfeiting an independent role vis-à-vis the Afghan crisis to a “strategic alliance” with the United States, Pakistan gained neither a solution to the Afghan crisis nor even protection for itself. In fact, the United States was never seriously interested in Afghanistan, argues Khan. Compare

the Carter administration's loud public and private response to intelligence suggesting a possible Soviet move into Poland, and official silence even as late as November 1979, when American intelligence was quite certain the Soviet Union was about to invade Afghanistan.

In Khan's view, the United States only seized the opportunity of the Soviet invasion of Afghanistan to shift attention away from the debacle in its policy in Iran—“the overriding regional obsession of Washington” in any case, he insists. (Indeed, in Mr. Khan's discussion of Iran, we find further insight into the nationalist's view of the superpower game, in this case the tragic hypocrisy of the U.S. Establishment's cultivation of the Shah of Iran. “Although Mosaddegh was not a communist, yet given Iran's geographic position on the borders of the Soviet Union and vast quantities of oil that it possessed,” he writes, “the United States was unwilling to risk that country with a nationalist leader.”)

The Afghanistan debacle

As for the Russian motive? Khan dismisses all the stories about the Soviet quest for oil supplies or warm-water ports as bed-time stories for small children. The CIA-authored 1980 projection that the Soviet Union was running out of oil was abandoned in 1981, he writes, and the warm-water port tale turns out to be something of a *prima facie* fraud: The Soviets, after all, have four major bases in the Indian Ocean and hardly need plow through Pakistan to get to warm water. Khan finds the Soviet move into Afghanistan to have been a limited move in response to what it perceived as U.S. manipulations to create an Iran-style turmoil on its border. No Pollyanna when it comes to the Soviets, Khan has no illusion that should Pakistan grant the United States base rights or the equivalent, the Kremlin would refrain from striking Pakistan hard and directly.

Here is the way Khan summed it up in 1984-85: “The Americans saw in the Soviet intervention in Afghanistan an opportunity to embarrass the Russians at very little cost to themselves. They had long ago concluded that Afghanistan did not play a crucial role in their scheme of things in the region. Western military circles do not make a secret of their views that the Afghan resistance could never win. The barely disguised covert support which the United States provided to the Resistance Groups is only a means of putting the heat on the Russians. The American decision to send aid to the resistance movement has certainly raised the stake for the Russians. It is unlikely that the Russians would be willing to negotiate about Afghanistan itself, but their presence there could become a bargaining chip or a point of leverage for the United States; something to be traded for concessions in other areas as part of a diplomatic ‘package deal.’ If this were to happen, it will have, to say the least, little benefit for the people of Pakistan and Afghanistan.”

Indeed. Unless we want to invoke the crystal ball, we must acknowledge in hindsight that Zulfiqar Ali Khan knew

what he was talking about. Most of the breast-beating about Afghanistan that goes on in the West has nothing to do with what actually happened there or its impact on the two nations involved. A Soviet move on Pakistan was a *threat*—in defense against which the U.S. tie was irrelevant—but the problems caused by 3 million refugees were real and devastating—more serious than all the past conflicts with India, in Khan's view.

That fact is that the hallowed Geneva Accord and Soviet pullout are no solution, and weren't meant to be. U.S. involvement in Afghanistan never had anything to do with Pakistan's interests.

Sources of insecurity

Still, the indictment of U.S. policy is only in passing. (Even an exchange with the late Zulfikar Ali Bhutto concerning the deadly import of Henry Kissinger's threat over the nuclear reprocessing plant, is reported, as it were, in passing.) Khan does not hold the U.S. responsible for his country's predicament, and it is that predicament that is his main concern. "One does not need a great deal of political insight," he says, "to see that Pakistan cannot depend on an understanding with the United States to provide her with a false sense of security." Pakistan's own approach has been one of "opportunism," an attitude that reveals "an emptiness of vision and a distortion of values"—ultimately, a "form of political immaturity," he states.

In the final analysis, it is neither U.S. duplicity, Soviet troops in Afghanistan, nor the continuing belligerent tension with India that is responsible for Pakistan's security dilemma, Khan argues, and exaggeration of these factors will not be an effective source of policy. "An effective policy must address itself to the real source of insecurity, which has internal causes," he states. The shift of emphasis is critical.

Though convinced that India—with the fourth largest standing army in the world and the victor in three wars with Pakistan—remains Pakistan's foremost security problem, Khan is scathing when it comes to Ayub Khan's handling of East Pakistan in 1971, and states that far from master-minding the breakup of Pakistan, India merely took advantage of the "disarray" within Pakistan and the "recklessness and lack of prudence" in its policies. Such opportunities cannot ever be given again. It is imperative to improve relations with India, he says, on a sound and sovereign basis.

New directions

In the process of defining Pakistan's real security interests, Zulfikar Ali Khan illuminates many harsh realities, but in the end he succeeds in identifying the moorings for a new direction for Pakistan national policy. First is the need for a democratic government—because, as Khan put it in 1984-85, "The military strength of a country is in direct proportion to the political support the government has." (Significantly, his critique of the Zia ul-Haq regime was strictly program-

matic: "If the policies of the military government were sound, in concept and in execution, we would not be beset with grave problems such as economic decline, political chaos, the breakdown of discipline and internal cohesion.")

Second, is the need to take independent action to resolve the Afghan crisis. In particular, Khan argues, "There is no short-cut to a dialogue with the Soviet Union and Afghanistan."

Third is the need for Pakistan's armed forces to be adequately equipped, well-trained, competently led, and "dedicated to their profession without any distraction." (Khan persuasively argues that one of the gravest problems with a military in power is that it necessarily becomes obsessed with its own self-justification at the expense of everything else, including competent military judgments and action.)

Finally, is the need for adopting a concept of *total defense*, that is, a notion of defense which recognizes that modern warfare encompasses the entire activities of a nation in peace or war. What Khan has in mind here is apparent from his searching report on the "great shame" that is education in Pakistan, which has the "dubious distinction" of being the least literate nation in the region, "perhaps a shade better than Afghanistan."

Contrary to the government official figure of 26% literacy, Khan insists actual literacy is less than 10%. "Was it because our rulers thought that there was a risk in educating the masses?" he asks. Mass illiteracy has certainly served that *status quo* of two decades of mostly military regimes based on a narrow feudal elite, Khan concludes, targeting in particular the cultural hypocrisy of educated Muslims who preach against the colonial heritage of England but make sure their sons get a seat in the private English medium-school.

Closely related in Khan's mind to "the mess we have made of education in Pakistan," is the economic crisis as a source of national insecurity. Education is a prerequisite for economic growth, he says, for productivity increases and the ability of the population to adopt new technologies. Pakistan has been "bartered away" through heavy foreign borrowing, he states, and now the country's economic goals are being dictated by its creditors in the U.S. commercial banks, the International Monetary Fund, and the World Bank.

The failure in these two areas vastly exacerbated the process of social breakdown fed by more than ten years of attempts to extinguish a political process in the country, and now virtually institutionalized in open warfare between rival ethnic groups and a surge of drug addiction and violence. The Afghan crisis, pushing 3 million refugees into Pakistan, only made this mix of backwardness and instability positively explosive.

One is left with no doubt that tackling backwardness and instability is the highest priority for the Bhutto government, but that progress on this front is viewed as integral to the solution of other national security problems confronting Pakistan.

Contrasting views of western water works

by Nicholas F. Benton

Hoover Dam: An American Adventure

by Joseph E. Stevens
University of Oklahoma Press, Norman and London, 1988
326 pages, hardbound, no price listed.

Cadillac Desert: The American West and Its Disappearing Water

by Marc Reisner
Viking Penguin Books, New York and London, 1986
582 pages, paperback, \$8.95.

One of the most distinctive memories of my childhood was the reaction I had when, driving along a hot, dusty road, we came around a bend and beheld the Hoover Dam. It was a breathtaking moment. In awe, we stopped the car ahead of the face of the dam, and examined the scale of its sheer mass.

It was not until years later that I learned how this dam, begun in the late 1920s and completed in the mid-1930s, made possible the seemingly unlimited bounty of southern California. A semi-arid desert was turned into one of the most densely populated regions of the U.S., a world center of high-technology aerospace industries, and some of the most productive agriculture in the world. It was achieved by men of vision who grasped the potential of capturing water running off mountain ranges to the north and east to transform a desert into a garden.

Joseph Stevens's book, *Hoover Dam: An American Adventure*, gives an account of how the project was conceived and completed. The book is short on the political intrigues surrounding the project, but long on how it was built: how engineering skill, financial finagling, problem solving, and hard work created this monument in the Black Canyon.

It is an important book for today's generation, because it

tells how men of broader vision and tougher resolve than those who pass for public officials now, were, 60 years ago, able to set their sights on a great project and see it through. It should stiffen the resolve of those who recognize the need for a revival of that approach today to build the great projects that could end poverty in Africa and Asia, bring peace to the Middle East, and, by tapping the enormous surplus of north-flowing water in western Canada and Alaska, make green the western two-thirds of the North American continent.

It will also mute the nagging of those "nay sayers" like Marc Reisner, author of *Cadillac Desert: The American West and Its Disappearing Water*. Reisner's book begs the question: Why would Viking Penguin publish a biased account of western water development written by a man whose only credential is employment as a staff writer for the anti-growth National Resources Defense Council?

The book is based on the premise that every civilization in the history of man that was dependent on water diversion failed, that water development for the West has been a mistake, and that the West should be allowed to revert to its arid, semi-arid state. (He had obviously overlooked Egypt, for starters.)

The book was apparently commissioned in the early 1980s. Following the California drought of 1977 and the failure to find a solution to the depletion of the Ogallala Aquifer that provides irrigation for agriculture in five states on the central plains, a new wave of interest began to arise in the North American Water and Power Alliance (NAWAPA) plan, as the water-from-Canada concept was called by the Ralph Parsons Company, which surveyed its feasibility in the early 1960s. Now, with California facing its third consecutive year of drought far more severe than that of 1977, interest in NAWAPA is growing again.

However, if Reisner's book was intended to block interest in water from Canada, it stands exposed because it is the drier southern California, which, by virtue of water diverted from the Hoover Dam and other sources, is able to offer relief to the northern part of the state.

Nonetheless, the battle lines are drawn as the West grows drier, between men of vision like those who built the Hoover Dam, and those who would halt progress at the expense of countless human lives. This is a basic moral question that hinges on the cultural paradigm shift that has occurred, in the past two decades especially.

A poem by Olivia Wheeler Whiteman entitled *Come Walk With Me*, (Daily Press, Craig, Colorado, 1973) expresses the different popular sentiment that existed when the Hoover Dam (called Boulder Dam at the time) was under construction. Entitled, "A Trip To Black Canyon Before Boulder Dam," the poem contains the lines: "It seems 'twas a part of God's plan,/To put here this possible dam site/For the future achievement of man./And He, in His infinite wisdom,/Has given a vision to some/That will be for the good of His people,/And will last through the ages to come."

Congressional bloodletting serves Wall Street's aims

by Nicholas F. Benton

The passionate appeal of Rep. Jim Wright (D-Texas) during his resignation speech May 31, urging an end to the partisan bloodletting in Congress, clearly fell on deaf ears. No sooner had Rep. Thomas Foley (D-Wash.) been elected to succeed Wright as Speaker of the House, than one of the most volatile partisan smear tactics seen in recent years captured the nation's headlines.

A memorandum on Republican National Committee letterhead was leaked the day Foley was elected which likened Foley to the "avowedly-homosexual Rep. Barney Frank (D-Mass.)." The appearance of the flyer culminated a two-week rumor campaign swirling around the Hill that called Foley's sexual preference into question.

Once out in the open, and in the national press, the rumor triggered a frenzy of reactions. President Bush moved swiftly to call it "disgusting." RNC Chairman Lee Atwater denied culpability, and immediately fired a member of his staff. Foley tried to brush it off with "no comment," but was forced to deny he was homosexual on national television by the end of the second day. And Frank threatened to retaliate by exposing Republican congressmen whom he said he knew to be homosexual.

Congress had lowered itself even further toward the level of a mud wrestling night at a Houston discothèque.

The stories about the 10 congressmen actively under investigation by law enforcement agencies, and the interagency inquiries into allegations of sex with minors and male prostitutes by certain congressmen may have fallen out of the headlines since Wright's resignation. Even so, the flap over the RNC memo on Foley, which was still hot enough to take up some of the time at President Bush's first prime-time press conference June 8, has kept Capitol Hill preoccupied with

the "reign of terror" atmosphere that led to Wright's downfall, as documented in last week's *EIR* (see "Wright's Purge Signals New Reign of Terror," June 9, 1989, p. 58).

Dictatorial machinery readied

However, revealing editorial comment on the condition of Congress in the June 9 *Wall Street Journal* threw new light on the motives of the powerful Eastern Establishment elites who have helped to create the intimidating environment that now pervades Congress.

Entitled, "S&L Watch," the editorial gives an approving nod to "a number of Republican members [who] are discussing the possibility of withholding their votes from the final S&L bill unless the full House agrees to consider an amendment creating a special commission or quasi-grand jury to investigate the political connections among some S&L interests, Congress and some federal regulators."

This amounts to a brazen call by Wall Street to rip the democratically elected Congress free from any contact with constituency-based institutions, and to turn it into a rubberstamp for interagency task forces, bipartisan commissions and other appointed bodies of elites. The pretext of the call is the upcoming debate in Congress on President Bush's proposal to bail out the nation's ailing savings and loan industry with what the *Journal* admits will eventually cost American taxpayers \$250 billion—roughly \$1,000 for every man, woman and child in the country.

According to the *Journal*, the bailout package is now threatened by a combination of efforts to water it down, led by the U.S. League of Savings Institutions, and a blizzard of amendments which have been attached to the legislation by congressmen responding to so-called "special interests," most

of which, in fact, are constituency-based institutions.

The *Journal* says this is “routinely disgraceful behavior,” and warns that “watering down the proposal sends the whole issue back in the direction from which this problem developed in the first place.” It calls on Foley to take action. “Putting a stop to this sort of amendment pig-out is exactly the sort of real reform that should be the responsibility of the new House Speaker,” it intones.

Contempt for constituencies

Wall Street’s contempt for the functionings of democracy is clearly exposed in this editorial—which confirms the *EIR* analysis of the true objective of the “reign of terror” climate has helped to foment in the Congress. A prime mover in the effort to force Jim Wright out in the first place, the *Journal*, in particular, is now demanding that Foley do its bidding by authoritarian measures to sweep aside the influence of constituencies on the final shape of the S&L bailout package.

The House of Representatives, in particular, has long been a target of vilification by the Eastern elites, because it was designed by the Founding Fathers to be the most directly representative body of the will of the public. By setting it up so that every seat in the House would be up for popular election every two years, the Founding Fathers expected the House to reflect most immediately the sentiments of the public.

From this standpoint, it is obvious why the House, to a greater degree than the Senate, which, by virtue of its seats being up for election in six-year cycles, has always been somewhat more aloof from constituency pressure, has always caused the Wall Street boys to gnash their teeth. “Constituency pressure” and “special interests” are the big bugaboos that are supposedly wrecking the Congress, according to Wall Street, even though it was set up in the beginning to deliberately reflect just these factors. What Wall Street is really objecting to is the public, rather than the monied elites, making policy for the nation.

Wall Street has been doing more than merely objecting, however. As the last election reflected, the House has already been turned into one of the most unrepresentative bodies of the government, with over 90% of the seats being won handily by incumbents and some 15% being uncontested by a member of either major party, at all.

Within Congress itself, one of the biggest victories for Wall Street was the adoption of the dangerous precedent contained in the Gramm-Rudman-Hollings so-called deficit-reduction law. For the first time, this law institutionalized the subjugation of the popularly elected Congress to a “higher authority” than the voters—namely, a mathematically predetermined path for reducing the federal deficit. Once this was accepted in early 1987, then the next step to distance Congress from the voters became necessary. Incapable of complying with Gramm-Rudman by the usual means of debating and voting on the budget, congressional leaders of

both parties agreed in the fall of 1987 to form a special bipartisan group that would hammer out a budget, which the larger House and Senate bodies would simply rubber stamp.

At that time, Wall Street seized the opportunity to launch a vehement campaign to force Social Security onto the chopping block, along with other budget items.

Who will defend the elderly now?

Responding to the enormous constituency pressure reflected in the voting bloc of the nation’s elderly, President Reagan had declared Social Security off limits in the budget negotiations.

Led by former Commerce Secretary Peter G. Peterson of the Blackstone Group, a so-called “Bipartisan Budget Appeal” was created, composed of 200 names of the cream of the nation’s financier and political elites, which took out huge advertisements in all the nation’s leading newspapers aimed at pressuring Reagan into changing his mind.

At the time, pressure from such an influential quarter caused the White House visibly to waver. Spokesman Marlin Fitzwater began to equivocate in his answers on how firmly the President was willing to stick to his non-negotiable demand to leave Social Security out of the budget-reduction negotiations. ABC’s infamous Sam Donaldson, belying his self-proclaimed image as a champion of the underdog, led the attack during White House briefings daily on behalf of the Wall Street crowd that wanted Social Security cut.

Then, the powerful chairman of the House Rules Committee spoke. Rep. Claude Pepper (D-Fla.), leader of the cause of the nation’s elderly and 86 years old at the time, announced that if Social Security were put into the budget-reduction package, he would use his clout as head of the Rules Committee to separate out that item and demand a roll-call vote of every House member on the Social Security issue by itself.

Wall Street’s “Bipartisan Budget Appeal” was blocked. No sane congressman would dare go on record voting to cut Social Security. Pepper’s move was decisive. The next day, Fitzwater said the issue was settled, and that Social Security would “definitely” not be cut.

Now, however, Pepper is gone. Representative Pepper’s death at age 88 in May leaves the nation’s 37 million recipients of Social Security and growing numbers of aged without a champion in the House—at least, not one with the kind of clout that he had acquired from his decades of accumulated seniority. Asked how long it will now take for Social Security to be put onto the Gramm-Rudman budget-slashing block, especially without Claude Pepper, a veteran staff member of the House Ways and Means Committee told *EIR*, “One year.”

This will come not a day too soon for Wall Street, and is guaranteed to happen unless the American people wake up in time to reclaim control of the Congress, that body which was intended by the Founding Fathers to be, in a uniquely direct way, especially theirs.

China overshadows Atlantic Council East-West love fest

by Kathleen Klenetsky

Although the full impact of the Chinese revolution on the Washington-Moscow condominium has yet to be felt, the explosive events that have erupted in the People's Republic of China have already started to cast a shadow over New Yalta factions, both East and West.

The first shock effects of the China developments were much in evidence at a June 6 conference on "East-West Relations in Transition" sponsored by the Washington-based Atlantic Council and held at the State Department.

The meeting, part of the Atlantic Council's ongoing "U.S.-Soviet Dialogue," brought together Bush administration figures, European and Asian observers, members of the Soviet Union's U.S.A.-Canada Institute, and the usual cast of "inside the Beltway" think-tankers and lobbyists, to discuss such subjects as "The Impact of 'New Thinking' on Soviet Policy Toward Europe," and "Possible Areas for East-West Cooperation."

Leading speakers included Henry Trofimenko, Andrei Kokoshin, and Yuri Davydov of the U.S.A.-Canada Institute, Kissinger sidekick Helmut Sonnenfeldt, Undersecretary of State Reginald Bartholomew, Assistant Secretary of State Rozanne Ridgway, Atlantic Council Chairman Gen. Andrew Goodpaster (ret.), Sovietologist Richard Pipes, Sen. Timothy Wirth (D-Colo.), and Vladimir Shustov of the Soviet Foreign Ministry.

But what was originally intended to be a high-level meeting of U.S. and Soviet insiders, which would both celebrate the supposed end of the Cold War, while mapping out new measures to further the military, economic, and political convergence of the two blocs, found itself upstaged, and unsettled, by the Chinese situation.

China: the unwanted guest

The effects of the Chinese developments made themselves felt in two principal ways: First of all, some of the major figures who had been scheduled to participate—notably Soviet Marshal Akhromeyev, Secretary of State James Baker, and President George Bush—canceled at the last moment. While none of their excuses specifically mentioned China, there was no other reason which could reasonably explain their sudden non-appearance. Akhromeyev supposedly couldn't attend because he had to help Mikhail Gorbachov

prepare for his mid-June trip to West Germany. The excuse rang hollow, given that Gorbachov's trip had been planned long before Akhromeyev signed on for the Atlantic Council conference.

Secondly, although it was quite apparent that both conference organizers and the bulk of the speakers looked on the China developments as an unwanted guest, the subject nevertheless kept inserting itself into both the public sessions and private discussions. For example, when, during one of the question and answer sessions, a reporter asked Ron Lehman, the Bush administration's chief of ACDA (Arms Control and Disarmament Agency), if he would comment on the hypothesis that the Chinese upsurge was due in part to Chinese rejection of the Washington-Moscow condominium, he replied with a flat "No"—causing no little consternation in sections of the audience.

During the lunch break a few hours earlier, Lehman had privately confided to close associates at the conference that the administration was "scared out of its pants" by the events in China, had "no idea what was going on," and feared that the situation was spiraling out of control.

The Soviet participants exhibited little more willingness than their U.S. counterparts to talk about the situation. Repeatedly pressed for a reaction, Davydov and Kokoshin initially insisted that they couldn't even give their personal opinion, because they weren't "experts," although Davydov did bring himself to deny vociferously that China was moving toward a civil war.

Trofimenko, chief of the U.S.A.-Canada Institute's department of foreign affairs, was slightly more forthcoming in a private discussion. Questioned about the impact that Chinese events would likely have on the U.S.-Soviet condominium, Trofimenko suggested that the condominium be extended to handle the Chinese revolution. Rather than derail the Washington-Moscow rapprochement, "Maybe the condominium can discuss developments in China," he said.

Trofimenko proceeded to insist that what was going on in China was "not a people's war," and wouldn't become one "until the second or third major clash," but eventually admitted: "The situation is totally unpredictable. We do not now who will come out on top."

Asked what he thought about Henry Kissinger's "China

card,” Trofimenko burst out laughing: “That was idiotic!” he exclaimed. “We knew the Chinese would never support the United States in a war. We weren’t scared by that.”

Gorbymania

An almost eerie atmosphere prevailed, as though the participants had been caught in a time warp, and were solidly enmired in the policies which have been rendered irrelevant by the Chinese revolution. The bulk of the presentations were geared toward lauding the allegedly great progress that has been made over the past few years in U.S.-Soviet relations, and detailing areas for more such “progress” in the future.

During one of the early panels, the U.S.A.-Canada Institute’s Davydov struck a theme that was sounded repeatedly during the day: “The Cold War has exhausted itself,” he announced, unchallenged, adding gleefully that there is a “growing perception that socialism and capitalism are not alternative societies, but share common values.”

The Soviet speakers extolled the virtues of glasnost and perestroika, and propagandized for Gorbachov’s vision of a “European common home.” They declared that the threat of war in Europe had been eliminated, promised a huge reduction in the Soviet military presence in Eastern Europe, and, as Trofimenko put it, vowed that “There will be no meddling in Poland” by Moscow.

Propaganda of this sort is exactly what one would expect from a Soviet delegation under the present circumstances, especially one from the U.S.A.-Canada Institute, which is explicitly charged with devising methods to shape the perceptions of the U.S. government about the Soviet Union’s intentions.

It was the behavior of the American participants that was truly appalling. The bulk of the U.S. speakers made a disgusting display of themselves, as they vied with each other to see who could lavish the most praise on Gorbachov’s “reforms,” and the Soviet Union’s “new thinking.”

When the Soviet Foreign Ministry’s Shustov, for example, opened his speech on prospects for U.S.-Soviet cooperation on environmentalism, by declaring that, “If the Green Party existed in our country, I’d join it,” not one American participant rose to point out that the West German Greens have been among Moscow’s most effective weapons in its drive to neutralize Western Europe. But perhaps that’s not so surprising, given the fact that the Bush administration has shown itself to be perfectly content with the prospects that a coalition of the Greens and the Social Democrats may come to power in Germany in the next federal elections. Nor did anyone from the U.S. side object, when Trofimenko brazenly lied that the Soviets had “inadvertently dragged ourselves” into Third World conflicts.

In fact, U.S. willingness to swallow every slice of baloney the Soviets served was so blatant that a panel moderator observed, not entirely happily, that the public sessions had been free from any dissension whatever between the Soviets

and the Americans. (It’s worth pointing out that the Atlantic Council is no left-wing think-tank, but a leading elite policy-making institution. Its directors include such stars in the Establishment’s firmament as ex-Secretaries of State Alexander Haig and Henry Kissinger, ex-President Gerald Ford, and Senate Armed Services Committee chairman Sam Nunn (D-Ga.); its current chairman, retired general Andrew J. Goodpaster, formerly served as Supreme Allied Commander, Europe. Goodpaster authored a recent Council report, which recommended a 50% reduction in the U.S. military commitment to Western Europe. Thus, the outrageously pro-Soviet posture which it has recently been exhibiting directly reflects the consensus among the American Establishment.)

The Bush administration, in its embarrassing haste to sell out U.S. strategic interests to Moscow, provided some of the most rabid Gorbymaniacs present at the conference. Undersecretary of State Bartholomew talked glowingly about the prospects for reaching a U.S.-Soviet agreement on conventional forces in Europe within 6 to 12 months, while ACDA director Ron Lehman gushed that “This is the most significant transition period” of the postwar era.” Not only can we “legitimately ask whether we are in a transition out of the Cold War,” said Lehman, but we must ask the “ultimate philosophical question: If there are even more fundamental changes in the East, will we even need to discuss disarmament?”

The only publicly dissenting voices were raised by Richard Pipes, and, to a lesser degree, William Odom, former director of the National Security Agency. In an otherwise low-key presentation, Odom threw a devastating monkey wrench into the whole arms-control process, when he asserted that on-site verification—the great Soviet “concession” which was used to ram through the INF treaty, and is now being used to justify future arms agreements—will actually “complicate, not solve, the problem of verification.”

Pipes, who served on the National Security Council in the first Reagan administration, also threw some cold water on the love fest, referencing the China developments as indicative of the overall volatility of the communist world, and implying that a similar situation could easily arise in the Soviet bloc. Already “There are signs of a reaction” in the Soviet empire, he said, citing the “suppression of the Georgian uprising,” and warning of the “danger of a crackdown in Poland.” Pipes said that he had “hoped it would have been possible” for the Soviets to have moved to “controlled democracy,” but “events of the last few months have left me skeptical.”

“It behooves us and our government to be extremely cautious” in our relations with the Soviets, Pipes told the conference. “We must not be euphoric. There are many obstacles and pitfalls” ahead. Privately, Pipes told a journalist that the Soviets have not changed their strategy from the Ogarkov Doctrine, for winning a war against the West, one bit, despite recent deceptive lines from Moscow about “defense sufficiency” and defense budget cuts.

RICO's assault on constituency groups

by Leo Scanlon

The use of the RICO statutes (Racketeer Influenced and Corrupt Organizations) by politically motivated litigants and prosecutors, against "Operation Rescue" anti-abortion protesters and others, is the cutting edge of a wider variety of tactics which are being marshaled to silence any social grouping that organizes itself to redress grievances through the political process. We document here how some of these tactics are being used against organizations such as the National Rifle Association (NRA) and lobbyists for the elderly.

The case of the NRA

If there is one issue which evokes as much political emotion as the question of abortion, it is gun control, and the NRA has solidly staked out its territory, in defense of an interpretation of the Second Amendment to the Constitution which guarantees an unrestricted right to the ownership of firearms by every citizen of the republic. The propagandistic attacks against the NRA's interpretation of the Constitution by a variety of nominalist nit-pickers tends to obscure the dangerous and unconstitutional philosophy embedded in the "gun-control" movement.

Much of the modern debate over the issue began with legislation passed in the 1960s—a corollary to the reorganization of the criminal code instituted with the enactment of the RICO and related statutes. If there is one underlying flaw in these laws, it can be summarized thus: The individual is not morally responsible for the commission of a criminal act, but is an agent of some force in society at large, which is causing him to act in a criminal fashion. In this view, the aim of law enforcement and the court system is not to stop crime by holding the criminal to account for his actions, but rather to identify the social formation ("racketeer influenced corrupt organization," "enterprise," or some agency of society at large) which is controlling the individual's actions, and to punish or destroy it. Therefore, the most heinous moral crimes against persons are ignored by the courts, while "institutional" or "white collar" crimes are treated with a draconian severity.

The gun control statutes, enacted and pending in the U.S. Congress, are the poison fruit of this logic, and are similarly

based on the idea that gun owners, as a class, are predisposed to crime, because many crimes are committed with the aid of guns. The advocates of gun control would impose broad restrictions on the citizenry, in the effort to control the criminal. The furor over this issue is not a product of the "American Cowboy" phenomenon, as it is often portrayed to foreign audiences, but rather is a very fundamental fight over a basic constitutional conception.

The NRA has mounted a simple, but effective resistance to this type of legislation. As a result, the association has come under brutal physical and political attack by its opponents, and can expect more of the same. In a recent Maryland election, the NRA mobilized to defeat a gun control statute which was posed as a referendum item. The ferocious attack against their campaign by the state authorities was identified as "police-state tactics" in the NRA magazine, which reported on the incidents involved.

"Police conducted an illegal, warrantless search of our Baltimore headquarters, disrupting and eliminating the critical election eve phone bank, rummaging through desks and file cabinets, grabbing papers from workers, herding them from room to room," wrote Maryland NRA official Neal Knox.

"Armed, uniformed, reportedly on-duty policemen were stationed at many polls passing out sample ballots 'suggesting' how to vote—in open violation of election laws.

"Poll workers were harassed, injured, and even arrested on trumped-up charges," and a host of dirty election tricks conducted by state officials polluted the entire voting process.

Bush's hypocrisy

Where was George Bush while this electoral travesty was occurring in his back yard? He was out campaigning on the promise that he would not tolerate any further restrictions on gun owners—the very first promise he broke after his election. Bush's betrayal of the NRA was the work of "drug czar" William Bennett, who initiated a move to outlaw an entire category of semi-automatic hunting weapons, on the specious premise that they are "related to" military assault weapons.

A principal figure in promoting this hoax has been Los Angeles Chief of Police Daryl Gates, whose sanction of police brutality against a recent anti-abortion protest indicates that the Maryland experience will not be an isolated one. Gates's role deserves more scrutiny, in light of the fact that the flap over automatic weapons was triggered by the slaying of school children in Stockton, California, by a suspected Satanist. Gates and other California officials have hushed up that side of the story, and also covered up the fact that the assailant had been arrested multiple times on felony charges, which had been plea-bargained to misdemeanor violations, by Los Angeles law enforcement officials—thus in effect *protecting* the gunman from being prosecuted under

California's already stringent gun registration laws.

Bush's cynical betrayal of the NRA was a signal to gun control forces in Congress. Anti-firearms legislation, under the sponsorship of Sen. Howard Metzenbaum (D-Ohio), and Rep. Courtney Stark (D-Calif.) got a big boost from the President's actions. In response, the NRA mobilized its several million members to oppose the bills and contribute to the NRA. Promptly, Courtney "Pete" Stark demanded that the Postal Service investigate the solicitation, and initiate a prosecution of the NRA on mail fraud charges. Stark, in a letter he sent to the Postal Inspector, argued that the NRA "misrepresented" the nature of the bill. His letter contained the following curious formulation:

"Telling collectors, hunters, or sportsmen that a \$28 contribution can prevent a \$200 tax on currently owned firearms would appear to be a wise investment to any ordinary citizen. Instead, it's actually a new twist on a tested and proven fundraising scheme used to exploit the vulnerable senior citizens of this nation. Current postal regulations . . . were implemented to prohibit schemes and devices of this type that misinform, lie, distort, and incite for the explicit purposes of raising money."

He then implies that the NRA "intended to engage in conducting a scheme or device for obtaining money or property through the mail by means of false representations."

Target: senior citizens

According to the aide who wrote the above letter for Representative Stark, the congressman's office is very sensitive to the issue raised about the political involvement of senior citizens. When asked what he meant by "a tested and proven scheme" to bilk the elderly, he pointed to an organization called the National Committee to Save Social Security and Medicare. This lobbying organization, founded by Jimmy Roosevelt, has effectively mobilized senior citizens to oppose the continuous efforts of Stark, other congressmen, and the euthanasia lobby, to chisel away benefits due the elderly.

The direct mail organizing tactics of Roosevelt's group represented a mainstay of the efforts of, among others, the late Rep. Claude Pepper (D-Fla.), a leading advocate for the elderly. Like the NRA, the group makes use of a simple formula: Letters are sent to millions of potential supporters alerting them to the dangers of a particular piece of legislation, telling them who to call or write to to stop it, and requesting a contribution to support the effort. Since the bulk of the contributions received are used to pay the overhead costs for the mailing and mobilization efforts, Stark and like-minded congressmen have tried to establish that the practice constitutes "mail fraud," and have repeatedly attempted to sanction Roosevelt's group.

What Stark is really upset about, is that this technique effectively short-circuits the controlled national media, and checks the actions of corrupt politicians like himself.

Writ of Habeas Corpus

LaRouche takes case to Supreme Court

Charles W. Bowser, a noted Philadelphia attorney, has filed a petition with the U.S. Supreme Court, on behalf of Lyndon LaRouche and six associates, calling upon that court to order their release from prison, where they have been since Jan. 27, when a federal judge in Alexandria, Virginia vindictively refused to release them on bond pending appeal following their railroad political show-trial.

The "Joint Petition for Writs of Habeas Corpus" was filed on June 2 on behalf of LaRouche, William Wertz, Edward Spannaus, Michael Billington, Dennis Small, Paul Greenberg, and Joyce Rubinstein, and argues that years of government harassment and politically motivated "investigations" of the National Caucus of Labor Committees—the philosophical association founded by LaRouche—completely invalidates the government's criminal prosecution of the defendants, and that the lower court's decision to even deny them freedom pending their appeal is a further extension of that effort to deny them the freedom of political expression, and the right to due process under the law.

Appended to the 30-page petition are 273 pages of supporting documents and exhibits, documenting the government's more than 20-year-old campaign of harassment operations against LaRouche and his associates.

First Amendment violated

"The Government's intrusions upon petitioners' First Amendment rights to political expression and association exceeded the narrow parameters of permissible government activity and invalidate their prosecution and resultant confinement," the petition argues, noting that such intrusions "demonstrate that the governmental interest behind the activity was not unrelated to the suppression of free expression."

Contrary to Judge Albert V. Bryan's refusal to even admit evidence of the government harassment of the NCLC into his

Alexandria railroad trial, the Supreme Court petition argues that "Discrete [governmental] conduct, reviewed separately, may not violate narrow parameters within which government conduct is permissible, but the mandate of the First Amendment requires the Court to review the totality of government intrusions, even subtle and indirect intrusions. . . ."

"In this case, as set forth . . . petitioners were subjected to continuous government intrusions upon their rights of political expression and association for almost twenty years prior to their prosecution. . . . While the lower courts rejected petitioners' objections to intrusions upon their rights, they limited their review to discrete acts, and ignored the mosaic of intrusive government conduct.

"It would be naive not to recognize that continuous government investigative activity over an extended period into political expression and fundraising is more detrimental in its cumulative effect than when each activity is reviewed separately. . . . Moreover, when this continuous activity against politically active people escalates over time in its disrupting effect, the asserted legitimate governmental interests no longer can be viewed as unrelated to the suppression of free expression." Cited in this connection is the Church Committee Report, which cautioned that "The line between information collection and harassment can be extremely thin."

Violations of international law

In addition to the infringement of First Amendment rights suffered by the LaRouche Seven, the petition argues that their confinement "also violates rights provided to them under international law provisions which this Court should recognize as an independent basis for *habeas corpus* relief," including the United Nations Charter and the Universal Declaration of Human Rights.

"Petitioners' right to the free exercise of political expression without improper governmental interference and imprisonment is also protected by customary international law or the 'law of nations,' a part of the law of the United States, which the Court is bound to ascertain and administer."

In addition to these treaty provisions, the petition points out that the right to free political expression is also set forth in the following international human rights instruments: the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the American Convention on Human Rights, the European Convention for the Protection of Human Rights and Fundamental Freedoms, the African Charter on Human and Peoples' Rights, and the Final Act of the Conference on Security and Cooperation in Europe ("Helsinki Accords").

"The repeated inclusion of provisions setting forth this right in the above-cited instruments demonstrates that it is universally recognized and accepted by states that freedom of political expression and freedom from governmental suppression is a customary principle of international law that no civilized nation may deny its citizens."

Furthermore, "petitioners' Fifth Amendment right to due process is denied by their confinement in violation of customary international law guaranteeing their right of political expression free from undue governmental interference."

The Fifth Amendment, the petition argues, "provides that no person shall 'be deprived of life, liberty, or property, without due process of law.' . . . By its substantive component, this constitutional provision bars certain government actions 'regardless of the fairness of the procedures used to implement them.' . . . It thereby serves to prevent governmental power from being used for purposes of oppression."

The petition also stresses that this constitutional protection "has no fixed technical content. In *Rochin v. California*, this Court noted, 'In dealing not with the machinery of government but with human rights, the absence of formal exactitude, or want of fixity of meaning, is not an unusual or even regrettable attribute of constitutional provisions.'

"The principles of customary international law can provide content to the notion of fairness inherent in the concept of due process. . . . These principles, discussed *supra*, establish that human beings have a right of expression which should be free from undue governmental interference. The government's prosecution and confinement of petitioners, tainted as it was by an interest in suppressing their right to free expression . . . violates this international norm and thereby constitutes a form of oppression. When this oppressive government conduct results in an infringement of liberty, as petitioners' imprisonment has, it violates the constitutional guarantee of due process of the Fifth Amendment. This constitutional violation mandates the granting of the requested writs of *habeas corpus* and the release of petitioners from custody."

LaRouche's attorney

Although perhaps not as well-known as former U.S. Attorney General Ramsey Clark, who represented LaRouche before the Fourth Circuit Court in Virginia and the Supreme Court, Charles W. Bowser is a noted attorney whose area of special expertise is constitutional law as it applies to corporations. Following his decision to represent LaRouche and his associates before the U.S. Supreme Court, Bowser stated that he has departed from his standard corporate clientele, to represent these seven individuals, because the implications for the First Amendment and U.S. Constitution are so immense. He has referred to the actions taken by the government against LaRouche as the "Watergating of the First Amendment."

Bowser has been active on the Philadelphia political scene for well over two decades. He became the city's first black deputy mayor in 1967, and subsequently ran vigorous campaigns to become mayor in 1975 and 1979. More recently, he was the subject of the cover story of the Jan. 15, 1989 *Philadelphia Inquirer* magazine entitled, "Is This the Most Powerful Man in the City?"

Ascher freed on bond, in blow to 'get LaRouche' judicial vendetta

Judge Carleton Penn of the Circuit Court of Loudoun County defended the lynch mob verdict against fundraiser Rochelle Ascher, a political associate of Lyndon LaRouche, during a hearing on her sentencing in Leesburg, Virginia on June 5. Mrs. Ascher was convicted on April 5 on charges brought by the state of conspiracy, loan fraud, and securities violations; under Virginia's system of jury sentencing, she was given an unprecedented 86-year prison term, subject to final review by the judge. Penn declared that he sympathized with those who consider the 86-year jury verdict "sacred."

However, since Mrs. Ascher's crime was not "violent" in the sense of rape or murder, the judge said he was modifying the sentence to 10 years in prison, and 10 years on probation, with multiple conditions, including "restitution" to lenders and the cost of the court case.

Given that Judge Penn himself had made the rulings which "fixed" the jury with individuals inflamed against LaRouche, his attempts at showing consideration for the defendant rang hollow, indeed. In reality, Penn was upholding the tradition of Nazi Judge Roland Freisler, noted for being the political hatchet man against opponents of the Hitler regime.

Penn proceeded to deny bond on appeal to Ascher, because she was "willful" and "lacked remorse," and because he said he found the evidence of her crime "overwhelming." She was jailed immediately after the hearing.

But in an abrupt reversal, the Virginia Appeal Court overturned Judge Penn's ruling two days later, and ordered that Ascher be freed forthwith on \$50,000 bond. The order stated, "We hold that the trial judge abused his discretion in denying bail," because his reasons did not support the conclusion, under law, that Ascher would not appear when directed or that she was a danger to herself or the public.

The first part of the hearing on sentencing was taken up with post-trial motions by the defense. These centered on the question of jury bias, and the unconstitutionality of jury sentencing. Ascher's attorney, John Flannery, described the jury as massively prejudiced by the behavior of the government, and argued that the unprecedented verdict bore out this judgment. The verdict reflected a "burst of passion," Flannery said.

He then noted that the state's own guidelines for sentencing a crime like that of Ascher's—if she were guilty—would give her a sentence of six months!

Flannery also revealed that the Commonwealth of Virginia had offered one of Ascher's alleged co-conspirators, Michael Billington, a sentence of only *three years* if he would



Rochelle Ascher walks from jail to freedom with (from left) attorney John Flannery, husband John Ascher, and friend Warren Hamerman, after Appeal Court reverses the judge's ruling denying her bail pending appeal.

just plead guilty. The Commonwealth argued that this was irrelevant, and urged “substantial” jail time.

The final word on the jury was said by Judge Penn, who claimed that whatever passion they showed, might have been created by the situation of the lenders who testified at trial. He then commended the jurors, as he had at trial, for their conduct—including those six who showed such ghoulish interest in the outcome that they took time off work to attend the sentencing.

During his closing statement, Flannery powerfully argued one of the major issues in the loan fraud trial—the fact that the federal government had put into bankruptcy the very corporations which owed the monies, thus prohibiting them from being able to pay back loans. In reality, Flannery noted, most of the loans which Rochelle Ascher took—which were cited in this case—were not due until *after* April 1987, when the federal government unilaterally shut down the corporations at issue. So don’t blame Rochelle Ascher for the fact that lenders were not repaid, he said. Blame the federal government—it prevented the payment!

Ascher: ‘I am innocent under God’s law’

Immediately before Judge Penn’s sentence was pronounced on June 5, Rochelle Ascher made the following statement to the court.

I stand before you today to assert my innocence under God’s law, as I know I am innocent in His eyes.

I stand here also to assert my innocence under the U.S. Constitution and Bill of Rights—the closest thing to God’s law created by man.

I believe not only that I am innocent, but that both in the eyes of God and man, I have been unjustly accused and convicted.

I have spent the better part of the last 20 years of my life studying the Constitution, and the fight of our Founding Fathers to establish and preserve this republic. I have in fact attempted to dedicate my entire adult life to those very fundamental and inalienable rights which Americans have given their lives to defend, both for ourselves, and for the rest of mankind. I especially include those 10,000 Chinese students who died for these principles over this weekend.

Originally the government argued that this trial had nothing to do with these policies. As the trial progressed, they modified their position. They conceded in fact, this political association did publish what we said we published, did campaign the way we said we campaigned, etc.—but they argued that this was merely a *device* by which this supposed scheme to defraud was carried out.

The irony of this whole case is that I have dedicated my

entire life to the exact opposite purpose. My concern, from a very early age, has been that of the underprivileged, the hungry, the poor, and those suffering from tyranny and oppression. Since it has been conceded that I did not do anything for my own personal gain, the implication is that I did it “for the LaRouche organization” or to maintain Mr. LaRouche’s “lavish lifestyle.” Despite repeated assurance by the government that Mr. LaRouche and his supposed lavish lifestyle were not on trial, this was in fact exactly what they said in closing. But I happen to know that this is wrong. I happen to know that not only I, but no one else in the LaRouche organization has ever benefitted financially from anything that we have done—quite the contrary, what is difficult for most people in this day and age to understand is a philosophical association which has no “ulterior” motive—a group of people, including Mr. LaRouche, who have made great sacrifices in order to try to better this world.

Or take the question of my intent, which is what transforms this supposed misdemeanor into a felony. I know that when I took these loans, that an intent to defraud never entered my mind. This organization’s entire purpose for existing, is to combat injustice, evil, and poverty. This organization since its inception has been one of the most controversial political organizations in the history of this country because we directly took up a fight against evil, against the most powerful institutions and families. We never made any attempt to hide this. To argue that people did not know the risks of associating with this organization, and loaning us money, given what I told them, is wrong. This is like arguing that the people who loaned George Washington money at the time of the American Revolution did not understand the risk that they were taking!

The Commonwealth said, because I said that the banks were failing, and that it was safer to put money with this organization, that this was fraud. The banks *are* failing, the whole U.S. economy is on the brink of collapse, the country is collapsing economically as well as morally. I recently read a pamphlet which Benjamin Franklin wrote in 1777. He was in Paris, stating that a French loan to America, which had no money in its till at the time, was more sound than a loan to Great Britain, which was the world’s premier financial, military, and political power. I don’t consider this fraud. When my father-in-law left Austria in 1939, he left with \$2.30 in his pocket. He tried to convince his parents, who had their money and possessions safe in a bank, to leave, too. But they said their possessions were in a safe place, and refused to leave. They were murdered by the Nazis at Auschwitz shortly thereafter.

Which was safer?

The individuals who made these loans, and also made substantial contributions, understood this at the time. They made loans and gifts despite massive pressure from family, friends, stockbrokers, financial advisers, and others who told them that it is more important to keep the money for yourself than to dedicate your life to save the country. There was once

a time when patriots pledged their lives, their sacred honor, and their fortunes.

Under the Constitution

I do not consider myself above the law—quite the contrary. I consider myself totally dedicated to upholding the law when it is the Constitution itself which is under attack.

The Commonwealth has also argued that I supposedly believe that the ends justify the means. They say that even if it is true that I sincerely believe in these principles, I would do anything, including illegal acts, to secure these “ends.” This is wrong. This is the exact opposite of what I and my associates have dedicated our lives and our association to—the Judeo-Christian ethic of man made in the image of the living God, and the role of government to secure these God-given inalienable rights for all mankind.

As to the plea bargain question to one of my co-defendants, he was told that if he would simply plead guilty to an Alford plea, that he would serve a three-year sentence concurrently with his current three-year sentence imposed by a federal court—i.e., no additional jail time if he would simply plead guilty. I have refused to plead guilty because I am innocent, and I cannot spit on the principles to which I have dedicated my life, even though it would go much easier for me personally.

This also makes any argument denying me bail absurd. Why would I flee, if I am willing to risk everything to prove my innocence and assert those principles that I have lived my life for?

So, in closing, I ask the Court to understand why I must assert my innocence and fight to preserve my reputation and my honor and that of this organization.

‘Virginia has become a fascist state’

The following are excerpts from a speech given by Rochelle Ascher before a conference of the National Caucus of Labor Committees and the Schiller Institute on May 28, 1989.

. . . This jury sentence is the most severe sentence ever handed down to a “first offender” in the history of the Commonwealth of Virginia. Now, Lyndon LaRouche recently stated that the state of Virginia has crossed the line to become an overtly fascist state. I stand here today to make clear exactly what he means by this.

Imagine a state in which grand juries meet in secret—there are no transcripts or written records of any kind. This is the state of Virginia. In comparison, in the New York case, after the judge reviewed transcripts of the grand jury proceedings, he dismissed over 70 of the 89 counts of the in-

dictment. In Virginia, there are no such transcripts to review.

Imagine a state in which juries, not judges, do sentencing; and those juries are not allowed by law to run sentences concurrently. Virginia is one of only six states to uphold jury sentencing, despite numerous challenges that it is unconstitutional.

Imagine a state in which until 18 months ago there were *no* courts of appeal. If you were found guilty, your only remedy was to appeal to the State Supreme Court, which did not have to hear your appeal. In the last 18 months, the judge who will sentence me has been reversed 13 times.

Imagine a state in which the law says that you do not have the right to be told in advance who the witnesses are against you, what evidence will be brought against you, or who are your so-called “co-conspirators.” Unindicted “co-conspirators” can be added at will, whether or not you have even been charged with conspiracy.

This is the state of Virginia, or more properly as they call it, the Commonwealth of Virginia. And one more thing: Unlike in any other state, where judges are either elected or appointed by merit, in Virginia they are selected by the old blueblood Confederate families who run the General Assembly.

Now the specifics of this case. I go through this so that you can actually know firsthand what was done, to be able to understand how far this fascist process has gone in the United States of America. Also, because it is the same exact ID-format case brought by the same “Get LaRouche” task force that ran the Boston and Alexandria trials.

I was arrested on the night of Feb. 17, 1987 along with 14 others who are sitting in this audience today, and Mike Billington, who is in the Alexandria Detention Center. Maryland and Virginia State Police knocked on our office door. We were handcuffed and taken to jail. The charge: “securities fraud.”

We were later told the nature of our crime—we should have registered as stockbrokers when taking loans for political campaigns. We should have registered these loans with the State Corporation Commission as “securities”—stocks and bonds. Fine—except that the statute in question, the Virginia Securities Statute, had never been used against any politician or political organization in the history of the state of Virginia. If it had, Governor Gerald Baliles, Senators John Warner and Charles Robb, and the entire state legislature would also be in jail. Even more incredible, at the time of our arrest, there was no such crime.

This is the way that “law” works in the Soviet Union. First you are arrested, then they create the crime. But they are more honest about it in the Soviet Union: They call you an enemy of the state. In our case, the “crime” was manufactured three months after we were arrested. The State Corporation Commission met three months after we were indicted to “debate” whether or not the promissory notes in question were or were not in fact “securities” under *their* law. This fact was brought before the judge during pre-trial motions,

since it is illegal to indict and then *ex post facto* create a crime to fit.

The *ex post facto* motion was dismissed out of hand.

'Thought crime'

I was also charged with a "thought crime"—intent to defraud—to increase these charges to felonies, carrying a maximum sentence of 10 years each. The argument of the Commonwealth is that at the time these loans were taken, we never intended to repay them. What the court refused to hear—they actually passed an *in limine* motion [motion to limit what evidence can be introduced] to this effect in the Alexandria case—was a very simple fact.

The same government prosecuting us for allegedly not intending to repay, is the government that ran financial warfare, infiltration, entrapment, and finally placed the not-for-profit corporations and tax-exempt foundations affiliated with Mr. LaRouche in Chapter 7, involuntary bankruptcy in April 1987—making it illegal and impossible for us to repay one cent.

In a police-state action unprecedented in American history, these companies were placed under U.S. government trustee—all bank accounts and assets were illegally seized, all offices closed. This means it was legally impossible to repay. All the loans named in the substantive counts of my indictment were due *after* the government-forced bankruptcy. The fact of the so-called "non-payment" was then made an element of my crime, "proving" my "intent to defraud."

Eighteen months after I was indicted for securities fraud, an additional indictment was handed down against me and my co-defendants. Without revisiting the grand jury, the government charged me with conspiracy.

This is the mark of an overtly fascist state. In the Nazi legal code, the Nazis called this "guilt by analogy," "guilt by association," "thought crime." Under conspiracy law in the state of Virginia, anything goes. The government can name anyone as an "undicted co-conspirator"; right in the middle of the trial, they can add names at will. You are not given these names before trial, and you have to defend yourself against these people on the grounds that you are, as a co-conspirator, responsible for their thoughts and their actions. This included testimony from Judases who lied, were granted immunity from prosecution for their testimony, and then named my co-conspirators!

My case was tried in Leesburg, Virginia—the international headquarters of the LaRouche movement. This town has been the center of the most vicious press lies, attacks, and publicity against LaRouche, culminating in a pre-dawn raid against our headquarters involving 400 members of the FBI, Alcohol Tobacco and Firearms, (ATF), IRS, Secret Service, and the Virginia State Police, armed with Uzis, accompanied by helicopters, and an armored personnel carrier. We filed dozens of pre-trial motions for two years to change the venue—only to be told by the judge that "people don't read newspapers"!

Lynch mob atmosphere

So we began jury selection in the middle of this charged, lynch mob atmosphere, the same week that LaRouche and his six co-defendants were sentenced to 15 years in prison for the same "offense." Of course, the judge "forgot" to tell the prospective jurors not to read the newspapers. This was the longest jury selection in the history of the county, possibly in the state. The judge finally resorted to the following formulation: "This case involves the fundraising practice of individuals and organizations associated with Lyndon H. LaRouche, Jr. I am sure that you have read something about this in the newspapers, or heard something of this in the media. Can you put aside everything that you have heard and judge this case solely on the basis of its merit?"

On this basis, jurors who expressed the most vile bias were seated if they could assure the judge that they could put this out of their mind for the purpose of this trial. The only difference between this and the LaRouche case in Alexandria, where the jury selection took under two hours, is that we got to hear the filth pour out of people's mouths for two weeks before they were seated: People who said LaRouche is an extremist, anti-Semitic, racist, neo-Nazi, a threat to the country—but sure, your Honor, I can put my personal "opinion" about the man and his organization aside to sit on this jury!

By the way, five days into the trial, the judge then changed his mind and invited a change of venue motion for the other cases. All 15 other cases have been moved out of Leesburg to Roanoke. I supposedly got the last 12 honest people in the county.

The judge's charge

I will not force you to listen to what went on daily for 13 weeks. However, the final straw, which you should know about, was the judge's charge to the jury. This proves the ultimate nature of a police state: There was really nothing for the jury to decide. First, the judge ruled that any piece of paper indicating indebtedness was a security, eliminating even the language in the statute "unless the context otherwise specifies," which clearly exempts political fundraising guaranteed under the First Amendment. This was a directed verdict on the misdemeanor, leaving only the question of my "intent" for the felony count.

But this was even more incredible. Instruction No. 35 from the judge stated that all the jury had to find was that I had "participated in *any* way to bring about this crime, whether such crime was originally contemplated or not."

Innocence is no defense in the state of Virginia! To be found guilty of intent, which makes this a felony, you did not have to have any intent. The indictment says I did this "knowingly and willfully." The charge says I "participated in any way to bring about this crime whether such crime was originally contemplated or not." The state of Virginia has gone over the edge to full-fledged fascism. But this is not a mere aberration. . . .

Chinese students take aim at Kissinger

A spokesman says the students are now committed to the overthrow of the bloody Communist regime.

‘U ntil there is a government in my homeland that is of the people, for the people and by the people, I will not recognize my passport as a legitimate document,” a leading spokesman for Chinese students in the United States said in an address to a Third Generation forum here June 7.

Shengping Feng, a leader of the Chinese Alliance for Democracy and the *China Spring* newspaper, said he disagreed with those in the U.S. who claim the Chinese students in the People’s Republic of China don’t know what democracy is.

“We do know what we want,” he said. “We want to speak freely, live without fear, and walk freely without being followed.”

Feng’s reference to a government “of the people, by the people, and for the people,” was a not only a quotation from Lincoln’s Gettysburg address; it was a direct reference to the great Chinese nationalist of the early 20th century, Sun Yat-sen, who adopted Lincoln’s policies as his “three principles of a fighting democracy,” with a vision of American-styled democracy in his country.

Feng said he was “very angry” at the attitude toward the current crisis expressed by former U.S. Secretary of State Henry Kissinger. Speaking of Kissinger, he said, “Many people don’t know about China. Others know and don’t understand. Then there are those who do understand, and choose to forget the extent of human rights abuses there.”

He said that the military hierarchy that ordered the Beijing massacre is dominated by a single family—relatives of Yang Shuang Qun, the Presi-

dent of the P.R.C. His brother is head of the General Political Department of the military, his son-in-law is the Deputy Chief of the Chief of Staff of the military, and his nephew commanded the 27th Army, which carried out the massacre. Many other leaders in the military have reasons to hate this family, he said.

Feng denied the P.R.C. government’s accusation that the “China Spring” movement is the “black hand” behind the student uprising there. On the contrary, he said, if anyone has had a major hand in this movement, it is Premier Deng himself. By his actions, he has turned his people against him.

He said that in the past, the Chinese people thought that the key to improving their situation would be new leadership, rather than a new system, but that has now changed.

For example, another student, Yuan Xiao-ping, pointed out that when the latest round of student protests began, they did not advocate the overthrow of the Communist regime, but only some specific reforms.

Then, he said, failure of the government to respond led the students to escalate their demands to call for the ouster of certain leaders, such as hard-liner Li Peng.

However, when the Beijing massacre began, the attitude of the mass of students quickly changed. He said that since the massacre, the sentiment has shifted toward demanding an overthrow of the government. “We now realize that system always produces bad leaders,” he said, and therefore, it is the system itself which must change.

Feng recalled the atrocities of Communism since Mao’s victory in 1949, including the 13 million peasants killed as a result of Mao’s “people’s communes” agricultural reform begun in the late 1950s, and the 10 to 20 million killed during the Cultural Revolution begun in the 1960s.

He said that he himself has been to the P.R.C. on secret missions three times to plot the overthrow of the regime there.

One questioner from the audience was skeptical about whether segments of the military would turn on the government, given that 80% of those in the military are members of the Communist Party. Feng said it was not a question of formal membership, but of the depth of loyalty to a party that has turned on its own people with such savagery.

He announced that a new group, the International Committee for the Support of Chinese Democracy, is being formed to elicit support from freedom-loving people around the world.

When another questioner expressed skepticism about China’s ability to ever progress toward democracy, given its history, a lively debate ensued in the audience, with others pointing out how the tradition of Sun Yat-sen could provide the basis for such progress, as it has in Taiwan.

When the skeptic complained that none of the current generations of Chinese is familiar with Sun Yat-sen’s writings because he has been suppressed by 40 years of communist rule, others responded that a campaign to circulate millions of copies of Sun Yat-sen’s works into China would be a worthy cause that pro-democracy forces worldwide could get involved in.

Suddenly, the skeptic’s face lit up, and he exclaimed, “Now, I could go for that!”

Gregg battle heightens as vote approaches

Senate Republicans on the Foreign Relations Committee are pressuring Democrats to move forward on the nomination of Donald Gregg as ambassador to South Korea. Led by Bush hatchet man Sen. Mitch McConnell (R-Ky.), the Republicans are boycotting panel business meetings in protest against Asian subcommittee chairman Sen. Alan Cranston's (D-Calif.) attempt to probe Gregg's connections to the Iran-Contra affair.

In addition McConnell has used Senate rules to prevent business meetings from being held while the Senate is in session, thus limiting the time available for such meetings. On June 6, the absence of the Republican members forced a delay in final action on the \$4.5 billion State Department authorization bill.

Democrats are concerned about the sabotage of the work of the committee. "It is apparent that we are unable to do business," said Sen. John Kerry (D-Mass.), "because the Republicans are objecting to the fact that a legitimate committee inquiry is taking place with respect to a nominee, Mr. Don Gregg."

Cranston has decided to hold further hearings with Gregg on June 15, and has scheduled a committee vote on June 20 to decide "whether or not to proceed to vote on the nomination." The vote will take place if the administration produces all requested documents and information by June 16, he said, but so far it has not cooperated. "Late last month I sent several letters to administration officials asking for documents and information relating to Gregg. I not only have received no material, I have received no response."

The Republican pressure tactics

may, however, have the opposite effect from that intended. There are clear signs that Senate Democrats are getting a bit upset. "The administration seems to me to be showing some contempt for the committee in regard to this particular matter," Cranston said. "We may not determine anything for awhile. . . . This committee may not have any hearings on anything, including Gregg. . . . If this committee can't meet on anything else, maybe the committee also can't meet on Gregg."

Pell introduces spoon-bending legislation

On May 16, Sen. Claiborne Pell (D-R.I.) introduced a proposal to set up a commission to conduct an 18-month study and to make recommendations on ways to "promote personal excellence and the highest levels of human potential." The proposal calls for two of the commission's 25 members to have training and experience in "extraordinary human performance research."

At last year's Senate hearing, Dr. Herbert Benson of Harvard Medical School suggested that the study encompass "relaxation techniques such as those used in the practice of Zen, Yoga, and Transcendental Meditation." At Pell's request, Dr. Benson then led the senators in meditation, asking them to close their eyes and repeat a word, a technique he likened to prayer. "I think it would probably be a very good idea if more committees had similar interludes themselves," Mr. Pell said after the exercise.

Religious and civil liberties groups say they are concerned that the mea-

sure could threaten constitutional protections to freedom of worship.

Pell, a longtime advocate of psychic research, reinforced his reputation as a dabbler in the occult in 1987 when he organized a congressional meeting featuring the internationally known spoon-bender Uri Geller. Ironically enough, the most outspoken opponents of the Pell proposal are the groups opposing school prayer, because they believe it violates the separation of Church and State. They claim that the New Age philosophy has also the aspects of religion, and that such a direct government support to the New Age philosophy therefore violates the Constitution. As Jim Baumgaertel, founder of Citizens Against a State Religion put it, "Claiborne Pell is pushing the same old jargon the other New Agers use. And it's a danger to a free society."

Pentagon consultants may get easement

The Office of Management and Budget proposed on June 7 a less onerous set of disclosure requirements than those proposed earlier by the U.S. Senate in the wake of U.S. Attorney Henry Hudson's operation against Pentagon consultants last summer, entitled Operation Ill Wind. The measures are designed to ferret out potential conflicts of interest between consultants and federal agencies.

While industry officials said they were pleased that the proposed rules did not go as far as the Senate requirements, Sen. David Pryor (D-Ark.) claimed that the OMB proposal was full of loopholes that would "gut" consultant reform. Pryor, a leading figure in the crusade against the U.S. defense industry, was able to secure Senate

approval for legislation last year which would have required all government services companies to register with the government and to list all their clients for the previous three years when applying for a contract. The Pryor proposal was not included in the House version of the measure, and conference committee members referred the matter to the OMB.

The OMB proposal exempts engineering, technical, legal, and accounting services, as well as some contractors with industry self-governance ethics programs. It also allows an agency head to grant a waiver to the conflict of interest policy on "public interest" grounds.

Helms proposes China trade ban

Sen. Jesse Helms (R-N.C.) proposed on June 8 an end to all trade and development assistance to China until the Chinese government institutes democratic reform. There is a great deal of support on Capitol Hill for his proposal.

Liberal Congressman Rep. Stephen Solarz (D-N.Y.) commented that "it took Deng xiao-ping to bring Jesse Helms and me together."

The sanctions legislation would go into effect, however, only "if the murder rampage continues." The bill, Helms said, would "roll back trade and related matters to the level at which these relations stood before the start of this decade." It would suspend China's most-favored-nation trade status and instruct U.S. representatives to vote against benefits to China in the Asian Development Bank and other international organizations. The legislation would also suspend ap-

proved licenses for high-technology exports to China.

Rep. Jack Buechner (R-Mo.) and several House members from both parties also sent President Bush a letter supporting the existing penalties against China but called for "possible follow-on action, especially if the carnage continues."

House restrictions put on FSX agreement

The House voted June 7 to place restrictions on a U.S.-Japanese deal to develop the FSX fighter. The 262-155 vote, in which the administration succeeded in holding the loyalty of most Republicans, falls far short of the necessary two-thirds votes to override what will undoubtedly be a presidential veto of the measure.

The Senate had adopted identical legislation by a 72-27 vote last month and it will now go to the White House. The vote is an indication of the anti-Japanese hysteria which has been festering on Capitol Hill. Opponents of the accord say that the Japanese should instead be buying the American-made F-16 instead of trying to develop their own with the help of U.S. technology.

The legislation stipulates that a future joint production agreement, as distinct from the accord to develop the plane, shall prohibit the transfer to Japan of "critical" engine technologies. Japan would also be barred from selling or transferring to third countries major FSX sub-components developed or produced with help from the United States.

Administration supporters say that the restrictions infringe upon the President's right to make agreements with foreign powers.

Senate panel approves Negroponte nomination

The Senate Foreign Relations Committee on June 8 approved the nomination of John Negroponte as ambassador to Mexico and sent it to the full Senate for certain approval.

The Negroponte nomination had been delayed for some time due to a superficial investigation of his possible role in the Iran-Contra affair. Negroponte was ambassador to Honduras at the time of the illegal aid to the Contras.

Hitler-Stalin Pact authentic, experts conclude

A group of U.S. federal archivists, working as part of an investigation launched by the Senate Foreign Relations Committee, announced on June 5 that the microfilm copies of the Hitler-Stalin Pact seized at the end of World War II are authentic and prove beyond doubt that the secret protocols, which handed over the Baltic republics to Moscow, indeed exist.

Their conclusion was reached despite the fact that the original copies of the Hitler-Stalin Pact were destroyed.

George O. Kent, a professor of history at the University of Maryland, said, "The film authenticates the protocol more positively than even a purported original," since the protocol "was filmed between a great many other documents whose validity has not been questioned, it would be harder to counterfeit a whole roll of film than a single document." Sen. Jesse Helms (R-N.C.), who is overseeing the Senate investigation, said he had established "the chain of custody documenting the authenticity of these secret protocols."

National News

Thornburgh running political hit team

A syndicated column in the June 4 *Pittsburgh Press* by Knight-Ridder Washington correspondent Sandy Grady, suggests that U.S. Attorney General Richard Thornburgh is running a political witchhunt. Focused on the FBI investigation targeting Rep. William Gray (D) of Philadelphia, Grady's column is entitled "Has Mr. Thornburgh's Justice Department Turned Into a Political Hit Team?"

Grady, a long-time Philadelphia reporter, points out that "recent FBI leaks have targeted six Democrats—Congressmen Jim Wright, Tony Coelho, Gus Savage, Walter Fauntroy, and Bill Gray, and Los Angeles Mayor Tom Bradley. Four of the six targets are black politicians."

Grady quotes Republican minority leader Rep. Bob Michel (Ill.) saying, "This is conduct on the scale of Watergate." Grady comments, "When top cops use their clout to muscle politicians, it's banana republic stuff."

Grady asks, "Does Mr. Thornburgh have a mole buried in his agency—a Meese hold-over or a macho ex-Harrisburg operator—leaking FBI reports?" Thornburgh brought many of his former staff while he was governor, who are known and despised by many in Pennsylvania, with him to the DoJ.

Grady refers to Thornburgh's presidential ambitions, then to Nixon's Dirty Tricksters, and ends, "The heat's on Dick Thornburgh. Find your trickster and fire him."

Hemlock head: What Satanic murders?

Gerald Larue, founder and president emeritus of the Hemlock Society—the most aggressive euthanasia group in the United States which will soon launch a campaign for lethal injections in four states—told *USA Today* in an April interview that the Matamoros killings were not Satanic because "there are no symbols of Satanism associ-

ated with these killings."

Larue claimed, "The Satanic churches do not indulge in any kind of sacrificial offerings."

Larue, who is professor emeritus of biblical history and archeology at the University of Southern California, says the killing and dismemberment came from very sick people. Asked if we should fear for our teenage children, Larue said no, this cult would not be interested in teenage children, "except as potential sacrificial victims if they happened to be in the right place and at the right time. But most teenagers will not have any contact with these people at all." Larue went on to say that Satanism is "kind of a fad . . . like the Hula-Hoop. You know, you do it for a while, and if you want to shock your elders, you have a Satanist symbol on your jacket."

Larue, who was given the Humanist Award last year, finished by saying, "We find no network" of Satanism across the country. "You get some extreme situation where somebody is killed . . . by teenagers who are disaffected . . . [and] using drugs."

McNamara targets 50% cut in defense budget

Former defense secretary Robert McNamara, a supporter of the Satanic Lucis Trust, told a journalist on June 1 that if, as he hopes, President Bush continues to accept arms control proposals advanced by Soviet leader Mikhail Gorbachov, then within six to eight years it will be possible to cut the U.S. defense budget by 50% or \$150 billion per year. He noted that Gen. Andrew Goodpaster (ret.), a former NATO Supreme Allied Commander in Europe, has called for a similar 50% cut in the U.S. annual commitment to NATO.

McNamara acknowledged that he had recently discussed with Henry Kissinger a replacement for the NATO strategy he had developed of "flexible response." He said that a new strategy with new force levels is necessary, especially since Gorbachov is developing a strategy of "reasonable sufficiency."

Asked how many people supported his 50% defense budget cut simply because of the rottenness of the U.S. economy, McNamara said that this was the motive for many people. Security has three components: military strength, economic strength, and social cohesiveness, he said, adding that the United States had serious economic difficulties and insufficient social cohesiveness to maintain defense spending at its current levels.

A source close to the Inter-Action Council of former West German Chancellor Helmut Schmidt said that there was nothing new in McNamara's 50% budget cut, as McNamara, Gerard Smith, and Paul Warnke had been pushing this line for six years or more. What is new, this individual said, is that President Bush seems to be accepting Gorbachov's disarmament proposals, thereby opening the door for significant cuts in defense spending.

More Iran-Contra documents missing

More evidence is emerging that the Reagan White House withheld crucial documents from Iran-Contra investigators.

A missing 1987 National Security Council document has now turned up at the Reagan library in California. It shows that President Reagan personally approved a plan to make increased American aid to Honduras contingent on that country's support of the Contras. President Bush has adamantly insisted that there was no *quid pro quo* of increased assistance to Honduras in exchange for that nation's aid to the Contras.

Additionally, the House and Senate Iran-Contra committees signed receipts for a batch of documents which showed that Reagan had personally approved the airdrop of rifles to the Contras. But those documents are now missing from the files of both committees, and also missing from the Senate computer list which indexed all documents received. Moreover, documents taken from North's safe were kept in a non-secured room, available to numerous officials without clearance.

Observers note that the pattern of miss-

ing documents suggests that massive obstruction of justice has been committed, and may be continuing.

Anti-Satanism bill passes Louisiana House

The Louisiana House of Representatives passed House Bill 928 to halt the spread of Satanism by a vote of 101-0 on June 7.

Fred Huenefeld, Schiller Institute leader and Democratic Party activist, said, "There's to be no Voo-Doo in New Orleans. Look out, Devil, here we come."

Bill sponsor Rep. James David Cain (D-Dry Creek), and co-sponsors among the Independent Caucus which includes Democrats and Republicans, were elated at the unanimous vote. State Sens. Cleo Fields (D-Baton Rouge) and Willy Crain (D-Rayville) will now take the anti-Satan bill to the State Senate immediately for an early floor vote.

As described by the state legislative service, the original version of the bill "makes it a crime to commit certain deviant ritualistic acts as a part of a ceremony, rite, or practice." In the version in which it was finally passed, the four-page bill was strengthened to include punishment for murder.

California voters nix nuclear plant

California voters opposed a nuclear plant in a 53.4% to 46.6% vote against keeping open the Rancho Seco nuclear plant, in a non-binding referendum held in Sacramento June 6.

Only 40% of the eligible electorate voted, but a majority of the board members of the utility company that owns the plant, even though not bound by the vote, have said that the company will abide by the results of the election.

Last year a previous referendum passed with a slim majority supporting Rancho Seco. The campaign to shut it down has been led by Tom Hayden's eco-fascist

"Campaign California." Brownouts are now taking place across the country because of the lack of adequate power and the summer electric needs. This is expected to worsen over the hot summer months.

This is the first vote in the nation to close a nuclear plant.

FBI, EPA shocktroops raid nuclear facility

FBI and Environmental Protection Administration agents raided the Department of Energy's Rocky Flats nuclear facility and supporting offices in Albuquerque, New Mexico June 7 as a result of subpoenas issued from a grand jury investigation into lax safety practices conducted by Assistant U.S. Attorney Michael J. Norton of Denver. The raid thus expands the Department of Justice attack on U.S. defense capabilities.

According to Attorney General Richard Thornburgh, 70 officers from the FBI, EPA Office of Criminal Investigations, and the Inspector General's office of the DoE are participating in the investigation of violations of the Resource Conservation and Recovery Act, the Clean Water Act, and the federal False Statements Act.

The cited laws have recently been used to prosecute managerial officials of the Aberdeen Proving Ground chemical weapons facility for alleged violations of "hazardous waste" storage regulations. Those prosecutions resulted in criminal convictions for the civilian scientists, who had to fund their own legal defense, and a punishment of 1,000 hours of community service and a fine. The Justice Department had demanded incarceration for the victims. The Baltimore prosecutors who spearheaded the unprecedented use of these statutes are believed to have been involved in shaping the current attack.

As with the Aberdeen case, the DoJ is using environmentalists' rumors and hoaxes as the basis of their investigations, and the laws are so constructed that criminal convictions are a virtual certainty. The investigation will send a shock wave through the managerial strata of the military laboratories and facilities, all of whom are on the chopping block.

Briefly

● **RUDOLPH GIULIANI**, a New York mayoral candidate, is being exposed as tied to drug interests, and the Iran-contra affair. Giuliani's law firm, White and Case, is the law firm of the Bank of Credit and Commerce International, which the U.S. Justice Department charged last fall with narcotics money laundering, and is also the bank used by CIA asset Adnan Khashoggi in laundering funds for the Iranian arms deals.

● **FAWN HALL** has admitted using cocaine during the period that she was Oliver North's secretary at the National Security Council between 1985 and 1987, according to the *Washington Post* June 4.

● **A EUTHANASIA** task force has been formed after a Chicago grand jury refused to indict Rudy Linares, the 23-year-old Chicago man who murdered his brain-damaged son. According to Cook County State's Attorney Cecil Pardee, the 43-member task force will review all the laws regarding removing patients from life support and make its recommendations to the Illinois legislature.

● **TOM BRADLEY**, the black mayor of Los Angeles who is the latest victim of ethics scandals, is the subject of four local, state, and federal inquiries. Bradley allegedly received \$71,000 from the Valley Federal Bank, of which he is a director, over a period of 11 months, and exerted pressure to have the city deposit money in the bank. Bradley is the victim of "a gargantuan fishing expedition," said Deputy Mayor Mike Gage in the June 4 *New York Times*.

● **HELGA ZEPP-LaROUCHE** issued a leaflet, denouncing the glorification of Wagner as the representative of German culture. It was distributed at the opening performance of Richard Wagner's "Ring Cycle" given as a celebration of the 40th Anniversary of the Federal Republic of Germany at the Kennedy Center in Washington D.C. June 2.

Editorial

AIDS: a disease out of control

The Fifth International Conference on AIDS opened in Montreal this month, with predictions by the World Health Organization's Jonathan Mann that nine times more people will become infected with the AIDS virus during the 1990s than in the current decade. "We expect that the decade of the 1990s will be worse—and perhaps much worse—than the 1980s," said Mann, whose wildly irresponsible actions over the past several years have contributed to the epidemic's explosive spread.

Mann said he estimates that 5-10 million people worldwide are now infected with AIDS, meaning that WHO is anticipating that as many as 90 million people will become infected over the next 10 years. Equally shocking results came from New York City, where of 169 men tested in a shelter for the homeless, 105 tested positive for the HIV infection.

Dr. Ramon Torres, a physician at the shelter, announced the findings, and a spokesman for a homeless coalition attending the conference, characterized the report as "horrible news," because they had been estimating the number of homeless infected with the disease at 15%. One out of every 200 Americans, on average, is thought to carry the disease.

Results such as this, indicating that the spread of AIDS is now virtually unchecked among the poorest sections of the urban poor, have forced a telling reversal in the general official coverup. They have also been the occasion for more and more people to take up civil rights leader Samuel Evans's charge, in an open letter issued last March 3, that the unchecked spread of AIDS is the result of a government policy of genocide.

Until recently, the Bush and Reagan administrations have done everything to hide the enormity of a public health crisis which they are unprepared to meet. Clearly budgets which cut back on medical payments to the poor and subsidies to hospitals are not intended to deal with what is fast becoming the new Black Death.

Reality, however, has a way of asserting itself. New York City's health commissioner, Dr. Stephen Joseph, announced a stunning about-face on June 5, at the Montreal conference, where he declared that New

York City will begin to collect the names of everyone who tests positive for AIDS. Only a month before Joseph himself had denounced such measures in a letter to the *New York Post*. New York City has adopted a new policy of centralizing the names of AIDS carriers, in order to track down their drug and sex partners. The plan will go into effect as soon as new studies are published purporting to show the efficacy of a new AIDS treatment.

The new policy effectively ends the era of anonymous testing, and represents a small concession to the need for public health measures to control the epidemic. Joseph said in Montreal: "Changes in our capacity to prevent and treat infection will usher in a new era in which policies will shift toward a disease-control approach to HIV infection along the lines of classic tuberculosis practices. Within a confidential public-health framework, reporting of seropositives (HIV), followup to assure adequate treatment, and more aggressive contact tracing will become standard public-health applications for controlling HIV infection and illness."

We can welcome such a small note of sanity in what is otherwise still a brutal picture of the unchecked spread of this fatal disease. For example, researchers reported a secondary, AIDS-related epidemic of tuberculosis. In Zambia, while 10% of patients suffering from TB who are over the age of 60 will prove to be HIV-positive, 80% of those around the age of 30 will be found to be infected. Overall there was a 62% correlation of TB and AIDS.

Despite the circulation of such information, the Montreal conference as a whole resembled a circus, with countless condom stands, videos about condoms, and similar advertisements about the advantages of "safe sex," and the emotional needs of homosexuals. There was even a Wednesday noon session devoted to a seminar entitled, "Erotica," which discussed the pros and cons of pornography. A scientist from one African country put it bluntly: "I can't stand this anymore. When will they stop collecting data and do something about the epidemic?" When, indeed?

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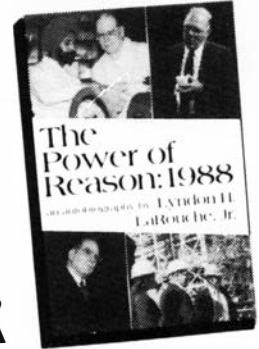
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