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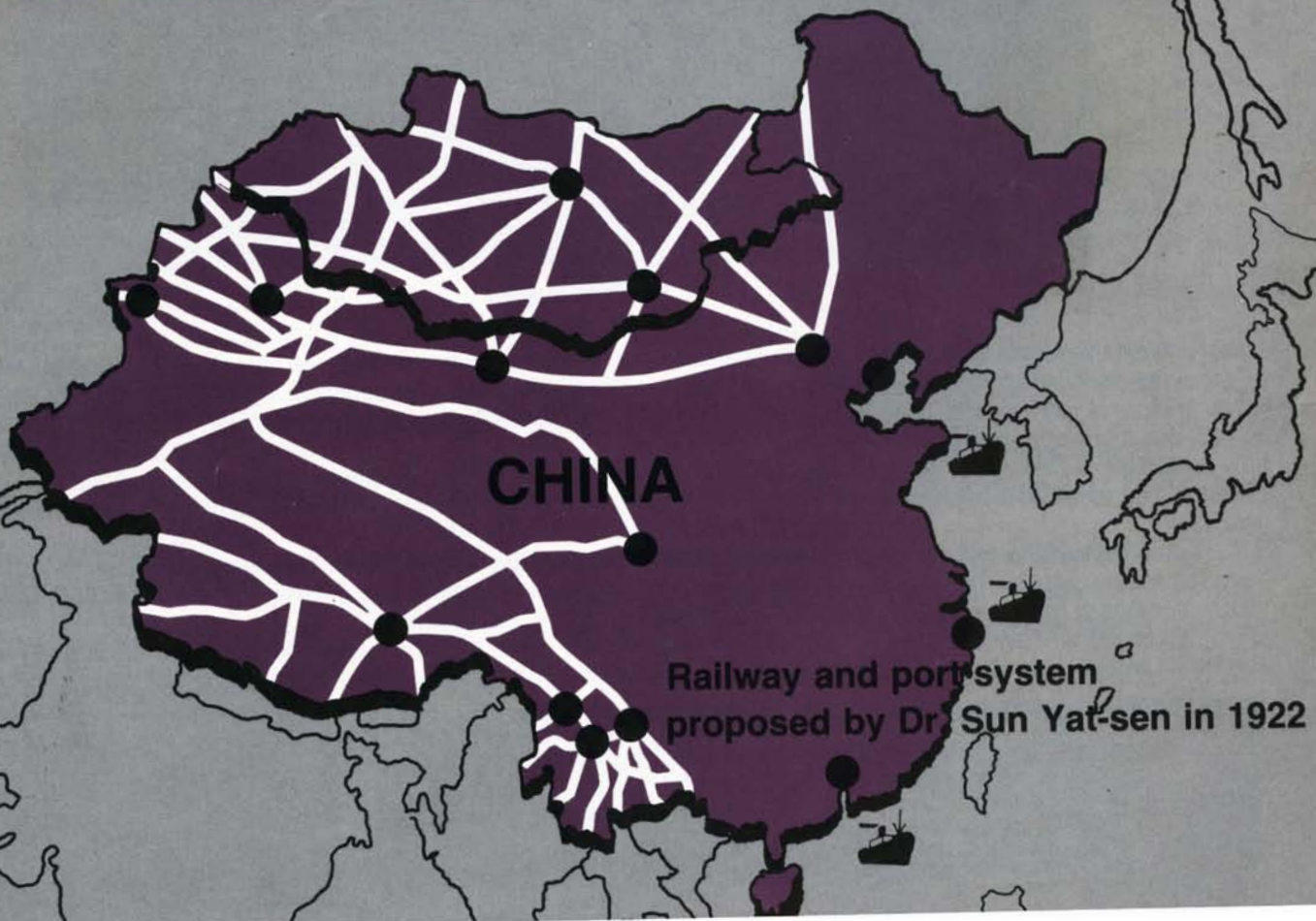
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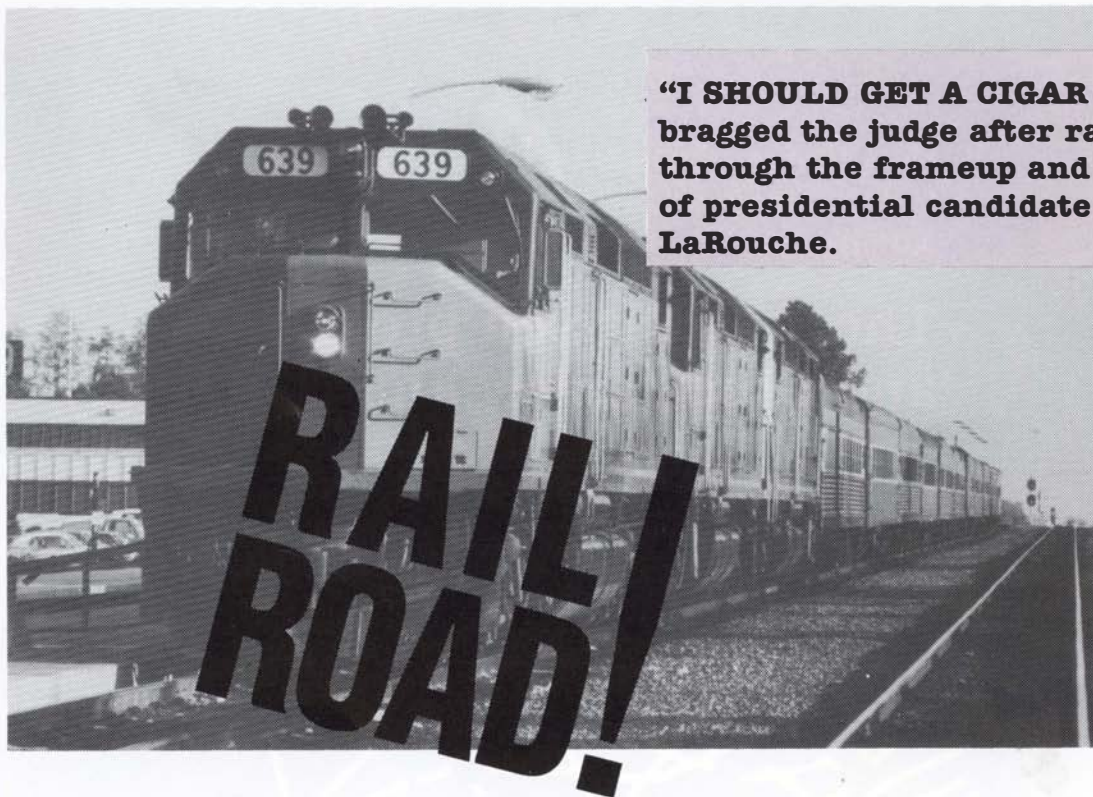
How to save Poland, by Lyndon LaRouche
Colombia turns tables—seizes mafia assets!
Nitrates and groundwater: fact and fiction

**The Sun Yat-sen program
and China's development today**



Is America still the land of "liberty and justice for all"? Or, are we heading into a totalitarian police state, like Nazi Germany or Soviet Russia to justice in the United States.

U.S.A. vs.
Lyndon LaRouche, et al.



"I SHOULD GET A CIGAR . . . "
bragged the judge after railroading
through the frameup and conviction
of presidential candidate Lyndon
LaRouche.

Judge Albert V. Bryan was the judge who finally accomplished what a federal government "Get LaRouche" Strike Force had been attempting to do since 1983. That task force swung into motion using the resources of the FBI, CIA, IRS, and private agencies, at the instigation of Henry Kissinger, who bragged in the summer of 1984 that "we'll take care of LaRouche after the elections."

The first federal case against LaRouche and his associates, held in Boston before Federal Judge Robert Keeton, backfired on the government. A mistrial was declared, and the jury said they would have acquitted everyone on *all* charges.

But in Alexandria federal court, the "rocket docket" did the job. Judge Bryan hand-picked the jury in less than two hours, excluded all evidence of government harassment, and rushed the defense so rapidly that convictions were brought in on all counts in less than two months from the indictment.

LaRouche was sent to jail for 15 years, on January 27, 1989, a political prisoner. The conviction and imprisonment have provoked protests of outrage from around the world. In this book, you'll see why.

623 pages, illustrated with index: \$10 suggested contribution
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From the Editor

The 67-year old economist and statesman Lyndon LaRouche, who is currently appealing his conviction and sentencing to a draconian 15-year prison term, has been subjected to outrageous conditions in the Rochester, Minnesota prison where he is being held. Although past retirement age, Mr. LaRouche—whose only “crime” was to campaign for political causes displeasing to the Eastern Establishment and its Soviet friends—has been forced to do heavy, exhausting labor, scouring pots and pans in the penitentiary kitchen seven hours a day. This harsh treatment, denounced in an Aug. 22 press release by the international Commission to Investigate Human Rights Violations, has already drawn vehement protest by leading European jurists and religious figures, as beyond the pale of Western civilized standards of justice.

We are putting our readers on alert with respect to Mr. LaRouche’s personal situation, as well as in regard to two ongoing actions against his associates, which are part of the political persecution of the LaRouche movement: the new indictments in Illinois (story, page 58), and New York trial of four LaRouche associates, which is about to go to jury for verdict, as we write.

Our articles this week develop a clear agenda for the worldwide anti-Bolshevik resistance movement:

- Stop the “Wyoming Accords,” the secretive plan to hasten the destruction of the U.S. productive economy and to stab the Polish and Baltic republics’ resistance in the back, by subsidizing Gorbachov with the largest-ever U.S. trade package (see page 4). The Baker-Shevardnadze meeting in September should not take place! End the Hitler-Stalin Pact! No more “secret protocols”!

- Implement LaRouche’s program for Poland—the only hope for that nation’s survival (see page 41). If Solidarnosc adopts the Harvard-authored “shock” programs being offered by the Bush crowd, there will soon be less left of Poland than there is of poor Bolivia, where these unspeakable programs were pioneered.

- Give full backing to Colombia’s government, which has officially declared war on the drug armies—as LaRouche advised in 1985 (see *Editorial*, article page 36.)

- Put relentless pressure on every branch of government to expose and reverse the police-state measures against LaRouche, before we doom our civilization by silencing the man most qualified to save it.

Nora Hamerman

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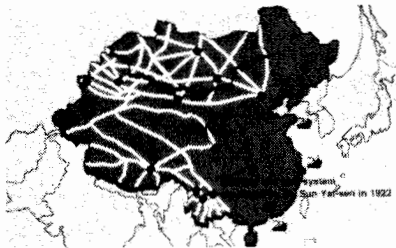
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The infrastructure development program laid out almost 80 years ago by China's foremost patriot, Dr. Sun Yat-sen, has not been implemented to this day, and current "free market" efforts of the Communist dictatorship will only make matters worse. Ramtanu Maitra investigates what would actually be required to make China into a modern industrialized republic.

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The shining armor of former U.S. Attorney Rudolph Giuliani in New York has become tarnished indeed, with the latest revelations about his Gestapo-like methods of politically motivated prosecutions. Many now demand an end to the racketeering law which this "new breed" of public prosecutor is using against everyone except the actual racketeers.

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Bush, Baker plan huge Soviet economic bailout

by Scott Thompson

White House officials and U.S. intelligence sources have confirmed to *EIR* that the U.S. administration under President George Bush and the Soviet leadership under Mikhail Gorbachov have plans to unveil a huge economic cooperation package, whose ostensible aim is to "open up the Soviet market" for the West. All current restrictions on U.S.-Soviet trade are to be lifted, and the Soviet Union is to be granted Most Favored Nation trading status; immense quantities of Western credits are to flow into Soviet coffers in order to build up its industry and provide it with the most advanced production technology.

But in their euphoria over these prospective deals, the boys and girls on the Bush team seem to have forgotten one thing: It can not, and will not ever happen that way.

According to *EIR*'s sources, economic deals will be at the core of the so-called "Wyoming Accords," which Secretary of State James Baker will present to Soviet Foreign Minister Eduard Shevardnadze when they meet on Sept. 19-20 at Jackson Hole, Wyoming. This "new economic dimension" will overshadow every other item on the agenda for the U.S.-Soviet global power-sharing condominium, which includes arms control (i.e., streamlining the Soviet military command), regional matters agreements (i.e., ceding Western Europe and the Middle East to Soviet control), coordinating work on international terrorism, and so forth.

Sources point out that this new emphasis on economic deals is congruent with President George Bush's first major policy statement of his administration, during the late-spring graduation ceremony at the U.S. Naval Academy at Annapolis, Maryland. On that occasion, Bush called for the West "to move beyond containment" toward "the integration of the Soviet Union into global economic institutions." The President repeated this formula on several occasions during his later trip to the NATO summit in Brussels, Belgium.

Officially, the U.S. administration has been coy about admitting the existence of such an economic package. White House spokesman Marlin Fitzwater, when asked about it on Aug. 24, flatly denied it; but on the very next day, at a televised press conference in Kennebunkport, Maine, he had already changed his tune, telling a reporter for *EIR*, "We are working on cooperation with the Soviets on a number of issues. Secretary Baker is meeting with Foreign Minister Shevardnadze next month, but we won't discuss preparations for that meeting at this point."

A spokesman for the European Division of the State Department—a key player in the negotiations of the emerging "Détente II"—told *EIR* on Aug. 25 that his department did not expect to be briefed on the Wyoming agenda until some time after Labor Day, Sept. 4. What is being discussed, he said, is not simply the "Wyoming Accords" for Western economic development of the Soviet Union, but a gradual process toward a first Bush-Gorbachov summit meeting.

Some specifics of the deal

Although the actual scope of the agenda remains sketchy, former senior White House officials, supported by the statements of others in the U.S. national security apparatus, have provided *EIR* with the following aspects of the proposed package:

- Credits at the rate of \$6-10 billion per annum initially are expected to be extended by the West. A key element of the new Bush administration program will be the extension of Export-Import Bank credits combined with U.S. government guarantees of other investments. While it is argued that Soviet Prime Minister Nikolai Ryzhkov has said that the current Soviet indebtedness of \$56 billion is "dangerously high," well-informed sources note that after having waited for months, the Soviets are now rapidly drawing down the

\$9 billion credit lines from Italy, France, and Germany extended last October, and they will be eager for new financing when these sources are exhausted.

- This is a "long-term" investment program, which in the words of one U.S. intelligence source, is to be oriented toward "the year 2000"—a sad reflection on the myopia of the plan's authors, since that's less than 11 years away. Apart from credits, part of the total package will be joint ventures in the form of major industrial developments of the sort that take years to go from the stage of a feasibility studies to actual production.

One source cited as exemplary of this sort of "long-term" investment, the American Trade Consortium, which, with the participation of Chevron Oil, has stated its willingness already to invest \$10 billion in the U.S.S.R. in major joint ventures over the next decade. In a recent nationwide television appearance, James Giffen, who runs the Mercator Bank that is the catalyst of the American Trade Consortium, stated that it was his personal desire to transform the U.S.S.R. into "an economic superpower," not simply a military superpower.

- Another crucial aspect of the Wyoming Accords will be the soonest possible waiver, or else repeal of the Jackson-Vanik and Stevenson Amendments. The former denies granting the U.S.S.R. Most Favored Nation trading status, so long as the Soviets impede free emigration of their citizens, while the latter puts a ceiling of \$300 million upon the Export-Import Bank credits that can be released for any specific project.

Although some observers believe that a waiver of these laws must await the passage of special laws permitting freedom of emigration which are expected to be voted up in the Soviet Union in February 1990, others, such as Edgar Bronfman of the East-West Forum and the U.S.-U.S.S.R. Trade and Economic Council, have argued that based upon projections of Jewish emigration from the Soviet Union for the year to date, the minimum emigration of 50,000 Jews yearly, which would trigger the repeal of Jackson-Vanik, has already been reached.

- In exchange for Western credits to buy plant and equipment from the West, at least some of which would have "dual use" for the current Soviet war production mobilization, the West expects to receive 10-12 strategic raw materials which are now scarce because of Soviet-steered disruptions in Africa and other supplier nations. A large contingent of 150 Soviet geologists showed up at a recent conference in the Washington, D.C. area, and some of the papers presented talked about just this possibility of expanded Western purchases of strategic raw materials—and natural gas—from the Soviets. Currently, petroleum energy products are the Soviet Union's major source of hard currency.

- The deal is to be made directly with the Soviet Union, with Western institutions agreeing not to do special economic favors for any of the Captive Nations of Eastern Europe,

since such treatment might encourage them to bolt from Soviet control.

One of the most important rationalizations, which sources around Washington present for pursuing the Wyoming Accords, is that they would have a "counter-cyclical" impact upon the financial downturn—they avoid the more appropriate word "collapse"—which some major bankers expect to occur as early as this fall. The East bloc, so the argument goes, has a vast population that represents a potential major market for Western exports—even if those exports include "turnkey plants" that open new areas of military technology for the U.S.S.R., such as cybernetics.

What these wishful thinkers conveniently ignore, is that the coming financial catastrophe in the West will throw Western credit institutions into utter chaos, at precisely the time when inexorable economic and cultural forces are forcing the Soviet Empire into a drastic shift into military expansionism and brutal repression of its Captive Nations and its own population. Economic expansion can not occur under those conditions.

It were better if President Bush learns certain lessons from the experience of his father, Prescott Bush, who, as a partner of the Harriman interests in the 1920s, apparently got suckered into Lenin's New Economic Policy "retreat from socialism." During the NEP, Wall Street interests centered at 120 Broadway significantly rebuilt a Soviet economy shattered by "War Communism," only to be rebuffed by Josef Stalin, who purged the Russian adherents of the "Anglo-Soviet Trust," such as Leon Trotsky and Nikolai Bukharin.

The President might also do well to recall the fate of the Hitler-Stalin Pact, whose huge economic cooperation deals were a prelude to war, not to peace.

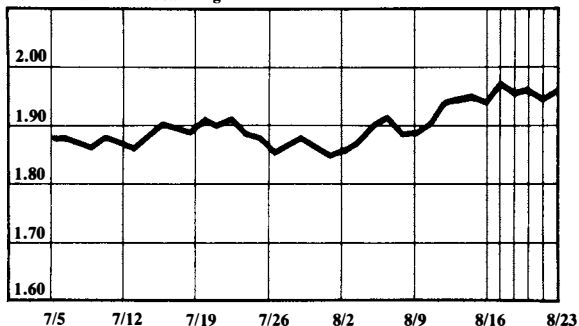
According to a former senior White House official, the U.S. *troika* developing the Wyoming Accords includes Secretary of State James Baker, Deputy Secretary of State Lawrence Eagleburger, and Undersecretary of State for Political Affairs Bob Kimmitt. As *EIR* warned when Eagleburger was nominated earlier this year for the number-two slot at the State Department, he already has a major conflict of interest on the question of East-West trade, since many of his former clients at Kissinger Associates had been involved in projects that, for example, meant the transfer into Soviet hands of the "crown jewels" of American chemical warfare technologies, according to congressional and Pentagon sources.

A former member of U.S. intelligence also points out, that when Eagleburger was Assistant Secretary of State for European Affairs at the start of the Reagan administration, he had been strongly influenced by Felix Bloch, the recently uncovered alleged Soviet agent who fought a long battle through the Reagan-Bush administrations for precisely such liberalization of trade and credits to the U.S.S.R. Thanks partly to Eagleburger's support, this source said, Bloch even took part in shaping NSO-3 and NSO-4, the key documents of President Bush's reassessment of East-West policy.

Currency Rates

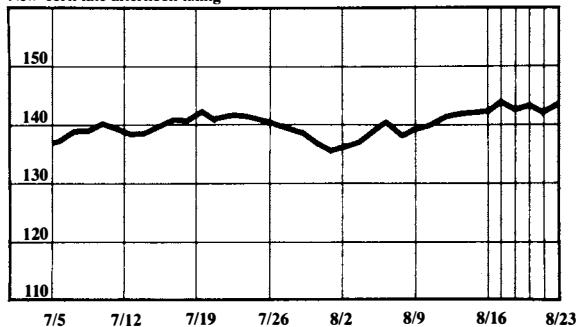
The dollar in deutschemarks

New York late afternoon fixing



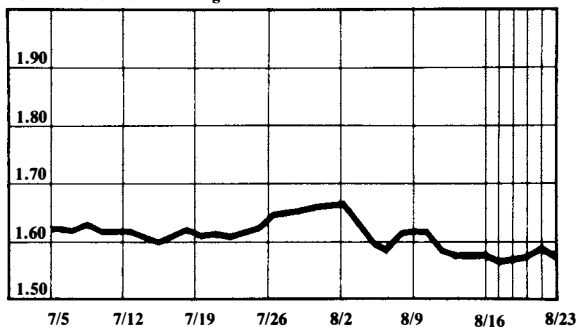
The dollar in yen

New York late afternoon fixing



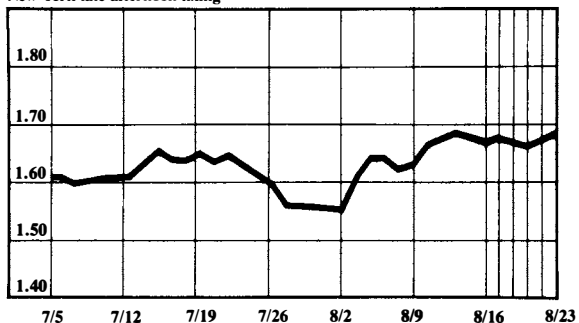
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



How to build a bridge in 'Europe 1992'

by Poul Rasmussen

The building of a bridge across the Greater Belt inlet to the Baltic Sea in Denmark is turning into the first serious test of whether or not the supranational bureaucrats of the European Community (EC) will be allowed to dictate terms to sovereign governments, under the "free market" regime known as "Europe 1992."

On June 26, the Danish government signed the contract for the first half of the project, the Western Bridge linking the small island of Sprogø, in the middle of the Greater Belt, to the island of Funen, which is already linked to the mainland by bridges. Spanning 6.6 kilometers, the Western Bridge will become the longest concrete bridge in Europe. The \$425 million contract went to the European Storebelt Group (consisting of the Danish companies Hoejgaard and Schultz, Per Aarsleff, and C.G. Jensen; Losinger Ltd. of Switzerland; Ballast Nedam of the Netherlands; and Taylor Woodrow Construction Ltd. of Great Britain). Construction of the new bridge started on July 1.

The second part of the project, which involves the building of both a tunnel and a high bridge across the eastern part of the Greater Belt, will come up for contract bidding in 1991. When the entire project is completed by 1995, it will have run up a cost of at least \$2.4 billion.

But on Aug. 2, the European Commission served the Danish government with a summons at the EC Court for alleged mishandling of the bidding for the contract. The "crime" committed by Denmark, in the eyes of the commission, was a small paragraph included among the conditions for the bidding, calling for use of Danish materials and manpower by the future contractor "as much as possible." From the traditional standpoint of a national economy, such a stipulation would be a matter of course, but in the new world of "Europe 1992," this is a violation of the Rome Treaty.

The European Commission is asking the EC Court for an immediate injunction against the construction of the bridge, and demanding that new bidding for the contract be arranged. Should that happen, Denmark would lose precious time and millions of dollars in damages to the current contractors.

Corporate vs. national interests

The intervention by the European Commission was spearheaded by Commissioner Martin Bangemann, the economics minister of West Germany. But he was not acting entirely on his own initiative. The case started with a complaint from one of the losing bidders for the contract, a con-

sortium called Western Bridge Joint Ventures, led by the French construction giant Bouygues. It was pressure from Bouygues that convinced Bangemann to disregard all explanations from the Danish government, forcing the issue to court.

The irony is double. The stipulation on Danish materials and manpower was actually removed from the list of conditions before the final bidding, and Western Bridge Joint Venture did not lose the contract because of this clause, since their project would have involved more Danish manpower than the winning project. For this reason, the Danish government argues that even if the "Danish materials and manpower" clause could be regarded as a violation of the Rome Treaty, it cannot be the basis for stopping the construction of the bridge and forcing new bidding for the contract. The European Commission, on behalf of Bouygues, thinks otherwise.

What is 'Europe 1992' really?

The case has sent shivers down the spines of even those in Denmark who most strongly advocate the European integration schemes of "Europe 1992." Is this the future of the EC? What are we actually getting into? they ask.

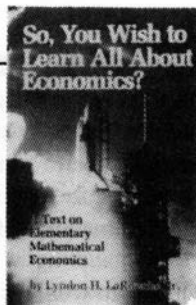
One of the most outspoken advocates of "Europe 1992" in Denmark, Erik Rasmussen, director of the Industrial For-

um, an industry association, and economics editor of the newspaper *Politiken*, focused on these fundamental questions in an article in his newspaper Aug. 2. Under the headline "The EC at Its Worst," he wrote, "If Denmark can be convicted in this case, we unfortunately have to reconsider what it is we have become a member of: a dynamic, deregulated Inner Market, or a European regency run by well-established bureaucratic principles?"

"We are witnessing how a Danish government is being politically blackmailed by EC commissioners, and how the juridical and political power apparatus in Brussels [EC headquarters] is gathering supranational powers, reducing the Danish government to puppets. The whole thing is being conducted in an unpleasant and aggressive atmosphere.

"Actually, the methods remind one of a regency acting against a disobedient province. A lesson has to be taught—quickly and effectively—and it is very convenient that the victim is a small nation and that the case has been brought up by an influential company in one of the largest member states."

While the other partners in the losing company Western Bridge Joint Venture, most notably the British Trafalgar House Constructions Ltd., all have backed out of the complaint, the French giant Bouygues still insists that it wants the contract. A discussion at the European Court is expected by September.



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How the international banks are looting Colombia's Ecopetrol

by Javier Almarino

The Colombian Petroleum Company (Ecopetrol), one of Ibero-America's largest, has been turned into the "goose that lays the golden eggs" for paying off the Colombian foreign debt. But in the process, the "goose" is being strangled to death. The government of Virgilio Barco has ordered that investment in Ecopetrol projects and maintenance be drastically cut so that the company's liquidity may be used instead for paying the debt. At the same time, the looting of the country's potentially vast oil reserves by the multinationals, combined with National Liberation Army (ELN) terrorism financed by these same multinationals, threatens to prevent Colombia's oil from ever being used as the underpinning for a serious effort to industrialize the country.

One immediate consequence of the Barco government's decision is that Ecopetrol has suspended its plans to build a crucial gas pipeline that would carry natural gas from the Guajira Peninsula, in the northeast of the country, to the capital of Bogotá for use in domestic consumption. Ecopetrol is also expected to suspend investments planned in a whole series of petrochemical projects: plants to produce polyethylene, ethylene oxide, styrene, rubber, vinyl chloride, etc. The government has announced that henceforth, investment in these projects "would depend exclusively on the private sector," that is, on the oil multinationals.

Ecopetrol, which had been on the verge of an enormous leap forward in its exploration and exploitation capabilities, has now been ordered to deploy the resources of its Oil Exploration Fund for paying the foreign debt held by various state companies. That fund was created under former Ecopetrol president Francisco Chona, who had hoped to guarantee the company, and country, a sovereign capability for oil exploration. Thanks to that fund, Ecopetrol was able on its own to dig some 20 oil wells in 1988; the oil discovered will be exploited by Ecopetrol. However, with loss of control over the fund, Ecopetrol is driven back into dependency on "association contracts" with the oil multinationals, which give them ownership rights to extract a whopping 40% of whatever oil they find on Colombian territory.

In 1988 the fund, which was maintained with 10% of the value of Ecopetrol's export earnings, had \$100 million. Today, the Oil Exploration Fund is left with a mere \$1 million, the rest having been delivered over to the Central Bank's Fund for Payment of Foreign Debt Service (FODEX).

The looting operation against Ecopetrol accelerated in

1984. It was in that year that then President Belisario Betancur made a crucial decision: to pay Colombia's foreign debt, come what may. The Colombian government played host to a meeting of the Ibero-American countries held in the city of Cartagena. At the eleventh hour, Betancur deleted from his speech several paragraphs which were to have explained the reasons why Colombia was going to voluntarily suspend payment of its international debts. The Cartagena Consensus, as the gathering came to be known, isolated Bolivia for having suspended its debt payments, and backed the idea of bilateral, case-by-case negotiations between each nation and its creditors. The rumors of a debtors' cartel were silenced. Instead, the Cartagena Consensus had created a "payers' cartel." One of the Consensus's first operations was to pull together a few dollars to lend to Argentina to prevent that country from falling into default and triggering a chain reaction.

The hand of the IMF

Once Betancur had completed his cowardly turn, he went on to name to the post of finance and credit minister the monetarist Roberto Junguito Bonnet. Junguito urged President Betancur in a memorandum that a formal agreement with the International Monetary Fund (IMF) be struck, since without a "green light" from the IMF, Colombia would get no new credits from the private banks.

Betancur elected instead to establish an "informal agreement" with the IMF, in which that supranational institution would monitor the Colombian economy on a quarterly basis. Nonetheless, without an official letter of intent, the IMF disbursed no money; Betancur still carried out his semi-secret agreement with the IMF, and Junguito prepared an "adjustment plan" to meet with the IMF's "informal" conditionalities. He presented the Colombian Congress with a bill which brutally reduced the budget, particularly the health and education budget. The bill gave the government the right to draw on funds from the National Learning Service (Servicio Nacional de Aprendizaje) and from the Colombian Institute of Family Welfare (Instituto Colombiano de Bienestar Familiar) to finance the debt service budget.

As with every IMF program, the Colombian government committed itself to reducing its "fiscal deficit." In 1985, the government created the Value-Added Tax (IVA, Impuesto de Valor Agregado), and ordered Ecopetrol to collect the

TABLE 1

The looting of Colombia's petroleum company

Ecopetrol payments (in thousands of Colombian pesos)*

1981—88

	1981	1982	1983	1984	1985	1986	1987	1988
Funds transfers (to government, others)	20,158,658	30,165,779	42,971,783	na	60,844,105	93,695,880	160,396,088	158,567,911
Sales taxes	0	0	0	0	46,877,000	59,712,000	75,792,500	94,841,000
Profit taxes	0	0	0	0	0	818,246	16,283,851	1,128,770
Subsidies	18,853,900	18,191,300	18,274,700	21,746,000	53,419,000	20,811,000	31,804,600	48,187,000
Royalties	na	na	na	na	na	14,022,536	38,390,355	48,905,166
Investment	22,358,000	20,689,900	22,389,000	28,233,700	107,694,000	107,269,000	87,763,100	133,726,000

Source: Ecopetrol annual reports.

*The exchange rate for pesos/U.S.\$1 is: 1982: 70 pesos; 1983: 88 pesos; 1984: 113 pesos; 1985: 169 pesos; 1986: 216 pesos; 1987: 250 pesos; 1988: 294 pesos; 1989: 379 pesos (as of June).

Not counting the forced "investments" Ecopetrol has had to make to the central bank's FODEX (Fund for Payment of Foreign Debt Service), Ecopetrol gave the government and various state entities the sum of 351.6 billion pesos in 1988, equivalent to a full 64% of its earnings. In addition to direct transfers of funds, that sum also included subsidies provided other state companies, royalties to the nation, and both profit and value-added taxes. The government used that money to balance its budget, meet foreign debt payments of its own, and as collateral for requesting new international loans.

The table shows that Ecopetrol's fund transfers in these categories have increased in recent years. In 1982, Ecopetrol first began its transfers to other state entities. In 1985, Ecopetrol began to collect the value-added tax for the state. In 1986, Ecopetrol began to pay profit taxes, as if it were any other private company. Also in 1986, Ecopetrol began to pay substantial royalties, when previously these sums had been almost insignificant. Not included in the table are the funds given to FODEX, which in Ecopetrol's accounting appear as investments in central bank bonds. This sum through September of 1989 comes to \$204 million, all of which was extracted from Ecopetrol's Exploration Fund.

IVA on the sale of its products. At the same time, the government rammed through congress a tax reform designed to cover its budget deficit; that reform went into effect in 1986. Before the tax reform, Ecopetrol's investments had been exempt from profit taxes. As of 1986, Ecopetrol began to pay taxes like any private company; the effect was to shrink Ecopetrol's maintenance and investment budget. The only thing not shrunk, of course, was the federal budget for debt repayment.

The debt payment fund

On May 29, 1986, the Betancur government signed a contract with the Banco de la República, according to which Colombia's central bank would administer a new fund called the Fund for Payment of Debt Service (FODEX), also known as the Foreign Monies Fund. FODEX was specifically created to meet debt payments of state companies, and especially of the electricity sector, which had fallen in arrears with international creditor banks. Timely payment was a "good behavior" requisite for release of the so-called "jumbo" credit of \$1 billion that Colombia had negotiated, as well as for any forthcoming credits.

The central bank created bonds called TREC (Bonds to Regulate the Coffee Surplus, or Títulos de Regulación del Excedente Cafetero), in which the Coffee Growers Federation (Fedecafé) was obliged to invest the surplus of the 1986

coffee bonanza. Later, the central bank created the TREN (Bonds to Regulate the National Surplus, or Títulos de Regulación del Excedente Nacional), in which all state companies with surpluses, like Ecopetrol and Telecom, were forced to invest their profits.

Although the TREN and the TREC were issued as redeemable bonds, with a 4% interest rate in dollars (approximately 8 points below the prime rate), to date FODEX has yet to return a single peso to Ecopetrol. In 1987, FODEX was expanded with new deposits from Ecopetrol and Telecom. FODEX paid the debt of the electrical energy companies, but these companies have paid nothing back to FODEX. As a result, FODEX has nothing with which to pay Ecopetrol, Telecom, or Fedecafé.

In 1989, FODEX will have to pay \$86.5 million to Fedecafé and \$316 million to Ecopetrol and Telecom. "Until now, they have not returned that money, so Ecopetrol has been forced to reinvest in the FODEX bonds," explained one official. In pragmatic terms, Ecopetrol views the "investment" in FODEX as money simply lost to its real investment program.

Enter Virgilio Barco . . . and Occidental

In August of 1986, Virgilio Barco entered the presidency. Barco is a former official of the World Bank. He is also heir to the famous Barco Concession which gave Shell Oil ex-

TABLE 2

Impact of terrorism on Ecopetrol operations

Year	1986	1987	1988	1989*
# attacks	23	10	50	21
Barrels of oil spilled	109,411	11,048	342,944	68,027
Cost of crude oil spilled (millions U.S.\$)	1.3	0.2	5.1	1.2
Cost of repairs (millions U.S.\$)	17.3	0.2	5.1	0.8
Barrels of oil not exported	552,000	na	17,300,000	6,700,000
Value of oil not exported (millions U.S.\$)	6.6	na	260	108

*Statistics through June 5, 1989

Source: *Carta Petrolera*, edition #23).

plotation rights in the Casabe oil fields between 1946 and 1975. The only thing that Colombia received from Shell in return for 30 years of looting rights were Shell's installations in the country!

Barco named Francisco Chona Contreras as president of Ecopetrol. Two years later, Barco fired Chona because he refused to decapitalize the national oil company. "I began to have problems with the government when I told the President that Ecopetrol was not a company of the government, but of the state," explained Chona.

Under an association contract, Occidental Petroleum Company discovered the Caño Limón petroleum reserve, with an estimated 1 billion barrels of oil. Thanks to this discovery, Occidental's stocks rose and the possibility of vast oil exports emerged. As Occidental's partner, Ecopetrol's coffers began to fill as well. Chona created a special team to pinpoint investments that the nation required to achieve energy independence: a pipeline connecting the entire country, a gas line to bring natural gas from the Guajira Peninsula, and another to carry gas from Villavicencio, a refinery in the Magdalena Medio which would give the country the ability to refine its own raw material, etc. The plan was dubbed "Ecopetrol Plan Year 2000."

But the Barco government approved a budget according to which "all Ecopetrol profits must pass to the National Treasury. Both investment and operating budgets must be approved by an entity known as the Fiscal Policy Council, made up of the Finance Minister, the head of the National Planning Department, a representative of the Monetary Council, and the president of the Central Bank," explained Chona. All plans presented by the Ecopetrol board of directors were rejected by the Fiscal Policy Council. Finance

Minister Luis Fernando Alarcón Mantilla was especially vehement in his opposition. "The reason is that he had no interest in the oil question, because his priority was the foreign debt," said Chona.

"When the finance minister, for example, demanded \$100 million from me for FODEX, I had to tell him that these disbursements could not be authorized because that would violate certain Ecopetrol statutes which were the law of the Republic," Chona told the daily *El Espectador* in an interview. "The only solution they found was to remove me from Ecopetrol." On Aug. 23, 1988, Chona was fired, along with half of the Ecopetrol board of directors. Two weeks later, the Monetary Council ordered that Ecopetrol's Oil Exploration Fund be transferred to FODEX. As of this writing, Ecopetrol has "invested" \$204 million in FODEX bonds, and the government is demanding another \$91 million this year. Said one official, "The Exploration Fund is not terminated, but it has not been re-capitalized. . . . At present, the Exploration Fund has \$1 million; that is, nothing."

The current Ecopetrol president, Andrés Restrepo Londoño, and one of the directors named, former Finance Minister Jaime García Parra, are both experts in the management of bankrupt companies. While Ecopetrol has long been the most profitable state company in the country, the unabashed looting of the company's resources to pay the debt, added to the targeted sabotage and destruction of its installations by the multinational-financed ELN terrorists (see below), is guaranteed to end Ecopetrol's viability in short order. At that point, sale of the company to the highest foreign bidder would be the order of the day, making a self-fulfilling prophecy out of President Barco's insistence that "the state is not a good administrator."

ELN, weapon of Oxy Pet and the multinationals

The self-described "nationalist" National Liberation Army (ELN), which claims to be fighting against "looting by the multinationals," is in fact a terrorist group paid by Occidental Petroleum Company and by other companies such as Germany's Mannesmann.

Armand Hammer, Occidental's international president, confirmed in statements given in July 1985 to the *Wall Street Journal*, that his company in Colombia had indeed hired ELN guerrillas. "We are giving jobs to the ELN," said Hammer. "We give them work as suppliers and we take responsibility for the local population. It has functioned until now, and they in turn protect us from the other guerrillas."

Later, an *EIR* journalist asked Hammer why he had hired terrorists who had kidnaped the brother of then President Belisario Betancur, Jaime Betancur Cuartas, a member of

the Council of State. Hammer's cynical response was: "That is not proven."

Occidental, a partner with Ecopetrol in the exploitation of the Cravo Norte oilfields, subcontracted with the German company Mannesmann for construction of the Caño Limón-Covenas pipeline. Occidental also managed to get Bechtel Petroleum, Inc. hired for construction of another section of the pipeline.

On July 16, 1985, Colombia's prestigious Society of Agriculturists (SAC) charged that Occidental, Mannesmann, and Bechtel had bought "guerrilla protection." These companies "all of a sudden have decided to buy protection from the guerrillas and specifically from the group which has never wanted to enter into peace negotiations with the government," said then-SAC President Carlos Ossa Escobar. The group "which never wanted to enter into peace negotiations" is the ELN.

Ossa Escobar further charged that the helicopters used in the pipeline construction had also served to carry provisions to the guerrillas. "We can neither understand nor accept such behavior from companies which say they are investing in Colombia because our country 'merits' their confidence. . . . One is obliged to ask oneself which are the institutions which defend these investors, and which is the Colombian state with which they have negotiated and are carrying out these multimillion-dollar projects," wrote Ossa in a letter to then Mines and Energy Minister Ivan Duque Escobar.

Gen. Augusto Moreno Guerrero, serving at the time as Armed Forces commander, confirmed the SAC's charges. On July 17, 1985, he declared: "We were the first to denounce what is going on with those companies." General Moreno revealed the existence of documents detailing the financing given by Occidental, Bechtel, and Mannesmann to the ELN. The documents were handed over to President Betancur. "We hope that with all the existing documents and evidence, the government will take the appropriate measures." Betancur never took the "appropriate measures."

The three cited companies had signed a deal with the ELN according to which the terrorists would receive \$200,000 a month in exchange for "protection." Mannesmann was in charge of delivering the money in the name of the other companies. Although Mannesmann officials have always denied the charges (contradicting Armand Hammer himself), the ELN in its July 1985 Bulletin No. 20, reported that so far they had received \$4 million from Mannesmann in "war taxes." The ELN attempted to weakly disguise the Mannesmann payments as ransom paid for several company officials that the ELN had supposedly kidnaped.

Before the accusations against Occidental and the others had surfaced, Mannesmann had refused to permit the presence of the Armed Forces anywhere near the company's camps. In a letter sent to the Colombian Army, Mannesmann executive director Dieter Lehmann demanded that troops stay

clear of the camps, and that "the existing order regarding military actions" in the region be immediately revoked. When challenged about his letter, Lehmann said that since army protection was "inadequate," the company had decided to use "other instruments" to carry its work forward.

Mannesmann's legal representative Rodrigo Noguera Calderón requested an investigation on the part of the Attorney General's office to prove or disprove the charges against the company. To this day, the Attorney General's report—if one exists—has never been revealed to the public. Following the scandal, Mannesmann's international president arrived in Colombia and held several meetings with government officials. On Aug. 20, 1985, he announced that company relations with the Army were "normalized" and that it was necessary to "forget yesterday." The scandal now buried, the government and the oil companies made a pact never to revive the issue.

Thanks to the generosity of the oil multinationals, the ELN, which had been on the verge of economic and military bankruptcy, has now dramatically revived. It has purchased new weapons, new uniforms, and hired new mercenaries.

From the first moment Ecopetrol began to operate the Caño Limón-Covenas pipeline, the ELN has carried out 104 assaults on oil installations. The most serious occurred June 16, 1989 when the ELN dynamited the weighing station at the Covenas port terminal. Oil losses were estimated at 531,430 barrels, valued at \$7.8 million. Repairs to the installations cost another \$23.4 million. Loss of export income amounted to \$374 million. The oil spills have caused serious damage to land, rivers, and crops, and yet international environmentalist groups have not uttered a peep in protest. The terrorist attacks have also caused border problems with Venezuela, which considers itself violated by the oil spills contaminating its rivers.

The greatest burden of the cost from this terrorism has fallen on Ecopetrol. "The multinationals only lose when some of their oil happens to be flowing through the pipeline at the time of the attack, but that is minimal," said an Ecopetrol official. Asked about the multinational payments to the ELN, that same official said: "That was the worst that could have happened. What if Ecopetrol had given money to the ELN? They would already have blown up the refineries, because once you give them something, they will always want more."

Today, the international banks are demanding that Mexico privatize *Petróleos Mexicanos* (Pemex) and pay the debt with stocks of that state company. The same banks are demanding that Brazil deliver *Petrobrás* as payment on the debt for equity swaps. The bankers who enforce the conditionalities of the so-called "adjustment programs" insist that privatization of "inefficient" state companies is a necessary adjustment.

The ELN is clearly determined to prove Ecopetrol's "inefficiency." That, in a nutshell, is the story behind Armand Hammer's "jobs program" for terrorists.

Elderly are told to welcome euthanasia

by Linda Everett

Within days of one another, the London *Economist*, the “prestigious” journal of moral indifference of Adam Smith’s free enterprise economics, and the *Washington Post*, mouthpiece for the U.S. Eastern Liberal Establishment, have called for the sick and elderly to submit themselves to the “dignity” of Nazi euthanasia.

In an editorial entitled, “A time to die: Immortality is a bad thing, there are nobler aims for medicine,” the *Economist* complains that doctors spend too much effort on keeping old people alive. “Medicine,” the editors say, “has increased the quantity of life far beyond its capacity to preserve the quality of it, and a greater proportion of old age is now spent in chronic illness and misery.” Divulging a fierce hatred of medical accomplishments in the United States, the editors gripe, “The average life expectancy of an American man has risen remarkably, from just under 60 in the late 1920s to 76 in 1984. That is a big blessing for some, but only a mixed one for many others. Just as an extension of credit is no guarantee of the ability to pay, so an extension of life is no guarantee of the ability to enjoy it. Hospitals are full of people who are tragically overdrawn. For such people, the last weeks, days and hours are often the worst.”

The *Economist*, speaking in the tradition of another 18th-century British apologist for genocide, Jeremy Bentham, goes on, brazenly lying: “No calculating utilitarian, applying Bentham’s cold arithmetic of pleasure versus pain, can demand that the old be killed or starved to death to save money for the young. It is the old themselves who, for their own dignity and out of concern for their successors, must learn to demand less of the court physicians. . . . When a person (or his relatives) can see that a biography is finished, it is not for the doctors to try to write a painful extra chapter.”

The cruel irony here, is the fact that Britain’s national health care system does indeed help patients die. The United Kingdom rations health care utilizing a treatment selection criterion based on employability and age. Their policy is clear: Patients are not *entitled* to treatment. The fact that a reliable life-saving treatment exists does not imply that a person who will die without it has a right to receive it. Elderly patients who are routinely denied life-saving dialysis and hip

surgery, can neither choose to receive (or “demand,” as the *Economist* puts it) nor choose to refuse medical care. Thus, the *Economist* has signaled to the national system as well as to patients’ families, that the elderly of Great Britain are to be targeted as a class, for another racheting downwards of the health care. It is not just triage, but genocide which they demand.

‘Rational’ suicide

The *Washington Post*’s Aug. 15 cover story of its Health section, “Is It Time for Mercy Killing?” shows a similar affinity for a new Final Solution for the sick and elderly. Written by the *Post*’s self-proclaimed “patient advocate” Victor Cohn, it uses the same arguments to legitimize “rational” suicide for those “suffering dying and comatose dying, [and] those who consciously or unconsciously await the release of death,” as *New Times* magazine of Moscow did in a recent feature on mercy killing. Cohn is pushing murder, pure and simple. In fact, in an interview with *EIR*, he admitted that he would consider murder—“If I saw a suffering person.” He uses the lying premises of top euthanasia advocates in his article: “Assisted Suicide—Is It Acceptable?”; “Saving Lives, Ending Lives—Doctors Confront a Mercy Killing”; “Story of Debbie’s Death Isn’t Over.”

The article reviews all the prestigious “experts” who seek to legitimize Nazi medical murder in the United States. Last year, George Lundberg, editor of the *Journal of American Medicine*, published an anonymous essay, “It’s Over Debbie,” in which a young doctor strolls into a hospital room and administers a lethal dose of medication to take a young cancer patient out of her pain and out of her life. There are others, like Marcia Angell, physician and executive editor of the *New England Journal of Medicine*, who in last November’s issue of the journal endorsed a call by Right to Die Society physicians to help patients die. Angell says the killing of patients should be legalized. Recently she told Cohn, “I think perhaps we’re ready to consider euthanasia in very controlled circumstances. There could be some problems. But the alternative is so horrible.”

Other than death pills and lethal injections, Cohn works to legitimize killing brain-damaged patients like Nancy Cruzan, whose parents will demand U.S. Supreme Court permission this October to starve her to death.

Cohn is too astute about how cost-cutting both in managed health care and in Medicare work to deny treatment and nursing care to the elderly, forcing them into impoverishment and despondency, not to know that it is a contributory factor to the rising suicide rate of elderly people. Yet, he lies and says those suicides, along with “increased medicated survival” and rigged opinion polls allegedly showing support for assisted suicide, are all reasons to kill patients.

We have to ask the *Post* and the *Economist*, how much “choice” do the elderly have, when faced with a nation telling them the only “dignity” they’ll receive is in “choosing” death?

The fraud of 'rural development'

The new line coming from agriculture bureaucrats is to finance farm communities—"without money."

As American rural communities face a crisis that is becoming much worse than the Great Depression, congressional inquiries and fact-finding hearings are taking place around the nation to discuss what to do.

"Rural development," a term that has become popular with the rise of the "post-industrial society," is currently the buzzword in once financially strong farm communities. The types of "development" being discussed by legislators will not rebuild rural America—far from it. Most of the "development" being discussed amounts to nothing more than make-work projects or retraining programs to help the rural population make the transition from being proud owners of independent family farms, businesses, and supporting services, into a cheap labor pool for large conglomerates.

"We're not interested in discussing agriculture," a spokesman for the House Agriculture Committee, Jim McDonnell, told an activist for the Food for Peace organization, when she called to arrange to testify at hearings on "rural development" held in Clarksdale, Mississippi early in August. The hearings were part of a series sponsored by the Agriculture Committee to prepare the 1990 Farm Bill. McDonnell said the hearings would focus on "innovative" ideas for rural areas, "unconventional" ideas which would revitalize rural America. This usually means providing services for tourists, like bed-and-breakfast inns.

McDonnell said that parity prices for farm products (prices that cover

production costs, plus profit enough to allow reinvestment in modernization) were not relevant to rural development—even though the largest industry in the United States is agro-industry. When asked if Congress wants to hear what kinds of infrastructure need to be funded in rural areas, McDonnell responded, "No, we are not asking Congress to rebuild infrastructure. That would cost money. We are looking for innovative ways of financing it without money, like through secondary markets."

"Rural America is passing through a time of significant trial . . . and rural development programs . . . must be targeted," said Iowa Gov. Terry Branstad in his address as lead-off witness at an Aug. 10 hearing of the House Agriculture subcommittee.

Leaders of the panel said that rural areas stand "on the threshold" of development. But, Rep. Glenn English (D-Okla.), chairman of the panel, admitted, "There is not a great deal of new money." He warned that declining population in rural areas means reduced representation in Congress and state legislatures, thus making it hard to marshal forces in defense of those areas. Roughly 17% of those living in rural communities exist below the poverty line, compared to 13% in urban areas. Representative English emphasizes, "This really is a downward spiral." In October, the committee will begin drafting rural development legislation.

Hearings at Marshalltown College in Iowa the first week in August, which were presided over by Rep. David Nagle (D-Iowa) and Sen. Kent Conrad

(D-N.D.), were characterized by a commitment to austerity and a flight from reality. There was no discussion of the extreme drought conditions threatening the crops for a second year, nor serious consideration of the water emergency which continues in the southern half of Iowa. One ingenious proposal was for everyone in the community to contribute \$1 to improve local conditions. The testimony was devoted almost exclusively to private volunteer, non-governmental self-help efforts to improve the economy.

When one state representative tried to raise the issue of parity pricing as the basis for rural economic development, she was cut off by the chairman, "This hearing does not involve agriculture."

Testimony at the hearing by Food for Peace representatives cited dangerously low food stocks, and called upon Congress to implement Lyndon LaRouche's emergency national economic recovery program. "This hearing is sponsoring the opposite and very dangerous view. It is the mistaken opinion of some lawmakers, enforced by various think-tanks and media, that resources and population have to be eliminated from rural America due to budgetary constraints," said one spokesman.

Buttonholed by Food for Peace representative Wayne Johnston, farmer from Mississippi, during the break, Representative English disagreed about the need for a national economic recovery program. "We're only talking about rural America here," he said. He was very skeptical of Johnston's view that a parity price was needed for rural recovery.

Agricultural historian Hiram Drache maintains that the number of farms could soon amount to less than half of the present total, under current policies.

Venezuela offers oil for debt

The Pérez regime has plans to sell oil, steel, and aluminum—and the country down the river.

Venezuela's socialist government is dickering with foreign bankers over how much of its basic industries and fabulous natural resources it is willing to give in exchange for paper reductions in its foreign debt. President Carlos Andrés Pérez is posturing about wanting to halve \$21 billion of the \$33 billion foreign debt owed private banks.

Planning Minister Miguel Rodríguez says the banks will give Venezuela a better deal than Mexico's pitiful one, since "discounts are proportional to the guarantees countries can provide. Venezuela is far more able than Mexico to provide those guarantees." He offered Venezuela's future oil exports as guarantees it would make timely payment of interest and principal on a reduced debt.

The banks have attached other strings to any deal. The *Wall Street Journal* portrays "debt reduction" as meaning the banks actually lose money. But they demand that Venezuela give them back most of the discount in the form of resources and industries.

A bank consortium headed by the French Banque Indosuez and including Rockefeller's Chase Manhattan and First National Bank of Chicago has proposed to turn \$426 million worth of debt into shares of the giant Aluminio del Caroni (Alcasa) aluminum complex. The Venezuelan central bank would trade the unpayable debt paper, at some discount, for Venezuelan currency, with which the banks would buy preferred stock in Alcasa. These shares would be guaranteed 11% annual return. Plus, their total value would be refunded over the

next 13 years.

Stripped of tax evasion and other tricks, the deal entails Venezuela's government giving foreign creditors the local capital with which it would otherwise have financed the aluminum complex. Under International Monetary Fund (IMF) conditionalities, state companies have been blocked from completing this complex, a seamless steel pipe factory and several petrochemical projects. Thus, the highly profitable basic industrial sector will be given to the creditors.

In its contract with the IMF, the Pérez regime promised to turn \$3 billion worth of debt into equity over the next six years. Exactly \$2.998 billion of proposals are already in the hopper. The Foreign Investment Secretariat is fighting for all limits on such "investments" to be removed.

The Venezuelan Investment Fund (FIV) was the state's vehicle for channeling oil revenues into major development projects during the past 15 years. On Aug. 7, its executive Vice President Ellis J. Juan announced it would be transformed into "a promoter of foreign investments and its vocation will be to coordinate the privatization of state enterprises." Juan claimed that "megaprojects" expanding aluminum, steel, and petrochemical capacities "would need foreign capital" including "the mechanism of debt for equity conversion."

The Pérez regime's Seventh National Plan excludes any concept of a national economy. Its technocrats foresee scrapping the industrial base built over decades saving only what can be made to work for export. Non-petroleum exports will be \$2.1 billion

in 1989. By 1994, the plan calls for them to be \$4.5 billion and by 1995, \$5.4 billion.

How do they propose to more than double such exports in five years? Simple: They plan that by 1995, aluminum exports will be double this year's \$600 million. Iron, steel, and gold exports will go from \$700 million to \$1.7 billion; and private sector exports will triple from \$600 million to \$1.8 billion.

These targets can only be met if internal consumption shrinks severely. That is precisely what is being achieved through the regime's shock program, designed by Jeffrey Sachs, the Harvard professor now trying to foist similar austerity plans on Poland's Solidarnosc. Domestic steel sales for the first half of the year, for example, were one-third down from 1988 levels.

Although it killed 1,000 people during riots against the consumption-slashing it imposed at the end of February, the Pérez regime is pleased with the outcome. Imports for January and February were running 21% above last year's; but, by May and June, they were 45% below last year's. Non-traditional exports, which were below last year's levels before the shock, were 50.6% above in June.

The social democrat Pérez has proven he is willing to steal bread from children to gain dollars for servicing debts. But Venezuela is hardly becoming "more productive." The national product, which rose 5.7% last year, will fall 8% this year. The area farmed has been halved. The government reckons industrial joblessness will double to 20% by December. But no one can calculate when the population's fears and frustrations will explode again. Under such conditions, no one but an "asset stripper" would dare invest.

Congress presses for debt moratorium

One-fourth of Brazil's \$100 billion foreign debt is illegitimate and should never be paid back, lawmakers say.

Even as U.S. Undersecretary of the Treasury David Mulford and Sen. Richard Lugar (R-Ind.) were pressuring Brazil not to declare a moratorium on its foreign debt in September, anti-usury nationalists in Brazil's National Congress won a battle to put the question of declaring a debt moratorium at the center of the national agenda.

On Aug. 17, Brazil's Joint Congressional Committee on the Foreign Debt approved a bill demanding: judicial action against foreign debt negotiators who have abused their office; immediate suspension of payment on *all* foreign debt, until the Supreme Court of Justice can judge the constitutionality of existing debt contracts; and payment to be made, after such judgment is rendered, only if and when the Congress approves new contracts with the creditors, at fixed interest rates, and without clauses that violate national sovereignty.

In constitutional terms, the bill is impeccable, based on Article 49 of the new Constitution that empowers the Congress to "make final rulings on treaties, accords or international actions that carry onerous liabilities or charges against the national patrimony." And in political terms, the bill merely demands that the intolerable usury that the creditor banks have imposed on the country, and which has thrown the country into recession, be terminated.

Acting from the same spirit, the Congress recently gave its backing to President José Sarney for maintaining a fixed minimal level of foreign reserves.

One week before the Joint Committee approved the bill, the Senate released a report detailing the extent to which the foreign debt is illegitimate. According to the report, at least one-fourth of the nation's \$100 billion debt is the result of excessively high international interest rates, according to a conservative calculation made by the Central Bank. The report documents the massive transfer of resources from Brazil abroad.

From 1984 to 1988, Brazil paid \$69.7 billion (\$18.8 billion in amortization, and another \$50.9 billion in interest), while receiving only \$28.5 billions in loans. Adding together interest, profits, dividends, and other services, excluding amortization, the real transfer of resources was \$63.8 billion between 1983 and 1988, about 3.5% of the Gross Domestic Product, equivalent to about 20% of total national savings during that period.

The accord in the Joint Committee was not arrived at without a fight. A tremendous factional battle took place between Sen. Severo Gomes, secretary of the Committee, and Deputies Oswaldo Lima Filho and Irajá Rodrigues, both from the PMDB, the latter the formal author of the bill. Senator Gomes finally had to resign from the committee after failing to soften the treatment of the creditor banks, at which his longstanding pretense of being an anti-usury nationalist was exposed as such. During the debate, Senator Gomes had tried to use the dishonest statements of some specialists in international law to back up his arguments against a debt moratorium.

In this hot situation, first Mulford arrived in Brazil, followed almost simultaneously by Lugar. Mulford followed in the footsteps of Citibank John Reed, who recently visited Argentina, Brazil, and Chile, carrying a virtually identical message. In the words of the daily *O Globo* Aug. 18, "They came to prevent a September declaration of moratorium when the Brazilian government is supposed to pay the banks \$2.3 billion."

After meeting with Finance Minister Maílson da Nóbrega, Mulford took a hard line against Brazil, saying that only with an accord with the International Monetary Fund will Brazil be entitled to a possible reduction in its debt.

Mulford and Brady clearly indicated the price Brazil would have to pay for any debt accord. He said the Brady Plan will only be applied to countries that impose drastic austerity measures, and he was evasive on the possibility of the U.S. intervening with the IMF to urge a provisional accord with Brazil to tide the nation over through its presidential elections in November.

Lugar, for his part, said flatly that significant debt reduction for Brazil will have to wait for a new government in 1990. The agenda for talks with that new government must include, he said, "a liberalization of the economy," thereby making clear what kind of a president U.S. President George Bush desires for Brazil.

Lugar also directly attacked the centralization of exchange transactions decreed by the government a month ago to protect foreign reserves. He is apparently not pleased that, since then, the Central Bank has retained a portion of the profits which foreign companies have been sending abroad, and which constitute a disguised form of flight capital.

Business Briefs

Dope, Inc.

'Black money' flow disrupting economy

One of the major problems of world financial markets is the huge "black money" flow, a European banker told *EIR* on Aug. 17.

The source said that recent estimates of total world "black money" flows of \$1.5 trillion, including \$5-600 billion in direct drug revenues, is draining huge sums otherwise available for productive investment.

As countries try to cut off the laundering of such illegal flows without significantly increasing liquidity from the traditional banking system to compensate, he predicts this will aggravate financial contractions. Recent crackdowns on drug banks from Luxembourg to Panama to various Paris-based Middle East banks, exemplify the point.

The Kennedy School of Government at Harvard University, an institution which has consistently pushed for drug legalization, has meanwhile issued a new study which claims that U.S. government efforts to stop the flow of marijuana into the country are merely encouraging domestic output of the drug.

The study, prepared by Mark Kleiman, a former Reagan Justice Department hand, says that attempts to interrupt the supply of imported marijuana actually encourages domestic growers. Kleiman charges that "the natural effect of ordinary enforcement is to drive out the weakest drug dealers and increase the profits of the rest. . . . The more enforcement there is, the better violence and corruption pay."

Agriculture

Farmers reject liberalized markets

Farmers from seven nations, meeting at a conference in Japan, called for a halt to further liberalization of the world's agricultural markets, Japan's Kyodo news agency reported on Aug. 15.

A total of 2,500 farmers from the United States, the Netherlands, India, Taiwan, the Philippines, Thailand, and Japan gathered from July 29 to Aug. 14 to exchange views on agricultural problems.

In a final communiqué, the farmers said that excessive free trade would devastate the farming sector in each country, by bringing about painful price cuts on agricultural products and damaging small farms, which suffer most in price wars. They said that grassroots exchanges among farmers worldwide are needed for combined opposition to agricultural policies imposed by governments, such as dumping of surplus products.

Energy

India plans expansion of nuclear program

M.R. Srinivasan, chairman of the Atomic Energy Committee of India, told newsmen the week of Aug. 12 that India is constructing 12 new nuclear reactors of 235 megawatt capacity each, and 6 reactors of 500 MW capacity, to be completed by the year 2000, as part of India's commitment to develop a nuclear energy supply.

In addition, two 1,000 MW Soviet-built reactors will be installed during this period. According to Srinivasan, India will have in operation 32 nuclear reactors by the year 2000, out of which 26 reactors will have been designed and built domestically.

India started its atomic energy development program in the late 1950s under the guidance of Dr. Homi Bhabha. Following Dr. Bhabha's original plan, the Indian Atomic Energy Committee plans to install the first domestically built breeder reactor by the year 2005.

Ecological Holocaust

Agencies report growing world health crisis

A joint study of the World Health Organization, UNESCO, and UNICEF, entitled "Facts for Life," released in August, reports

on the worsening world health situation.

The report outlines that measles kills a child every 15 seconds; diphtheria is fatal in 10-15% of cases; and tetanus kills 800,000 newborn babies a year. Every year 50 million children contract whooping cough (pertussis) and 600,000 die. There are 275,000 cases a year of poliomyelitis, the leading cause of paralysis in the Third World. Tuberculosis claims up to 10 million victims. Each year some 3.5 million children under five years of age still die from diarrhea. About 4 million children under five years of age die every year from respiratory infections, mostly pneumonia, in the Third World. Respiratory infections are responsible for 25-30% of all deaths of children under five in the developing countries.

More than 1.31 billion inhabitants of developing countries, excluding Communist China, have no access to clean water, and 900 million of these live in backward rural areas. Almost 1.75 billion people are without sanitation facilities.

The total annual number of clinical malaria cases is estimated at 100 million. Studies in Africa indicate that 20-30% of infant and childhood mortality worldwide may be attributable to malaria.

Labor

Soviets lose 65 billion man-hours to queuing

The Soviet Union suffers a loss of 65 billion man-hours every year, due to the time that citizens must stand waiting in line to buy food and other commodities, according to a report in the weekly *Literaturnaya Gazeta* on Aug. 18.

"Most of that time is eaten up by nervous tension while standing in queues," the paper reports. Because of the almost complete unavailability of meat, most Soviets subsist on a diet of pure starch. Each person consumes 300 grams of potatoes (two-thirds of a pound) and 400 grams of bread (nine-tenths of a pound) each day. Meat rationing is in force in most republics. Butter sales have been restricted in many regions.

Selskaya Zhizn, the newspaper of Soviet farmers, reports that rural citizens even eat

Briefly

less meat, fruit, and potatoes than they did five years ago. The article cites the fact that up to 1 million peasant women carrying empty baskets pour into Moscow each day, by bus and train, hoping to find food for their families in the provinces.

The Environment

Backwardness destroying Indonesia's rain forests

Indonesian President Suharto called for a halt to the destruction of the world's tropical rain forests, according to press accounts Aug. 16.

"The main factor that destroys the tropical forests in developing countries is their economic backwardness, which leads to low living standards," Suharto said, adding that 1.2 million acres of Indonesia's forests are destroyed every year, mainly through timber concessions and slash-and-burn farming. Despite an annual investment of \$300 million for replanting, the Indonesians cannot keep up with the pace of destruction.

The main tropical rain forests, which Suharto called "the lungs of the world," are in Indonesia, Brazil, and Zaire. Although Indonesia has a very large debt, he made no references to swapping debt in return for environmental concessions, as the World Wildlife Fund and international financial institutions are demanding.

AIDS

New York Times heralds shift in testing

"Major Changes for Health System Seen in Wake of the AIDS Finding, All Those at Risk Are Urged to Take Virus Test," headlined the *New York Times* Aug. 19, in describing the policy shift for AIDS testing in the United States, which is occurring on the pretext of the success of the AZT treatment for some AIDS victims.

Lyndon LaRouche had advocated such a general AIDS testing policy more than four years ago, to protect both the uninfected and to provide early care for the infected;

for this, he was denounced by the media and the health establishment as an "extremist."

Richard Burzon, a scientist at the Institute of Medicine in the National Academy of Science, is quoted saying, "Clearly what's going to happen, and this is very sad, is that the health care system will simply be overwhelmed, especially in a place like New York," since treatment costs are rising so fast.

Health

New York to deny Medicaid to 'overusers'

New York State's Department of Social Services, in a new system to be implemented this fall, will deny medical care to 10% of the state's Medicaid recipients who exceed what it terms the "utilization threshold" limits for doctor and clinic visits, laboratory tests, and prescription drug purchases.

Officials point out that 90% of the state's Medicaid patients will not exceed these limits; the 10% who do can only get treatment by filling out complicated forms that are arduous even for medical personnel, let alone for people who are ill, indigent, undereducated, and who even then must wait for approval by the department. The exception is for emergency care—which will add patients to already overwhelmed emergency rooms, with no guarantee of reimbursement to hospitals by the state.

"It's virtually guaranteed that large numbers of patients will be unfairly denied care that they need and are entitled to," said Richard Gottfried, chairman of the State Assembly's Health Committee. Deputy Budget Director Paul Wilson, who drew up the new regulations, said that the concept was one that private insurance plans routinely use to cut "unnecessary" medical expenses.

The amount saved will be \$50 million, while adding a new layer of bureaucratic costs to hospitals. Kenneth Thorpe, director of Harvard University's Program on Health Financing and Insurance, candidly explained that while the immediate net savings are minuscule, "it does set a potential precedent to start looking at other kinds of restrictions on utilization."

● **THE FEDERAL RESERVE** voted 5-1 on Aug. 21 to allow Japanese securities firms to remain primary dealers for U.S. Treasury securities, by ruling that Japan does not significantly discriminate against foreign companies in its own government securities sales. The Japanese threw the bond market into a panic by not buying their usual share at a recent auction.

● **RED CHINA** has delayed payments of interest and principal on loans from Japanese banks, *Nihon Keizai Shimbun* a leading Japanese financial daily, reported Aug. 20. International financial sources said the loans were primarily used to finance hotels and tourist projects.

● **U.S. BUDGET DEFICITS** for the next five years will remain over \$100 billion, even if the budget agreement between the administration and Congress is fully implemented, the Congressional Budget Office forecasted Aug. 19. The law requires the budget to be balanced by fiscal year 1993, when the CBO estimates the deficit will be \$128 billion.

● **IRAN AND CHINA** signed a \$500 million economic cooperation pact, according to Iranian Deputy Minister of Heavy Industry Mohsen Mehralizadeh, the *South China Morning Post* reported Aug. 4. Two 300 MW steam-powered generators and a paper mill will be built, and China will help Iran manufacture parts for the generators, heavy cranes, and equipment for sugar refining plants under the pact.

● **30,000 NURSES** are immediately needed to stop the growing crisis in West German hospitals, the West German Hospital Association claims. The association is negotiating with West German state-linked insurance companies in order to get them to agree, which seems unlikely in the near future.

Nitrates scare is newest green assault on farming

Is the threat to drinking water just a pretext to strangle an area essential to our survival—agriculture—as was done with nuclear energy? Wolfgang Lillge, M.D. exposes the hoax.

The following article was adapted from the German Fusion magazine, by permission of the author. It was translated from the German by John Chambliss.

Almost one-third of the land in the Federal Republic of Germany is to be classified as a "water-protection area," according to the European Commission's draft guidelines, by which the Brussels bureaucracy of the European Community intends to bring nitrate contamination of the soil under control. In Germany, the entire state of Schleswig-Holstein, large parts of Lower Saxony, Hesse, and North Rhine-Westphalia, the Rhine-Neckar region down to the Lake Constance, and Bavaria south of the Danube River would be classified as "nitrate-sensitive zones." The EC Commission also intends to identify all of Denmark and the Netherlands as nitrate sensitive, along with the northern part of Belgium, the south-east of England, and many regions of France, Spain, and Italy.

In these new water-protection areas, the yield of natural and artificial fertilizers, as well as animal husbandry ("maximum number of manure-producing animals" per hectare) will be greatly restricted. The draft provides that stable manure may be produced only in maximum amounts of a limit of 2 milk cows, 16 fattening hogs, or 5 sows per hectare. The production of mineral fertilizer will be precisely defined and carefully supervised. According to the information bulletin *Agra-Europe* of Dec. 27, 1988, the Brussels officials assume that these plans will have "perceptible economic consequences." Thousands of farms may be ruined.

While this is not the first blow against farmers by the EC Commission, this one strikes at the heart of agricultural productivity: Without nitrate or nitrogen fertilizers, modern

farming is simply impossible.

For quite some time, the media have intimidated the public with reports that the drinking water is poisoned with thousands of substances that cause cancer or make us deathly ill. Nitrate is said to be especially insidious, because it is more harmful to children and because some of the most powerful carcinogens are produced from it, for example, a substance called nitrosamine.

The medical effects of nitrates

The relevant publications and other investigations more or less tacitly presuppose as a "popular consensus" that nitrates and its metabolites are harmful to human beings and that the measures taken to limit nitrogen contamination are justified. The buzzwords are "cancer," of course, and "cyanosis" in small children. But if we examine the known facts from medical and toxicological research, everything appears in a quite different light.

1) Nitrate (NO₃) itself is a relatively non-poisonous substance. According to the World Health Organization (WHO), which is one of the major sources for the ideas of global environmentalism, a daily intake of 3.65 milligrams per kilogram of body weight for children is justifiable. That equals 255.5 mg per day for a man who weighs 70 kilos, or 160 pounds.

The average West German citizen consumes about 50-70 mg of nitrate from food (not counting drinking water), but this varies considerably depending on the type of food. The nitrate in drinking water is normally 20-30% of total nitrate consumption, which can increase to 50% or 60%, depending on the nitrate content of the water. In no case, however, does it ever reach that very low threshold that the WHO views as

still within the harmless range.

2) Nitrate is absorbed in the small intestine, and 85% is excreted in the urine and 2% in the stool. Larger amounts of nitrate concentrate in the salivary glands, and undergo a cycle there: Nitrate is excreted from the salivary glands, absorbed again by the gut, and then returned in part to the salivary glands. Even if nitrate consumption is completely halted, there is, therefore, always nitrate in the body.

Nitrate is also produced in the body itself (through metabolic reduction processes and by bacteria in the intestine). Quantitatively, the same amounts can be obtained as through nitrate consumption from food. That is, external sources alone do not account for the amount of nitrate available in the body.

3) Nitrate is chemically reduced through the presence of the enzyme nitrate-reductase, which is found in many bacteria, into nitrite (NO_2). Bacteria that can reduce nitrate to nitrite are widely distributed, and include coliform bacteria, *Clostridia*, vibrios, staphylococci, and streptococci. These bacteria are found in human beings in the oral cavity, esophagus, and intestinal tract, and, under certain circumstances, also in the urinary tract.

A clear nitrite formation takes place only at a density of 10^6 bacilli per milliliter, which according to the principles of infection theory, is already classified as pathological.

Nitrite-forming bacteria do not come from drinking water, which must be perfectly clean from a bacteriological standpoint. Bacteriological colonization and, therefore, nitrite formation is, of course, considerable with unhygienic preparation and storage of food and drink. A further source of nitrite formation is bacteriological colonization in the oral cavity. Preventive measures, such as oral hygiene, play a role in the amount of bacteria existing in the mouth, as does age.

4) The health of infants can, under certain circumstances, be endangered during the first three months of life by very high concentrations of nitrite, because approximately 80% of the hemoglobin in infants is still "fetal hemoglobin." This hemoglobin is oxidized by nitrite approximately twice as fast into methemoglobin as the later dominant hemoglobin-A. In methemoglobin, the complexly bound iron molecule is transformed from the bivalent to the trivalent form such that oxygen cannot bond to it. If the concentration of methemoglobin goes beyond a certain value, then symptoms of internal suffocation occur (cyanosis).

Further, in infants, the function of the methemoglobin reduction enzyme has not been fully acquired, so the methemoglobin produced is only slowly reconverted. Since the stomachs of infants produce only small amounts of acid, there is also the possibility of bacterial colonization of the upper intestinal tract and the reduction of nitrate to nitrite through that avenue.

Fluid throughput in infants is considerably higher than in adults. An 11-pound baby takes in 0.85 quarts of liquid daily—the equivalent of 11.6 quarts in a 160-pound adult. So, high nitrate concentrations in drinking water do have a

Who runs the U. S. nitrate pollution scare ?

A mobilization of state and federal initiatives is under way in the United States to penalize farmers and others for polluting groundwater. Although the name "Greenie" isn't commonly used, this mobilization parallels the Green campaigns against farming, and residential and industrial infrastructure development in Europe.

In Congress this spring, Sen. Wyche Fowler (D-Ga.) introduced a bill called the "Farm Conservation and Water Protection Act," which places potential drastic restrictions on agriculture, including the threat of fines and heavy regulation, in the name of protecting public water supplies. While this bill is not expected to be enacted as is, it is expected that it will influence the next five-year farm bill that is to be passed in 1990.

On the state level, similar initiatives are coming before legislatures. In Minnesota, for example, the 1989 legislative session passed a comprehensive bill setting heavy regulations for farmers in "environmentally sensitive areas." Local governments are even passing laws about where, when, and whether manure can be spread.

None of these bills contain provisions for dealing with the real U.S. water crisis, which requires resuming construction and repair of waterworks of all types—water and sewage treatment, irrigation, locks and dams for river channel maintenance. The U.S. "Greenie Groundwater" bills are all punitive against food, farming, and people.

The blueprints and public propaganda for these Green bills were worked out early in the 1980s by the Washington, D.C.-based group, the Conservation Foundation. This Greenie think-tank published numerous books and articles on the danger of runoff of chemicals from what they term "non-point" pollution sources, such as farms. The Conservation Foundation claims that public demand for dams and large-scale water treatment programs is a plot by civil engineers to cadge pork barrel contracts.

When William K. Reilly, the former head of the Conservation Foundation, became the new administration's head of the Environmental Protection Agency last January, he immediately cranked up the groundwater scare campaign. By the end of 1989, the EPA and the U.S. Department of Agriculture plan to release a national study of the presence of chemicals in groundwater that is intended to scare the public into accepting sweeping attacks on technology-intensive farming.

more intense effect on infants.

5) There are various references concerning the number of cases of methemoglobinemia. One investigation in 1962 found 1,000 cases up to that point, of which 8% were fatal. Another count two years later yielded 100 cases in West Germany. A third investigation for Europe and North America yielded approximately 2,000 cases, 160 of which were fatal. There is, therefore, considerable deviation in the numerical data for this disease.

6) Many of these earlier cases were caused when the infants were switched to powdered milk, which is often not free of bacteria, and which was frequently mixed with water from private wells of high nitrate concentration. Moreover, the water used to mix formula used to be frequently kept warm on old coal stoves and probably evaporated to such an

extent that the nitrate became more concentrated.

7) In the last 25 years, no acute cases of poisoning have been registered in areas supplied by public water in West Germany, whereas if it were true—as the environmentalists claim—that nitrate concentration had shown a marked increase in some groundwater, the recent morbidity rate should have increased dramatically.

From earlier research, it can be concluded that increased nitrate concentrations in infants can be tolerated, and if any increase in methemoglobin ensues, it is only to a small, clinically insignificant extent. By contrast to the development of improved methods of water purification, improved hygiene in food probably plays a greater role in the elimination of incidence of methemoglobinemia.

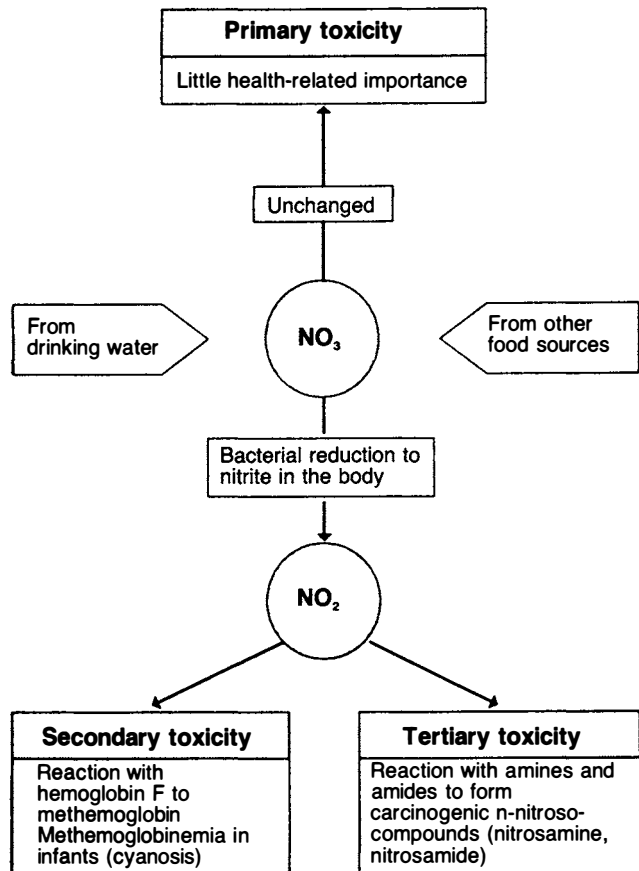
8) Proof that nitrosamine forms in the human stomach from nitrite and amine compounds has not been provided, and evidence that there is such production exists only from animal experiments. These were carried out with nitrite concentrations many orders of magnitude higher than normal—unreachable by human beings.

On the cancer front, it is debatable whether substances such as nitrosamine and other so-called carcinogens can produce any effect in such minute amounts (we are talking here of parts per billion, that is, one molecule among one billion others!) or perhaps even as a single molecule, or whether there is a definitive threshold value that must be passed before a carcinogen can cause a cell abnormality. It is in fact probable that we shall have to develop an entirely new theory of cancer formation. Even if suspicions of carcinogenicity were confirmed, the nitrate in drinking water could not account for it, and we would have to include all nitrate in all substances consumed for nourishment or pleasure, as well as the nitrate formed in the body and the nitrosamine itself contained in many foods. In fact, there is no indication that there is a higher frequency of cancer in areas with higher nitrate concentrations in drinking water.

This brief overview of what we know about the medical effects of nitrate makes clear how shaky the ground is, that the concrete measures introduced to reduce soil nitrates stand on. Apart from the plans to establish giant water-protection areas, in 1986, the EC Commission reduced the amount of nitrate permitted in drinking water from 90 to 50 mg/L. This low maximum was constantly characterized in the debate as “precautionary.” Since, however, the problem of methemoglobinemia virtually no longer exists for us, these “precautions” are being undertaken now as a simple matter of “eliminating the risk for ill infants,” which was a similar concept used during the campaign against nuclear energy. With the growing panic over various “environmental poisons,” a second argument has been pushed into the foreground: the need to lower the “probability of production of carcinogenic nitrosamine” by further limiting nitrate concentrations.

Of course, in the same breath it is conceded how flimsy the basis for this argument is. Thus, it's said, “The results of

FIGURE 1
The toxicity of nitrate



Nitrate (NO₃) is itself virtually completely harmless; through bacterial reduction of nitrate, small amounts of nitrite (NO₂) are produced, and, through further reductive steps, nitrosamine, but detectable in only trace amounts.

Source: Rohmann, Sontheimer, Nitrates in Groundwater.

research on nitrosamine from the last 15 years show that the chronic threat to health through nitrate is essentially more difficult to assess than the acute threat to infants." Terms such as "potential teratogenicity" of nitrate and the "possibility of endogenous nitrosamine formation" are to fraudulently replace scientifically established knowledge of possible cancer dangers (see **Figure 1**).

Meanwhile, it is impossible to get a clear view of the mass of research work concerned with the danger of cancer being produced from nitrosamine—research which has produced no concrete results that could justify the drastic measures being preemptively implemented. We have reason to wonder if "the danger from nitrate" is only a pretext to strangle an area essential to our survival—agriculture—as was done in an analogous way with nuclear energy.

Nitrates and agriculture

Agriculture is as impossible to conceive apart from nitrates as is human life apart from oxygen. Every plant needs nitrogen for growth, primarily in the form of nitrate, and the more intensive an area is cultivated, the more nitrogen must

be supplied to supply the need of the plants (see **Figure 2**). Every weekend gardener knows that, as most certainly does the farmer, who has thoroughly studied these connections as part of his training.

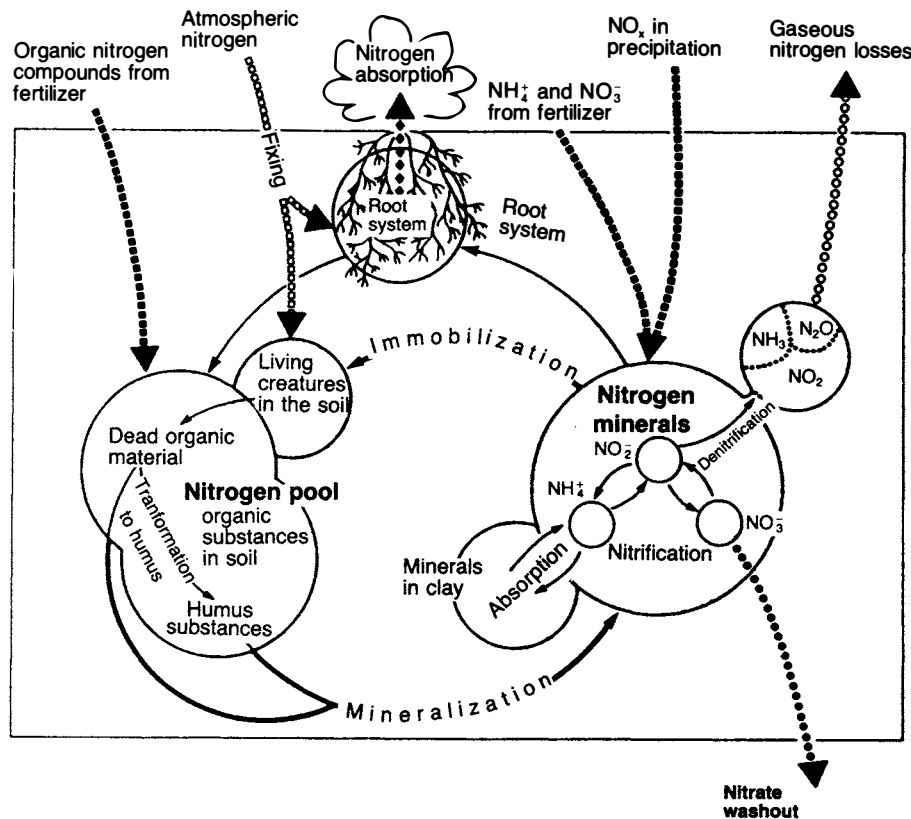
Let us look at some of the important facts about nitrate in agriculture and its effects on groundwater.

1) The portion of mineralized nitrogen (nitrate) in the soil that is absorbable by roots, is extracted through the formation of plant masses. After the harvest, the soils are more or less "leached."

In order to replenish the soil's nitrogen reserves, the farmer uses mineral fertilizers. These are not at all products alien to nature, as is often deliberately suggested by the designation "artificial fertilizers." They are chemically identical with plant foods that are liberated through weathering of soil materials or mineralization of organic substances and absorbed by plants. "Natural" nutritive substances do not suffice for optimal growth, so that a mineral fertilizer must replace the minerals that the plants absorb from the soil.

If primary and trace substances, along with other growth factors such as water, soil, air, pH values, and light, are

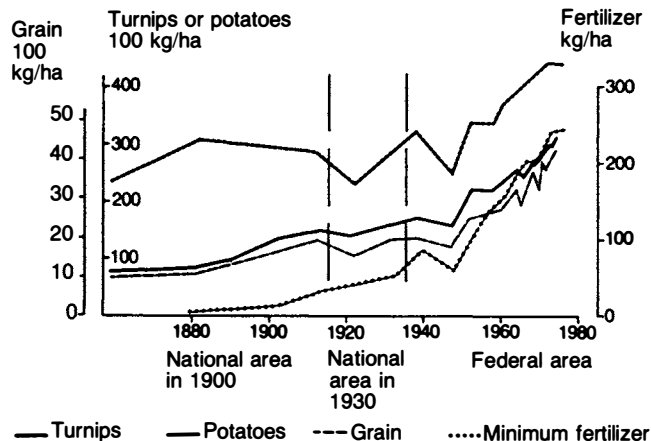
FIGURE 2
The nitrogen cycle



Nitrogen in the soil undergoes a complex cycle in which nitrogen inputs in the form of fertilizer are only one part of the nutritive supply available to plants.

Source: Rohmann, Sontheimer, Nitrates in Groundwater.

FIGURE 3
Agricultural harvests and expenditure of mineral fertilizer in Germany

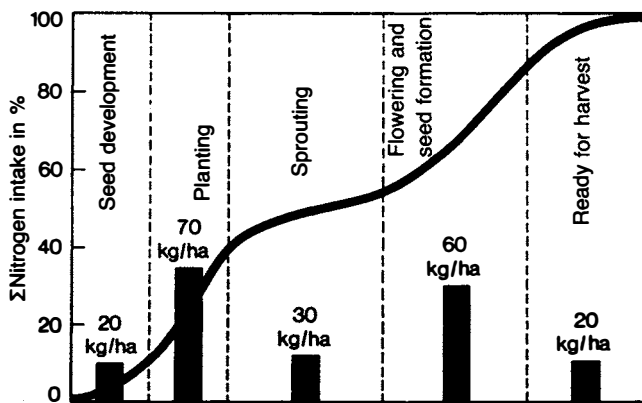


Source: DFG, Nitrate-Nitrite-Nitrosamine in Water.

provided optimally, then nitrogen, primarily taken up as nitrate, is the most important factor in plant nutrition determining harvest yield.

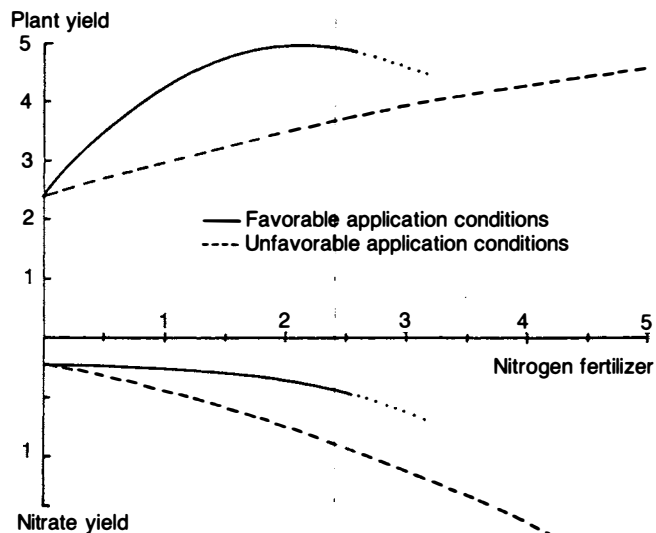
The optimum in fertilizer has increased over time due to various factors: technical improvement of soil preparation, and extension of genetic productive potential through plant breeding. That is, new varieties can better use an increased supply. Today's harvests are three times as great as those of a century ago—the result of improved accommodation to the natural needs of plants and the increase of soil fertility (see **Figure 3**).

FIGURE 4
Development stages of grains and the nitrogen intake in different growth phases



Source: Rohmann, Sontheimer, Nitrates in Groundwater.

FIGURE 5
Harvest yield and nitrate washout



The connection between harvest yield and nitrogen washout is shown for increasing nitrogen input under favorable or unfavorable fertilizing conditions.

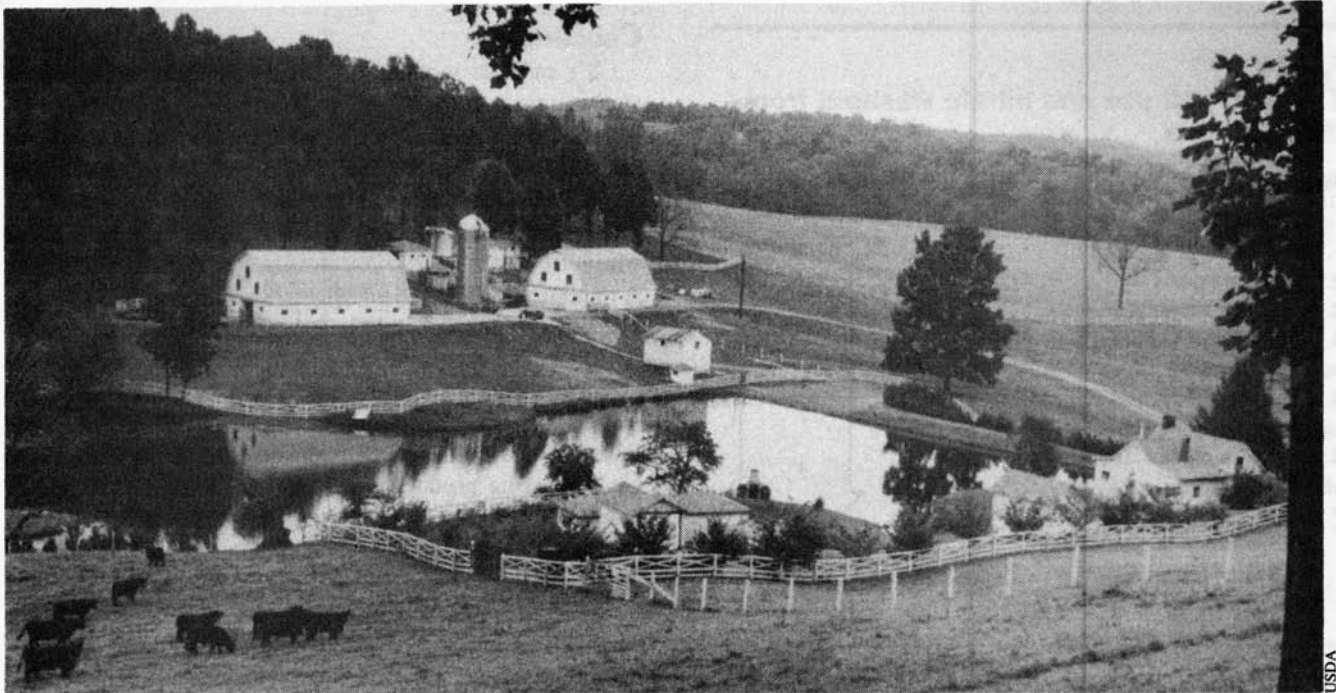
Source: H. Vetter, Agra-Europe.

For the farmer, nitrogen that leaves the area of the roots is a complete loss. Therefore, no farmer is interested in spreading more nitrogen on his acreage than is necessary for optimal harvests (see **Figure 4**). If the farmer were to fertilize the land in accordance with the optimum that has been established by experimental research for the different kinds of cultivation, then the expenditure of nitrogen would increase from 100 kilograms per hectare (1982) to approximately 150 kilos. On the average, agriculture is, therefore, at two-thirds the optimum.

Fertilizer intensity, whether of "artificial" or "natural" fertilizers, is only one of many factors that can lead to the full development of nitrate. The entire system of plant cultivation must be taken into consideration. Concepts such as "organic gardening" are therefore slogans devoid of both definition and scientific foundation (see **Figure 5**).

2) Investigations show that, despite the increased use of fertilizers in recent decades, the seepage of nitrogen into soil at depths greater than one meter has hardly changed in comparison to earlier periods. The greatest part of the nitrogen that seeps out of the root area originates from organic substances in the soil. Fertilizer-nitrogen will, in contrast, be taken up by the plants in increased amounts; thus a higher level of fertilizer than today's level will not lead to any decrease in utilization.

Only on acreage that is not used (set-aside acreage!) or



A farm in Taylor County, West Virginia. The pond, which is clean enough for recreational use, provides water for livestock and fire protection. If the environmentalists are successful in undercutting agricultural productivity through regulations on fertilizer use, the lack of vegetation will cause an increase in groundwater nitrate concentration—just what the “Greenies” claim they want to stop.

on very badly farmed areas can it happen that more nitrogen is supplied than the vegetation of a year absorbs. That means that an increased contamination of groundwater results from barren land and “extensively” used areas.

3) During autumn, roots and harvest residues undergo extensive decomposition, that is, mineralization and subsequent nitrification. With increasing autumn and winter precipitation and corresponding water absorption by the soil, seepage water and the formation of nitrate increases. Here, the problem of liquid manure plays a role. If liquid fertilizer is applied in autumn in large amounts to uncovered fields, where it has little fertilizing effect, then the danger of nitrogen loss and entry of nitrates into groundwater is relatively great.

4) Water purification professionals have no clear picture of the hydrological laws that govern how nitrates enter the soil. The argument that intensive agriculture must be the main source of nitrates in the ground has become very trendy, but once again, a convincing proof is totally lacking. In fact, there is no simple correlation between nitrate concentration in drinking water and the amount of nitrogen fertilization.

The most important nitrate sources for groundwater have long been known. They include:

- leaky septic tanks;
- sewage plants;
- sewage sludge and garbage dumps;
- leaky or improperly managed liquid-manure containers;

- dung and manure pits;
- silage storage;
- humus-rich soils;
- fertilization in the form of commercial fertilizers (liquid manure, among others) and mineral fertilizers.

It would certainly be sensible to eliminate as far as possible all the means by which nitrate is concentrated in groundwater before agriculture is globally portrayed as the “poisoner of wells.”

After calculating nitrate washout, the groundwater nitrate content should show much higher levels than is in fact measured. During seepage, there is obviously an extraordinarily effective microbacterial nitrate reduction. And in groundwater conductors, there can even be some further nitrate reduction. Investigations in the intake area of water works have shown that 50% of the recorded nitrate is reduced in this manner.

According to rough calculations, approximately 10% of the drinking water supply in West Germany has a nitrate content over 50 milligrams per liter, the accepted upper limit since 1985. If we consider the distribution of nitrate content throughout the country, it is striking that the highest values are always found in low-precipitation regions where relatively light soil types are intensively cultivated. “Anomalies” where alarmingly high contents are detected are mostly where specialty crops such as wine grapes, hops, and spring fruit, as well as root crops and vegetables, are cultivated. These regions constitute approximately 0.4% of all lands under

FIGURE 6

Types of soil use and nitrate washout from the root area

Form of use

1. Forest (except alder)
2. Permanent grass land
3. Grain with intercrop
4. Grain without intercrop, feed grain, commercial growth
5. Corn, root crops, field vegetables, legumes, grapevine cultivation
6. Vegetable garden cultivation and allotment gardens
7. Cultivated garden conversion
 - a) conversion of green fields
 - b) cleared forest lands
 - c) reforestation

Increasing
nitrate losses



Source: H. Vetter, Agra-Europe.

cultivation. In areas of normal agricultural uses, the nitrate content is largely within the threshold value. Grasslands and forests present virtually no problems as far as nitrate washout is concerned because of the year-round presence of plants (see Figure 6).

Turning to what the Greens call "nitrate wells," which are small areas of high concentration, these are relatively small catchment basins, usually in rural areas, which sometimes appear in high-percolation soil. In general, however, the larger the catchment basin is, the smaller will be the contribution of nitrates from areas under intensive cultivation. Frequently, because of considerations of potential pollution of the highest water table, exploitation of that table is abandoned in favor of use of deeper tables that are almost completely free of nitrate.

5) If the limiting value is to remain 50 mg/L, it would be considerably more intelligent from an agricultural point of view to consider water-agricultural solutions for nitrate reduction rather than destroying the productive foundation of agriculture.

There are many methods for eliminating nitrate from drinking water: reverse osmosis, ion-exchange processes, and denitrification by biological processes. Only the last method allows specific elimination of nitrate; all the others lead to a more or less complete desalination of the water, which must eventually be compensated for.

Scientists at the Jülich nuclear research center and the Institute for Microbiology at the University of Hohenheim have recently developed two different processes for microbial nitrate elimination, which have already furnished promising results.

Conclusions

It's easy for someone to feel that he's stumbled into a world turned upside down when he considers the excesses produced by the fanatically conducted war against nitrates. In Germany, Gov. Lothar Späth is already assessing a "water penny" from the citizens of his state of Baden-Württemberg, which he is using to give equalization payments to farmers who suffer income losses resulting from fertilizer limitations. A total of 110 million deutschemarks is estimated for that in 1989.

On the European and West German level, a wave of laws and decrees is inundating farmers, all in the name of environmental protection. Even agricultural specialists cannot overlook that all such measures are having the same effect: They are destroying productive agriculture, and are driving the independent farmer either into ruin or into a new dependence of the sort from which he liberated himself not so very long ago.

The irony here is that, in the wake of the much praised "extensification" of agriculture and widespread set-aside of agricultural land, it is probable that even more nitrate will wash out of the land than if modern cultivation is continued, as a consequence of the natural processes sketched above.

A correctly run agriculture has always been the best form of environmental protection!

Overpopulation Isn't Killing the World's Forests—the Malthusians Are

There Are No Limits to Growth

by
Lyndon H. LaRouche, Jr.

There Are No Limits to Growth



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Voyager reveals a turbulent Neptune

by Marsha Freeman

After a twelve-year journey the Voyager 2 spacecraft came within a little more than 3,000 miles of the cloudtops of Neptune on Aug. 24, giving scientists their first close look at the giant planet. Neptune is Voyager's final planetary encounter, after a magnificent series of discoveries at Jupiter, Saturn, and Uranus.

Neptune is so far from Earth, nearly 3 billion miles, that ground-based telescope observations are very tenuous. So little was known about the eighth planet, that scientists knew that whatever Voyager found there would be a surprise. When Voyager began to reveal that this cold and dark world had huge Jupiter-like storms, fast-moving and changing cloud systems, and Saturn-like irregular rings, scientists knew that Neptune would turn out to be a considerably more exciting planet than the virtually featureless Uranus.

Neptune is the first planet discovered by theoretical calculation, and only later found through telescopic observation, due to its distance from the Earth, and its distance from the Sun which makes the light intensity there about half that at Uranus. Due to its long period of revolution around the Sun, 165 years, Neptune has not completed a full year since it was discovered in 1846.

As Voyager came closer to Neptune, a huge dark spot in the center of the planet became visible. As the spacecraft moved toward closest encounter, it was revealed that this dark spot has above it streamers of white, wispy clouds, traveling at a higher altitude and different speed than the probably violent weather system underneath.

As imaging scientists tried to determine the speed of rotation of these atmospheric phenomena, their task was made more difficult by the fact that the white clouds were forming, and breaking up and disappearing within hours. Images of the same area taken merely two and a quarter hours apart were so drastically different, it was impossible to track any single feature.

Scientists could not tell whether new clouds had formed while others had disappeared, or whether clouds had just quickly moved to other regions above the great dark spot. This has, so far, hampered the effort to more precisely determine the rate of rotation of the clouds, as compared to the 18-hour rotation of the surface of the planet.

One of the mysteries which will probably be solved by more thorough analysis of the Voyager data received in the

last week of August, will be Neptune's rings. Since 1984, ground-based observations indicated there were as many as six ring arcs, or partial rings, around Neptune. When Voyager came closer, it found one complete ring closer to the planet than the ring arcs, which had never been imaged on Earth at all. On Aug. 22 imaging team leader Dr. Bradford Smith announced that Voyager had found the first complete ring around Neptune.

He also announced that more material was being seen in the incomplete ring. Scientists now have matched three of the six ground-observed ring segments or arcs to one single ring which initially did look like only a partial structure. On the following day, Voyager project scientist Dr. Ed Stone explained that it is possible that other ground observations were of the small moons of Jupiter, and not material from a ring.

The most detailed data about the rings will be produced from information Voyager collects for the two days after the closest encounter at the planet, as the spacecraft looks back toward Neptune, on the other side of the Sun, using its photopolarimeter to measure the light of a distant star through material in the rings.

Triton

The second moon in the Solar System to have an atmosphere, Triton, has also proved to be an exciting object. Days before its close encounter, Voyager had revealed a moon with a sharp difference between its northern and southern hemispheres. Because of the angle at which Voyager was approaching Triton, the southern hemisphere was most visible, and had a mottled, clouded look to it.

In the northern half above the equator was a darker region, and there appeared to be a bluish fringe between the two. Nothing blue has been observed at any other body in the Solar System. Scientists have proposed that the same atmospheric light-scattering that produces Earth's blue sky, may be responsible for the color on Triton. Because the atmosphere contains methane, the light at the red end of the spectrum is being absorbed, leaving the bluer color.

On Aug. 25, after the close-up images of Triton had started to reach Earth, craters, volcanic calderas, flow patterns, frozen lakes, and other possible surface features were revealed. Dr. Larry Soderblom summarized what had been revealed so far of the Neptunian system, by saying that it is like having Jupiter orbited by Mars.

Over the next days and weeks, scientists will be poring over the wealth of new data Voyager's instruments have collected. Many of the most exciting discoveries cannot be made within minutes of the real-time images being received on Earth, because the moons are so small, the rings so tenuous, the atmospheres of the planet and Triton so active, and the lighting at the planet and signal from Voyager so faint, that the most sophisticated technology in existence has to be applied to coax discoveries from the data.

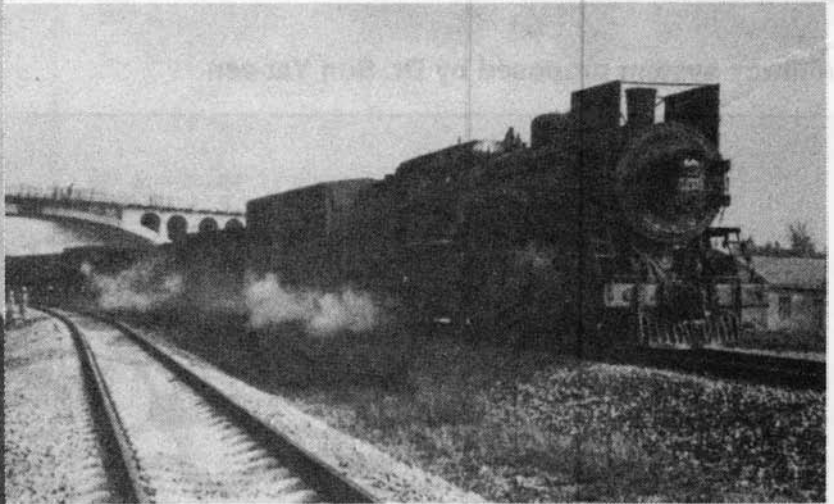
The Sun Yat-sen program and China's development today

by Ramtanu Maitra

China's "economic boom," a much-heralded event during the last decade, has turned out to be nothing more than a sleight of hand, not qualitatively different from Mao Zedong's infamous Great Leap Forward of the 1950s. Recent events indicate that the Chinese leadership, unable to cover up the rickety structure of the nation's economy, is now launching the modern-day equivalent of the Cultural Revolution, the decade of brainwashing and mindless destruction that followed exposure of the "Great Leap's" catastrophic failure.

Mao's Great Leap Forward was to bring the Chinese economy at par with the Western nations. What it did, in fact, was push China into deeper economic backwardness. The Great Helmsman, as Mao was called by his adulators, instead of rectifying what was wrong with the economy, thought better to brainwash the people and make believe the problem was the treacherous anti-Marxist, revisionist tendencies of people. Mao unleashed the so-called Cultural Revolution, with its murderous Red Guards, in particular to eliminate physically those who realized and were coming forward to criticize the total folly of the Great Leap Forward. The death of millions of Chinese, including some of the important Communist party members who had challenged Mao, paved the way for Mao and his cronies to stay in power.

The economic boom of the 1980s saw Mao replaced by Deng Xiaoping, and the party slogan changed from "self-sufficiency" to "free market." While Mao tried to mobilize Marxist dogma to build the economy, Deng and his cronies mobilized Western financiers to fill pockets, most of which belonged to the extended families of senior party members. But the fantasy of economic growth, loaded as it was with fathomless corruption, had to end, and it did with the gunfire from rolling tanks at Tiananmen Square in early June. Whether the new "cultural revolution" dictated by the Deng Xiaoping-Yang Shangkun-Li Peng triumvirate will succeed in silencing dissent and reestablishing the stranglehold of Communist power or not, remains to be seen.



Dr. Sun Yat-sen (1866–1925), the founding father of modern China. His program for the development of the country emphasized construction of ports, extensive railroads, and waterways that would link up hundreds of China's rivers.

What is evident, however, is that behind all the political drama neither Mao Zedong nor Deng Xiaoping ever showed any inclination to tackle the real problems in China's economy—the country's terribly weak and undeveloped infrastructure. They were not alone. Western economists like to look back over the past several decades with satisfaction that China has managed its economy well, and have consistently opined that if it remains stable for a few more decades, China may turn out to be a world economic power. This kind of self-deception rests on an obvious distortion of facts. It also rests on the unwillingness to probe the question, why does a nation of one billion people, with a single-party system ruling with an iron hand, have to go through periodic traumas which lead to the killing of millions of people? The answer lies in the fact that China's economy has remained extremely vulnerable due to its poor infrastructure, and cannot absorb any kind of pronounced distortion for any substantial period.

That China's single most crucial problem is its infrastructural inadequacies is not a recent finding. Almost seven decades ago, Dr. Sun Yat-sen—whom the Chinese Communists include in their pantheon of important historical figures while clearly dismissing his thought and writings—brought out a report in book form that outlined a ten-point program for “the international development of China” based on infrastructure projects.* Dr. Sun's 1922 book dealt explicitly and at length with the issues which still continue to bog China down. While

some infrastructural work has been done in the intervening 67 years, it is also to be kept in mind that the population has grown threefold since Dr. Sun made his proposals and the fundamental infrastructural requirements for economic growth remain unfulfilled. Though his most detailed proposals were concentrated in the area of transportation, the competence and visionary insight of Dr. Sun's approach to China's development make his work a useful yardstick by which to measure China's actual accomplishments and evaluate the challenges facing China today.

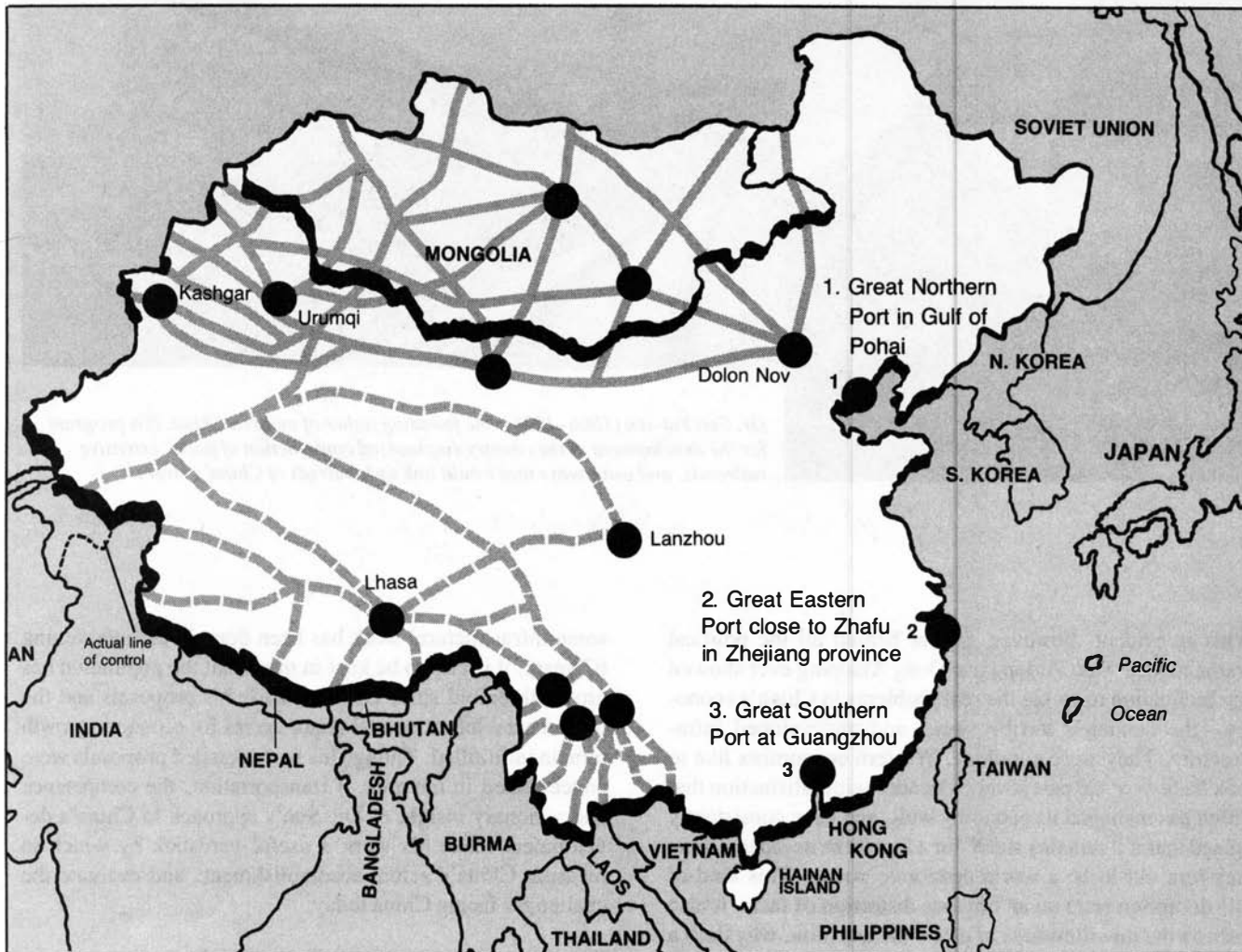
The imperative to open new lands

The most important problem that has troubled China's basic economy, which is centered on agriculture and the related activities, is its limited arable land. Since more than 80% of China's labor force is still involved in agricultural work, arable land and habitable land are synonymous. In other words, in China wherever agricultural potential does not exist, the land remains fallow and uninhabited.

China has a land mass of 9.56 million square kilometers (km²)—slightly larger than that of the United States, and almost three times that of India. Out of this area, 1.0 million km² is presently under the plough. In comparison, India, endowed with about 3.33 million km², has available about 1.6 million km² for agricultural activities. As a result, massive land areas of Xizang (Tibet), Qinghai, Ningxia, Inner Mongolia (Nei Mongol) and Xinjiang provinces, which constitute together about one-half of China, at present support less than 50 million people, while the other half, blessed with a much

* *The International Development of China*, by Dr. Sun Yat-sen: G.P. Putnam's Sons, New York and London: The Knickerbocker Press, 1929.

Railway system proposed by Dr. Sun Yat-sen



Key:

Part of the Northwestern Railway System suggested by Dr. Sun Yat-sen to open up virgin lands of Xinjiang and Mongolia

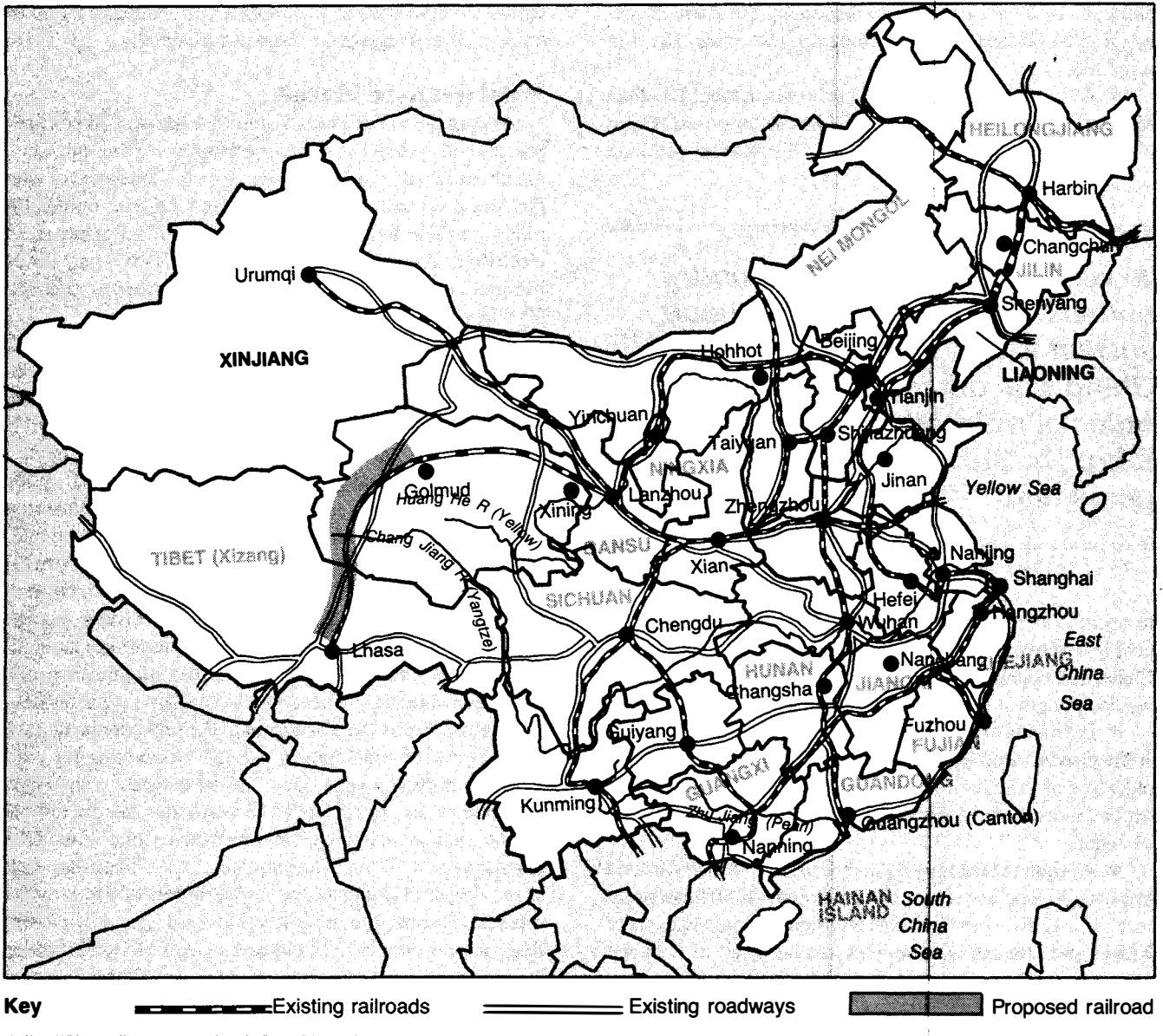
Part of the Southwestern Railway System suggested by Dr. Sun Yat-sen to integrate Xizang (Tibet) and southern Xinjiang with the southern part of China

greater share of agricultural land, supports more than 1 billion people.

Back in 1922, Dr. Sun Yat-sen considered the opening up of new lands, in particular the colonization of Mongolia (at that time, Outer Mongolia was also part of China) and Xinjiang, as a prime necessity. To do that he suggested an extensive railroad network which at one end would be connected to a world-class port and at the other end would reach

deep into the interiors of sparsely populated Xinjiang and Mongolia (see **Map 1**). Citing the success of the opening of Manchuria, a program which took shape in the earlier part of this century, Dr. Sun pointed out: "The colonization of Mongolia and Xinjiang is a complement of the railway scheme. Each is dependent upon the other for its prosperity. The colonization scheme, besides benefitting the railway, is in itself a greatly profitable undertaking. The results of the United

Existing and proposed transport system for the People's Republic of China



States, Canada, Australia, and Argentina are ample proof of this. In the case of our project, it is simply a matter of applying wasted Chinese labor and foreign machinery to a fertile land for production for which remuneration is sure.”

Sun Yat-sen (1866-1925) was an ardent nationalist and an avowed follower of Abraham Lincoln. He is considered by the Chinese as the founding father of modern China. His concept of Three Principles—Nationalism, Democracy, and Socialism—as the bedrock of a prosperous sovereign nation-state, came from Abraham Lincoln’s famous Gettysburg ad-

dress, where Lincoln said: “. . . a government of the people, by the people and for the people shall not perish from this earth.” Like Lincoln, Dr. Sun realized that in order to build a nation, the country’s infrastructure—its land, water, education, and transportation systems—had to be built up in such a way that people could settle wherever they desire. In other words, infrastructural development would allow people to exploit their creative and productive potential in any part of the country. He believed that only under such conditions could China become a great economic and cultural power.

In his program for development of China, it is for this reason Dr. Sun Yat-sen emphasized in detail the necessity for building major sea and river ports, extensive railroads and waterways through interlinking and making navigable hundreds of China's rivers. In discussing the railroad networks with the purpose of opening up new lands, Dr. Sun proposed:

- A Northwestern Railway System which would connect Mongolia and Xinjiang provinces with the proposed "Great Northern Port" in the Gulf of Pohai. This railroad will help

In contrast to Dr. Sun's visionary outlook, China's present railroad system is a sham. At present, China has about 33,000 route-miles of railroads—one-third of what Dr. Sun proposed almost 70 years ago!

to open up the sparsely populated provinces and allow the people to move out of the densely populated coastal areas of China. The process would create an economic potential which would strengthen China's economy multifold.

- Extension of the Northwestern Railway System to cover the provinces of Gansu, Xinjiang, and Mongolia with the objective of bringing into the productive process the uninhabited pasture lands where huge herds of sheep and beef can be raised.

- A Highland Railway System centering partially around Lhasa in Xizang and also around Chengdu in Sichuan province. This railway network will interlink the high plateaus of Xizang and Qinghai with both the southern part of Xinjiang province and the southern plains of China.

Besides these three systems, Dr. Sun laid out a detailed railway network throughout China. According to his plan, China will require 100,000 miles of railroads. Of all different railway systems, Dr. Sun Yat-sen emphasized most the building of a Northwestern Railway System. He argued that this railroad will be most productive since it will open the vast plains of the Xinjiang province; and since it will traverse flatlands, the cost of construction of railroads will be significantly less.

The other interesting aspect of Dr. Sun's railroad program is his conception of the hub-and-spoke method of building networks. Such a method, often used more recently in both railroad and port constructions, provides for the optimal use of tracks and highly centralized control. Dr. Sun also

linked most of the railroads to major sea ports. This way the railroads would become highly remunerative by hauling most of the construction and industrial goods, as well as agricultural produce, from one center to the other. Such a railroad network would open up the productive potential of the country as well as integrate the country horizontally.

What was done instead

In contrast to Dr. Sun's visionary outlook, China's present railroad system is a sham (see **Map 2**). At present, China has about 33,000 route-miles of railroads—one-third of what Dr. Sun proposed almost 70 years ago! Of that, only 6,300 miles is double-tracked, and less than 1,200 miles have been electrified. As many as 75% of the locomotives are steam-powered, and the rail freight service is estimated to meet only 50-70% of demand.

Besides the paucity of railroads, China's rail network has remained haphazard, causing serious bottlenecks along the way. In 1988, when the Chinese leadership called for the "cooling down of the overheated economy," one of the problems cited was transport logjams. Instead of developing a centralized, hub-and-spoke network, as suggested by Dr. Sun Yat-sen, China's railway network has been built around connecting major cities, paying little or no attention to making the rural areas accessible. Along the coast between Guangzhou and Shanghai, for example, where more than 90 million people live in a congested coastal corridor, no railroad exists. Similarly, in north central China almost the entire provinces of Shaanxi—where more than 30 million people live—and Ningxia—where only 4.5 million people reside—are without railroads. Even in such densely populated provinces as Anhui and Jiangsu, together accounting for more than 115 million people, there are areas where people have to travel as far as 100 miles to reach the nearest railroad station. So it is in Sichuan province where China's two present strongmen, Deng Xiaoping and Yang Shangkun, were born. People residing in the northern part of the province must travel some 400 miles to get to a railroad. Anyone who lives in Inner Mongolia, close to the Outer Mongolia border, is similarly left with no choice but to travel 300 miles to get to a railroad station.

Unlike in most countries, the Chinese living in those areas not reached by rail lines have no way to get to the railroads. Although China has built some 620,000 miles of highways—as opposed to Dr. Sun's recommendation in 1922 to build 1 million miles—only 4%, or 25,000 miles, fall into first and second grade. The first and second grade consist of two lanes and are distinguished by the capability to carry heavy traffic. The rest of the roads are single lane and more than 50% are unusable for heavy trucks and buses. Expressways of international standard, except a few in major cities to impress foreign visitors, do not exist at all and are only now being built. These are not expected to be completed until the middle of the next decade.

But the greater problem is that the Chinese have very little access to these roads because until recently all vehicles were owned by the state. High-level party cadres were the only ones who had access to private cars. Since the early 1980s, some relaxation was made and rural peasants were allowed to operate a number of buses and trucks. As a result, most of the tractors, which are allotted to the peasants for agricultural work, can be seen on the rural roads hauling freight. One estimate shows that more than 2 million tractors—almost 50% of the total—are on the road serving as

The present Chinese regime, under the free market worshipper Deng Xiaoping, conceived seaports as inlets and outlets for various manufactured and assembled goods . . . for earning foreign exchange. . . . By contrast, Dr. Sun conceived these ports to be “doorways” to overall development of land and industries.

pick-up trucks and are never used for agricultural work.

In comparing the present road and railway network of China with that envisioned by Dr. Sun Yat-sen, it is evident that very little effort has been made so far to open up new lands. In lieu of the Northwestern Railway System, as recommended by Dr. Sun, a single-track goes from Hohhot, Inner Mongolia (Nei Mongol), about 250 miles west of Beijing, to Urumqi in Xinjiang—about 250 miles east of the Soviet border. Unlike Dr. Sun’s plans, the railroad stops at Urumqi and the entire western border with the Soviet Union remains inaccessible. Inside Xinjiang, virtually no railroad exists and the prospect of opening up new lands remains as distant as ever. Similarly, the entire Xizang and Qinghai plateaus remain without railroads except one rickety single-track railroad from Lanzhou in Ningxia to Golmud in Qinghai; its continuation to Lhasa in Xizang province is still in the proposal stage. Most of these railroads, furthermore, are used for troop movements and have very little use for regular passenger or freight traffic.

The underdevelopment of railway networks in the western provinces and the top-down control by the state over automobile ownership have curbed free movement of people. These western provinces remain virtually untapped, without water distribution and power. The Chinese Communists’ purpose in building whatever roads and railways they did in these

sparsely populated provinces differed totally from Dr. Sun Yat-sen’s way of thinking. While Dr. Sun wanted new lands to be made available for settling the growing population and exploiting the virgin lands, the point of departure for the totalitarian regime of China was the need to move troops.

Ports and waterways

In contrast to the railroad development, China has done considerably better with ports and waterways. Dr. Sun Yat-sen had suggested building three major ports, which he designated world-ports, whose capabilities would rival the largest ports in the world such as New York and Rotterdam.

The first such port, the Great Northern Port, was to be located a little north of the present port of Qinghuangdao on the Gulf of Pohai. The second major port was to be located a little south of Shanghai—away from the silting mouth of the Chang Jiang (Yangtze) river. Dr. Sun’s argument, which has since been vindicated though not heeded, was that the Chang Jiang brings in too much silt and that Shanghai cannot become a world-port because of the large accumulation of silt. In lieu of Shanghai, Dr. Sun had suggested that the Great Eastern Port be built near Zhafu, which is located a few miles south of Shanghai and away from the mouth of the Chang Jiang. The other world-port, Dr. Sun suggested, should be located at Guangzhou, and it would serve as the Great Southern Port.

During the 67 years since Dr. Sun’s proposals appeared in print, China has developed 18 ports, most of which existed earlier as small ports, but none in the way Dr. Sun had recommended. Shanghai, the largest of them all by far, can handle 80 million tons of cargo annually—a minuscule amount compared to what large ports such as Rotterdam handle. Instead of a Great Northern Port, a number of smaller ports such as Qinghuangdao, Tianjin, Dalian, and Yantai—all located in the gulf that opens up the Yellow Sea—have been developed. These ports together handle less than 75 million tons of cargo. Guangzhou has been developed as the major port in the south, but handles a meager 12 million tons of cargo annually.

Lack of large ports, on the scale Dr. Sun advised, has caused problems particularly since Deng Xiaoping’s decision that China will develop a free market economy. There are reports that ports are already overloaded and that things are getting worse every succeeding year. There are fewer than 200 deep-water berths in China suitable for 10,000 dwt (dead-weight tons) vessels—tiny compared to the large oil tankers which average more than 100,000 dwt—and all of China’s ports are seriously congested due to the expansion of foreign trade since the mid-1970s. Total cargo handling in ports is about 280 million tons; China’s ports have been swamped as ship arrivals mounted to three times the planned handling capacity of the major harbors. As far back as in 1980, ships waited for berths at the ports of Shanghai, Tianjin, and Guangzhou, in particular, on an average of 2-4 days—which

A vision betrayed

Dr. Sun Yat-sen's program calls for a real economic development which would place China as one of the most economically powerful nations in the world. With a land-mass as large as that of the United States and a population four times larger, China will become a mighty power. Perhaps, this thought forced the so-called "friends of China" to throw the book away.

Following the completion of his book, Dr. Sun had sent out copies to the legation of the United States of America based in Shanghai, the U.S. secretary of commerce in Washington, the Italian defense minister in Rome, and also to some professionals. Replies from the bureaucrats, ostensibly representing their respective governments, have been published as an appendix to Dr. Sun's book, and they are most revealing.

For example, William C. Redfield, secretary, Department of Commerce, U.S. government, was simply overwhelmed by the extensive detail that Dr. Sun had worked out. Nonetheless, being a good accountant, Redfield reminded Dr. Sun that "it would take billions of dollars to carry out even a small portion of your proposals," and that "most of them would not be able to pay interest charges and expenses of operation for some years. The first question to be decided, therefore, is how the interest charges on the necessary loans could be met."

Redfield's response is not much different from what the practical Chinese Communists would say. Dr. Sun Yat-sen's method of developing China was completely torpedoed by the Communists, as a comparison of recent policy with the vision of Dr. Sun makes clear. Dr. Sun was committed to the opening up of China, but he warned strenuously that this could not be done under the "corrupting influence of the mandarins." He would not tolerate the looting of the country. In his memoirs,* Dr. Sun put it this way:

"The commercial countries of the whole world look on China as a 'dumping ground' for their surplus production. Pre-war trade conditions were unfavorable for China. The excess of imports over exports amounted to about 100 million dollars (gold) yearly. The Chinese market could not extend very much in these conditions, since this would have led to the pumping of gold out of China, and would have been profitable only for the foreign countries trading with China. Fortunately, the natural wealth of China is very great, its opening up would create an unlimited mar-

ket for the whole world, and it could usefully absorb a great part, if not all, of the millions of dollars remaining in wartime industry.

"China is a country in which hand labor still prevails, and which has not yet entered the first stage of industrial evolution, while Europe and America have already reached the second. Therefore China has to begin both periods of industrial evolution at the same time, applying machinery simultaneously with the principle of the nationalization of industry. In this event China will require machinery for her widespread agriculture, technical equipment for her rich mines, machinery for her innumerable undertakings of all kinds, for her extensive transport systems, and for all her social needs. . . . The Chinese people will welcome the opening up of the riches of our country, providing China is protected against the corrupting influence of the mandarins and will have a guarantee of normal intercourse with foreign states."

Dr. Sun's words were strikingly prophetic; they were proved true in the breach by his Communist successors. Today China's industries are suffering from acute shortages of raw materials, not because the "natural wealth of China" that Dr. Sun referred to has been exhausted, but because the Chinese government did not develop the necessary mining and transport infrastructure to sustain industrial growth.

At the end of 1988 China's foreign debt has grown to above \$40 billion—not a danger per se yet, but the rate at which China's trade deficit is growing indicates that the economy will soon be under the control of foreign bankers. What is the Deng government doing about it? To export more and reduce the deficit, the government has set up free trade zones where the nation's wealth is packaged and shipped abroad. Even this will stop soon, though, because the rapid export growth has worsened the energy and raw materials shortages and made domestic prices skyrocket. As long as it lasted, the trading corporations—with senior Communist leaders and their close relatives at the helm—reaped a ripe harvest. The game was to buy raw materials from the domestic market at extremely low prices pre-set by the government, and sell them at the much higher price available in the international market.

As Dr. Sun predicted, the Chinese people warmly welcomed the opening up of their country. But their optimism has been cruelly betrayed by high inflation caused by the indiscriminate looting of the country and rampant corruption of the Communist officials. The "corrupting mandarins" against whom Dr. Sun had warned found their perfect match in the Western bankers.

* *Memoirs of a Chinese Revolutionary*, by Sun Yat-sen, New York: AMS Press, 1970.

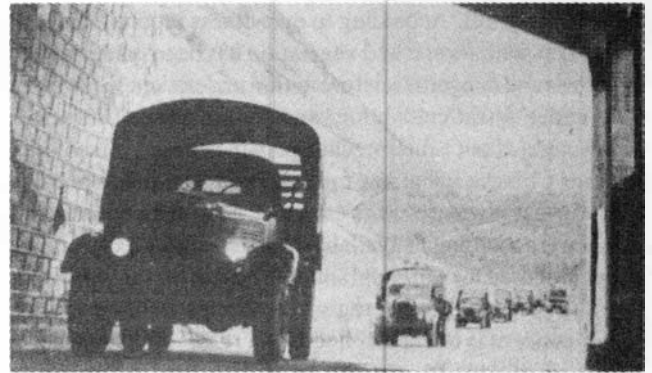
constitutes about 30% of their total stop-over time. The situation since then, according to available reports, has gotten worse.

In addition to the logjam at the major ports, perpetuated primarily by the lack of adequate infrastructural facilities at the ports themselves, the Chinese authorities have so far shown very little intention to exploit the vast potential of coastal shipping. Meanwhile, the silting problem in the ports of Shanghai, Tianjin, and Guangzhou has become serious. The need for continuous dredging, which involves moving more than 100 million tons of silt annually, has made the ports inefficient and highly expensive to maintain.

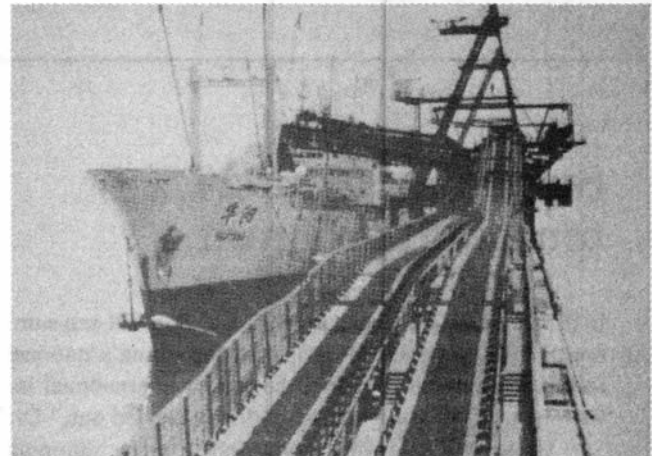
In order to understand why the Chinese authorities ignored in principle Dr. Sun Yat-sen's concept of building world-ports, one must clearly understand the difference in thinking between Dr. Sun and the Chinese Communists regarding what these ports are meant for. The present Chinese regime, under the free market worshipper Deng Xiaoping, conceived these ports as inlets and outlets for various manufactured and assembled goods. Their concept was to develop these ports for earning foreign exchange and carrying out a brisk trade with foreign nations.

By contrast, Dr. Sun conceived these ports to be "doorways" to overall development of land and industries. In describing the need for the Great Northern Port, Dr. Sun said: "The need for such a port in this part of China goes without saying. For the provinces of Chili, Shanxi, Western Shandong, Northern Henan, a part of Fengtien, and the greater part of Shanxi and Gansu with a population of 100 millions [about 250 million now—RM] are lacking of a seaport of this kind. Mongolia and Xinjiang as well as the rich coal fields of Shanxi will also have to depend on the Chili [Pohai] coast as their only outlet to the sea. And the millions of congested population of the coast and the Yangtze Valley need an entrance to the virgin soil of the Mongolian Prairie and the Tianshan Valley. The port will be the shortest doorway and the cheapest passage to these regions."

To understand Dr. Sun's motivation and what Deng Xiaoping and his gang consider as "development," one has to look only at the state of affairs in China. It is not that investments could not be made. On paper these investments exist, but the greed to loot has completely destroyed the moral fabric of the leadership. While Dr. Sun, who has been often pushed into the back shelf as an "idealist," was committed for a long-term development of China built around opening up of new lands, access of people to every corner of the country, controlling the major rivers so that they can be used as waterways, the present regime, eager to make fast bucks, pocketed large sums of investment. In 1986 the Chinese government declared that a 40% increase in agricultural capital construction such as irrigation, water conservancy and grain centers had been earmarked. However, the official press, which is directed to cover up more than it is allowed to expose, reported many cases where the benefits never came



China's Communist governments have shown no desire to seriously tackle the most crippling problem facing the national economy: underdeveloped infrastructure.



through, due to non-implementation or corruption by local officials.

Land and water management critical

For China's long-term security in foodgrain production, water management will have to play a key role. China's rivers are getting silted—a process which has made the rivers highly flood-prone during the high-water seasons. During the dry season, which constitutes on average five months of the year, on the other hand, water flow diminishes considerably, making available water a scarce commodity.

The principal reason behind this growing rate of siltation is the extensive deforestation, which began much earlier and continues to date, which has made the soil crusty and loose. Huge amounts of this loose soil get transported every year to the rivers, canals, reservoirs, and natural lakes along with the rainwater and airborne by stiff gales. The north central plateau, which is hilly and barren, is the biggest culprit. Millions of tons of silt get transported from this region into the Chang Jiang, Huang He, and other river basins. Although the present regime claims that efforts have been made to stem the rot, nothing has been verified on the ground.

In the north, in Manchuria, ecological devastation has

taken a nasty toll. According to eyewitness reports, this lush green area with forests and vegetation has been made barren. Pointless and dangerous deforestation undertaken to put more land under wheat cultivation, and for timber and firewood, has brought about a distinct change in the climate. According to some Chinese scientists, rainfall in the region has become half of what it was 50 years earlier. One of the major rivers, Songhua, according to available reports, carries half as much water as it used to carry, and siltation has increased multifold.

The present Chinese regime's policies indicate that its major concern is to control floods—a *result* of the extensive silting of rivers—by erecting large dams and reservoirs in the upstream of tributaries leading to major rivers. This method has curbed the perennial floods in the Huai He. Similar

efforts have been made to control the Huang He. A number of dams on its tributaries—Fen ho, Wei ho, Sanggan He, etc.—have been erected to control annual floods and also to store water. In the Chang Jiang river system, the Gezhouba, Bailien ho, and Tingtzukon dams have been built for the same purpose. The second phase of the Gezhouba dam is now under construction, and two more dams, Three Gorges and Gehe-Ai, are in the initial stages of construction.

Besides controlling floods, the dams, of course, store water for the dry season and generate hydropower. Over the last 40 years, some 90,000 small, medium, and large reservoirs have been built which can hold about 500 billion cubic meters of water—about 20% of the country's total run-off.

While these developments have surely helped China to

Sun Yat-sen's 1927 ten-point program

In his memoirs, published in 1927, Dr. Sun Yat-sen summarized the program he proposed for China's national reconstruction and for which he sought international investment. "If the program is gradually carried out," Dr. Sun wrote, "China will become, not a mere 'dumping ground' for foreign goods, but a real 'economic ocean,' capable of absorbing all the surplus capital of the world as rapidly as the industrial countries can produce, the coming era of the second industrial revolution based on nationalized machine industry."

The program is as follows:

1. The development of systems of communication:
 - a) 100,000 miles of railways.
 - b) 1,000,000 miles of roads.
 - c) Improvement of existing canals:
 - i) Hangchow-Tientsin.*
 - ii) Sinkiang-Yangtze.
 - d) Construction of new canals:
 - i) Liaoyang-Shanghai-kwan.
 - ii) Canals to be planned.
 - e) Organization of China's river system:
 - ii) Clearing and deepening the bed of the Yangtze, from Hankow to the sea, in order to permit ocean-going vessels to reach Hankow.
 - ii) Clearing and deepening the bed of the river Hwangho, to prevent flooding.
 - iii) Clearing the Hsikiang.
 - iv) Clearing the Hwaiho.
 - v) Clearing other rivers.

f) Construction of long-distance telegraph and telephone lines, and also organization of wireless telegraph stations.

2. The organization and development of commercial harbors:
 - a) The organization of three large-scale ocean ports, capable of equaling New York in the future, in the north, center, and south of China.
 - b) Construction of commercial and fishing harbors along the entire coast.
 - c) Construction of commercial docks along all navigable rivers.
3. The building of modern cities, with social conveniences of all kinds, near all railway centers, principal stations, and harbors.
4. Utilization of China's waterways.
5. Erection of iron and steel works on the largest scale, and also of cement works to meet building requirements.
6. Development of China's mineral wealth.
7. Development of agriculture.
8. Irrigation work in Mongolia and Chinese Turkestan.
9. Forestry work in central and northern China.
10. The colonization of Manchuria, Mongolia, Sinkiang, Koko-nor, and Tibet.

* Names of towns, provinces and rivers as appeared in Dr. Sun Yat-sen's memoirs printed in 1927.

grow more food in the recent past, the long-term effect of such a myopic flood-control policy may invite disasters. The high level of siltation is going to fill up a large number of these reservoirs, making some of the dams useless in the long run. One report shows that the Sanmenxia dam, located on one of the tributaries of Huai He in Henan province, is soon going to be useless. Its reservoir's storage capacity has been cut to 30% due to intense silting. There exist many such reports which indicate that China's water conservancy program may turn out to be a headache in the future.

In place of exclusive dependence on damming the rivers, Dr. Sun Yat-sen had suggested that the meandering rivers, a major source of siltation, simply needed to be straightened out. In the case of the Chang Jiang, a huge river that originates in the high plateaus of Xizang and Qinghai, and comes crashing down the slopes, the central course between Yibin—where the Min Jiang meets the Chang Jiang in Sichuan province—and Wuhan, a major industrial town, needs to be made as straight as possible. His suggestion was to build canals which will carry most of Chang Jiang's water, skirting the sharp loops, allowing it to flow quickly and without causing embankment erosion. These canals could be used as waterways carrying freight and passengers and, in the process, pay for the initial capital expenditure.

In order to slow down the flow of water which causes

enormous embankment erosion between Quanjiao and Zhenjiang, Dr. Sun's suggestion was to dam up the river to form locks to enable craft to ascend the river as well as to generate hydropower. He said: "Obstructions should be blasted and boulders removed. Thus, a ten-foot channel right along from Hankow [Wuhan] to Chungking [Chongqing] could be obtained so that through inland water transportation could be established from Chungking to Peking (Beijing) in the north and to Canton (Guangzhou) in the South."

In addition Dr. Sun Yat-sen paid a great deal of attention to regulating the Huang He and the Huai He. In dealing with the Huai He, Dr. Sun suggested dividing the Huai He water, before it enters the Hangze lake in Jiangsu province, into two channels—one going southward to meet the Chang Jiang, and the other going north to merge with the Huang He. He said that these dividing channels should be built in such a way as to enable year-round inland water navigation. He also made similar suggestions to make parts of the Huang He navigable in the Shanxi province.

One other interesting aspect of Dr. Sun's program is his suggestion to use parts of the major lakes such as Dongtinghu, Poyang Hu, and Hangze as the deep channels through which major rivers can be diverted. He also suggested that most parts of these shallow sprawling lakes could be reclaimed and used as highly fertile arable land.

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Colombia counterattacks against the drug mafia

by Valerie Rush

Colombian President Virgilio Barco, in a nationally televised speech to the nation Aug. 25, formally declared war on what he termed the "narco-terrorist" mafia, and vowed to wage "a crusade which doubtless will leave more blood, pain, and suffering, but from which I am sure we will come out victorious." Exactly one week earlier, the drug mafia had brutally murdered Luis Carlos Galán, Colombia's front-running presidential candidate, striking him down in a hail of bullets as he prepared to address 7,000 supporters at a televised political rally in southern Bogotá. Galán represented the leading political force in the country which had not been bought or terrorized into submission by the cocaine cartels. His shooting, as the television cameras rolled, was meant to terrorize the entire nation, and the world.

But government actions taken since the murder of Galán and two other prominent persons the same week, show that the drug mafia's calculations have backfired. In his Aug. 25 speech, Barco finally did what many have urged for years, declaring that "Colombia is at war." He added, "This is not a simple rhetorical expression. This country is at war against drug traffickers. We will find the barons and bring them to justice. We are dismantling their networks of support."

Even as he was speaking, the nation's police and armed forces were carrying out the latest in a week-long series of raids intended to cripple the drug mafia's logistical apparatus. On Aug. 25, the vast economic empire of the drug lords of the city of Cali, Gilberto and Miguel Rodríguez Orejuela, was seized, including hotels, a drug store chain, apartments, and 44 ranches, with 26 people arrested. And in Pacho, a suburb of Bogotá, the vast headquarters of José Gonzalo

Rodríguez Gacha were taken over. Captured were Gacha's computerized telecommunications network and all of his financial records, including those concerning his income, payroll, and the names of lawyers he controls.

It was Galán's murder, coming on the heels of the two other mafia hits in the same week, that prompted this dramatic policy reversal on the part of the previously inactive Colombian government. That night, Aug. 18, Barco went on national television to issue a series of state-of-siege decrees permitting the extradition of drug traffickers and the confiscation of the drug mafia's ill-gotten properties and wealth. The army and police immediately began raiding known or suspected mafia properties, searching more than 800 in three days and arresting 11,000 suspects, who can be held incommunicado for up to one week under the state of siege.

Already prior to the latest seizures, government forces had expropriated, largely in the Medellín area, vast ranches and plantations, mansions, restaurants, office buildings, hundreds of airplanes, helicopters, yachts, cars and trucks, millions in cash and gold, sophisticated weapons arsenals, tons of coca paste, and undisclosed quantities of cocaine-processing chemicals. Great damage has already been done to the cocaine cartel's logistical operations, and mop-up operations are continuing.

Why Galán?

Galán was the founder of the New Liberalism current within Colombia's ruling Liberal Party, the same faction which the late Justice Minister Rodrigo Lara Bonilla had been part of before he was gunned down on April 30, 1984, by the

same Medellín Cartel which has now slain Galán. New Liberalism was founded in 1981 as a political counterweight to the presidential candidacy of former President Alfonso López Michelsen, the man who has urged a government-negotiated amnesty for the cocaine traffickers ever since his clandestine meetings with them in 1984.

In 1982, Galán charged that “the drug trade wants to destroy New Liberalism, because it knows that it is its enemy in Colombia.” Galán and Lara Bonilla expelled Medellín Cartel chieftain Pablo Escobar from New Liberalism’s ranks; Escobar immediately sought out and was accepted into the ranks of the López Michelsen forces in the Liberal Party, through the auspices of Alberto Santofimio Botero, today a presidential candidate.

When his friend Lara Bonilla was murdered by the mob, Galán publicly resolved “to defend the values and principles for which Rodrigo Lara gave his life.” He especially defended extradition as “one of the principal tools to confront the drug traffickers. We must use it without fear.” As Galán’s son declared at his father’s graveside, “My father . . . was never unfaithful to his ideology and to his convictions. . . . I pray to God that this sacrifice will serve finally for society to react and to unite, backing the government and the institutions, but at the same time demanding more effective labor, without being intimidated by the assassin, the kidnaper, or any other manifestation of violence.”

Galán was the third prominent figure to fall victim to mob revenge in less than a week. Earlier that same day, Col. Valdemar Franklin Quintero, the police chief of Medellín, where the cocaine cartel has its base, was killed. Quintero had earned the enmity of the mob back in May, when he arrested the son of Medellín Cartel “enforcer” Gonzalo Rodríguez Gacha, a.k.a. “The Mexican.” Shortly after Quintero’s murder, press releases claiming responsibility for the assassination and signed “The Extraditables,” began to circulate.

And two days earlier, Bogotá Superior Court magistrate Carlos Valencia García was gunned down. Judge Valencia García had just upheld an arrest warrant against Medellín Cartel chieftain Pablo Escobar for the 1987 assassination of newspaper owner Guillermo Cano. The magistrate was also investigating the assassination of Jaime Pardo Leal, the president of the leftist Patriotic Union party. Pardo Leal’s murder has been attributed to Rodríguez Gacha.

A declaration of war

By declaring a state of siege on Aug. 18, Barco deliberately circumvented the June 1987 ruling of a terrorized Supreme Court against the U.S.-Colombia extradition treaty, and gave back to the nation its single most powerful weapon against the drug mob. Defense Minister Oscar Botero immediately welcomed the decrees, saying that the President’s measures “give the military and police a great capacity for

action at this moment. We are now in a frontal war against the violence.”

And on Aug. 25, Barco decreed that owners of seized properties have only three days to prove legitimate ownership—which few are expected to even try to do—after which seized lands will be distributed to landless peasants, and other assets will go to the police and military, the Justice Ministry, the national farm institute, and welfare agencies. Barco also decreed an investigation into the legitimacy of all rural airstrips in the country, with orders to “make unusable” all unauthorized runways.

Reacting with predictable fury, the drug cartels sent a message sent to the country’s major radio stations, signed “The Extraditables”: “We will continue our fight and our total war against the anti-nationalists and sellouts, and we declare absolute war against the government, the industrial and political oligarchy, against journalists who have attacked and humiliated us, against the judges who have sold out to the government, against the extraditing magistrates, against the presidents of the trade associations and unions, and against all those who have attacked and persecuted us. We will not respect the families of those who have not respected our families, and we will burn and destroy the properties of the oligarchy.”

To emphasize their point, the offices of the Conservative and New Liberalism movements in the city of Medellín were dynamited early Aug. 24, leaving one person killed. The farms of two Colombian politicians were burned, and dynamite bombs at several of Medellín’s radio stations were defused by police.

But so far the government has the upper hand, and could well shut down the cocaine cartel’s operations in Colombia. By closing their airports and confiscating planes, boats, and trucks, Barco’s decrees choke off the cartel’s smuggling pipeline, while the seizure of weapons, vehicles, homes, and offices dramatically interferes with the traffickers’ logistical capabilities. While it is true that the cartel, with its vast financial resources internationally, could relocate to another country, it is equally true that a continent-wide mobilization carried out with the intensity of Colombia’s and backed by the United States, could “poison the well” everywhere, and bring Dope, Inc.’s operations in Ibero-America to an end.

U.S. offers \$65 million in hardware

After speaking with President Barco twice by phone, President Bush authorized on Aug. 25 the release of \$65 million worth of U.S. military hardware, in the first significant material aid to the Colombian war on drugs to come from Washington in a very long time. To be transferred to Colombia very soon, along with U.S. advisers to train Colombians in their use, will be 20 Huey helicopters, assault boats, jeeps, fixed-wing aircraft, grenade launchers, anti-tank weapons, small arms, and machine guns, among other

items. This array of badly needed equipment will begin to even the balance of military hardware against the drug armies, which heretofore have often been better armed than government forces. Items such as the armed launches and helicopters will be especially important for going after mafia hideouts in the nearly impassible Amazon region, where most top narco leaders are believed to have fled.

It is precisely this equipment that Colombia does need, and not U.S. troops, as some have proposed. The deployment of U.S. troops would undermine Colombia's armed forces, and provoke an anti-American backlash that would feed the drug mafia's "nationalist" campaign for power. As U.S. military leaders familiar with Colombia have testified, that country's armed forces are ready, willing, and able to wage an effective war against the narco-terrorist enemy.

Use of U.S. troops would feed the campaign of groups such as the Inter-American Dialogue, which seeks to dismantle the military in every Ibero-American country on the grounds that, by daring to fight against narco-terrorism, they violate human rights and "threaten democracy."

Documentation

Colombian narco-terrorism, U.S. hypocrisy: a timeline

December 1983. The small but vocal Colombian Anti-Drug Coalition is a target of threats and harassment from the drug mafia. In response to an appeal from the ADC, then Justice Minister Rodrigo Lara Bonilla wrote to ADC leaders Maximiliano Londoño and Fausto Charris:

"It is with great concern that I have learned of the threats and attacks that you are being subjected to by unknown individuals, and as a result of the laudable work which you have been carrying out as leaders of the National Anti-Drug Coalition. From the moment at which, as a Senator of the Republic and as Justice Minister, I have upheld a strong position of fighting against the mafias and the drug trade, I have known what it means to feel threatened. And for this reason, I express my full solidarity with you and I offer you

my total willingness to cooperate and help. I am contacting the security authorities of the state, asking them to provide you with full protection and support. I ask you to please advise me of any situation that might arise in this regard. Your servant and friend, Rodrigo Lara Bonilla."

March 1984. The Colombian Armed Forces, under the direction of Justice Minister Rodrigo Lara Bonilla, conducts raids against the largest mafia cocaine laboratories ever discovered, the "cocaine city" known as *Tranquilandia*, deep in the southern Colombia jungle.

April 30, 1984. Justice Minister Rodrigo Lara Bonilla is assassinated by hired killers of the drug mafia.

July 26, 1984. Patricia Londoño, wife of ADC president Maximiliano Londoño and editor of the ADC magazine *Guerra a las Drogas (War on Drugs)*, is kidnaped on the streets of Bogotá, and subjected to mental and physical torture by her abductors, who later prove to be linked to the drug mafia.

Nov. 6, 1985. M-19 narco-terrorists carry out a bloody siege of the Colombian Justice Palace in Bogotá. The national legal archives are gutted and 100 killed, including half the Supreme Court magistrates, in the ensuing conflagration. It is later discovered that the M-19 had been paid \$5 million by the Medellín Cartel to carry out the action, which was conducted on the day that Colombia's Supreme Court magistrates met to consider a legal challenge to the U.S.-Colombia extradition treaty brought by lawyers for Medellín Cartel chieftain Jorge Luis Ochoa.

July 31, 1986. Supreme Court magistrate Hernando Baquero Borda is gunned down by the drug mob on the streets of Bogotá.

Oct. 17, 1986. Supreme Court magistrate Luis Enrique Aldana Roza suffers a heart attack after receiving a mafia-delivered coffin at his home. Flown to Houston, Texas for emergency surgery, his oxygen line is mysteriously cut and he dies of "complications."

Nov. 17, 1986. The country's leading anti-narcotics law enforcement official, police Col. Jaime Ramírez Gómez, is assassinated by the mob. Ramírez had been the officer in charge of the largest drug bust in Colombian history, the raid on *Tranquilandia* in March of 1984. Ramírez had also been the right-hand man of then Justice Minister Rodrigo Lara Bonilla.

Dec. 17, 1986. The drug mafia assassinates Guillermo Cano, owner and director of the prominent national daily *El Espectador*, and one of the most highly respected journalists in the country. He had repeatedly indicted the "citizens above suspicion" who fronted for the mob in Colombia, and one of his last editorials had denounced congressional advocates of drug legalization.

January 1987. Mafia hit-men in Budapest, Hungary, attempt assassination of Colombian Ambassador Enrique Parejo González, who had succeeded the murdered Lara Bonilla

as justice minister. Parejo González is wounded, but survives.

June 25, 1987. Colombian Supreme Court votes 13-12 to overturn the U.S.-Colombia extradition treaty, which in turn forces the Barco government to scrap a series of arrest warrants against the leadership of the Medellín Cartel.

Nov. 21, 1987. Medellín Cartel boss Jorge Luis Ochoa is arrested for speeding by a highway patrolman in Colombia. The cartel responds with a public warning that if Ochoa is extradited, it will "declare total and absolute war against the entire political and leadership class of the country." Two days later, the Barco government revokes its standing arrest warrant against Ochoa, accepting Ochoa's lawyers' argument that the non-validity of the extradition treaty nullifies the arrest order.

Dec. 30, 1987. Medellín Cartel boss Jorge Luis Ochoa walks out of a Colombian jail on a legally secured writ of *habeas corpus*, purchased at the cost of several million dollars in bribes.

Jan. 20, 1988. Bogotá mayoral candidate Andrés Pastrana is kidnaped by the Medellín Cartel.

Jan. 25, 1988: Colombian Attorney General Carlos Mauro Hoyos Jiménez is kidnaped by the Medellín Cartel in a shootout that leaves two bodyguards dead. His body is discovered later in the day, bound, blindfolded, and shot a dozen times in the head. Hoyos was not only the Barco administration's sole advocate of reviving the U.S.-Colombia extradition treaty, but also proposed investigating the money flows behind the drug trade. He also personally stood up to efforts by such prominents as the head of President Barco's Council of State, to promote the legalization of drugs as a "solution" to the drug trade.

Jan. 25, 1988. Pastrana is rescued by police from a ranch owned by one of the cartel chieftains. A fabulous arsenal is seized at the ranch, including infrared visors for night operations, devices to eliminate the flashes from machine-gun fire, high-power rifles with top-quality telescopic sights, bulletproof vests, etc.

May 29, 1988. Narco-terrorist M-19 kidnaps Conservative Party leader and former presidential candidate Alvaro Gómez Hurtado, and demands as his ransom the dismantling of the Armed Forces' anti-subversive campaign and the establishment of a "peace dialogue" by the government.

Oct. 29, 1988. A Colombian Communist Party document, prepared for its 15th annual congress, recommends legalization of drug trafficking and consumption and the free import of capital from the drug trade, to be invested in productive activity inside the country.

U.S. hypocrisy

The State Department has regularly financed and promoted that wing of the Colombian labor movement which is notorious for its links to the drug-trafficking cartels, since the

early 1970s. This has been the subject of major exposés for more than three years:

Feb. 6, 1986. At a press conference in Washington, D.C., Schiller Institute spokesman Dennis Small reveals that during the mid-1970s in Colombia, the State Department-funded American Institute for Free Labor Development (AIFLD) bankrolled the founding of the Banco de los Trabajadores, later accused of involvement in drug money laundering. The money came through a grant to the mafia-controlled UTC labor federation, then run by Tulio Cuevas, an AIFLD trustee. In 1978, Cuevas sat on the bank's board together with one Gilberto Rodríguez Orejuela, reputed head of the Cali cartel of drug traffickers.

Cuevas's successor to the UTC presidency, Victor Acosta, traveled to Madrid in 1986 to attest to the "good character" and "honesty" of Rodríguez Orejuela and Medellín Cartel chieftain Jorge Luis Ochoa, both captured by Spanish authorities and held on drug trafficking charges pending deportation hearings. Acosta's successor in the UTC leadership, one Mario Valderrama, is based in Medellín and is widely known for his links to the drug cartel in that city.

The U.S. State Department has maintained its backing for the UTC mafia, despite repeated exposures of this corruption, (see *EIR* Vol. 13, No. 11, March 14, 1986.)

Feb. 8, 1988. Gen. Paul Gorman (ret.), former commander of the U.S. Southern Command, testifies before a Senate Committee on Foreign Relations subcommittee on narcotics and terrorism that his warnings that the drug trade represents a national security threat to the U.S. have gone unheeded because the Pentagon believes that "East-West" relations are the priority. He protests that "We have been promising the Colombians materiel help [in fighting drugs] since 1983. We have simply not delivered." He said that cynical U.S. embassy personnel had told him to expect no help from the Colombian military in fighting drugs, but that, in fact, "There were a number of senior Colombian officers . . . who held a very different view from that reported by our embassy. They recognized what the drug traffickers really meant . . . as a long-term threat to the whole social fabric of Colombia."

March 1988. The State Department's International Narcotics Control Strategy Report states: "From different vantage points, there are both positive and negative perceptions of the effects of narcotics money laundering. Proceeds from drug trafficking are used to finance other criminal activities . . . to threaten governments . . . and support insurgencies. . . . Despite these serious problems, laundering criminally derived money can provide benefits to some otherwise economically unattractive countries. Such monies create an influx of capital which can lead to a stimulation of the country's economy. The increase in capital created by the criminally derived money increases money reserves, lowers interest rates, creates new jobs and, in general, encourages economic activity."

Baltic resistance defies Moscow threats

Moscow officialdom has reacted to the extraordinary resistance to Soviet rule in Latvia, Estonia, and Lithuania on the 50th anniversary of the Hitler-Stalin Pact, by putting out the line that any proposal to change the borders that incorporated those three Baltic Republics into the Soviet Union will be considered a *casus belli*.

On the eve of Aug. 23, the anniversary date, 2 million demonstrators linked arms in a line starting in the Latvian capital of Riga and extending in either direction to the capitals of neighboring Estonia and Lithuania in protest against that pact, whose secret codicils ceded the Baltic States to the Soviet Union. (Text, page 45.)

In Riga, men, women, and children sang the Latvian national anthem, then stood peacefully for 15 minutes with arms linked. In Lithuania, more than 1 million joined the chain or attended other meetings. Estonian television said some 700,000 joined the Estonian section with another 200,000 or so watching. A spokeswoman for the Latvian Popular Front said many more than the 200,000 people needed had come forward to fill the Latvian part of the chain. Church bells rang out across the Baltic republics as the crowds gathered to form the human chain across more than 375 miles. "Soviet policy here is simply that of a colonial power," said Janis Jurkens, a spokesman for the Latvian Popular Front.

Moscow defends pact with Hitler

While the Baltic demonstrations were peaceful, special riot police in black berets broke up similar demonstrations by the one hundred thousand people in Pushkin Square in Moscow waving the flags of the Baltic republics.

In a statement published in *Izvestia* Aug. 21, just prior to the protests, Valentin Falin, head of the Central Committee International Department, warned that the post-World War II boundaries in Europe could not be withdrawn without bringing on World War III.

"Present the Soviet-German non-aggression pact as a collusion of two aggressors to divide Europe into spheres of influence, and the shadow will be cast on the legality of the territorial structure in Eastern Europe," wrote Falin. "This is precisely the destabilizing effect that some would like to achieve. If the striving to divide what cannot be divided continues, which was characteristic of the period before the previous two world wars, if lands and frontiers are being recarved while the life and safety of peoples is neglected, the worst and this time the final disaster will be brought on."

Falin covered up Stalin's well-documented aggressive intentions in signing the pact with Hitler, by reiterating the standard Soviet litany that by August 1939, Russia had been pushed into "total isolation" by the Western powers, who had "supported Hitler" consistently from 1933 to 1939, "as a good anti-communist," and who "did nothing" and "said nothing" about Hitler's persecution of the Jews and "democratic political opponents." He declared that the West from 1933 to 1939 "rejected all Soviet offers to form a system of collective security" against Nazi Germany, and "did nothing," and actually supported Hitler's conquests of Austria, the Sudetenland, and Czechoslovakia. Falin also said that for all the noise the West made about the Nazi invasion of Poland, no concrete military action was taken.

Pravda on Aug. 23 delivered a scathing blast against the Lithuanian popular front organization, called Sajudis. Using the identical format employed 10 days earlier against the Estonian Popular Front, *Pravda* declared that "extremist tendencies have begun to appear in Sajudis . . . contradicting its original support for *perestroika*," adding menacingly that "this could lead to a crisis."

Some Western *perestroika* boosters seem to agree. The London *Guardian* editorialized on Aug. 24 that the process of change in the Baltic "could become dangerous. . . . The idea of tampering with the physical borders is not only unrealistic but undesirable."

Glasnost or no *glasnost*, the Soviet military is sticking with the 1939 Hitler-Stalin Pact. In an interview Aug. 23 in the Soviet trade union newspaper *Trud*, by Gen. Maj. Yuri Kirshin, deputy head of the Defense Ministry's Institute of Military History under the General Staff, defended the Pact as follows: 1) "By the spring of 1939, fascist Germany had decided to invade Poland," therefore "it was in the interest of the Soviet Union to restrict German penetration to the East." 2) Under Article I, "German troops couldn't enter Latvia, Estonia or Finland (and later, Lithuania). That was important for us, and in the interest of the people of the Baltic republics as well." 3) In Poland, "German troops could not advance farther than the rivers Narev, Vistula, and San." 4) "The Soviet Union was legitimately interested in recovering the territory (formerly part of the Russian Empire) it had lost." 5) "The Soviet Union stressed its interest in Bessarabia [now the Moldavian S.S.R.]. . . . Late 1917-early 1918, Romania had seized Bessarabia from the Soviet Union, and the Soviet Union never recognized this as legitimate, so this too was in our interest."

Kirshin summarized the Pact's benefits for the U.S.S.R.: 1) "It put a barrier in the way of German aggression in the East of several hundred kilometers"; 2) "The Soviet Union was left in peace to build up its defense potential"; 3) "The Pact worsened relations between Germany and Japan considerably." Kirshin's one major criticism: "Our political-military leaders made a mistake in believing that the Pact would last a longer time."

What it will take to save Poland

Lyndon H. LaRouche, Jr. analyzes the tasks facing the new Polish leadership—and Poland's friends abroad—in a statement released on August 22.

On the subject of the Polish situation at this moment, the success of Solidarnosc depends upon the ability of that party, and the coalition government of which it is a part, to address effectively, though not necessarily solve, the economic crisis of Poland. The possibility of doing that depends upon two considerations.

One, the approach taken by the Polish government itself and other forces in Poland; and two, the kind of cooperation that that government finds internationally, especially cooperation from the United States government and the government of the United Kingdom.

The point to be stressed, is this. On the second part, the United States' secret negotiations with the Soviet Union, respecting prospective longer-term or, shall we say, medium-term cooperation, is inherently bound to fail. And the danger is, that the Bush administration will look at the Polish situation in the context of its current secret discussions of economic cooperation with the Soviet government. That is the serious danger.

Essentially, the problem of Poland is like the problem of Argentina, or Mexico, or Brazil, the problem that developing nations have been deprived of development by the brutishness, in the case of Central and South American nations, of IMF conditionalities, and the United States government's support of those conditionalities, especially in the form advocated by one of the worst butchers of this century, Henry A. Kissinger.

In Poland, it's a very similar problem, except that the brutishness has been imposed first of all by the Soviet government, which has looted the Polish economy, to benefit Great Russian interests, a typical Russian trick; but Poland also has been brutishly treated by the International Monetary Fund, and by governments which, of course, support the International Monetary Fund. So even though the situations in Central and South America and Poland are somewhat different, essentially it's just a difference in detail, since they have broad similarities.

The reality is that we have to forget the current monetary system. The international monetary system identified with the International Monetary Fund, in its present form, is doomed. Any attempt to continue policy, or project policy, whether in discussion with the Soviet Union, or any other country, on the assumption, that mere reforms of the IMF system are sufficient to keep the system functioning, is a kind

of lunacy which ensures disaster in every respect.

We are now looking imminently at the biggest financial crash of the 20th century. Out of this, currencies in their present form generally will not survive. Eventually, even the United States currency will not survive. That is, we'll have to have a new variety of heavy dollar, to swap for the old Federal Reserve notes, which will become increasingly valueless. This will be necessary. The U.S. Treasury will be printing new money, and the people will be changing accounts in old money and old currencies, such as Federal Reserve currency, for new currency issued under special rules.

This is more emphatically the immediate situation in Brazil, in Argentina, in Mexico, and so forth, where there will have to be major currency reform, the replacement of an existing currency by a new currency, as part of the house-keeping efforts to bring things into order.

Now, this brings us to fundamentals. We must start from physical economy. Forget everything that every accredited professor of law in every university, every professor of every university economics department today, teaches; forget what every respected economics expert advising the U.S. government teaches as economics: Take it and throw it out the window, and if you have to, throw the economist out, too—if that's the only way you can shut him up.

What we have to get back to, is the kind of economics which Alexander Hamilton references in his famous reports to the United States Congress, between 1789 and 1791, concluding with the 1791 Report on the Subject of Manufactures. We have to get back to the sense of economics defined by Gottfried Leibniz, the sense of economics associated with the Careys, Mathew and his son Henry Carey, and with Friedrich List. We must go back to fundamentals, to physical economy.

The physical production of wealth per square kilometer, per capita, as measured in terms of required market baskets of physical goods consumption, plus education and health care, this measurement of market basket output, largely physical output—per capita and per square kilometer—must be the standard of measuring performance of investment. How many market baskets does the labor of one person produce? How many market baskets per square kilometer are produced, as against needs, consumption needs per capita and per square kilometer? That is the fundamental yardstick.

Poland's last chance

Poland's new prime minister, Tadeusz Mazowiecki of the Solidarnosc movement, was elected on Aug. 24 by an overwhelming vote of parliament. He is Poland's first non-Communist prime minister in 45 years. The election represents a potentially great hope for Poland and for mankind, but also marks Poland's last chance to avert a national tragedy whose ramifications, as in the Polish tragedy of 1939, will affect all of Western civilization.

The choice of prime minister is a fortunate one, for Mazowiecki is a man of great integrity, admired and respected by Solidarnosc leader Lech Walesa and by Pope John Paul II. The coming to power of the new government has unleashed an upsurge of hope in a nation which had been immersed in utter despair over its future. The present mood in Poland contrasts to that in the surrounding satellite states, where brutal crackdowns are under way in Czechoslovakia and East Germany.

Mazowiecki's Solidarnosc-led all-party government is Poland's only alternative to falling victim to a bloody Soviet invasion and a return to martial law and Stalinist suppression of Poland's patriots.

Indeed, Mazowiecki is keenly aware of the fine line he is walking. In a speech the day before his election was ratified, he went out of his way to assure Moscow and the Polish military and security forces that Poland will remain in the Warsaw Pact, and that the Communist Party will receive additional cabinet posts—besides those of Defense and Interior which they had already been promised.

How precarious and fragile Poland's present hope is, was spelled out by Robert Ribanszky, leader of the Hungarian Communist Party's Marxist Platform Group, in an interview with the West German weekly *Der Spiegel* published Aug. 21. He stressed that the "reform movement" in countries like Hungary and Poland is "out of step" with the moves toward a crackdown in the East bloc that are now in preparation. In reply to *Der Spiegel's* question whether Moscow would again, as in Hungary in 1956, send in the tanks, he replied: "Of course, the tanks can roll at any time!"

—Konstantin George

We must go fundamentally to basic economic infrastructure. This is true in Poland, it is true in the United States, when we have a major crash, a major depression on our hands, coming up now. Or in Mexico. Or in Brazil. Or in Argentina, or almost anywhere else. We have to concentrate on basic economic infrastructure.

That means, water management, for example.

In the United States, right now, that means, perhaps about \$500 billion in a NAWAPA water project, to save the water system of the United States. That will take a lot of people out of unemployment and put them to work in that.

That means generation and distribution of essential, basic power resources. That means, general transportation, like replacing half the bridges in the United States which are ready to play London Bridge All Fall Down, out of old age and obsolescence. That means improvement in communications. That means improved education. That means improvement in health care delivery, institutional health care, in particular, where we're really losing rapidly.

On top of this, we must increase agricultural yield per hectare, and per capita, and we must also increase manufacturing output per capita, per square kilometer on a global scale.

This is what's required inside Poland, inside Mexico, inside Argentina, inside Brazil, inside the ruined and bank-

rupt United States, too.

What will have to be done, will be to use the instrument of national banking in this sense. Governments must issue new currencies. These new currencies will be issued at discount by national banks. These currencies are loaned, not spent by the government directly, but loaned for infrastructure projects—not financing infrastructure projects, but to supply line-of-credit purchase of labor, materials, and so forth of these projects—line of credit supply to agricultural development, line-of-credit supply to manufacturing, line-of-credit supply backing for international trade.

On that foundation, we can move economies.

Poland's problem—and its great potential

Now, we come to a special factor, about Poland and the Soviet bloc in general. That is the final point I will take up here.

The basic problem, the basic failure in the Soviet system, is not merely Communism as such—not the way people in the West think. The Soviet system failed economically not because it's Communist vis-à-vis what is accepted as free enterprise economics in the West. That's not the key to the thing.

Obviously, what we have in the West right now is failing almost as badly as Communism is failing in the Soviet Empire

and Communist China, disaster. I don't think that's recommended for Poland, any more than it's recommended for Mexico, Argentina, Brazil.

What is superior in the West, is not Adam Smith. Adam Smith and free enterprise as defined by Adam Smith—that's the devil, that's sickness. What is superior in the West is the conception of the individual, and of the form of society, built around that individual, associated with the Golden Renaissance, associated with the Council of Florence. The fact that we put the emphasis on the individual, in the way the Council of Florence and the *Filioque* implies.

Man is distinguished from the animals, by virtue of the individual's potential creative powers, creative powers which are epitomized by original, valid, scientific discoveries. Every human mind is capable of something in that direction, whereas no animal mind is. That is the fundamental difference between man and animal.

That power of scientific or cultural creativity in the sense of artistic creativity, which is responsible for inventions, which is also responsible for mankind's ability to assimilate and to improve upon new technologies, to increase our productivity, to increase what we produce per capita, what we produce per square kilometer, raise the standard of living, the material standard of living, and thus make possible also the raising of the cultural standard of living: That is the emphasis of Western civilization.

The problem in Russia, particularly the Great Russians, is that they don't believe in that. They don't accept that value of the individual. But the Poles do.

The Polish economy has a natural potential for success because it is a part of Western Christian culture. The Great Russian culture is inherently a disaster, because it is morally and culturally inferior to the West.

Bolshevism is effective in Russia, because it is agreeable to the culturally inferior nature of the Great Russian heritage. Bolshevism will never be acceptable to the Poles, as long as the Poles remain as they are, an integral part of Western Christian civilization.

What we have to do, is get back to a kind of physical economy which emphasizes the development of the creative powers of the individual mind. These are creative powers which are exemplified by, but by no means limited to, powers for scientific discovery, the powers for the assimilation of scientific progress, assimilation of technological progress.

We have to realize that the function of the state, the function by which we test the success or the failure of the state, is in the development of those powers in each individual, fostering also the opportunity for their fruitful use, and fostering, for the development of mankind generally, the good which each individual contributes, through the fruitful employment of those powers.

Soviet society is culturally a collective society, which does not believe in the individual soul, in the way we in Western Christian culture do. That's the difference.

Sound economy is that which is based on the sacredness of this divinely inspired quality in the individual human being. That is what the potential of Poland is. That is what the cause and root of every achievement in economy and related matters that we in Western European and American civilization—North and South American—have accomplished.

If we start from that standpoint, and realize that that is the issue, then, we are on sound ground. We can get down to the technicalities of what has to be implemented.

But the fundamental thing to understand, is that for the reason I've indicated, the secret negotiations now ongoing between Mr. President Bush's government and the Soviet government are bound to lead to nothing but disaster, no matter what, because the premises of the discussion are the wrong ones. If this is the basis for approaching the Polish situation, the United States and Great Britain are going to leave Poland hanging high and dry, and disaster is impending for Poland.

Unless we change our philosophy. If we change our philosophy, and get to an economic policy unlike that of the present Bush administration, to a policy which is consistent with Western Christian morality, consistent with what Poland's potential is, then Poland will succeed, and we'll succeed.

Solutions for Poland

With the ballooning of the Polish debt and the intensifying economic and political crisis there, EIR has put forward numerous proposals, including the following:

"Poland's hope for the future lies in global debt fight," *EIR*, Vol. 10, No. 4, Feb. 1, 1983. An on-the-scene report by an *EIR* team, on Poland's debate about how to solve its debt crisis, and the anti-malthusian current there based on the Roman Catholic tradition and the experience of the Nazi occupation.

"LaRouche offers new policy for reunification in Berlin," *EIR*, Vol. 15, No. 42, Oct. 21, 1988. In an Oct. 12 press conference in the divided city, Lyndon LaRouche proposed that the United States and Western Europe cooperate to accomplish the successful rebuilding of the economy of Poland.

"Let us rebuild Poland!" by Jonathan Tennenbaum, *EIR*, Vol. 16, No. 3, Jan. 13, 1989. A programmatic proposal for using "American System" economics to make Poland an industrial powerhouse.

Book Review

Poland under the Hitler-Stalin Pact

by Nora Hamerman

The Unsettled Account, An Autobiography

by Eugenia Huntingdon

Severn House Publishers, London, 1988

225 pages hardbound, \$17.95 or £9.95.

This book is the personal memoir of the wife of a Polish officer, Henryk Duszynski. Her husband, "Nik," was captured by the Russians shortly after the signing of the Hitler-Stalin Pact on Aug. 23, 1939, shipped to a prison camp, and disappeared. On April 13, 1940, Eugenia was deported with her 10-year-old son to endure incredible hardships in exile in Kazakhstan. The title refers to the fact that the Russians have never admitted their crimes committed against the Poles.

The book was published last year in the full swing of *glasnost* and *perestroika*.

Eugenia Huntingdon was born in 1910 in Wilno, Poland, then under Russian rule. Use of the Polish language was banned in public and could only be taught secretly, and the Poles were severely persecuted for alleged anti-Russian activities. Her father was sent into so-called free exile to a suburb of Moscow as a suspected anti-Russian, and she spent her childhood and part of her adolescence in Lenin's Russia. She returned to Poland in 1924, and married in 1928.

The main thread of the story begins in August 1939 when "Nik" is called up to defend Poland from the impending Nazi invasion. The Nazis moved in with crushing force on Sept. 1, 1939. On Sept. 15, the German advance suddenly ceased. Two days later, on Sept. 17, the Soviet Army crossed Poland's eastern border, followed by the powerful apparatus of the civilian administration, composed chiefly of NKVD (secret police) officers. She relates:

"A heinous crime was perpetrated against the Polish, anti-Nazi guerrilla groups, whose members were in hiding. A message had been sent to them proposing a meeting between their representatives and high NKVD officers in order to discuss ways of fighting the Germans. At the meeting the representatives were promise safe conduct for all guerrilla fighters as well as the right to form their own fighting units,

on condition that they would reveal themselves. When, relying on such assurances, the guerrillas came into the open, they were surrounded by the Russian soldiers, forced to surrender their arms and put under arrest. All their leaders were executed."

Members of the Bund, a Jewish Socialist Workers' Party, which had officially existed in Poland since 1921, and the Polish Socialist Party, despite being Communist sympathizers, were deported to Siberian labor camps.

Eugenia's husband Nik was captured by the Russians and much of the book recounts her efforts to locate him. The account of their journey by box car to the U.S.S.R., and life in exile in Kazakhstan is bloodcurdling, as the conditions of their own lives—and also of the native Kazakhs in this cruel wilderness—were often below the level of beasts.

In Kazakhstan she tries to get a job, taking advantage of the clause in the Soviet constitution guarantees work for all who desire work. She signs up for a bookkeeping post in a tractor factory, but notices that all the white-collar workers, although pretending to be swamped with work, spend hours over the same sheet of paper. Yet they all claimed to be too busy to teach her. Finally she was fired. Her supervisor said, "We gave you a job in accordance with the Constitution which gives everyone a chance to work, but we cannot tolerate spongers and dunces in our factor, so do not come here anymore." Eugenia comments: "I understood how skillfully they had solved the problem I had created by my application. *With similar perfidious reasoning, Soviet diplomats had been winning essential issues for years in the international forum*" (emphasis added).

The Katyn massacre

In June 1941, German troops crossed the line which was supposed to divide the German zone of Poland from the Russian. Hitler had now broken the non-aggression pact. In mid-August 1941, Eugenia was summoned to the local NKVD and told that all the Polish deportees in the village were free.

In her journey out of Russia, she met with trains full of Polish prisoners of war being shipped back to Poland, "a collection of skeletons covered in rugs, their feet wrapped in newspaper or dirty cloth, kept in place with pieces of string, although many had nothing on their feet at all. . . . Their eyes were sunken and either completely lifeless or glowing feverishly." Germans advancing into Russia had found the mass graves of Polish POWs from Kozelsk massacred by the Russians in the Katyn forest. When the Polish Government in London demanded an independent inquiry into the murders, the Soviet government, in revenge broke off diplomatic relations and stopped all further evacuations of Polish people from Russia, and closed down Polish relief centers. At least 50,000 ill and starving children were left behind.

Eugenia's husband's body was found in the mass grave among thousands of other Katyn victims. The Soviets to this day continue to deny the crime.

Text of secret protocols to 1939 Hitler-Stalin pact

Following are the texts of the secret protocols to the August 1939 non-aggression treaty between the Soviet Union and Germany. The translations are by the U.S. government from microfilm copies of the original German Foreign Ministry documents, which were turned over to the Allies at the end of World War II:

Secret additional protocol

On the occasion of the signature of the non-aggression treaty between the German Reich and the Union of Soviet Socialist Republics, the undersigned plenipotentiaries of the two parties discussed in strict confidential conversations the question of the delimitation of their respective spheres of interest in Eastern Europe. These conversations led to the following result:

1) In the event of a territorial and political transformation in the territories belonging to the Baltic States (Finland, Estonia, Latvia, Lithuania), the northern frontier of Lithuania shall represent the frontier of the spheres of interest both of Germany and the U.S.S.R. In this connection the interest of Lithuania in the Vilna territory is recognized by both parties.

2) In the event of a territorial and political transformation of the territories belonging to the Polish state, the spheres of interest of both Germany and the U.S.S.R. shall be bounded approximately by the line of the rivers Narev, Vistula and San.

The question whether the interests of both parties make the maintenance of an independent Polish state appear desirable and how the frontiers of this state should be drawn can be definitely determined only in the course of further political developments.

In any case both governments will resolve this question by means of a friendly understanding.

3) With regard to southeastern Europe, the Soviet side emphasizes its interest in Bessarabia. The German side declares complete political disinterest in these territories.

4) This protocol will be treated by both parties as strictly secret.

Moscow, Aug. 23, 1939. For the Government of the German Reich: *Von Ribbentrop*. With Full Power of the Government of the U.S.S.R.: *V. Molotov*.

Secret supplementary protocol

The undersigned delegates establish agreement between the Government of the German Reich and the Government of the U.S.S.R. concerning the following matters:

The secret supplementary protocol signed on Aug. 23,

1939 is amended at No. 1 in that the territory of Lithuania comes under the U.S.S.R. sphere of interest, because on the other side the administrative district "Woywodschaft" of Lublin and parts of the administrative district of Warsaw come under the German sphere of influence (cf., map accompanying the boundary and friendship treaties ratified today). As soon as the Government of the U.S.S.R. takes special measures to safeguard its interests on Lithuanian territory, the present German-Lithuanian border will be rectified in the interests of simple and natural delimitation, so that the territory of Lithuania lying southwest of the line drawn on the accompanying map will fall to Germany.

It is further established that the economic arrangements in force at the present time between Germany and Lithuania will be in no way damaged by the aforementioned measures being taken by the Soviet Union.

Moscow, Sept. 28, 1939. For the Government of the German Reich: *Von Ribbentrop*. On the Authority of the Government of the U.S.S.R.: *V. Molotov*.

Secret protocol

Graf von Schulenburg, the German Ambassador, acting for the Government of the German Reich, and the Chairman of the Council of People's Commissars of the U.S.S.R., V.M. Molotov, acting for the Government of the U.S.S.R., have agreed upon the following points:

1) The Government of the German Reich renounces its claims to the portion of the territory of Lithuania mentioned in the Sept. 28, 1939 Secret Protocol and shown on the included map.

2) The Government of the Union of Soviet Socialist Republics is prepared to compensate the Government of the German Reich for the territory mentioned in Point 1 of this protocol by payment of the sum of 7,500,000 gold dollars, or 31,500,000 reichsmarks to Germany.

Payment of the sum of 31.5 million reichsmarks will be accomplished by the U.S.S.R. in the following way: one eighth, i.e., 3,937,500 reichsmarks, in shipments of nonferrous metal within three months of ratification of this treaty, and the remaining seven-eighths, 27,562,500 reichsmarks, in gold by a deduction from the German payments in gold which the German side was to bring up by Feb. 11, 1941. On the basis of the correspondence concerning the Feb. 11, 1940 economic agreement between the German Reich and the Union of Soviet Socialist Republics in the second section of the agreement between the chairman of the German economic delegation, Herr Schnurre and the People's Commissar for U.S.S.R. Foreign Trade, Herr A.I. Mikoyan.

3) This protocol has been prepared in both German and Russian (two originals) and goes into effect upon being ratified.

Moscow, Jan. 10, 1941. For the Government of the German Reich [illegible, presumably von Schulenburg] Acting for the Government of the U.S.S.R. *V. Molotov*

Lebanon: War ahead in Middle East?

by Thierry Lalevée

As an imposing armada of U.S., Soviet, and French naval vessels gathers off the coast of Lebanon, frantic negotiations are taking place between Washington, Moscow, and Moscow's favorite Middle Eastern pawn, Syria, aimed not at defending the once flourishing nation of Lebanon, but at wiping it off the face of the map. The main point of contention among these three sides is whether the destruction is to take place by brute force—Syria's preferred method—or through a political dismemberment dictated by the U.S.-Soviet condominium.

The only military force which seems genuinely concerned about Lebanon's survival is France, which sent its naval force led by the aircraft carrier *Maréchal Foch* in order to prevent a total Syrian blockade of the forces of Lebanese President Michel Aoun. On Aug. 23, French President François Mitterrand reiterated that his task force will have a humanitarian benefit to all Lebanese, without distinction of religious and political origins. But even though France has insisted that it would not become militarily engaged, some of the French ships do have the electronic means to jam the guidance system of Syrian artillery.

The concern of Washington and Moscow, on the other hand, is that they remain in control of the way the conflict unfolds. Both have been pressuring Syria not to attempt crossing the "Green Line" dividing East from West Beirut. This was the explicit message of Soviet special envoy Genadi Tarasov on Aug. 23 to Syrian Vice President Abdel Khaddam, and was echoed the same day by the U.S. ambassadors to Beirut and Damascus, John McCarthy and Ed Djeredjian. At the same time, under the pretext of "saving East Beirut," the United States is reported to have contacted both France and the Vatican to urge their acceptance of a "political solution" whose centerpiece would be the removal of Aoun. Sources in Washington say that Djeredjian has assured the Syrians that Washington fully recognizes Syria's "national security rights over Lebanon"—i.e., its right to incorporate it as part of a "Greater Syria."

The presence of the U.S. Sixth Fleet led by the *USS Iowa* has the added purpose of bolstering the secret diplomatic negotiations going on between Washington, the Hezbollah, and Iran, following threats of further kidnappings of American nationals in the region.

Meanwhile, Moscow has its own very special interest of beefing up its military presence with its own battleship, the *Kirov*. It will not allow any regional crisis to endanger the Tartus Syrian naval base, which has become one of its largest naval facilities outside of the Soviet Union, on a par with Cam Ranh Bay in Vietnam.

But no one has any illusion that the present relative lull in the fighting, will lead to an immediate political settlement. The Syrian forces have become somewhat more cautious, not because of political pressure, but because of the military defeat they suffered on Aug. 13 at the hands of the Eighth Brigade of Col. Selim Kallas. Syria has used the situation to reinforce its ground and armored units all around General Aoun's enclave, and clearly has the military means to break through Aoun's defenses with a simultaneous attack on several fronts.

But Syrian President Hafez Assad has to take into account that this would create a desperate situation for the remaining population of East Beirut, leaving Aoun no choice but to use his medium-range missiles directly against Damascus and other targets within Syrian territory. This would inevitably lead to harsh Syrian reprisals against East Beirut, at which point all of the main international forces supporting Aoun would be forced to swing into action, from the Israelis to the Iraqis. Israel, unwilling to directly go to war with Syria, might launch some diversionary military actions; while Iraq, which has been mooted the creation of a joint Arab military force with Egypt and Jordan, would certainly intervene on Syria's eastern borders. A new kind of Middle East war would be in the making, and U.S. and Soviet efforts to control events would go down the drain.

Crimes Against Humanity

For a new international Nuremberg Tribunal

by Jean-Marc Varaut

Maître Varaut is an attorney at the Paris Appellate Court, and the commentary which follows was published in the daily Le Quotidien de Paris on Aug. 18, 1989.

Within a few days, perhaps all that will be left of Christian Lebanon will be thoughts of remorse. As the world watches, actions are being carried out which are liable for prosecution as crimes against peace, that is, a war of aggression in vio-

lation of treaties; as war crimes, that is, the destruction of towns and villages in the Christian country which no military imperative can justify; as crimes against humanity, that is, the extermination of civilian populations. The Pope, responding to the cries rising up to him *de profundis* from the underground shelters of Beirut, has called these actions by the name of genocide, the only word that can describe the destruction by bombardment of a people by an occupation army which can invoke no right to justify itself. A population is being systematically exterminated for the sole crime of having been born.

Syria orders and executes, and its radio issues the defense of accusing Gen. Michel Aoun of being the agent of a Zionist plot. Well has Assad learned the lessons of Goebbels.

On the eve of what may turn out to be the final onslaught, the Europe of the Twelve [members of the European Community] is content with expressing its "grave concern over the deterioration of the situation in Lebanon"—without even naming the aggressor. At the same time, Europe is more militant when it comes to banning the importation of ivory from Africa in order to preserve an animal species threatened with extermination. Europe is showing itself to be nothing more than a community of special interests. Europe has neither a soul nor honor. And, in Paris, the intellectuals who are so prompt to mobilize to denounce—at no risk to themselves—an impotent old man for crimes against humanity committed 50 years ago, are silent today. The power of might! The shame of the spirit!

Alone, if belatedly, through the voice of [Foreign Minister] Roland Dumas and [Minister for Francophone Affairs] Alain Decaux, the French government manifests some dignity. But they know that only the recalling of ambassadors and the coordinated embargo on trade relations with Syria, would effectively aid a people in deadly peril.

If mechanical force were to impose a *Pax Syriana* on Lebanon, and not only on its Christian minority the Europe of the Rights of Man, so close to the Lebanese Christians in religion and in culture, as [Israeli Finance Minister] Shimon Peres has just reminded us, this Europe would be dishonored—and devalued. Europe is not just a market; Europe is a spiritual concept.

But Lebanon must know that it is not alone. It is not alone. Whereas the big powers are waiting to protest, like after the invasion of Czechoslovakia by Hitler, until Syria and its Druze and Shi'ite allies, armed by the Soviets, take over the Christian enclave, there are increasing numbers of men and women, as exemplified by Frédérique and Jean-François Deniau, who want to provide their active support for the survival of Lebanon, as a moral entity and an international personality. "Words are not enough any longer," asserted Jean-François Deniau, in order to keep alive the flame of the Lebanese resistance. Deeds are needed.

I therefore call upon jurists, and especially those attorneys who are active in the fight for human rights throughout

the world, and the law professors who have taught in Beirut, to establish a Franco-Lebanese judicial committee for the right of the Lebanese people to freely choose its own fate.

This committee, in liaison with the Coordination for Lebanon, must, as its first objective, bring charges against the authors and accomplices of the crimes against peace, the war crimes, and the crimes against humanity which are being perpetrated. Such charges should first of all be brought before the U.N. Commission on Human Rights, and also before all existing, or to-be-created institutions.

Let me remind you that the Nuremberg Code is not some mere episode in repressive international justice established by the U.N. Charter of Aug. 8, 1945. The Nuremberg Tribunal stated, in the motives for its rulings, the rules of law which can be systematized today into a law against international crimes. This is what was done by the U.N.'s International Commission in 1954.

The Commission asserts, through [four] principles, the existence of a penal law in the international domain:

1) Any individual committing an act which, according to international law, constitutes a crime, is liable to be punished.

2) The fact that national legislation does not punish deeds that are international crimes, does not free from liability the authors of those crimes with respect to international law.

What is thus affirmed is that a crime against peace or against humanity, whether originating with governments or with those who carry them out, may not be justified by a license based on domestic law. Neither do the actions of a state, nor of the chain of command, represent a justification.

3) The fact that the author of an international crime has acted in his capacity as a head of state or as a civil servant does not free him from international liability.

4) The fact that someone acted on the basis of orders issued by his government or his superior does not free him from responsibility, provided he had the moral possibility [to resist].

Thus, the Nuremberg Code was not law for one trial, but was one moment in the law, a precedent which must have a future. If there exists presently no competent Court, the Nuremberg Code remains as a norm of behavior. In 1983, France ratified the supplementary protocol of the Geneva Conventions of Aug. 12, 1949, concerning the protection of victims of international armed conflicts: She must demand that these be invoked. The genocide of the Lebanese Christians demands the emergency creation of an international penal jurisdiction empowered to implement the principles of 1945. The laws of war must carry the day over the war against law, in keeping with the Declaration of the Hague of 1907. And should the big powers remain apathetic or indifferent, and should France remain silent, or not be heard, then a new Russell Tribunal should be established to denounce and judge, before international public opinion, the crimes against humanity being committed today against Lebanon.

No phony autonomy, but real freedom

Demonstrators from the Soviet-occupied Baltic states rallied in Bonn, denouncing the Hitler-Stalin Pact.

Like other Western capitals, Bonn saw an impressive political rally on Aug. 23, held by the freedom movement of the three Baltic states (Lithuania, Latvia, and Estonia) in protest against the infamous Hitler-Stalin Pact of 1939. The pact led to Soviet occupation of the three states (1940-41), and again since 1945.

The movements inside the Baltic states sent prominent representatives, among them Eduard Berklavs, one of the founders of the Latvian National Independence Movement; Mavriks Vulfson of the Latvian Popular Front; and K. Moteiko of the Lithuanian organization Sajudis.

One of the aims of their visit to Bonn was, as Vulfson said at a packed press conference at the Tulpenfeld Restaurant here shortly before the rally, was to meet with officials of the government and the parliamentary parties. The Baltic envoys insisted that the West German government go beyond declaring the Hitler-Stalin Pact null and void, and begin to support openly the movement for independence of the Baltic states from the Soviet Union.

Berklavs tore apart the Russian myth that in 1940 the Baltic states had joined the Soviet Union voluntarily, allegedly seeking protection from Nazi Germany. Historic truth, he said, was quite different.

Given the go-ahead by his pact with Hitler, Stalin occupied the three Baltic states in the spring of 1940. Stalin did not trust the national Communist Party organizations in the three states to carry out his political march-

ing orders, however, so he set up new pro-Soviet front organizations, composed of youths who could be turned out for mass rallies. This provoked anti-Russian sentiments, and the Red Army sent in its tanks, on the pretext of guaranteeing a "free" referendum, which took place with Russian tanks pointing their guns at the Balts—and at the original Latvian Communist Party.

This proved, Berklavs declared, that Stalin never wanted (as the Russian rewriting of history alleges) to "support a social revolution" in Latvia, but always planned military occupation. One-quarter of the population was deported from Latvia deep into Russia. When Berklavs mentioned this fact to Soviet General Secretary Nikita Khrushchov some 15 years later in the 1950s, he found himself deported and put in a Siberian prison as well.

K. Moteiko of the Sajudis group then addressed the press concerning the origins of the Lithuanian independence movement. He said that the West seemed to have forgotten about the world war and its results: The Lithuanians led an armed struggle against continued Russian occupation, losing 50,000 freedom fighters until the revolt ended in 1953.

Charges against the cowardly West were also raised at the rally of 500 around the Bonn Cathedral one hour after the press conference. A representative from Estonia said that the legion of statements from Western governments to the effect that the Hitler-Stalin Pact was "null and void"

were "rather cheap statements of solidarity." What the Baltic states need, he said, was open support for their fight for complete independence from Soviet Russia.

The West, the speaker said, has always pointed at the Helsinki Accords of 1975 on European Security and Cooperation, as the preferred framework for "progress on the Baltic question." This is, however, just another way of saying that the Baltic states were to remain under Soviet rule. As a matter of fact, the speaker from Estonia said, this posture of the West was an *ex post facto* recognition of the results of the Hitler-Stalin Pact.

While he spoke, a huge banner was displayed that read, "Why do the Baltic states still have to suffer from the results of a pact that is null and void?"

In private discussions, numerous participants expressed their disappointment with West German Chancellor Helmut Kohl, for his failure to even send a statement of support to the rally. "Well, what can one expect from a man," one Latvian said, "who doesn't even take a stand on the Germans living in East Germany."

During the rally, students from the Latvian center at the West German city of Muenster entered the stage dressed as Hitler, Stalin, and an aide to Stalin. They reenacted the negotiations between the two dictators on Aug. 23, 1939—how they pored over the maps, carved out their respective spheres of influence, drawing the lines of imperial division of Eastern Europe. Finally, a bottle of champagne sealed the unsavory pact.

Concluding the rally, Baltic speakers said the movement would keep on fighting, not for some phony "autonomy under Russian rule," but, as Berklavs put it, "we'll not let down in our struggle before real freedom, real independence is achieved."

Ozzy is 'back in the U.S.S.R.'

Condominium backers stage Satanist rock extravaganza in Moscow, "with a little help from their friends."

A "heavy metal" rock concert called the "Moscow Music Peace Festival" was held in Moscow's Lenin Stadium Aug. 11-12, attended by 100,000 "rock fans," and watched by a reported "tens of millions" on Soviet television. Throughout Western Europe, newspaper headlines of the event read, "Woodstock 1969—Moscow 1989."

As astonishing as the sheer numbers, the performers represented the dregs of Western "heavy metal" groups, typified by the burnt-out alcoholic and Satanist Ozzy Osbourne, who is famous for having eaten the head off a bat on stage and for his tutelage with the Satan-worshipping Black Sabbath group. As ridiculous as it may seem, the purpose of the Lenin Stadium event was to raise money to fight drug and alcohol abuse in the Soviet Union and the U.S. The deranged Osbourne even gave a "press conference" in Moscow, a photograph of which was published in the U.S. Army's *Stars and Stripes*.

Less publicly admitted, is that significant amounts of the proceeds will flow into organizations that are known fronts for the Soviet KGB.

It is a convenient fiction, nurtured by the CIA, the KGB, and British intelligence, that the "outdoor rock concerts" are a form of "Western cultural penetration" of the U.S.S.R., encouraged by Gorbachov's *glasnost* and "reform" policies. It would be more appropriate to recall the title of the Beatles' song, "Back in the U.S.S.R." Ozzy Osbourne and the gang were, in one sense, returning to their roots in Mother Russia. To a significant ex-

tent, rock 'n' roll functions as Russian cultural subversion of the West, mediated through such East-West "Trust" organizations as the late Aldous Huxley's Esalen Institute in California and British rock music-producing companies. For many years, the Soviet Communist Party maintained the propaganda line that rock 'n' roll was "imperialist," equivalent to "moral AIDS." Now, this propaganda has been dropped.

Embracing "heavy metal" rock also gives the KGB new possibilities of "playback" into the West. In the case of Ozzy Osbourne in particular, the aim is also to rehabilitate him after campaigns by the Schiller Institute in Western Europe and the U.S. attacked Osbourne as a promoter of Satanism. In Sweden, Switzerland, and elsewhere, Osbourne concerts have been disrupted by anti-Satanist citizens' groups, and at least one Osbourne concert was canceled. Until Aug. 6, Osbourne was in the U.S. on a national tour. Throughout the U.S., Osbourne was the target of attack from irate citizens' groups mobilized by the Schiller Institute.

On Aug. 13, speaking in Moscow, "heavy metal" rock promoter Doc McGhee complained that the wife of Sen. Albert Gore (D-Tenn.), "Tipper Gore and everybody else [sic] said Motley Crue and Ozzy Osbourne were these Satanic cult bands. We want to show the world how concerned they [the bands] are" with social issues.

McGhee promotes "heavy metal" rock concerts as "anti-drug" events, as one condition of his probation for a conviction in a marijuana-importing

scheme. On Aug. 14 he exclaimed, "The next rock concert will be in Tiananmen Square. We know a million people fit in there—if you take out the tanks."

The Lenin Stadium extravaganza was introduced by Genrikh A. Borovik, head of the official Committee for the Defense of Peace. He said that the aim of the concert would be drug prevention, nuclear disarmament, and an end to "nationalism, racism, and chauvinism." Borovik's Committee "promises to make charitable use of an expected million rubles in ticket profits," according to the Aug. 14 *International Herald Tribune*.

Borovik is also the brother-in-law of Gen. Vladimir Kryuchkov, head of the KGB. In the same week of the Lenin Stadium event, the Soviets' *New Times* publication featured an interview with General Kryuchkov calling for closer collaboration between the KGB and Western intelligence services in the areas of drugs, nuclear proliferation, and nuclear terrorism.

Another top promoter of the event was Anastas Mikoyan, namesake of the late Soviet Foreign Trade Minister Anastas Mikoyan, one of the crucial Soviet power-brokers of this century.

Whether "Trust" agent Armand Hammer of Occidental Petroleum, also in Moscow just prior to the event, was involved in financing the extravaganza, there is no question the Satanic festival has to be seen in the context of U.S., Britain, Soviet "condominium" arrangements. One publicized "surprise guest" was American ambassador Jack Matlock, who held an unprecedented private meeting with KGB head Kryuchkov recently.

Matlock was reportedly wearing a shirt with "Just Say No," the insipid "anti-drug" slogan of Nancy Reagan, a believer in magic and astrology and close friend of Armand Hammer.

Iran has new faces, same policy

"Radicals" running two key ministries have been replaced by men who don't look much different.

The Aug. 20 announcement of Iran's new government under its new President, Ali Akhbar Hashemi Rafsanjani, is being hailed by many in the West as a great victory for the "moderate" mullahs. But even a peek into the intricacies of Iranian internal politics shows that this is more wishful thinking than reality.

The appointment of the new government came in the wake of a difficult constitutional crisis, whereby Rafsanjani has to be sworn in at least twice before he could become the actual President. He was first sworn in on July 28 by Iran's new "Guide of the Revolution" Ali Khamenei, as the last electoral results were still coming in confirming his victory against non-existent rivals. But voices were then raised over the validity of this procedure, since Khamenei technically was still President until October. An Assembly of Experts had to convene in order to confirm Rafsanjani's effective powers as of August 1989. They also used the occasion to reconfirm Khamenei's role as Guide of the Revolution at a time where the authenticity of Ruhollah Khomeini's letter designating Khamenei as his successor, was being questioned.

Hence, what many in the West expected to be a smooth transition of power from an Iranian Islamic regime led by fundamentalist maniac Ruhollah Khomeini to a more pro-Western and moderate regime led by "pragmatist" Rafsanjani, had a bad start. To encourage Rafsanjani, the West, especially the United States, made it clear that—aside from the question of the hostages—only a few things stood in the way of normalizing Iranian re-

lations with the West, namely, the "radicals" in control of key ministries, such as Interior Minister Ali Akbar Mohtashemi and Security Minister Mohammedi Reyshahri. Should they be dismissed, the Western powers broadly hinted—the move would be understood both as a serious goodwill gesture from the side of the new Iranian regime, as well as confirmation that this regime has developed its own power base. In brief, it would be safe to deal with Iran again.

And indeed, Iran met those demands on Aug. 20 when these two ministers were dropped. Moreover, the fact that most of the members of the new government are primarily technocrats with little past history of political activism, has been read as additional signs of Iranian "moderation." Many political commentators are expressing the hope that the new Economic and Finance Minister, Dr. Mohsen Nourbakhsh, formerly at Iran's Central Bank, will reopen Iran to foreign international borrowing.

But a more precise look at the new government reveals a very different picture. True, most are technocrats with no political past, and especially no previous activities in any of the policymaking bodies of the regime. But they are also the kind of people whom Rafsanjani can order around at his own whim. There is scarcely any information about the two replacements of the radical ministers Mohtashemi and Reyshahri.

Replacing Mohtashemi is Sheikh Abdullah Nuri, now known as "Hojatoleslam" Abdullah Nuri. Both of these are religious titles; but Nuri has never followed any religious studies,

and suddenly became a religious "sheikh" in 1979. Nuri is known to be an activist. According to biographical material gathered from a special investigation, he was trained in Lebanon in the late 1960s, and was involved in guerrilla activities within Iran in the mid-1970s.

In 1979, Nuri became one of the associates of Defense Minister Mostafa Shemran in the creation of the Pasdaran, Khomeini's Revolutionary Guards. When Shemran died during the early stages of the Iran-Iraq war, Nuri joined with Mohammed "Ringo" Montazeri, the crazy son of the Ayatollah, in joint operations in Lebanon. After the death of the elder Montazeri in the bombing of the headquarters of the Islamic Republican Party in 1981, Nuri joined Khomeini's staff, where he started working with the Ayatollah's son Ahmed Khomeini.

After several years of work within the Iranian intelligence services, Nuri was appointed by Khomeini as his special representative at the leadership of the Pasdaran last October 1988, as a ploy to undercut Rafsanjani's power then as acting commander-in-chief. Nuri's power was then confirmed in April when he also became a member of the Assembly of Experts.

Replacing Reyshahri is Ali Fallahian. He is even less known than Nuri, and no complete biography is available, except for the fact that he spent the past few years at the leadership of the Iranian intelligence service Savama under Reyshahri. Yet, Fallahian, like Nuri, is a member of the faction of the Association of the Fighting Clergy, which worked with Mohtashemi.

Thus, Nuri and Fallahian's appointments indicate that the balance of power among the major factions fighting for full power, has not been dramatically altered.

AIDS crisis breaks out

The government has been put on the spot, thanks to wide circulation of information from EIR's news bureau.

Broader sample testing for the HIV virus that causes AIDS has been conducted in recent months by the Thai Ministry of Public Health. The results—increasing numbers of HIV infected—indicate that AIDS is breaking out of the usual high-risk groups. The main vector for the spread seems to be prostitutes, plus heroin addicts who share needles. Farmers, fishermen, and soldiers are among those recently found to be HIV carriers. HIV-infected military personnel are declared unfit for military service, and infected new recruits are systematically refused.

In June, random surveys among prostitutes in 14 provinces showed that more and more prostitutes are carrying the HIV virus. In some tourist areas, the number of females infected has gone up 44% compared to previous surveys. Increases in other provinces are 1-5%. The surveys also show that 60% of the HIV-infected prostitutes are under 20. Since Thailand has around 100,000 prostitutes officially, and perhaps hundreds of thousands, according to some private figures, public health officials are suddenly realizing that this may be one of the fastest tracks for HIV to spread.

However, AIDS is not a sexually transmitted disease, and earlier testing among heroin addicts showed that the virus is also spread fast by needle-sharing. It is believed that the capital city of Bangkok alone has 200,000 heroin addicts. A Bangkok metropolitan public health official says it is feared that 50% of addicts may already be HIV carriers. The latest official figures show the total number of

HIV carriers in Thailand at 8,691 and AIDS cases at 23—of whom 14 have died.

Public Health Minister Chuan Leekpai, however, has declined to give the most up-to-date count of AIDS carriers, believed to have increased sharply in recent months, saying that it is a closely guarded secret in almost every country.

Under the Prem government, 1987 was declared the "Year of Tourism in Thailand," and public health officials were given strict orders not to publicize any alarming health information. This applies to AIDS as well as to cholera, a health official told *EIR* recently. But Deputy Public Health Minister Suthas Ngermmuen thinks that with rapidly growing numbers among prostitutes, it is high time the government change Thailand's image as a sexual paradise. Starting early in August, the Department of Communicable Diseases made it policy to broaden the blood tests for HIV infection in brothels across the country.

Increased public awareness of AIDS danger has been aided by the fact that two Thai-language dailies carried information on various means of HIV virus transmission provided by the Bangkok *EIR* office. The most important daily, *Thai Rath*, with a circulation of 700,000, printed Dr. John Seale's contribution as a commentary, and *Siam Rath*, with a circulation of 85,000 and widely read among intellectuals, also quoted extensively from Dr. Seale's article, which had appeared in *EIR's* Thai-language newsletter *Off the Record* in July.

Dr. Seale, a member of the British

Royal Academy of Medicine, stressed that AIDS is not a sexually transmitted disease and that condoms are not efficient in stopping the spread of the HIV virus. He also said that oral salivary contact and blood-sucking insects represent possible means of HIV transmission.

An avalanche of denials of Dr. Seale's assertions began to appear in the local press and "local experts" on AIDS lined up, one by one, to insist that transmission by saliva and mosquitoes was out of the question. A high-level U.S. health official was even deployed to underline as "impossible" HIV transmission by saliva and mosquitoes.

Dr. Bruce G. Weniger, assistant chief for epidemiology of the Center for Disease Control's HIV-AIDS Division, met with Thai public health officials during the third week of August to propose a joint Thai-U.S. project to study AIDS problems in Thailand and assess means to prevent the spread of the disease. Dr. Weniger also took the opportunity to dismiss fear that the AIDS virus may be transmitted via food, toilet seats, and mosquito bites. Perhaps this can be an opportunity for U.S. officials to learn how to more efficiently fight AIDS from their Thai counterparts.

As for the Thai government, the outcome of the Sept. 8 meeting of the Council of Social Ministers will be a first signal of how seriously the AIDS epidemic is being taken. Mrs. Yencht Rapeepat, an opposition parliamentarian of the Thai Citizens's Party, has warned Public Health Minister Chuan, of the Democrat Party, that a censure motion will be brought to the floor when the parliamentary session resumes. The minister had better have some successful results to show during the next six months or he may lose his seat in the cabinet.

Showdown at Cananea copper mine

Behind the assault on the unions: secret agreements to give Mexico's copper and oil to Kissinger's banker friends.

On Sunday, Aug. 20, before the Sun rose, Cananea, a mining town in the desert not far below the Arizona border, was seized by 4,000 Mexican army soldiers. They "captured" the mine and wielded their machine guns to keep out the 600 workers arriving for the morning shift at Mexico's largest open-pit copper mine.

Hours later, the government declared the Cananea Mining Company bankrupt on the grounds that union demands would cost more than \$40 million. A bankrupt company can rip up its longstanding labor agreements. But the union had given notice that it planned to strike Aug. 31, and Mexican law prohibits companies from declaring bankruptcy just before a strike. In a country which remembers its history, Cananea stands as a monument to the battle won there in 1906 to raise workers' status from peons to citizens defended by unions.

Government sources confirmed to *EIR* that President Carlos Salinas de Gortari's regime was simply complying with secret promises it made in its June deal with creditors, widely misreported as a "debt-reduction" agreement. It had pledged to dismantle the state sector of the economy, the heritage of the Mexican Revolution, as brought to fruition by President Lázaro Cárdenas's 1938 oil nationalization.

Salinas's policy was ordered by Henry A. Kissinger in a commentary last Jan. 8 in the *Los Angeles Times*. Kissinger wrote, "It makes no sense for state capitalism to remain supreme south of the Rio Grande," and "historic coincidences and geographic proximity combine to make Mexico the

test case." He insisted that the United States "and Latin America are fortunate that the first change of government in the massive transformations on the horizon for the whole hemisphere has brought President Salinas to power in Mexico. No other leader in Latin America so shares the United States preference for market economy, private capital and cooperative solutions."

The main target of Kissinger's rampage against "state capitalism" is Pemex, the national oil monopoly. Two days after Kissinger's opus, Salinas sent the army to arrest and jail nationalist oil workers' union leader Joaquín Hernández Galicia. With him locked up, and the union in the hands of docile lackeys, the regime is proceeding to break up, privatize, and denationalize the \$22 billion oil giant. On Aug. 1, a new oil workers' contract wiped out most of what they had won in 40 years of struggle. The contract eliminated subsidies for the union's discount stores and the funds it used to promote development in the oil-producing regions.

The next step, Aug. 14, was for 15 basic petrochemical products—which the constitution reserves for the state's Pemex to make—to be reclassified as "secondary" products—open to foreign investors. Pemex has been severely decapitalized in recent years. Revenues needed to finish petrochemical projects and even to maintain oil fields and refineries were systematically looted to finance foreign debt payments. Salinas now argues that the best thing to do with inoperative installations is to sell them at scrapyard prices to foreign investors willing to

put in enough capital to get them functioning.

The Cananea copper mine was also asset-stripped to pay the foreign debt. Its obsolete equipment made its copper output cost 90 cents a pound. Though below current market prices, this is not low enough to make foreigners willing to pay the \$1.1 billion Mexico is asking for the mine, London's *Financial Times* reported. It said Salinas was union-busting to raise the sale price.

All of Cananea's 3,200 workers were fired Aug. 20, shortly after the army arrived. About 60% are expected to be rehired at slave-labor wages by the new owners. The government promises it will encourage runaway assembly shops working for the U.S. market to provide \$6 a day sweatshop jobs to the former miners. It claims this would "diversify the regional economy in order to reduce economic dependence on mining."

The Cananea affair smells of Henry Kissinger. American Express Bank, with Kissinger on its board, is one of the Cananea Mining Company's main creditors. The day before it locked up Cananea, the government "disincorporated" its Mexicana Airlines. Mexicana was turned over to a consortium headed by Rockefeller's Chase Manhattan Bank and the Lebanese-Mexican Xabre group. Each put up \$50 million in "fresh money."

Cananea Mines itself—with \$300 million in sales this year—is an attractive target for financial rape. It is an open pit with 1.7 billion tons of proven copper ore reserves. That is enough to keep it producing for 60 years at its current 160,000 tons of copper per year capacity.

Mexican nationalists knew it was a coveted jewel. Last December, oil workers' leader Hernández Galicia formed a committee to defend Cananea. A few weeks later he was jailed.

New lies on Noriega: sour grapes

It's the U.S. government-financed "opposition," not the Panamanian Defense Forces, that runs drugs.

At an extraordinary session of the Organization of American States (OAS) in Washington, D.C. on Aug. 23, the foreign ministers of the nations of Ibero-America rebuffed demands by the United States that they back the U.S. push to oust the commander of Panama's Defense Forces, Gen. Manuel Noriega, and to replace the current Panamanian government with the U.S.-backed Democratic Opposition Civic Alliance (ADO-C). The foreign ministers failed to reach a consensus on any of the resolutions proposed to settle the Panamanian crisis.

Instead, the OAS presiding officer, Colombia's Foreign Minister Julio Londoño, issued a statement calling on the Panamanian government and the opposition to continue negotiations mediated by an OAS special mission that has been working on the Panama question since May.

One reason given by the OAS for rejecting American demands, was the high-handed U.S. behavior in Panama. The OAS mission to Panama cited the "negative effects caused by the maneuvers conducted by the United States Armed Forces" in Panama. The OAS mission also recommended that the United States "normalize bilateral relations" with the current Panamanian government. That would be tantamount to recognizing the government, with which the Bush administration refuses to deal.

In a last ditch effort to sway the OAS vote, and to provide a justification for a U.S. military intervention in Panama under the pretext of fighting drugs, a new charge was fabricated against General Noriega: that he had turned Panama into a haven for the

drug mafias that murdered Colombian presidential candidate Luis Carlos Galán. The charge surfaced the day before the OAS meeting in Rev. Sun Myung Moon's *Washington Times*, which often serves as a leak sheet for the administration.

Panamanian President Manuel Solís Palma denounced the report as "false and tendentious," in a letter of condolences on Galán's murder to Colombian President Virgilio Barco on Aug. 23. Galán's assassination, Solís Palma said to Barco, "is being used by third parties to continue committing acts of aggression of all sorts against" Panama. "Be assured that we will continue to collaborate closely with your country's authorities to prevent our territory being used by those criminals to flee the arm of justice," the letter said.

Although State Department officials "were unable to confirm the report" that the drug lords had been given refuge in Panama by Noriega, according to spokesman Richard Boucher, that did not stop Deputy Secretary of State Lawrence Eagleburger, formerly of Kissinger Associates, from charging at the OAS that "Noriega has turned Panama into a haven for drug traffickers, and a center for money laundering and the transshipment of cocaine. . . . We intend to do what we can to bring it to an end." Eagleburger then said that if Noriega was not out by Sept. 1, "then the Noriega regime would have declared itself to be an outlaw among civilized nations and we should treat it accordingly."

Panama's representative Rómulo Escobar told Eagleburger that if the U.S. has any proof that Noriega is in-

involved in drug trafficking, it should have been presented to the OAS. Escobar demanded that the United States account for the money it stole from Panama under the economic sanctions and warned that implicit in Eagleburger's speech was the threat to use military force against Panama. He added that a peaceful solution could be found as soon as the U.S. allowed the ADO-C to accept the offer to join a provisional government that would call new elections in Panama.

That offer has been refused by the Bush administration, which wants the ADO-C to be given power outright because of its willingness to renegotiate the 1977 Canal Treaties, to allow the U.S. to retain its military bases in Panama past the year 2000. The Bush administration's collaboration with ADO-C, shows the hypocrisy of its "war on drugs."

ADO-C is run by Panama's "narco-oligarchy," the bankers, such as Carlos Eleta, who manage Panama's offshore financial center. Last April, Eleta, who at the time was working with the U.S. government to bring down Noriega, was arrested in Macon, Georgia for conspiring to bring 600 kilos of cocaine a month, valued at \$300 million, into the United States. Just a few weeks ago, the Bush administration came to the defense of the Panamanian Broadcasting Company RPC, which is owned by Carlos Eleta and his brother Fernando, after it was declared bankrupt by the government on Aug. 16 for failing to pay \$5 million in taxes.

Eleta's RPC also pocketed millions of dollars from U.S. taxpayers earlier this year, given it by the Central Intelligence Agency to publicize the electoral campaign of ADO-C in the presidential elections held May 7. Those elections had to be annulled by Panama because of U.S. interference.

International Intelligence

Aquino asks for ASEAN decision on U.S. bases

Philippine President Cory Aquino widened the debate in the Association of Southeast Asian Nations (ASEAN) over military bases in the region, by calling on the regional grouping to declare categorically whether or not they want U.S. military bases to remain in the Philippines.

Aquino told reporters on Aug. 22 that knowing how the other ASEAN members felt would help her government decide whether or not to keep the U.S. bases, Reuter reports. "It would be good to find out first of all, whether it is to the interest of the region to continue having the U.S. facilities here," she said.

Earlier, addressing ASEAN legislators at the opening of a five-day meet of the ASEAN Interparliamentary Organization, Aquino said ASEAN and not foreign powers should be the judge of how to preserve peace in the region.

Chinese ambassador thanks Bush for support

Outgoing Communist Chinese Ambassador to the United States Han Xu praised President George Bush, in a speech to the Forum Club in Palm Beach, Florida on July 24, which was reprinted in the *International Herald Tribune* on Aug. 21. Han said that his government "believes that it confronted a serious insurrection in Beijing. . . . Demonstrators marred the important visit of the Soviet President, Mikhail Gorbachov."

All of China's problems "predetermine" that its road to reform will be full of risks, he said, and "therefore, the maintenance of order and stability is a primary task of governance." But "the government and people have accomplished the unthinkable," Han said, lying that China has provided almost one-quarter of the world's population with a decent living.

Referring to the massacre of students in

Tiananmen Square in June, and the ongoing arrests and executions of "dissidents," Han said, "No one wants to see U.S.-Chinese relations suffer as a result of the recent developments. . . . There is much talk of imposing further economic sanctions against China. Such sanctions must be firmly rejected. They hurt the U.S. as much as China. . . . The important thing is not to interfere in China's internal affairs, particularly when it is in difficulty. . . . The principle of mutual noninterference, a cornerstone of Chinese-U.S. relations, must be strictly observed.

"I appreciate the Bush administration's resistance to further sanctions," he said, "and I hope that Congress will show more restraint. Let's be guided by the forces of history and reason from this time forward."

Han gave himself a big farewell party in Washington, D.C. in mid-August, but only "retired" government officials—including Henry Kissinger and Alexander Haig—attended. However, Han met with Vice President Dan Quayle before leaving, to discuss "ways China could improve its relations with the U.S.," Quayle's office said.

P.R.C. attacks British officials in Hong Kong

The government of Communist China attacked British officials operating in Hong Kong, alleging they are interfering in the internal affairs of the colony, and violating the treaty to return it to Beijing in 1997.

The *People's Daily*, according to press reports Aug. 20, quotes a foreign ministry spokesman saying, "A few British officials have publicly made flagrant criticisms and crude interferences in the drafting of basic law for Hong Kong, even breaking the rules of the Sino-British joint declaration. . . . The drafting and formulation of the Basic Law for the special administrative region of Hong Kong comes completely within the scope of China's sovereign rights. We will not permit any foreign country to interfere."

The statement singled out as offensive a speech given in Hong Kong the week before by Barry Wiggham, a leading member of a

think tank for a British negotiating team scheduled to meet Chinese counterparts in September. British officials had "even brought up the preposterous suggestion that China should not station troops in Hong Kong," it said. In his speech, Wiggham suggested that several parts of the draft treaty needed looking at again, including the provision for Chinese troops to be stationed in Hong Kong.

U.N. conference focuses on child slavery

"Modern Forms of Slavery" was the title of a United Nations conference in Geneva in mid-August, which presented data about child prostitution.

More than 1 million children are sold or kidnaped every year and are forced to prostitute themselves, according to conference reports. Reports were given about child prostitution in India, Thailand, the Philippines, Taiwan, Sri Lanka, South Korea, Brazil, Columbia, and West African States.

Reports also identified child prostitution as a big problem in Europe and the United States. Some 8,000 child prostitutes can be found in Paris alone, and in New York upwards of 20,000. Norwegian Justice Minister Boesterud reported that 18% of the Norwegian population has been sexually abused before reaching the age of 18, mostly by relatives.

Car of Argentine labor leader bombed

A bomb exploded in the car of Saúl Ubaldini, the head of Argentina's CGT labor confederation, while it was parked outside the headquarters of the labor federation Aug. 18.

No one has yet claimed responsibility for the bombing, but it comes in the context of a fight being waged against Ubaldini's leadership by a dissident labor grouping under the control of Labor Minister Jorge Tri-

ca. The group, calling itself the Union Liaison Board, is insisting that labor must voluntarily surrender the right to strike for the next two years and wholeheartedly support the economic program of the new Argentine government. Ubaldini and the unions loyal to him are maintaining they will not give the government a blank check, and that its economic policy must begin to relieve the suffering of workers and improve wages.

The bombing occurred as the Congress voted up the emergency economic package requested by the administration of President Carlos Menem, giving the government a free hand to privatize state owned companies that are losing money. Menem is said to be planning to sell off all or part of the national telephone company, the Aerolineas Argentinas airline, port facilities, grain silos, radio and television stations, and parts of the oil, coal, petrochemical and mining companies that the state owns outright or has a controlling interest in.

Zepp-LaRouche hits Hitler-Stalin pact

On the 50th anniversary of the Hitler-Stalin Pact Aug. 23, Patriots for Germany chairwoman Helga Zepp-LaRouche released a statement which read:

"Today is the 50th anniversary of the day on which Hitler and Stalin joined their dictatorships in a military pact and divided spheres of influence between themselves, over the heads of the people. We do well today to recall the commonalities that joined the National Socialists and the Bolsheviks to one another. Of course, Stalin had the intention of conquering the West, just as Hitler also considered the attack on the East to be merely a prelude, but in common, both dictators had the resolute aim of exterminating Judeo-Christian civilization, and both made use of unlimited repression against their opponents. In this sense, Mussolini was right when he characterized National Socialism and Bolshevism as the twins of the 20th century.

"The Soviet Union has only recently acknowledged the existence of the Secret Pro-

ocols to which the Baltic states, Poland, and Moldavia fell victim, and which finally opened the way for the Second World War. Gorbachov has attempted to distance himself from the whole affair by laying the blame on Stalin, saying the Russian people had nothing to do with it. But the manner in which Moscow has now intervened, in violation of the legislation of the Supreme Soviet of Estonia, in the strike of Russian workers, and the way Moscow has reacted to the demands for greater independence from Lithuania and Latvia, as well as Moldavia, shows that nothing has changed with Gorbachov.

"There is only one way in which Gorbachov can prove that the Hitler-Stalin Pact was merely the will of Stalin, namely, that he not only declare the secret protocols null and void, but that he also declare null and void the partitioning of Europe, which resulted from the treaties of Teheran and Yalta. The injustice of the Hitler-Stalin Pact can only be made good by allowing all the peoples of Eastern Europe the right to self-determination, and the ability through free elections and sovereignty to determine their fate themselves."

Carter to mediate Ethiopia-Eritrean talks

The Ethiopian government and the Eritrean People's Liberation Front have agreed to hold peace talks at the Carter Presidential Center in Atlanta, Georgia in September, according to press reports Aug. 18.

The talks were arranged over the course of three trips which former President Jimmy Carter made to Africa in April and July.

Fighting has continued between the Ethiopians and Eritrean rebels since 1974. Previous talks held in East Germany in 1978, and various European capitals between 1982 and 1985, ended in failure. Resolution of the conflict, which has been manipulated from the outside, has been an important regional objective of the U.S.-Soviet deal. Carter has operated as a special emissary for the Reagan and Bush White Houses since 1985.

Briefly

● **PERUVIAN PRESIDENT** Alan García suggested the U.S. should relinquish control over the Panama Canal ahead of schedule if it wants to force Panamanian Gen. Manuel Noriega out of power. Noriega sarcastically retorted that he welcomed the idea of an early U.S. departure, and suggested that García represent Panama in any such negotiations.

● **THE COLOMBIAN MILITARY** is capable of handling the narco-terrorists if they are freed to do so, and the U.S. should help with materiel, not troops, said retired Col. Lawrence Tracy, a former Pentagon official, in a TV interview on Aug. 21.

● **POPE JOHN PAUL II**, speaking in Spain, called for a cease-fire in Lebanon. Italian press reported on Aug. 21. "I strongly complain that despite all the efforts made in the past week, including by the U.N. Security Council, the bombings continue to make victims of the beloved Lebanese people. It seems that the aim is to destroy the entire city of Beirut and in particular the Christian suburb," the Pope said.

● **THAI ANTI-NARCOTICS** Police General Chavalit Yodmani attacked the "conspiracy" law used against Lyndon LaRouche as "dangerous and easily abused to incriminate innocent people," in an interview with *EIR* Aug. 16.

● **EGYPTIAN POLICE** arrested 41 Shi'ite terrorists and are still hunting for 16 others who were part of a "terrorist international" based in Egypt.

● **A BRITISH** Foreign Office official, unnamed, was arrested as part of an investigation into irregularities involving visa applications issued to Iranians, who are restricted from traveling in Britain, according to the Aug. 19 London *Daily Mail*.

The tide turns against corrupt U.S. prosecutors

by Mel Klenetsky

Until quite recently, U.S. government prosecutors have generally been presented to the public as fearless fighters of crime, righteous knights on a white horse upholding the public honor by going after corruption perpetrated by the high and the mighty. The mere issuance of a criminal indictment, or the mere hint of a grand jury investigation by one of these dime-store heroes, has been taken by the ogling press as proof that the targeted citizen must be guilty as sin—even in cases where there is already overwhelming public evidence to the contrary.

But the erupting scandal around the gross prosecutorial misconduct of former U.S. Attorney Rudolph Giuliani in New York City, where he is running for mayor, is one of many new signs that the tide of public sentiment is rapidly turning. Giuliani is the most notorious of the “new breed” of U.S. prosecutors who have specialized in using the Racketeer Influenced and Corrupt Organizations (RICO) statute and conspiracy laws, coupled with “trial by press” tactics and massive media fanfares, in order to target religious groups, political figures, international trade unions, Wall Street brokers, and U.S. defense industry figures for prosecution, while actual criminals such as drug-money bankers go largely unmolested.

Giuliani pioneered the use of civil RICO against the International Brotherhood of Teamsters, forcing the resignation of several members of the IBT’s executive board. Thanks to him, civil RICO is now being used against the Longshoremen’s Union. The flashy trial of hotel magnate Leona Helmsley, and the unsuccessful prosecution of former Miss America Bess Myerson (longtime ally of one of Giuliani’s electoral opponents, Mayor Ed Koch), were both productions of Giuliani’s office. Giuliani and his office has also focused on doing favors for certain Establishment groupings, by selec-

tively prosecuting targeted financiers for scams.

But now, Mr. Prosecutor Giuliani has suddenly found himself and his prosecutorial methods on public trial. Although the New York City mayoral race is normally a carefully scripted affair that avoids the important issues plaguing this once-great metropolis, the local media are right on the mark, with such dailies as the *New York Post* and the New York edition of *Newsday* blaring, “Auschwitz Survivor Charges . . . Rudy’s Men Acted Like Nazis,” and “Rudy Has a Black-Eye Apology, Criticisms over Handling of Wall Street Insider Case.”

The story of Simon Berger

The most dramatic case is that of Simon Berger, a Long Island locksmith who was accused of bribing housing officials. Berger, a survivor of the Nazi regime’s concentration camp in Auschwitz, Poland, accused Giuliani’s office of using explicitly Nazi Gestapo tactics to pressure him immediately following his 1986 arrest.

According to Berger’s account, he was roused out of his home at 7 a.m., handcuffed in front of his family, and taken to the U.S. Attorney’s office. He was moved to an empty corridor, paralleling the reception area, which had a straight-backed chair facing a blackboard on wheels. Written on the blackboard were the words “Arbeit Macht Frei,” the Nazi motto meaning “Labor Makes You Free,” which appeared above the entrance to the Auschwitz death camp.

Giuliani’s office was conducting an investigation into kickbacks and corruption in the New York City Housing Authority. Berger was subsequently exonerated of the charges against him, but according to his attorney, Barry Slotnick, he was so deeply shocked over his arrest and the sight of the Auschwitz slogan, that he could not even participate in plan-

ning his own defense strategy.

After being obliged to view the Auschwitz motto, Berger, who had also lost a sister and brother at that camp, was interviewed by David Zarnow, Assistant U.S. Attorney, who told him that 44 out of 57 people arrested had already pleaded guilty to reduced charges, and that the other 13 would all be going to jail, since the U.S. Attorney's office had a conviction rate of 100%. All of this occurred before Berger was formally charged or arraigned.

Giuliani has denied having any knowledge that such methods were being applied by members of his office. But Berger, interviewed by the *New York Post*, said that he rejects Giuliani's claim of ignorance. "I believe he knew, I believe he knows, and I believe he always knew," Berger said. "If he didn't know, I don't think he deserves to be mayor." After the incident, a complaint had been filed on Berger's behalf, and would have been the basis of mistrial motion for prosecutorial abuse, had Berger not been exonerated first. There were even pictures taken of the blackboard, but the investigation into who in Giuliani's office wrote those words and used those tactics, has apparently never gone anywhere.

Targeting on Wall Street

In early 1978, Giuliani and company moved in on three prominent Wall Street traders for alleged insider trading. Robert Freeman and Richard Wigton were arrested in their offices and taken out in handcuffs. Timothy Tabor was arrested at home. Tabor's lawyer charged that the arrest had been timed to force him to spend a night in jail before a bail hearing could be held. At the time there was huge media fanfare and a dramatic display of prosecutorial power.

In early August 1989, federal prosecutors dropped their investigation and freed two of the three men from legal limbo. The third target, Robert Freeman, pleaded guilty to a totally unrelated charge. The press, in reviewing the Freeman case, opined that the prosecutor's office had gone on a wild fishing expedition, and finally came up with something, just to save face. Giuliani was forced to publicly apologize for the speed with which he moved to prosecute these individuals. Giuliani's electoral opponents, of course, have had a field day at his expense. Ed Koch had the following to say:

Here's Rudy Giuliani, big prosecutor, who goes in, over a year ago, and handcuffs people, drags them out in chains, destroys their reputation, causes pain to their families, and the indictments don't happen or are dismissed. Doesn't it reduce your admiration for the guy, who touted how terrific he was as a prosecutor, that he destroyed their lives?

Tough on drugs?

Yet another incident which has come to public attention reveals Giuliani's true colors on the question of illegal narcotics. Giuliani likes to present himself as tough on crime

and "crack," two very important issues in drug-infested New York City. Approximately ten years ago, Nicky Barnes was a convicted heroin dealer and killer who was sentenced to life in prison without parole. Barnes decided to testify against others to gain his freedom. Nicky testified "downwards," taking out the people working below him in the hierarchy.

As a reward for providing this information, in October 1987 Rudolph Giuliani, the great warrior against drugs, wrote an 11-page letter to President Ronald Reagan, asking the President to pardon this convicted heroin dealer and killer. Reagan did not pardon Barnes—and to date neither has his successor George Bush—but Giuliani's efforts to pardon a man who has been involved in the execution of no less than a dozen people, are now before the public to judge.

Abolish RICO!

There is also a growing outcry against RICO itself. Jurors in the trial of Ed Meese's friend E. Robert Wallach in the Wedtech scandal, which resulted in Wallach's conviction, told *Legal Times* that they were horrified when they realized that the counts on which they had found Wallach guilty carried draconian penalties.

One juror, who was dismissed during the trial because of illness, told the *Legal Times* that "I could not see them [Wallach and company] conspiring with a bunch of racketeers," and her sentiment was apparently ultimately shared by other jurors, who handed down a confused verdict, convicting Wallach on one racketeering count, even though they thought he had not conspired to commit the crime they convicted him of.

The jurors also expressed concern about the publicity they read after the conclusion of the trial, and they stressed that they did not convict Wallach of accepting payoffs to lobby then-Attorney General Edwin Meese, as was widely reported. When juror Paul Nash read the newspaper accounts of the verdict, he became uneasy: "There was another agenda here. And we were just cogs."

The *Wall Street Journal* devoted a recent editorial to this newly found recognition of prosecutorial abuse that has come to light during Giuliani's mayoral bid. Under the headline "The Brownshirt Image," the *Journal* noted that in addition to its own longstanding opposition to the RICO act, now others, such as the liberal *Los Angeles Times*, have come out foursquare against it, and they are pleased that the tide appears to be turning against these unfettered prosecutors. The *Journal* warned President Bush that Americans are losing faith, because federal prosecutors are losing credibility, and advises Bush that if he is serious about going after the drug criminals, then he must act to dispel any basis for comparisons with Nazi law enforcement that federal prosecutors have been eliciting.

Mel Klenetsky, a member of EIR's editorial board, is a former candidate for mayor of New York City.

Illinois prosecutor uses methods of Deng Xiaoping, indicts opponents

On Aug. 17, a grand jury in the town of Oregon, Illinois handed down "burglary" indictments against three political associates of Lyndon H. LaRouche. According to statements by prosecuting attorney Dennis Schumacher, they are being charged for the "crime" of obtaining a political contribution to fight the spread of Satanism in the state.

Indicted are Patricia Noble-Schenk, Ron Fredman, and Richard Blomquist. Schenk and Fredman are running for statewide office on a slate with gubernatorial candidate Mark Fairchild, the LaRouche Democrat who threw the leaders of the Illinois Democratic Party into hysteria, and turned national politics upside down, when he and running mate Janice Hart won the 1986 Democratic primary for lieutenant governor and secretary of state.

Fairchild, in a well-attended press conference on Aug. 21, charged that his opponent in the upcoming gubernatorial race, current Attorney General Neil Hartigan, is trying to use the same rotten methods that Chinese Communist leader Deng Xiaoping used in Tiananmen Square: jailing his political opponents. Fairchild explained what lies behind the latest assault on the LaRouche movement:

"Ever since Janice Hart and I won statewide Democratic Primary nominations in 1986, there has been a continuous and escalating pattern of police-state actions designed to put myself and my friends in jail. Lyndon LaRouche himself has been railroaded into jail. What you're seeing in Oregon, Illinois is merely the local manifestation of a nationwide 'Get LaRouche' task force. [Gov.] Jim Thompson is a member. Neil Hartigan is a member. And these guys apparently think that the way to win elections is to put their enemies in jail! What this Schumacher character is trying to do, is to make it illegal for anybody associated with Lyndon LaRouche to do political fundraising. Neil Hartigan, from all appearances, is a fanatical sympathizer of the savage Deng Xiaoping regime, given his history of dealings with Communist China. If this kind of outrageous violation of the First Amendment is allowed to continue, Daley Plaza will become the next Tiananmen Square."

The new indictments are the latest strike by the national "Get LaRouche" task force, whose violations of the Constitution are the subject of the book *Railroad!* published by the

Commission to Investigate Human Rights Violations.

The assault, on grounds so outrageous as to lead defense attorney Michael Null to compare the state's actions to those of Nazi Germany, reflects the outrage of LaRouche's opponents that the movement he founded did not "give up and go home" after the former presidential candidate was jailed on Jan. 27, 1989 on trumped-up conspiracy charges. Apparently the Illinois branch of the anti-LaRouche effort fears, in particular, that Fairchild will repeat his 1986 election victory—this time against Hartigan, who is viewed as a very weak candidate, even more of a wimp than Adlai Stevenson III. Also, the forces behind the Illinois prosecution apparently are unusually distressed at the success of the LaRouche Democrats' anti-Satanism campaign, which led to the *unanimous* passage of a bill in the state legislature banning ritual Satanic activity. Governor Thompson, for reasons known only to himself, has not yet signed the bill.

Said Fairchild, "What's really outrageous about this is that Schumacher, the prosecutor in league with the Attorney General, would have no problem with making *all* fundraising illegal. When LaRouche was railroaded into jail in January, this was supposed to shut our movement down. Instead, our subscription rate over the last six months has quadrupled. People are angry at the spread of Satan-worshipping cults. They're waking up. And they are looking to us."

The berserker prosecutor

The indictments, first seen by the defendants' attorney on the day they surrendered, contain 18 counts (6 against each accused) for theft, residential burglary, robbery, and intimidation.

Prosecutor Schumacher declared that the charges, which he described as "novel," are based on the outrageous premise that the three violated the robbery and residential burglary statute, because they entered a political supporter's home "with the intent to get money from her," and that their alleged use of intimidation was based on the fact "that they did not leave until they got it."

In short Schumacher is claiming that the solicitation of political contributions itself is a criminal act.

Such "novel" applications of the statutes are not only



LaRouche Democrat Sheila Jones announces her candidacy for lieutenant governor of the state of Illinois. To her right is Mark Fairchild, candidate for the gubernatorial nomination against current Attorney General Neil Hartigan.

clearly unconstitutional, but are also, in effect, a form of prior restraint, in direct opposition to over 50 years of Supreme Court decisions dealing with First Amendment rights. Such “novel” applications of the law are characteristic of a fascist state seeking to silence those voices of political, religious, or other expression that they find undesirable.

Prior to the indictments, in a wild fishing expedition, Schumacher tried to coerce Pat Schenk and her husband Gene into testifying before a grand jury by causing them to be issued an immunity order. He also issued blanket subpoenas for *all* records of Midwest Circulation Corp. (MCC)—the Midwest distributor of *EIR* and other publications—as well as all records of its employees, volunteers, related companies, organizations, and supporters.

During a hearing before Judge Alan Cargerman on Aug. 18, Schumacher, with disdain for due process and the right of the accused to counsel, including the attorney-client privilege of confidentiality, grabbed a new subpoena and served it on attorney Null’s paralegal, Fred Henderson, and attempted to serve a subpoena on Null himself—an unheard-of move, which he succeeded in carrying out five days later.

Judge not impressed

At the next hearing on Aug. 24, Schenk, Fredman, and Blomquist surrendered voluntarily and, despite Schumacher’s demand of a \$200,000 bond for each of the accused, Judge Cargerman was not impressed by the prosecutor’s arguments, and released all three on their own personal recognizance. The judge also quashed the prosecutor’s broad subpoena requesting all files of monies spent and raised by MCC. This followed the argument by Attorney Null, that “no grand

jury precedents for the release of these kinds of records exists. Except for perhaps Hitler. Hitler did it! Stalin. Stalin did it! McCarthy. McCarthy did it! And now Dennis Schumacher is trying to do it!” Rejecting the argument that to demand all records of a political movement on such a pretext, is a blatant violation of their First Amendment rights, Schumacher raved, “Anybody could stand behind the First Amendment! Even criminals could stand behind the First Amendment!”

Attorney Null concluded his argument against Schumacher’s police-state tactics:

“Perhaps in the 1950s this was allowed! But this is not the 1950s and this should not be allowed to happen today. . . . But with the prosecutor’s argument and his political fishing expedition to indict the LaRouche movement in its entirety, if Pat Schenk should kill her husband, Gene Schenk, God forbid, the prosecutor would want to investigate the entire MCC corporation and find blame!”

Judge Cargerman, in his written opinion, agreed that the subpoena of “concededly sensitive records must be evaluated with the strictest scrutiny to protect the First Amendment freedom of association in activist political affairs. . . . One of the state’s attorney’s original subpoenas to Midwest, for example, commanding production of ‘[a]ny and all personal records of all persons employed with, associated with, an agent of or volunteer for, including any related companies, organizations, or group to Midwest Circulation,’ was in our view violative of that heightened standard.” The prosecutor was therefore forced to severely restrict the records requested.

When asked by the press what his defense would be for his clients, Attorney Null said, “I have the best defense case:

My clients are innocent! Sure, we will have tactical arguments! Sure, we will have constitutional arguments! But the power we have, is that my clients are innocent, and Natural Law is on their side!"

Outside the court: more dirty tricks

While this drama was unfolding within the courtroom in Ogle County, broader actions were also under way in the political realm, both against LaRouche and his associates directly, and against the political and constitutional rights of all citizens:

- As press reports began to circulate about the forthcoming indictments of LaRouche associates, Illinois Rep. Richard J. Durbin sent out a letter to his constituents, entitled "Consumer Warning to all Illinois Residents." The letter instructs constituents to contact the Illinois Commerce Department if approached by individuals soliciting subscriptions to *New Federalist* newspaper. The congressman lied that LaRouche had been convicted of bilking supporters out of \$30 million.

- While arguments were proceeding in Judge Cargerman's court on Aug. 24, a two-man team of political organizers near Oregon, Illinois, had set up a literature table at a post office, only to find themselves surrounded by a half-dozen police cars (marked and unmarked), and a complement

of uniformed and plainclothes police and detectives, who threatened them with arrest if they didn't leave the site. The day before, the same two-man team was dragged off the streets during a walking tour, and told that they could organize if they wanted, but *could not mention Lyndon LaRouche*. One of the organizers was taken to the police headquarters, interrogated, and told: "Never come back!"

- While Schumacher was fighting to gut the First Amendment protections of the Constitution, secret plans came to light of a group of Illinois legislators and officials in the Attorney General and Secretary of State's offices to require the bonding of *all organizations involved in fundraising*. This grouping is reportedly coordinating its actions with Ogle County prosecutor Schumacher.

According to the proposed law, all organizations involved in fundraising—including political, religious and trade union organizations—would be required to be bonded with an insurance company for the amount of funds that they were soliciting. If there were a successful claim of improper solicitation, the insurance company would be held accountable for refunding the money raised. If such an insurance firm deemed any organization as being too controversial, or too much of a risk to give coverage, that organization would be barred from all fundraising activity. It would, consequently, cease to exist.

Prosecutor 'trying to outdo Adolf Hitler'

The following statement was released by Chicago attorney Michael Null on Aug. 24. Null represents the defendants in the state of Illinois' "burglary" case against three LaRouche associates.

The whole idea of Ogle County Prosecutor Dennis Schumacher requesting the records and files of all employees, volunteers, related companies, organizations and supporters to Midwest Circulation Corporation, causes a shivering remembrance of what Adolf Hitler's SS Gestapo forces unleashed against the Jews of Europe.

To identify and single out the Jewish population for prosecution and extermination, Adolf Hitler's regime ordered that all Jews wear armbands, which bore the Star of David. Wearing this armband meant the extermination of the lives of countless millions of Jews.

Is not this the same thing as what Prosecutor Dennis

Schumacher is requesting in his far-reaching request for the release of records on all supporters of Midwest Circulation Corporation (MCC), which is a distribution corporation of the ideas and policies of Lyndon LaRouche? Doesn't this mean that those who give contributions to the distribution of these publications are supporters of Lyndon LaRouche's ideas? Doesn't this single out those who support these policies and ideas for extermination and annihilation? Is this any different than the forced wearing of the Star of David upon the Jews of Warsaw, Treblinka, and Riga?

I know of no other precedents in American courts where such release of records, protected under the First Amendment, has occurred! I do know that Hitler did it! Stalin did it! Senator McCarthy did it! And now, Ogle County Prosecutor Dennis Schumacher is trying to do it!

I want it known, that as a Jew, but also, as a believer in the principles of this great nation for which so many gave their lives, with a commitment to defend the principles of the Founding Fathers of this nation, that I will use the power of law, to defend these noble principles. This cause for justice in this time of chaos and unrest is my fight. I shall not passively tolerate the annihilation of any movement fighting for the cause of freedom! On this, the Dennis Schumachers of this world can depend!

Who's behind the new 'Get LaRouche' drive

No prosecutor in Ogle County, Illinois could ever take actions of such momentous constitutional and political importance against a political movement, without the backing of the highest levels of the federal government. Behind the Nazi methods of prosecutor Dennis Schumacher, stand Gov. Jim Thompson (R) and Attorney General Neil Hartigan (D); behind them, the chain of command extends even to the White House itself.

Over a year after the 1986 victory of two LaRouche Democrats in the Illinois primary, then presidential candidate George Bush pronounced his views about Lyndon LaRouche, who was then under indictment in Boston federal court (the case ended in a mistrial, but an informal jury poll voted a complete acquittal). Addressing a campaign rally on July 31, 1987, Bush stated: "I don't like the things that LaRouche does. . . . He's bilked people out of lots of money, and misrepresented what causes money was going to. LaRouche is in a lot of trouble, and deserves to be in a lot of trouble."

Illinois Gov. **Jim Thompson** is a former Bush presidential campaign co-chairman. Under his administration, the state has been in the forefront of efforts to expand trade with the Russian and Chinese Communist dictatorships. Illinois was the first state to open offices in Moscow and Beijing, and during the June massacre of Chinese students in Tiananmen Square, the state refused to close its Beijing office, so eager was it to preserve relations with the Butchers of Beijing. Thompson is planning a visit to Vienna, Austria soon, to discuss plans for expanding trade with the Soviet Union, including "meeting with people who can help us get around the problem which the non-convertibility of the ruble" poses, a spokesman said.

Thompson has recently gained notoriety for his refusal to sign a bill passed in the last session of the Illinois legislature which outlaws Satanic practices. The passage of the bill had been organized by supporters of the LaRouche movement. While the Republican governor has so far refused to sign that bill into law, his Democratic Attorney General has deployed the state's legal machinery against the political forces responsible for its passage.

Attorney General Neil F. Hartigan, Schumacher's superior, is currently a candidate against LaRouche Democrat Mark Fairchild for the gubernatorial seat being vacated by Thompson. Hartigan fears that Fairchild's campaign will destroy his political career.

Hartigan is the property of First National Bank of Chicago, one of the nation's largest and most powerful banks. Hartigan was vice president of the bank, with responsibility for South America, until 1983. Today, the bank is financially overexposed, holding millions of dollars of unpayable South American debt. Hartigan was also the bank's chief liaison to the Chicago business community. In 1983, the bank commissioned him to run for Attorney General.

While Hartigan ran South American operations at First National, the bank's closely related Country Risk Department was run by **Alan Stoga**, now an economist at the consulting firm Kissinger Associates, Inc. Kissinger's firm has as its clients many British and American banks currently threatened with South American debt moratoria.

Back in 1978, Hartigan led a First National delegation to Beijing, which established the first Western banking facility with an ongoing relation with the People's Republic of China, the world's largest opium and heroin producer. It is dope money, as *EIR* has documented, that has kept such banks afloat. It was Kissinger who first opened up the "China door," and he has continued to be deeply involved in political and financial dealings with China.

In 1987, Hartigan returned to China as the senior state attorney general in an American delegation to a Sino-American conference on trade and investment.

Hartigan is the national chairman of the joint committee on telemarketing fraud of the National Association of Attorneys General and the Federal Trade Commission. That body has been used as a cover for a federally coordinated assault on the LaRouche movement, under the pretext of dealing with commercial fraud. The national chairman of the NAAG is New York Attorney General Robert Abrams, now prosecuting a hoked-up fraud case against four LaRouche associates in New York.

Hartigan's former boss, First National Bank of Chicago chairman Barry Sullivan, is also chairman of the Institute for International Finance. The institute, which comprises most of the world's largest banks, is a fanatical supporter of the Bush administration's hapless Brady Plan for Third World debt reorganization. The Brady Plan was cooked up as an alternative to LaRouche's proposals for debt moratorium and expansion of industrial, agricultural, and infrastructural development.

Another significant "Get LaRouche" capability active in Illinois is the **Anti-Defamation League of B'nai B'rith**, which has long functioned as an FBI asset. Although closely aligned with the Democratic Party, the ADL was among the major organizations which demanded that Democratic gubernatorial candidate Adlai Stevenson withdraw from his party candidacy in 1986, rather than run on the same ticket as LaRouche Democrat Mark Fairchild. As a result, the Democratic Party went down in defeat, and Thompson's election as governor was secured. Not surprisingly, the ADL is also opposing the Illinois anti-Satanism legislation.

Virginia coal miners get unusual support

by Nancy Spannaus

Spirits are high in Russell County, Virginia among miners who are striking against Pittston Coal, in the immediate wake of a major show of solidarity by AFL-CIO national President Lane Kirkland, United Mine Workers President Donald Trumka, and 16 top state and national union leaders. While there has been absolutely no movement by the Pittston Group toward settling the nearly five month old strike, members of UMW District 28 look forward to increasing support, and ultimately victory. They intend to hold out as long as it takes, to stop what is seen as a blatant union-busting effort by the coal company.

Appearing on the steps of the Russell County Courthouse on Aug. 23 to be arrested for a sit-in, was a nearly unprecedented line-up of union officials. Joining Kirkland, who is thought to have never been arrested before in his 41 years as a labor bureaucrat, were: Tom Donahue, secretary-treasurer, AFL-CIO; George Kourpias, president, International Association of Machinists and Aerospace Workers; Henry Duffy, president, Air Line Pilots Association; Gerald McEntee, president, American Federation of State, County, and Municipal Employees; Bill Bywater, president, International Brotherhood of Electrical Workers; George Letiz, president, Transport Workers Union; Lenore Miller, president, Retail, Wholesale Department Store Union; John Sweeney, president, Service Employees International Union; Jim Booe, secretary-treasurer, Communications Workers of America; Leon Lynch, vice-president, United Steel Workers of America; Barbara Hutchinson, member, National AFL-CIO Executive Council; John Gannon, former president, International Association of Fire Fighters; David Laws, president, Virginia AFL-CIO; Dan LeBlanc, secretary-treasurer, Virginia AFL-CIO; Ken Young, executive assistant to AFL-CIO President Kirkland; and Dick Wilson, director, Organizing Department, National AFL-CIO.

The labor leaders were charged by the county sheriffs—rather than the state or federal authorities who have been responsible for mass arrests of nearly 3,000 strikers and their supporters on picket lines. They were soon released on \$500 bond apiece, after which they attended what is now a regular Wednesday night mass rally of miners and their families and friends, in the coal area. This rally drew more than 5,000

people, who heard Trumka, Kirkland, and others pledge “solidarity” with the miners’ plight.

Police-state crackdown

It will take more than symbolic arrests, however, to reverse Pittston’s arrogant union-busting program. Miners from District 28 struck because Pittston was implementing a policy of cuts in health care and of work-rule “flexibility” which were aimed at driving out older workers, and throwing them on the scrap heap. While the miners have a sufficient strike fund, and broad financial support from other unions, to sustain themselves, they have found themselves up against an array of aggressive police-state tactics.

First, the miners are prohibited from having more than 4-10 people on picket lines in front of the mines—as well as being subject to immediate arrest if police consider pickets out of bounds. If found to be picketing illegally, individuals are liable for arrest from both state and federal officers. The state charges amount to a misdemeanor, and allow release from jail on \$500 bond, but the federal government charges amount to violation of a federal injunction—with bond set at a minimum of \$5,000. This is clear double jeopardy—as well as overwhelming force.

The purpose of these penalties is primarily to intimidate the miners into submission—and prevent normal strike organizing activity. These rules for dispersal are supplemented by the overwhelming physical presence of Virginia State Police, who are seen constantly patrolling roads around the mines, and tailing union cars. The police dominance is the result of the deployment of a full *one-third* of the Virginia State Police force into this sparsely populated county.

One of the reasons so many police are deployed, is that the state cops are being assigned to private escort duty for Pittston, which is trying to keep the mines open with scabs and management. The official explanation is that the state police are needed to prevent violence by strikers, but union officials point out that much of the violence is being carried out by imported mercenary strike breakers.

More is needed

Despite two rulings by the National Labor Relations Board that Pittston has violated labor guidelines, as well as the solid resistance of the union, there is little indication that Pittston, and its allies in the industry and state police, are going to back down.

Already labor has begun to mobilize internationally, with the visit of an official of the Miners International Federation to the area last week. Peter Michalzik, the general secretary of the 2 million member Miners International Federation, told the miners that what is happening in Virginia is “known in Africa, in Latin America, and in Asia.”

He promised that he would bring the outrageous violation of the international rights of the miners to the attention of the United Nations.

Book Review

The real 'Irangate' scandal could outdo Watergate

by Mark Burdman

October Surprise

by Barbara Honegger
Tudor Publishing Company, New York, 1989
323 pages, hardbound, \$19.95

The standard gossip line in CIA circles about Barbara Honegger's *October Surprise* is that the book is factually "unreliable," and that its author is "a flake" and "a kook." Such statements may say more about the accusers than about the accused. Especially in view of the ongoing saga of Bush administration back-channel deals and offers to fundamentalist Iran, *October Surprise* is a piece of potential political dynamite.

Today, as Kissinger and U.S. State Department mouthpieces repeatedly exult about "Rafsanjani the moderate and pragmatist," and as President Bush expresses on a near-daily basis his fervent wish to tighten relations with Iran, Honegger's book stands as a "smoking gun," showing that there has been a continuity of what could, in shorthand, be called the "Bush-CIA-Kissinger-Rafsanjani axis," dating back to at least the summer-autumn of 1980. Her book points to the continuities of U.S. policy toward Iran that have been in operation for at least the entirety of the Reagan-Bush years, involving many of the same personages we see in action now.

Should the latest episodes of U.S.-Iranian dirty dealings blow up in the Bush administration's face, or should other international or domestic crises upset the prevailing Washington "consensus," it is perfectly possible, as Honegger puts it, that "a scandal of far greater magnitude than Watergate could cast a shadow over [Bush's] tenure in office." In the best case, such a scandal could help get to the bottom of, and root out, what has been rotten in American foreign policy since the 1968-76 period of Henry Kissinger's tenure in office.

Honegger indicates, that what she is basically writing, is the *real story of Irangate*, which begins not in 1984-85, as

the various Irangate investigative bodies have claimed, but at least as early as the fall of 1980. Her thesis is that the Reagan-Bush presidential campaign conspired to postpone the release of American hostages from Teheran in the weeks leading up to the November 1980 elections, in order to head off a so-called "October Surprise." In October 1980, "October Surprise" was the name given to the option whereby the hostages would be released at the last minute before the elections, assuring Jimmy Carter's reelection. But, as the book title suggests, it has since become the generic name for the Reagan-Bush-CIA deals with Iran dating from that period.

In return for Teheran's de facto agreement to deny Jimmy Carter reelection, the Reagan-Bush campaign promised to transfer a vast amount of weapons to Ayatollah Khomeini's Iran. These shipments began, perhaps as early as November 1980, but certainly as early as the first weeks of 1981. In some cases, they involved the diversion of essential military supplies from European NATO stocks, endangering European security in the process. These arrangements solidified the "Bush-CIA-Kissinger-Rafsanjani axis."

Strong circumstantial evidence exists that George Bush was personally present at a meeting in Paris on Oct. 19 or 20, 1980 to discuss with Iranian leaders, the arrangements for transferring arms to Iran in return for delaying the hostages' release. Even if Bush were not personally involved, there is a wide array of sources who have identified the presence in Paris of Reagan-Bush campaign manager (and later CIA head) William Casey, and other senior personnel of the campaign. Whether directly or indirectly, Henry Kissinger was involved. One of Honegger's informants calls the whole 1980-81 policy to arm Iran "a Kissinger operation."

Subjectively, Honegger is writing not only as a private person concerned with treacherous activity in high places, but also as a former Reagan administration official who became disappointed and disillusioned with those she formerly admired. For reasons other than Iran arms sales, she was the first Reagan administration official to resign, in June 1983.

Among her indicated sources of information are U.S. intelligence officials who feel they were betrayed and “left hung out to dry” by Bush and others, after they had participated in a controversial and covert operation.

The book *October Surprise* might be seen as benefiting Jimmy Carter (including Carter’s unmistakable presidential ambitions for 1992) and the Democratic Party more generally, although it would be simplistic to portray Honegger as a “Democratic Party asset.” After all, the curious fact must be emphasized that leading Democratic Party officials, including past years’ Democratic presidential candidates, most recently Dukakis, have never seized on the “October Surprise” story. Honegger has no adequate explanation in her book for why the Democrats have held back from making a stink about the affair.

A case of ‘high treason’

Honegger believes that the “Irangate scandal” as the public has come to know it, is actually a gigantic diversion and coverup, to keep attention away from the real truth of the treacherous U.S.-Iranian relationship.

“Many covert operations, by their very nature, are lies,” Honegger writes on page 147. “Even the ‘revelations’ of the Iran/Contra affair were part of a covert operation on a vast scale. The ‘Big Lie’ of the Iran/Contra scandal was the general impression left with the public that Israeli shipments of U.S. arms to Iran did not begin until 1985, and then only reluctantly in an attempt to get Americans who were first taken hostage in 1984 out of Lebanon. The Senate Intelligence Committee, the Tower Commission, and the Iran/Contra special prosecutor’s investigation therefore focused only on events from 1984 forward. This arbitrary time limit on where they looked for an explanation of the origins of U.S. arms deliveries to Iran, whether self-imposed or by outside mandate, was justified on the grounds that the alleged ‘Contra diversions’ didn’t take place until Reagan’s second term. The real purpose of these 1984-forward limitations, in fact, was to divert attention away from reports that massive quantities of U.S. arms and spare parts had been shipped to Iran from the United States and Europe, as well as from Israel, beginning almost immediately after Mr. Reagan and Mr. Bush gained the White House, in 1981. Had the Iran/Contra Committees or the special prosecutor been allowed to consider these earlier shipments, they would not have been able to avoid the smoking question: Why were U.S. arms being shipped to Iran in 1981 and 1982 when there were *no* U.S. hostages either in Teheran *or* in Lebanon?”

Testimony that such arms sales were taking place, comes from a wide assortment of sources, including, among others, Swedish arms dealer Sven Klang; CIA operative Richard Brenneke (who was indicted in Denver, Colorado on May 11, 1989, the day before *October Surprise* was officially released); and Glenn McDuffie. McDuffie is a former 35-

year employee of Westinghouse Corporation who, as part of his job had worked with the U.S. Army Missile Command (MICOM). He then sued Westinghouse for having fired him for protesting that Westinghouse supervisors may have diverted critical HAWK missile parts to Iran beginning in the early 1980s.

Many other potential witnesses, sources, and experts, as well as individuals involved in such dealings, can no longer testify, since they have been murdered or have died, in many cases under strange circumstances. Others are in prison, their ability to speak restricted. The Epilogue to the book, ironically entitled, “A Kinder, Gentler Nation,” itemizes 14 peculiar murders; 8 cases of attempted assassination or severe physical threats; and 1 frameup (former CIA pilot Heinrich Rupp, who claimed to have flown Reagan-Bush campaign manager William Casey to Paris on the night of October 18, 1980, and who was framed in 1987-88 for alleged bank fraud). It is instructive to compare Honegger’s list, with the list published in *EIR*’s recently issued Special Report, *Irangate, the Secret Government and the LaRouche Case*.

Honegger does not mince words about what was at stake in the autumn 1980 behind-the-scenes deals. “Is it possible,” she asks on page 61, “that the Ronald Reagan who ‘everyone knows’ was incapable of harboring an unkind thought could have conceived, let alone acted upon, such a ‘secret plan’: to conspire with the most radical fanatics of an enemy nation to interfere with the negotiations of a sitting U.S. President to subject 52 Americans to 76 days of unnecessary captivity in order to gain election victory? Finally, is it possible that these men would run such a phenomenal risk and subject themselves to possibly as many as four presidential terms, 12 [sic] years, of blackmail by a medieval despot just to increase their chances of winning the White House? As we shall see, the answer to these questions is, astonishingly: Yes.”

In author Honegger’s view, actions committed by then-private citizen George Bush and others represent gross violations of the U.S. Constitution, in fact what she calls “high treason”: selling arms to a nation that has committed an act of war against the U.S., and thereby violating the law against “aiding and abetting” the enemy. What she suggests, at one point, is that there is a line of continuity between the old Watergate scandal of the Nixon-Kissinger administration, and the Iran arms-for-hostages deals, both respecting the source of funds for the deals, and the nature of constitutional abuses and methods of action employed. The “October Surprise” Irangate actions constitute, however, a much worse crime, in her view. She calls upon the U.S. Congress to open up an official investigation and/or to appoint a special prosecutor to deal with the matter.

In one sequence toward the end of the book, Honegger goes further, and points to a possible connection between the circumstances surrounding the assassination of President John F. Kennedy and the later events, including the overthrow of

the Shah of Iran and the treasonous arms sales to Iran. The reader is invited to come to his or her own conclusions about the leads Honegger provides here.

In part, Honegger's case rests on showing that the culprits who were involved in the "October Surprise" events of 1980, are, for all intents and purposes, the same individuals and institutions who have since covered up the truth of the 1980 events. What percentage of the public knows, for example, that "Irangate" protagonist Robert McFarlane was an aide to Sen. John Tower in 1980, that FBI head William Sessions (whose FBI was required to investigate Tower upon his appointment by Bush as U.S. defense secretary) is a political protégé of Tower, that Irangate-linked arms merchant Sam Cummings is Tower's brother-in-law, and that, during the hearings for Tower's confirmation earlier this year, Georgia Sen. Sam Nunn (D) threatened to make a national issue of what Tower did or did not know about the fall 1980 arms sales?

The coverup of the "October Surprise" story is part of a much bigger operation against the American population, she claims. According to Honegger, the Reagan White House and National Security Council ran "an operation headed by a senior CIA disinformation expert recommended by Vice President Bush's national security adviser, Donald Gregg." The relevant "CIA psychological warfare veteran" recommended by Gregg was Walter Raymond, to head "what was euphemistically called the 'Office of Public Diplomacy' . . . According to one report by the Government Accounting Office (GAO), the investigative arm of Congress, the 'Public Diplomacy' program amounted to a 'legally prohibited covert propaganda campaign designed to influence the media and the public.' In these efforts, Donald Gregg and Walt Raymond, Jr. were certain to have the enthusiastic support of Vice President George Bush. . . . A senior NSC official acknowledged that the 'public diplomacy' apparatus was modeled after CIA covert operations aimed at *enemy* populations overseas."

Some of this material will be familiar to those who have been following the political frameup in the U.S. of Lyndon LaRouche and associates. Walter Raymond has been one of the inner-core members of the "Get LaRouche task force. Also, the density of repetitively worded slanders against LaRouche has all the earmarks of a CIA disinformation campaign, although the prominent role of the KGB cannot be overlooked.

Follow the tracks of Brzezinski

Aside from certain problems of style, unnecessary, constant repetitions of certain facts, and the maddening absence of an index (although this is being corrected for the next edition of the book, we have been told), the main problem of *October Surprise* is that it stops where the full story begins. If hostage-taking has provided an effective diplomatic cover

for American backing for the Ayatollahs' Iran, then it must be assumed that the 1979 hostage-taking itself, as well as the placing of Khomeini into power, were well-planned *international* events. Venal Reagan-Bush presidential campaign ambitions ("just to increase their chances of winning the White House") can hardly be the ultimate explanation, for an operation so wide-ranging and nefarious.

Aside from referring to the 1980 book *Hostage to Khomeini*, a good starting point for figuring out the story is the case of Zbigniew Brzezinski. Brzezinski is a star player in the "October Surprise" story, operating as what appears to be a Reagan-Bush "mole." But Brzezinski is more than that. During the Carter administration, as Carter's national security adviser, Brzezinski was a leading proponent of the "Islamic fundamentalist card" policy for the Middle East and the Indian subcontinent. Trace that policy out, and the relevant British Foreign Office and Soviet input to that policy, and the real story begins to emerge.

Ultimately, the problem with the book *October Surprise* is that it begs the *real* questions. If the United States is ever to be a republican nation again, there must be an urgent investigation and reversal of those political and cultural impulses which have caused one calamitous American mistake in the Middle East and Persian Gulf after another.

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Justice on trial: the case of Dr. Jeffrey MacDonald

by Carol White

The U.S. Fourth Circuit Court plays a special role in the United States judicial system because of its location in Richmond, Virginia, adjoining the federal capital of Washington and extending to North Carolina. Cases involving the federal government, the Pentagon, intelligence agencies, and special forces fall naturally under its jurisdiction. It is one of the contentions of Lyndon LaRouche and his co-defendants that their trial was transferred from its original Boston jurisdiction to Alexandria, Virginia—seat of the Eastern District of Virginia, which falls under the Fourth Circuit—in order to railroad them to an unjust conviction. (Formally the Boston case was a separate case from that tried in Alexandria, but this is a transparent legal fiction.)

The emergence of the Eastern District as the “rocket docket,” where the speed with which a trial is prosecuted takes priority over the constitutional rights of a defendant, has made it an anathema in legal circuits; however, the case of Dr. Jeffrey MacDonald reveals a more longstanding record of deliberate abuse of justice within the Fourth Circuit.

The case

Dr. MacDonald's wife and two children were murdered on Feb. 17, 1970 in what appeared to be a reenactment of the brutal Manson family killings of Sharon Tate and her guests, just six months earlier. MacDonald was serving as a captain in the Special Forces, stationed at Fort Bragg, North Carolina. According to his account, he was at home at the time of the attack, which occurred in the wee hours of the morning. Asleep on a living room couch, he was awakened by his wife's cries, only to be overcome by a group of crazed killers.

On returning to consciousness, he found his wife and children dead. He himself suffered a punctured lung and several other more superficial wounds. The word “pigs” was written on a wall of the house.

MacDonald was able to describe the members of the group, particularly one young woman who had long blond hair and wore a floppy hat. These people were seen in the vicinity of the MacDonald house at the time of the crime. Despite circumstantial evidence which supported Dr. MacDonald's story, he became the prime suspect. The search for a band of Manson-type killers was not pursued.

Initially the case came under the jurisdiction of the Army's Criminal Investigation Division. On Sept. 12, 1970,

the case against MacDonald was dropped because of insufficient evidence. It had been shown that the crime scene itself had been tampered with by the first investigators on the scene, with evidence of struggle in the living room being obliterated by Army personnel who tidied up the disorder. This had originally undermined Dr. MacDonald's account.

While Mrs. MacDonald's parents had originally supported their son-in-law, subsequently they turned against him, and were active in keeping the case alive. On Aug. 1, 1974, the Department of Justice directed the FBI to investigate the unsolved murders and six months later on Jan. 24, MacDonald was indicted by a federal grand jury in North Carolina. Because he could claim double jeopardy, and for assorted other legal reasons, the case only came to trial on July 16, 1979.

Dr. MacDonald was found guilty by a jury of two counts of second-degree murder—against his wife and one of his children—and one count of first-degree murder of the other child, and was sentenced to three life terms to be served consecutively. He won an appeal on the basis of denial of speedy trial, but this was overturned by the Supreme Court, and he is presently serving his sentence. (Judge Albert Bryan—father of Albert J. Bryan, Jr., who presided in the LaRouche case—was the one dissenter in the three-judge appeals court panel which had upheld MacDonald's appeal.)

A Satanic cult

Dr. MacDonald has persisted in demanding a new trial. In the years since his conviction his defense team has assembled a convincing amount of documentation showing that the government deliberately suppressed evidence in his favor, while introducing a supposed reconstruction of the crime which they knew to have been flawed.

Most incredible of all is the fact that the group of attackers described by him was known to police authorities as a practicing Satanic cult which was heavily involved with drugs. Initially, information was made available by a police informer who was a member of the cult, and who was present at the murder scene. Her name was Helen Stoeckley.

A taped interview with her, taken some years ago—before her death under extremely suspicious circumstances—was shown by Fox television network in July, in a two-hour documentary account of the MacDonald case, which

supported Dr. MacDonald's call for a new trial.

Two other members of the satanic cult have also been reported to have confessed the murders to friends. These individuals are now also dead. Before her death, Stoeckley told investigators that the cult of which she had been a part had been loosely organized on a national basis, in covens. Wherever she moved, she was under constant surveillance by them, and she had been warned of the consequences to her should she reveal information about them.

As a police informant, Stoeckley was responsible for bringing over a hundred drug dealers at Fort Bragg to justice. She herself was a drug user, but received police protection because of her role as an informant. She described the transport of drugs from Vietnam to bases in the United States which were used as transshipment points; heroin was placed inside the stomach cavities of dead soldiers being shipped home for burial. According to Stoeckley, there was high-level protection inside and outside the Army for this drug operation. (Her account of the use of corpses in this way is substantiated from other sources unconnected to the case.)

Dr. MacDonald's medical responsibilities at the base included the treatment of soldiers who were habitual drug users. As an Army doctor he was required to inform his superiors about any soldiers known to use drugs—a responsibility which accorded with his own tough position against drug use. As a result there was considerable resentment against him by the addict population on the base. According to Helen Stoeckley, the intention of the cult was to warn Dr. MacDonald by threatening his family; but under the influence of the drugs which they had taken, they worked themselves into a satanical frenzy and committed the murders.

Perhaps there was more to the story than Stoeckley knew or wished to tell. It is possible that higher-ups in the operation feared that Dr. MacDonald was in a position to inform on them. In any event, after the murder, a coverup would have been in their interest, and that is precisely what occurred. It would appear that the Justice Department was fully cooperative in this.

One hypothesis mooted by the legal defense team was the possibility that some of the individuals involved had had prior involvement with earlier experimental LSD testing which was done on Army bases. This was suggested by the case of a psychiatrist—one Dr. James A. Brussells—who is circumstantially linked to one such experiment which took place in the New York State Psychiatric Institute, when Brussells was a director there. A toxic mescaline derivative was tested on a subject without his knowledge and resulted in the man's death. The experiment was performed under the aegis of the Army Chemical Corps. While it is possible that the two doctors directly involved in the experiment, were acting without their superior's knowledge or approval, this is highly unlikely.

The MacDonald case was prosecuted by Bryan M. Murtagh, Deputy Chief of Strike Force 18, of the Organized

Crime and Racketeering Section of the Criminal Division of the Department of Justice. This seems on the face of it an odd deployment.

The evidence

Much of the forensic evidence collected by the Army at the time of the incident is called into question, by sloppy laboratory procedures. Questionable assumptions were made on blood and urine typing, all to the disadvantage of Dr. MacDonald. Certain vital evidence such as tissues samples found under Mrs. MacDonald's fingernails, and clothing worn by Dr. MacDonald on the night of the murder, mysteriously disappeared. Only a partial analysis of fingerprints found on the scene was accomplished. Blood tests made by the Army were later disputed by the FBI, but evidence of the disagreement was not made available to the defense, although it would have materially affected the prosecution case. Evidence has now been uncovered showing that fiber samples supposed to have come from MacDonald's own pajamas may actually have been of wool rather than silk, substantiating the presence of outsiders.

During the trial itself, the judge prevented Dr. MacDonald from introducing psychiatric evidence on his own behalf. The judge's pretext was a counter-evaluation by Dr. Brussells, in which the latter claimed that MacDonald was lying about the events of that night. The judge ruled that the jury would only be confused to hear contradictory testimony. Likewise the evidence of 35 witnesses who could have substantiated evidence connecting the Satanic cult to the murder was withheld as hearsay. Finally, Helen Stoeckley requested immunity so that she could testify to what really occurred that night, but this request was rejected out of hand by the government, who claimed that her testimony would be irrelevant.

The MacDonald case should be reopened, not only so that justice is done on his behalf, but so that the role of the FBI and the Justice Department is brought to light.

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Kissinger Watch

by M.T. Upharsin

An excremental contribution is made

At first, it was billed as the "party of the century." By the time it was over, however, it was being derided, in high-society circles and elsewhere, as perhaps the "disgusting spectacle" of the century. And, true to form, if a spectacle is truly disgusting, Henry Kissinger could not be far from the scene.

The event was publisher Malcolm Forbes's 70th birthday extravaganza, held in Tangier, Morocco, over the Aug. 18-20 weekend. Kissinger and wife Nancy were two on a guest list of several hundred, flown in and fêted (or fetid) at a cost conservatively estimated at \$4 million. The tents alone cost several hundred thousand dollars. To add insult to injury, one of Forbes's sons boasted to the press that it was all "tax deductible," and would be written off as a business expense!

Besides the Kissingers, the guest list included Fiat magnate Gianni Agnelli; Elizabeth Taylor (who has a relationship of indeterminate nature to Forbes); New York sleazeball Donald Trump; three scions of the Rockefeller clan; Gordon Getty; Baron Heinrich von Thyssen-Bornemisza; Greece's King Constantine; Sir Jimmy Goldsmith; KGB-linked British publisher Robert Maxwell; Rupert Murdoch; Crédit Suisse-First Boston chairman John Hennessey; and a liberal representation from the "Fortune 500" list.

The super-ostentatious surroundings, garish entertainment, and vast array of food certainly provided a stark contrast to the norm of things in Morocco, where poverty is common. Reportedly, 100 sheep were killed for the occasion, and 600 chickens were served for dinner. Thirty chefs were on hand, 200 waiters, 1,000 entertainers, and at least 2,000 bottles of wine—

although these, some complained, were not enough to drown out the occasion.

Italy's *La Repubblica* daily Aug. 22 summed up the atmosphere at the Forbes bash in a most efficient way. In an article with the ironical title, "The perfumes of Tangier," *La Repubblica*'s correspondent reported that "the festivity was ruined by the stink of the excrement from the camels and horses." The stench was so bad, that Agnelli, for one, left before the dessert was served. The odor, the paper emphasized, was "an affront for people like Liz Taylor," who had spent hours trying to make everything perfect.

The society-conscious *Daily Mail* of London on Aug. 21 ran banner page 15 headlines, "The great Arabian night fizzles into a £2 million fiasco," sub-head "Furious Liz hits roof as bash falls flat."

"From the start of the evening on Saturday, the Arabian dream—billed as the greatest party in the world—descended rapidly into nightmare and farce," *Mail* correspondents Anna Pukas and Paul Palmer dispatched from Tangier. "Ten coachloads of glitzed-up guests spilled onto the red carpeted walkway outside the Palais to a cacophony of drum beating, bell jangling, hoof clapping and chanting from the 600 dancers and 200 Berber horsemen—straight into a two-hour queue for the Forbes receiving line. . . . Fiat car mogul Agnelli, who reputedly keeps a cyanide tablet handy in case of kidnap, was so incensed that he was in danger of biting on it in frustration. . . . He was seen stomping off as fast as his Gucci shoes would carry him."

Matters degenerated so fast and so completely, that even the Kissingers couldn't stand it, and "were among the first to leave," Pukas and Palmer.

Both the *Mail* and London *Daily Express* gossip columnist Ross Ben-

son observed closely the behavior of British Royal Family member Angus Ogilvy, husband of Princess Alexandra and past years' business partner of the Lonrho Corporation's Tiny Rowland. The *Mail* watched his interesting drinking habits, while Benson watched Ogilvy "shamelessly hunting charity cash among this financially overloaded gathering."

Masque of the red death?

Internationally, that Aug. 18-20 weekend saw a contrast of moral and historical importance. While Forbes, whose magazine *Forbes* is self-portrayed as the "capitalist tool," was carrying on thusly in Tangier, the Pope was not far away, in Spain, lecturing on the necessity of a "Christian humanist" renaissance, to a large gathering of Catholic youth. He castigated the prevailing mentality of "neo-capitalism" today, which is no better than the prevailing mentality in the Communist world. In "neo-capitalist" society, the Pope warned, everything has been replaced by a lust for power and "success," particularly to the end of achieving "economic power" which can ensure "subordination" over others.

Obviously a breed of radical "financier-Calvinist," Forbes equates "the good" with "the rich." He told the press Aug. 20: "The people here obviously have the right attitude to life, because they are worth between \$40 and \$50 billion between them."

Maybe the Pope's speech should be made required reading in business schools, together with Edgar Allan Poe's *Masque of the Red Death*, always an appropriate commentary on such gatherings of the decadent friends of Kissinger.

Bush reveals patrician fantasy

At Kennebunkport, the President expounds his "don't worry, be happy" philosophy of governing.

When President Bush left for his three-week vacation in Kennebunkport, Maine, on Aug. 10, pressing international and domestic concerns made it appear that it was no time for the President to be seen idly trying to improve his golf swing and cruising around in his speedboat.

Bush was apparently concerned about this when he held a press conference the day before he left Washington, and then plans were announced for spokesman Marlin Fitzwater to hold daily briefings for reporters following the President to Kennebunkport.

However, Bush apparently decided that the image of the patrician President, able to enjoy life's pleasures unbedeviled by unfolding global chaos, was preferable to the image of a nail-biting workaholic. Whenever small pools of reporters were allowed within shouting range of one of his boating, jogging, or golfing forays during the first week, he steadfastly refused to say anything political.

It wasn't until over a week into his vacation that the first of his meetings with three heads of government—Danish Prime Minister Poul Schlüter, Canadian Prime Minister Brian Mulroney, and the new Japanese Prime Minister Toshiki Kaifu—was scheduled to occur.

Bush did continue receiving daily intelligence briefings in Kennebunkport, with the task assigned to Deputy National Security Adviser Robert Gates the first half of the vacation, and National Security Adviser Brent Scowcroft the second half. Chief of Staff John Sununu came to hammer

out the final details of the President's anti-drug initiative, to be unveiled with a nationally televised speech on Sept. 5.

Sununu came over to the cramped press center at the Shawmut Hotel, about a mile north of Bush's Walker Point compound, to brief reporters after his meeting with the President Aug. 21. He gave a few more hints about what the new drug plan would look like, including its \$8 billion price tag. Ironically, at the same time that he was telling reporters how money would be trimmed from other budget items to provide the amount required for the new anti-drug effort, Richard Darman, head of the Office of Management and Budget, was telling reporters in Washington that another \$16 billion will have to be trimmed from the budget by Oct. 1 to avoid automatic sequestering of funds under the terms of the Gramm-Rudman deficit reduction law.

Darman said that in addition to \$8.1 billion being cut from the defense budget, funds for the anti-drug effort would also need to be cut, if Congress and the administration don't agree on how the \$16 billion in additional cuts will occur before the Oct. 1 deadline.

Other than Sununu's appearance before the press, the only political news out of Kennebunkport in the first week was provided not by the President, but by a delegation of Lebanese-American protesters, who demonstrated at the entrance to Bush's compound to draw attention to the Syrian-orchestrated bloodbath in Lebanon.

President Bush sent out Gates to talk with them. Gates reiterated stated

U.S. policy in a 20-minute back-and-forth exchange, adding nothing new.

Bush emerged in person on Aug. 23 to hold a press briefing for a delegation composed almost exclusively of New England journalists. While he did not have any new policy to announce, he did wax eloquent when one reporter, obviously very friendly to the President, asked him to account for why the polls show his popularity rating to be so high.

During the course of a lengthy response, Bush gave a clinically useful insight into what perception he wants the American people to have of him.

"I think there's a good feeling in the country about our institutions now—quite a change from 20 years ago," he commented. By "institutions," he was referring to the Establishment, by contrast to the era of anti-Establishment ferment that peaked in opposition to the Vietnam War and U.S. domestic economic policy in 1969.

He added, revealing the ideal conditions that the Establishment would like to create in the United States, "I think there's a recognition, as the people look around the world, that we're lucky in this country. . . . They sense the strength of the United States and they see world events coming our way. And a farmer in Kansas that's hurting, or a Maine individual who may be below the average in terms of income, may be concerned about that, but senses that freedom and democracy are on the move and that the U.S. is respected around the world."

Unfortunately, it is not just his idyllic vacation environment that is responsible for such a blind fantasy. It is the patrician goal of the ruling elites that, despite the horrors of the real world, the masses should "don't worry, be happy," to quote the refrain from what the President says is his favorite song.

Morella denounces 'warhawk' Henry Clay

Rep. Connie Morella (D-Md.) issued a bizarre attack on Henry Clay, the champion of the American System of political economy, in a recent "Bicentennial Minute" radio commentary played in the nation's capital. Clay, whose "warhawk" faction mobilized the United States for the War of 1812 against Britain, was cited by Lyndon LaRouche as a political model in his recent announcement for Congress from the 10th district of Virginia.

"In the Eleventh Congress, Henry Clay from Kentucky was elected Speaker of the House on his first day in that legislative body. One reason for his popularity was his magnetic personality that seduced all who met him," Morella said. "Also, many Congressmen agreed with his expansionist ideas to push the U.S. borders South through Florida, West to the Pacific Coast and North to swallow up Canada.

"Clay and his hawkish colleagues wanted to retaliate against the continued boarding of American ships and seizure of their crews by the British.

"Clay and President James Madison revealed what they said was an English plot to grab New England from the United States. This was in fact untrue, but the rumor led to the War of 1812, a war which turned out to be disastrous—and expensive—for the United States. The next Congress was left to face the hard reality of the war." (For the truth about Clay, see Anton Chaitkin's article in *EIR* Vol. 16 No. 34, Aug. 25, 1989, pages 66-69.)

Kissinger attacked by liberals, conservatives

Henry Kissinger was attacked by liberal columnist Anthony Lewis in an Aug. 20 *New York Times* commentary, and by the conservative John Lofton in the Aug. 21 *Washington Times*.

"Kissinger has never understood the power of American ideas," Lewis wrote, in denouncing Kissinger's recent syndicated column denouncing the Congress for voting to impose economic sanctions on China after the massacre in Tiananmen Square. Lewis states that Kissinger "never was an enthusiast for public American expression on human rights," but has always worried about the loss of authority.

"What is it with Henry Kissinger and his hemophilic heart for Communist tyrants?" *Washington Times* columnist John Lofton asked. During the Vietnam War, "when he was negotiating with the North Vietnamese Communists—when he said peace was at hand, but, alas, it wasn't—Dr. K said something to the effect that he really liked one top Communist North Vietnamese better than he did the President of South Vietnam, that he found this head Red more honorable, more trustworthy than he did our ally."

Kissinger "articulates his morally gutless stand, warning us not to be too emotional about what Mr. Deng did. And he assures us that Mr. Deng is 'a reformer and a friend of the United States.' Poor Hitler, if only he had thought to call himself 'a reformer.'"

'Secret government' under investigation

The elite interagency task force known as the Continuity of Government (COG) apparatus is under grand jury investigation for allegations of contract fraud and other irregularities, and is expected to be the subject of inquiry by the Congress, according to *U.S. News and World Report* magazine Aug. 7.

As *EIR* reported on May 19, 1989 ("The secret government behind the Federal Emergency Management Agency"), COG played a key role in the political frameup against Lyndon LaRouche, and deployed the foreman of the jury that convicted him and six associates in December 1988.

Reporter Steven Emerson notes that the Reagan White House reorganized FEMA and other agencies responsible for survival during nuclear attack, and in 1982 created a secret agency named "Defense Mobilization

Planning Systems Agency" which subsumed COG, and was under the direct authority of George Bush.

Military networks within the Pentagon became dissatisfied with the relationship between the COG and civilian contractors, the article reports. A civilian employee of the Intelligence Security Command raised concerns about the relationship of COG to Betac Corporation, a private security consulting company working for the agency, but, indicative of the protection given COG, he himself became the subject of a Justice Department investigation.

The day after the article appeared, U.S. District Judge Norma H. Johnson, issued a gag order silencing one of the whistleblowers and his attorney. Senate investigators were informed that the order extended to conversations with members of Congress.

Congressional committees are reportedly planning to look into the matter in the fall.

New York Times covers musical tuning battle

A *New York Times* article Aug. 16 reported on the international campaign to lower the pitch to which orchestras tune their instruments to a scientifically determined C = 256 vibrations (A = 432). The campaign has been spearheaded by the Schiller Institute, and was inspired by Lyndon LaRouche.

The *Times* reports on the role that the Lubo Opera Company of New Jersey is playing in arguing for the lower pitch (many orchestras today tune to A = 440, or even higher). Lubo member Dimiter Mihov is quoted saying, "We have to accept the fact that the music was created at A = 432. . . . That type of sound was in keeping with the dramatic characterization. The sonority of the voice carries the drama, not the intensity."

The *Times* reviews the Schiller Institute-sponsored conference on tuning in Milan, Italy on April 9, 1988, mentioning speeches by Helga Zepp-LaRouche and opera singers Renata Tebaldi, and Piero Cappuccilli.

The article cited Lubo conductor Antho-

ny Morss on the ramifications of higher tuning on orchestral sound: "The overture to 'Fidelio' is written in E major, to signify buoyant hope The emotional colors of [such] works are drastically altered when orchestras perform them tuned higher than the composer intended."

U.S. team tours Soviet laser facilities

A U.S. delegation of congressmen and military experts, including Dr. John Hammond, the former head of the directed energy program for the Strategic Defense Initiative Organization, arrived in the Soviet Union on Aug. 16 to tour Soviet laser installations.

The delegation, which also includes House Armed Services Committee chairman Rep. Les Aspin (D-Wisc.), were given a demonstration in Soviet laser technology at the Kurchatov Institute, which purportedly proved that Soviet laser development does not have military applications.

"I was impressed that they had developed this technology to these power levels," said Hammond, who, according to a *New York Times*, also said he believed that the laser was of limited military value. Professor Pismenny, who led the Americans on the tour, did admit that the program receives money from the Soviet military.

NDPC petitions U.S. Supreme Court

Warren J. Hamerman, the chairman of the National Democratic Policy Committee, the political action committee of the LaRouche wing of the Democratic Party, announced on Aug. 25 that the NDPC has filed a new petition to the U.S. Supreme Court, demanding that the court uphold the First Amendment of the Constitution and order a halt to the "economic death penalty" which has been imposed upon "a purely political organization," because those in government

oppose its policies.

Fines of \$2.7 million had been imposed by a Boston federal judge in 1986. In July of this year, Supreme Court Justice William Brennan denied an NDPC application for a "stay of execution."

The new petition presents two fundamental questions to the Supreme Court, based upon "the First Amendment protections of political association and Fifth Amendment due process protections":

"(1) Whether a district court may enter judgment imposing a multimillion-dollar civil contempt fine against a political action committee (a) in the absence of a hearing of any kind, (b) in the absence of clear and convincing evidence of contempt, and (c) without consideration of the good faith nature of the organization's subpoena compliance or the absence of its financial resources to pay the fine?

"(2) Whether, more than a year after expiration of the grand jury that subpoenaed an organization's records, a district court may enter a 'coercive' civil contempt judgment against the organization upon a motion that was filed by the government after the grand jury had expired?"

The following excerpt from the NDPC's petition highlights the importance of the case for the nation:

"This case is at the point where the law of the First Amendment and the law of civil contempt touch one another. The destructive fine in this case is a completely judicial act, arising from the unique law of civil contempt, and thus uniquely represents the judicial extinguishment of a political organization. The extinguishment occurred simply because, of thousands of documents that were produced to a grand jury, certain index cards were alleged not to have been produced. . . .

"The decisions upon which we rely demonstrate that the United Mine Workers and the NAACP would not be treated as harshly, even capriciously, as the NDPC has been treated and, like other entities before, we call upon the Supreme Court to protect against a diminution, because of political orientation, of a political organization's rights to due process and to adequate proof in circumstances where its existence and first amendment freedoms are threatened."

Briefly

● **HENRY KISSINGER** canceled his planned trip to Red China. Informed sources say he had come under too much pressure because of his open support for the Beijing dictatorship.

● **BALTIMORE MAYOR** Kurt Schmoke's proposals for legalizing drugs in the U.S. were endorsed by the *Financial Times* of London Aug. 21, in a column by Anthony Harris, who claims that "legalization is preferable," and that all the U.S. needs is a "leader who is both clear-headed and charismatic" who can push legalization through.

● **A CHILD PORNOGRAPHY** ring was uncovered with the arrest of two men in Virginia for conspiring to kidnap a boy whom they planned to torture, murder in a pornographic "snuff" film, and dispose of the evidence by putting the body in acid.

● **TV EVANGELIST** Jim Bakker's federal trial on charges of mail and wire fraud, and conspiracy to commit mail and wire fraud, started jury selection on Aug. 21. The move against Bakker and other "televangelists" is seen as a strike by the Justice Department against their conservative political base.

● **THE RESIGNATION** of U.S. Attorney General Richard Thornburgh's top aide, Murray Dickman, was editorially demanded by the *Pittsburgh Press* on Aug. 20, which charged apparent conflicts of interest involving Dickman and Thornburgh's close supporters, the Grass family, owners of the Rite Aid pharmacy chain.

● **THE ROCKY FLATS** nuclear weapons production plant in Colorado did not sustain an accidental nuclear chain reaction, according to a Department of Energy study released Aug. 11.

Editorial

Now, U.S. must back Colombia

We excerpt from a statement released on Aug. 23 by Lyndon H. LaRouche, Jr.:

"It goes without necessary explanation, that I am in full support of the efforts of the government and military and other relevant forces, of the sovereign nation of Colombia, to defeat the horrible narco-terrorist enemy, which has just recently unleashed escalated war against that government. However, I think as an American I ought to emphasize what the role of the United States ought to be in respect to this situation in Colombia, and similar situations perhaps developing in other countries. "It should be recalled that during the course of 1985, I was involved in a number of actions defining an anti-drug policy for the hemisphere, a policy which I described as an 'anti-narco-terrorist policy,' pointing out that it is impossible to separate terrorism, in all its various forms, from the drug traffic. That remains true today.

"The work that I did during that period centers around a summation by me presented to a Mexico City conference, and also in a demonstration project which some friends of mine and I ran in cooperation with the government of Guatemala that year, culminating in the famous Operation Guatusa. That was a highly successful operation, a model project, by the Guatemalan military and government itself, with our onlooking advice and counsel, as the culmination of an experimental project, which was observed by U.S. qualified observers and reported back to relevant people in the U.S. government, military, and elsewhere.

"While the proposals which I had laid out during that period are my own responsibility, they reflect the advantage I had of the best thinking of military and other leaders, in many countries of Central and South America, as well as in the United States, and reflect also my attention to the role of what are called 'special forces' in the current military situation globally, as well as attention to the matter summed up in part in the book by Gen. Prof. von der Heydte, on *Modern Irregular Warfare*.

"First of all, the U.S. government must recognize that it was an incredible error, to drop the category

'narco-terrorism' from the U.S. strategic vocabulary. The two entities—using 'terrorism' in the broadest sense—are integral, and any attempt to separate narcotics traffic from terrorism or vice versa, means assured defeat. Also, other political errors of the United States government in, shall we say, 'shading' its political perceptions, of various forces in the various countries of Central and South America, should be recognized by the U.S. government.

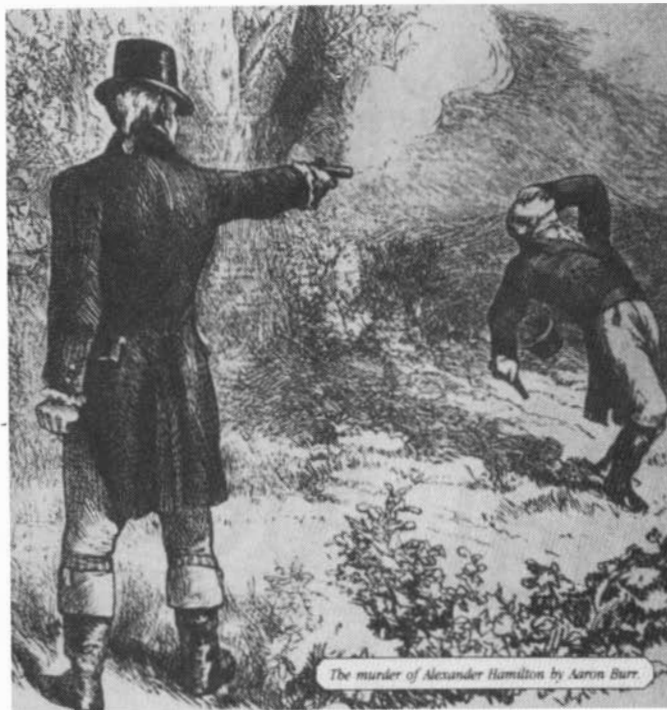
"In that light it should be recognized, as I emphasized then, that it is *counterproductive* to put U.S. troops as combatants inside any nation of Central and South America for dealing with a problem such as this one. It is very important that the job against the drugs, particularly in combatant roles, be done by nationalists as a sovereign act of a sovereign nation, as in the case of Colombia.

"What the United States *must* do, is provide logistical and technical support, including, if necessary, special kinds of weapons, to assist these sovereign forces in doing their job, in assuring their ready victory. This should include the providing of U.S. intelligence assistance; including so-called 'non-human' intelligence, as by satellites, especially real-time, electronic, and related kinds of surveillance, to assist national forces in pinpointing growing areas, laboratories, and so forth.

"Mr. Thornburgh may have been well-meaning, in offering U.S. troops to Colombia in this crisis, but it would be a mistake for the United States to insist that that is appropriate. The United States has a military role to play against drugs, admittedly—in *open waters*. The role is best played by the Coast Guard, and with giving support to the Coast Guard as it may require it, by other arms.

"The time has come to recognize that what I put together in my own name, during 1985, was the combined work of the best military and related minds, of the Americas, on the question of fighting drugs. The government of Colombia has acted in that direction: Now is the time for the government of the United States to utilize the proven valid proposals which I represented, and bring that to bear in full support of the efforts of the government of Colombia."

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