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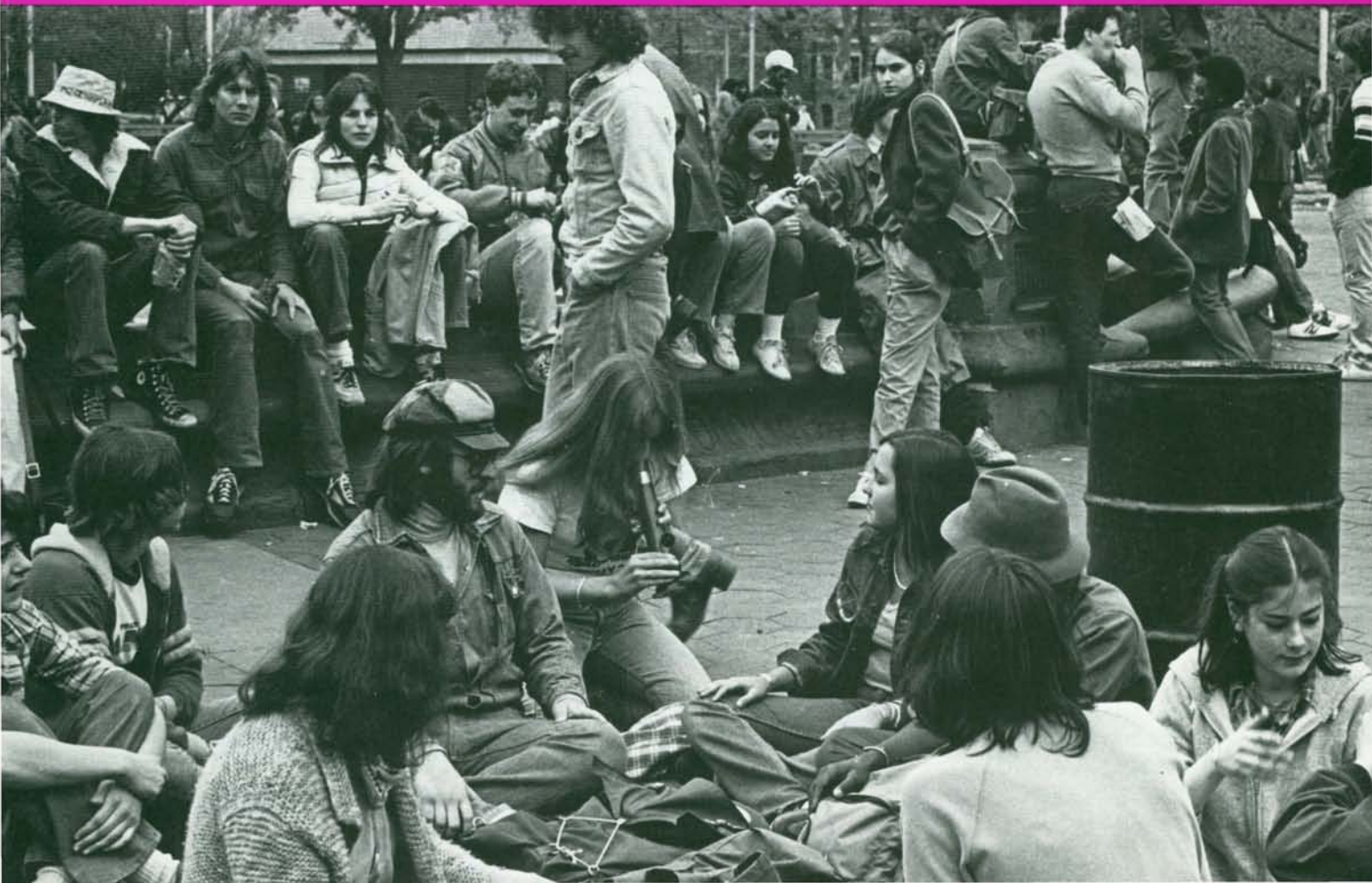
Executive Intelligence Review

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U.S. dope lobby escalates against Barco
World outcry over attempt on LaRouche in jail
Schiller Institute rallies defense of Lebanon

**How Nazi doctors created the
counterculture in America**





A TOTAL WAR STRATEGY AGAINST PEKING

by Gen. Teng Chieh

"All we need do is to understand how to make the most of our strengths to attack the enemy's weaknesses. Then we can snatch victory out of the jaws of defeat. The Chinese Communist Party is extremely weak, just like a paper tiger—one poke and you could pierce it through. All the masses on the mainland are opposed to communism."

—Gen. Teng Chieh

This amazing little book by one of the top leaders of Taiwan's Kuomintang party, published by Chinese Flag Monthly in December 1988, charted the course for the Chinese students' revolution that erupted just a few months later. Preface by Lyndon H. LaRouche, Jr.

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From the Editor

As usual, I'm going to make a few suggestions about how to read this issue. (I'll try to hold back on adjectives, but it's not easy.) Start out on page 4 with Lyndon LaRouche's incisive comments on the state of the economy, in a congressional candidate's statement he made from his prison cell, despite the severe impact made on his health by the mistreatment he is receiving in the Rochester federal penitentiary.

I think you will want to compare that immediately with the report starting on page 62, about the international outcry that is growing louder and louder over the incarceration of America's most famous political prisoner. Accompanying that is the news, as of Sept. 29, of the treachery being committed against LaRouche's associate Michael Billington in a Virginia trial.

The core of the strategic situation is taken up on page 36 by Gabriele Liebig from our Wiesbaden bureau, reporting on what Eduard Shevardnadze said at the United Nations—unprecedented thuggery against our West German ally and against independence movements in Eastern Europe. So committed are the major news media to promoting the mirage of *glasnost*, that as of this writing, the U.S. press has blacked out these portions of the Soviet foreign minister's tirade—a tirade for which the Wyoming talks clearly gave the green light (see also the articles on pages 58-61).

The *Feature*, with contributions by Carol White and Brian Lantz, reveals some results of research for a forthcoming *EIR* book on Satanism, its powerful sponsors and its present extent. The book promises to be as history-making as the 1978 *Dope, Inc.* book—also written at LaRouche's suggestion—which fearlessly named the top sponsors of the drug scourge. In *Science & Technology*, we let the experts speak out in defense of crucial technologies needed to protect and expand the food supply, under assault from the "Swamphing" faction.

Finally, as you read, I would urge you to act. Write to President Barco in Bogota, Colombia, voicing your support for his war on drugs—let him know the legalizers here, as well as there, don't speak for the majority. Write to President Bush and demand freedom and justice for Lyndon LaRouche. And get a friend to become a subscriber to *EIR*. The strongest weapon for the good is the truth, and you can't know the truth without reading *EIR*.

Nora Hamerman

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'We need a crash now,' says Lyndon LaRouche

by John Sigerson

In a campaign statement issued Sept. 24, Lyndon LaRouche, physical economist and candidate for U.S. Congress in Virginia's Tenth District, said that he has substantial points of agreement with an analysis of the teetering U.S. financial system appearing in that day's *Washington Post*. The analysis, authored by business page writer Eliot Janeway, declared that "the economy is drowning in debt," and cited the following reasons why:

- " 'Productive' bank loans to operating businesses are falling, because banks are too nervous to lend except to the blue-chip companies. . . . This never happens when the economy is enjoying a vigorous expansion."

- "The reservoir of uninvested cash (which economists refer to as idle 'liquidity') is enormous and growing rapidly."

- "To deal with this sort of sagging economy, [pro-Nazi economist John Maynard] Keynes prescribed government spending. But this remedy won't work in today's debt-ridden economy. . . . Keynes never anticipated today's paradox, as he would have seen it, of a high deficit at high interest rates pumping purchasing power out of the economy. But contrary to the assurance of supply-siders, that's what's happening."

- "Global 'hot money' is not only confusing the statistics that relate capital to its productive uses, but it is adding to the instability of the already precarious U.S. banking sector. No one knows exactly how big this pot of fast-traveling money is, but foreign-exchange transactions, now running in the trillions, dwarf measures of basic economic activity. . . . The banks are among the biggest gamblers in this global overnight crapshoot. And they plan on hair-thin margins. If the Federal Reserve, and the central banks acting with it, succeed in bringing down the exchange rate of the dollar, the U.S. banks could lose \$4 billion in a tick of the transaction screen."

- Behind the precariousness of U.S. financial markets is an industrial sector that is showing serious signs of [inventory] glut."

Not one, but many crashes

"Mr. Janeway, of course," LaRouche commented, "echoes what I said earlier just a few days ago, concerning the present crisis which broke out the weekend before this past Friday [Sept. 22], in the leveraged buyout/junk bond area. I indicated that this crisis must not be viewed as an ordinary stock market crisis, but as rather a general spiral of deflation which will produce many crises along its way—one, probably, although not certainly, in October, and certainly not later, perhaps, than March."

"I think there's an 80% chance we'll have a major financial market crash type of crisis during October, probably plus or minus the tenth of that month," LaRouche predicted. "That's about a 75-80% likelihood at this point; and if not then, certainly a 95% likelihood, by March. That's about the way it stands now."

"But the essential thing to be emphasized is not the timing of the crash; that's not the crucial thing, though it's a very important development. The crucial thing: We are now locked in to what is under present policy an *irreversible, accelerating deflationary spiral*. Which means that the whole thing is coming down. And Janeway has some very useful things to say on that subject."

"I want to add to that, at this point, we need a crash, because there seems to be no other way of accomplishing what is necessary. The American people have been stuck into the idiocy of believing in the administrative services economy orientation, and into an environmentalist orientation, so-called, as opposed to the commitment to investment in scientific and technological improvement in goods-pro-

duction, which was our policy prior to the second half of the 1960s.

“Now, until we get rid of this insanity, which has dominated the thinking of the United States for, now, about 20 years, and get back to the kind of economic policy thinking, say of the first half of the 1960s, this country, and the world, is not going to make it. Until we understand that we must have a system in which loans flow preferentially to investment in physical goods-production and basic economic infrastructure, and less preferentially to speculative investments in real estate, finance and so forth, and that the basic rates—prime rates—for investment in the economy must be between 1% and 2% at the baseline, in order to have a healthy economy—until we get back to that, we are not going to get out of this mess.

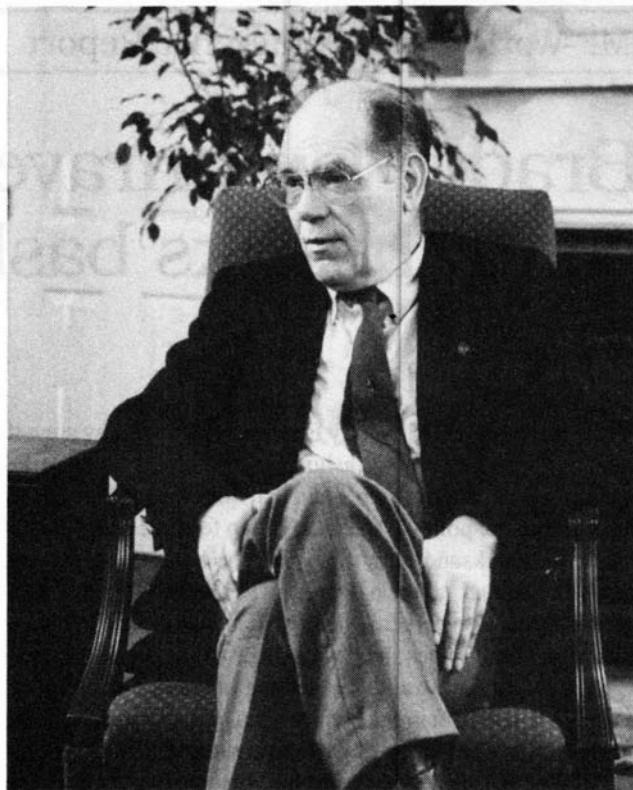
“We are going into, presently, an economic New Dark Age like that of the middle of the fourteenth century,” the candidate continued. “Until we come out of the nonsense which dominates, not only the thinking of Washington policymakers, but the thinking of a disoriented majority of the average citizens out there, until they are crushed, and crying for a return to the production of the food, the other necessities, and of the water systems, transportation, and so forth which they need to exist, to get us back to sanity, this country isn’t going to make it, nor is most of the rest of the world.

“Therefore, it’s a horrible price to pay, the Great Depression now coming on; but we’re going to pay it, until we come to our senses. Don’t blame the people in Washington alone, or even the bankers in New York. Blame the majority of the American people, who have come to accept and put up with this nonsense, this belief in the post-industrial society, which is the root of our present problem.”

Moral economics

Drawing on his own breakthroughs in formulating the “LaRouche-Riemann economic model” of physical economy, LaRouche put the question of debt into its proper perspective. “What a high rate of usurious debt service does, is ultimately to derive debt service from the value, the money value, of physical production to the point of actually *lowering* purchases of physical production and thus *discontinuing* physical production. The result is that the spiraling of debt service and of leveraged capital values based on usurious forms of debt service, depresses the economy, and ultimately the shortage of available cash flow through physical production as a source of additional debt service causes the ballooning effect, which causes the crisis.

“Now, it’s on these grounds—for scientific as well as moral reasons—that usury is outlawed as a practice in all civilized, moral society. And in that sense, because the United States and its brother nations, and others, have become usurious in their practice, and have heedlessly destroyed physical capacity of infrastructure, agriculture, and industry, and physical distribution of goods, of course, in the search



Philip Ulanovsky

Lyndon H. LaRouche, Jr., candidate for Congress from Virginia.

for what they call “growth,” which is nothing but growth of values based on leverage of usury, these nations are going to be forced to the point—by sheer contraction of the physical basis—that they will either change their ways or be destroyed.

“The thing to emphasize is, as I’ve said before, that the problem here lies not only at the top—not only with the people who will use, say, Milton Friedman, as an apologist—but the problem lies with all those many citizens who accept this post-industrial, usury, etc. model: that many citizens accept those values implicitly, and that they are just as immoral as the swine on top who are doing the looting. And it’s the little citizens, who believe this nonsense, who are going to get the kick in the head, just as well as the fellows on the top—even more so. And, as I’ve said earlier, they must look into themselves, and realize that what they take as common sense, is their immorality, and their acts of self-destruction. They would tend to reject our criticism, and say, ‘Well, look, you may believe that, but I don’t accept it, and none of my friends would agree with you. All of my friends would agree with me.’ Well, they and all of their friends, on this point, are being immoral. And if they can’t change their ideas, and cannot correct these fallacious ideas, then, to the extent that their ideas are influential, then this society is going to be crushed, and will continued to be crushed, *until they correct those foolish ideas.*”

Brady Plan unravels as central banks bash the dollar

by Eric Rosso

As the International Monetary Fund ends its three-day annual meeting (Sept. 26-28) in Washington, it is clear that the U.S. economy is in serious trouble and that one of the pillars of the Bush economic policy—the Brady Plan for debt reduction—stands on quicksand with nearly all the banks and governments. Moreover, the two showcase items of the Brady Plan, the debt reduction agreement with Mexico and the assistance plan to the Philippines, are tarnishing fast.

The IMF meeting and the meeting of the Group of Seven leading industrial nations, which immediately preceded it, under the outward show of harmony, were characterized by unheard-of volatility and acrimony. Reportedly, at one point Treasury Secretary Nicholas Brady and West German Bundesbank President Karl-Otto Poehl clashed in public while leaving a meeting of the Group of Seven.

The week began on a sour note for Treasury Secretary Nicholas Brady when Lewis Preston, the chairman of J.P. Morgan, announced that the bank was going to raise its loan loss reserves on Third World debt by \$2 billion to 100%, basically declaring that for every dollar lent to the developing sector, they would have to have a dollar added to their reserves. This was taken as a signal that Morgan was jettisoning its Third World debt, and would not be taking part in the plan of the Treasury Secretary to reduce the debt of these countries.

The Brady Plan, which had been somewhat tentatively launched earlier this year, was premised on the idea that the commercial banks, the holders of the Third World debt, would be willing to accept a significant reduction of the debt on their books at the same time that they would lend new money to the debtor countries in order to assist them in implementing their IMF-ordered austerity programs. Although the plan envisioned a major role for the IMF, it was contingent on the willingness of the banks to accept a loss on the book value of their debt. But . . .

'Beginning of the end'

On Friday, Sept. 22, Brady and Federal Reserve chairman Alan Greenspan had a two-hour luncheon with a battery of bank executive officers to rally their support. The luncheon turned into a free-for-all with "some yelling and screaming

about the process and the need for balance," according to one participant. "We'll be damned if we're going to be jerked around by these countries anymore," one senior banker commented. "I look at Venezuela and I get super-pissed," was another colorful comment. "It's the beginning of the end of the Brady Plan," said a senior New York banker.

On Sept. 25, Chase Manhattan chairman Willard Butcher voiced doubts that Mexico would win as much new money from its banks as it needs. He ripped the "debt forgiveness" element of the Brady scheme. "The siren call of debt forgiveness will be paid for by an unavailability of new money," said Butcher. "Debt forgiveness and new money are incompatible." He complained that the Brady Plan had created "an increased expectation of debt reduction and decreased willingness to meet commitments" by debtors. Just a week before, Chase Manhattan had, following Morgan's lead, surprised the markets by boosting its loan loss reserves by \$1.5 billion to 46% of its LDC (least developed countries) debt. The real question broached was "Who's going to pay?" or as one newspaper headline put it, "Whose Pound of Flesh?" "The banks must be prepared to bleed," said Deutsche Bank's chairman Alfred Herrhausen, a man with his own debt reduction plan. But the banks have clearly said, "Not us!"

President Bush tried to come to his Treasury Secretary's assistance by holding a White House reception for two dozen chairmen of the world's largest non-American banks on the first day of the IMF meeting. There, he was to "strongly endorse just how badly he feels the Brady Plan is needed." But the European and Japanese bankers, although somewhat less exposed in LDC debt than their American counterparts, were not especially enamored of the Brady proposal. One LDC specialist commented that Brady was "offering forgiveness on obligations which he doesn't own." Their objections centered on the attempt by the government to pressure the commercial bankers on the issue of debt reduction, and the refusal of the IMF to agree to a reduction debt of the developing sector to the IMF.

Among the Germans, Commerzbank chairman Walter Seipp noted that "symmetry of sacrifice" was lacking, saying he believed "the IMF and the World Bank should share in debt reduction," and Hypobank chairman Eberhard Otto

Martini said there could only be equality of interest between lenders and debtors if there were "no pressure from the governmental side." Commerzbank is said to be studying the Mexican agreement closely, but Seipp indicated that new money was hardly likely to be given to Mexico.

British Chancellor of the Exchequer Nigel Lawson probably expressed the views of U.K. bankers most succinctly when he said in a press conference on Sept. 27, that he didn't think it would be useful to "twist the arms of the commercial bankers."

Later in the week, when President Bush gave his speech to the IMF plenary session, he returned to the need for commercial bank support of the Brady Plan. "Commercial banks have a special role in making this process work and must follow through on efforts made with Mexico and the Philippines, and broaden their efforts with other countries." A similar appeal was made later in the meeting by IMF Managing Director Michel Camdessus, which elicited the caustic comment from Lloyd's Bank chairman Sir Jeremy Morse, that "sometimes we object to being lectured."

Japan demurs

Even the Japanese, long the most loyal supporters of the United States in monetary questions, were not so forthcoming with their support—but for different reasons. The Japanese, who would like to double IMF quotas and thereby their influence in the IMF, were expecting the U.S. to back their demands. A doubling of the Fund's quota would make Japan the Fund's second-largest donor. This has been opposed by the British, who now occupy the number-two spot and by the IMF bureaucracy. The United States has been the biggest opponent of quota increases for domestic fiscal reasons, which annoys the Japanese. At a joint press conference on Sept. 26, the Japanese Finance Minister Ryutaro Hashimoto and Bank of Japan Governor Satoshi Sumita warned that disappointment over Japan's effort to raise its IMF quota could have an adverse impact on the willingness of Japanese politicians to give increased financial support to the Brady Plan. Other Japanese said simply that they feel the U.S. has stabbed them in the back.

The growing opposition to the Brady Plan is also in undermining the deals touted as the Brady Plan's "successes," the Mexican deal and the arrangement with the Philippines. When senior Mexican officials held a meeting with 250 bankers to present their country's debt-term sheet on Sept. 26, they met with a deafening silence. One British banker bravely asked what the consequences would be if there were insufficient collateral. Sir Kit McMahon, chairman of Midland Bank, one of Mexico's major U.K. creditors, said "It's not in our minds to start lending again to Mexico."

Bring down the dollar

The three-day IMF meeting also saw the start of major moves by the industrialized sector's central banks to bring

down the value of the overinflated U.S. dollar. This was in accordance with decisions taken at the Group of Seven meeting, where Brady and Greenspan apparently were criticized for their attempts to maintain advantageous interest rate differentials, helping to keep the dollar high. The U.S. was also cited as a major cause of "disequilibrium." The communiqué issued after the G-7 weekend meeting emphasized that the dollar had risen to levels "inconsistent with longer run economic fundamentals" and that a rise of the dollar above current levels or an "excessive" decline could "adversely affect prospects for the world economy." The U.S. was also urged to meet the Gramm-Rudman deficit targets.

On Monday, Sept. 25, a concerted effort by the central banks of the industrialized countries in Asia and Europe began to push down the value of the dollar. It fell during five consecutive days of central bank intervention, meeting considerable market resistance. The undecided question is whether the dollar will keep its low value without the continued intervention of the central banks. If the dollar maintains its buoyancy on the international markets in spite of the interventions, it is suspected that the West Germans or the Japanese will be forced to raise their interest rates as an alternative to continued intervention. If this were to occur, there could be a flight of capital from the United States to the higher interest rates and a subsequent, perhaps permanent, collapse of the U.S. dollar—a development which could cause insuperable difficulties for the Federal Reserve.

The fall in the dollar helped precipitate a fall in pound sterling, in spite of efforts of the Bank of England to support their currency. The fall in the pound may also require a raising of the interest rates in Great Britain. Events subsequent to the very rancorous G-7 and IMF meetings could serve rather quickly to plunge the world into a full-blown depression.

Brazilian Finance Minister Mailson de Nóbrega warned early in the week that if international bankers didn't show more "comprehension" of the problems facing Brazil, they could be faced in the coming elections with "the taking of power by radical groups," groups perhaps less interested in coming to terms with the IMF conditionalities (see page 8). The sub-Saharan countries of Africa were put on notice by the Managing Director Michel Camdessus that there would be no let-up for them of the murderous IMF austerity policies, policies which, he insisted, they must learn to live with.

However things may unfold, the world has entered a new phase of economic disorder. The failure of the IMF to attain a quota increase will cripple their efforts to keep the bankrupt monetary system afloat. The collapse of the Brady Plan will mean that Third World countries, if they are to survive, will have to start taking matters into their own hands. And the manner in which the Bush administration has succeeded in alienating almost all its allies, indicates that the U.S. economy will be subject to a battering the likes of which it has not yet seen.

Brazil faces financial panic: time to exercise sovereignty!

by Lorenzo Carrasco

Finance Minister Maílson da Nóbrega's appeal for mercy to Brazil's creditor banks during his presentation to the Council on Foreign Relations in New York Sept. 22, confirms how out of touch with reality he is regarding the international economic situation, on the verge of the worst crash in recent history. The September deal to suspend interest payments that the country struck with the private banks is a measure which, while necessary, is by itself inadequate to contain the imminent threat of a hyperinflationary explosion. What is necessary is that the Sarney government, even with only six months left to govern, take immediate and sovereign measures to halt the continued bloodletting of the nation's wealth, to the benefit of international usury which has no national allegiance and respects no borders.

Under the current monetarist presumptions which guide public finances in Brazil, the economic team headed by Minister da Nóbrega has nothing left to offer in trying to halt the explosive internal situation. To insist on the current policy of high interest rates as an anti-inflation strategy is like trying to put out a fire with high-octane gasoline. Consumed by the flames of unrestrained hyperinflation, the country would lose what remnants of political stability it is presently clinging to, and its presidential elections of Nov. 15 would be seriously endangered. Perhaps this is the intended blackmail of the bankers and speculators, to force the country to reinstate interest payments on the foreign debt.

A Schachtian illusion

Until now, Minister da Nóbrega—encouraged by former ministers Delfim Netto, Ernane Galveas, and Mario Henrique Simonsen—has believed that a policy of high interest rates, like that imposed by German Economics Minister Hjalmar Schacht during the early years of Adolf Hitler, could be the solution for keeping monthly inflation rates under control. Based on this premise, the government launched the so-called "Summer Plan" in early 1989 with an interest rate shock. As can be seen in **Figure 1**—showing the real interest rates above inflation that the government offered its bond holders—the Central Bank suddenly raised the real interest rate to 13.51% in March, precisely when it was believed that all economic prices were frozen or stable.

The arguments of the monetarist horde rest upon the claim that if interest rates well above inflation are paid—at

significant cost to the National Treasury, of course—consumption would be constrained, dollar speculation on the black market would cease, and consequently, inflationary pressures would lessen. But reality ignored such monetarist prescriptions, and precisely the opposite occurred. Even in the very first month of the Summer Plan, inflation reached 6%, triggering a new inflationary wave, this time more accelerated than previously. Three months later, in June, inflation reached 24%.

At that point, Minister da Nóbrega still clung to his illusions, ordering a new interest rate hike again intended to "contain inflation," at least long enough to reach the Nov. 15 elections. But these calculations too flopped: Inflation in August was 32%, in September 35%, and predictions for October are hitting 40%.

The explanation for this failure is both obvious and elementary. Interest rates primarily influence the internal debt—in particular, the debt in federal, state, and municipal bonds. The bulk of the internal debt, which is largely short-term, turns over daily on the speculative overnight markets.

Given this fact, the worst of all possible scenarios occurred: High interest rates diverted resources from the productive sectors of the economy while inflation rates shrunk wages. This process ended up enriching that 2% of the Brazilians who invest in the overnight market and, with the fabulous profits that market has yielded in recent months, unleashed an unprecedented wave of consumerism.

During June, July, and August, the National Treasury paid out in interest on its bonds the equivalent of \$5 billion, representing 1% of the GNP. In August alone, with a real interest rate of 4.5%, \$2.6 billion was paid out. It is conservatively estimated that by the end of 1989, the Treasury will have disbursed \$16 billion in interest on government paper alone. This means that to turn over \$50 billion in bonds—equivalent to 12.5% of the GNP—the government will be paying 4.5% of the GNP!

To give some idea of the speed with which these Treasury obligations are growing, one need only look at the first six months of the year during which these payments increased 39.1% over the same period of 1988. Already by August, the real increase was 89.8% with regard to the government's accumulated costs of the first seven months of 1988.

The way the Treasury has managed to meet payment on

these interest charges is through another insane maneuver—the issuance of more notes and bonds—which is obviously having repercussions in the form of an increased volume of internal indebtedness.

This process can be seen in **Figure 2**. The public sector's liquid debt—which is the sum of the foreign and internal debts—is increasing due to the growth of the internal debt. In the first trimester of 1989 alone, this rose 35.6% with respect to final results of last year. In this we can observe a phase change. For the first time, the internal debt—at \$92.1 billion—surpasses the volume of the public sector's foreign debt, a tendency which can only worsen. Until now, the internal debt had been growing in proportion to interest payments on the foreign debt, since to honor its foreign debt obligations, the government has bought dollars from exporters by issuing treasury notes and bonds. However, the cumulative volume of internal debt has become a cancer that has begun to metastasize.

One limit to this process is the government's increasing difficulty in finding buyers for its notes, despite the granting of ever greater discounts in the auctions of its Financial Treasury Bonds (LFTs). One test of fire will be the LFT auctions

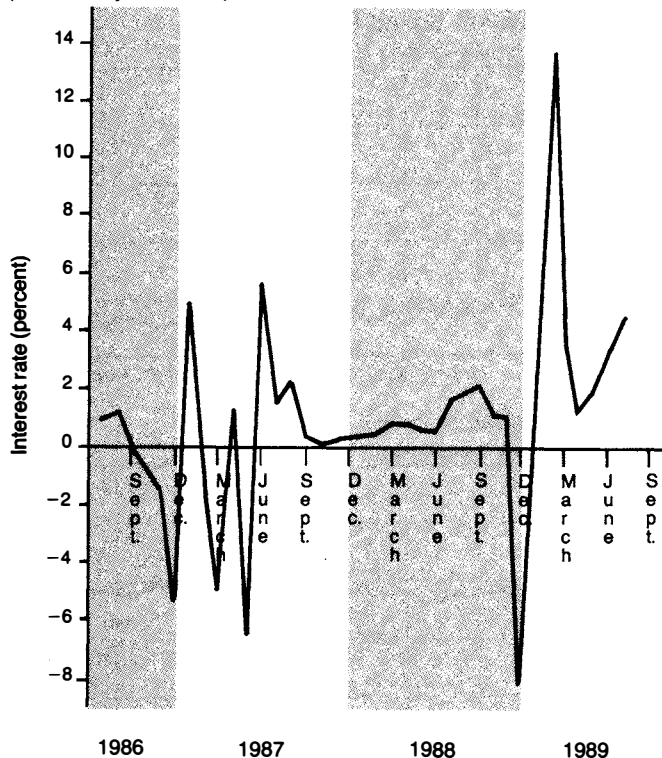
coming up in the next few weeks, with inflation threatening to reach 40%, and the nominal overnight interest rates surpassing 50% a month.

The most serious aspect of this infernal process is that in just a few short months, it has managed to produce a massive transfer of resources from the productive sectors to the speculative financial sectors. The aggregate of wages this year will fall from 38% of the GNP to 32%; a 6% loss with respect to last year, according to the labor minister himself.

This demonstrates why a mere suspension of interest payments on the foreign debt, and the accumulation of foreign exchange reserves to avoid an exchange crisis such as that which toppled Argentina's Raúl Alfonsín, is insufficient to avoid a hyperinflationary explosion. If the government insists on raising the real interest rate with the argument that this will "cool out" the consumerist wave that it itself triggered by offering outrageous profits on the overnight market, it will only be creating conditions of political instability and social injustice that could lead to outbreaks worse than those recently witnessed in Argentina and Venezuela.

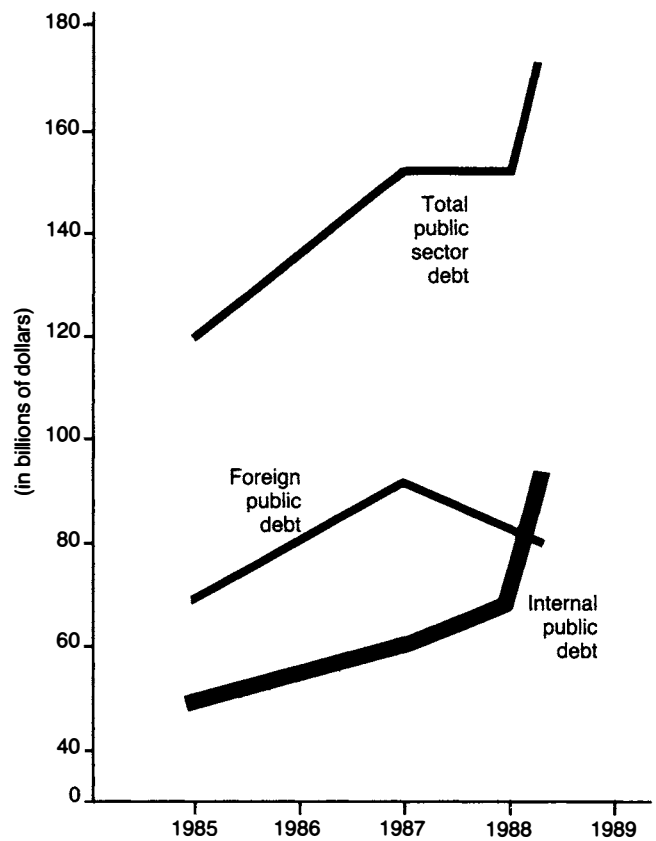
FIGURE 1
Real interest rates for Brazilian treasury bonds (LFTs)

(inflation-adjusted rates)



Source: Central Bank of Brazil.

FIGURE 2
Public sector liquid debt in Brazil



Source: Central Bank of Brazil.

The solution: a shock of sovereignty

The dynamic of the crisis itself shows, albeit negatively, what solution must be sought. As we can see, the country is channeling some \$16 billion into speculative investments this year. The solution is simple: to direct the flow of these resources instead into productive investments in real economic infrastructure, as was described by economist Lyndon LaRouche in *EIR* of Sept. 8, and extensively detailed in his *Operation Juárez* proposal.

The government should drastically reform the national financial and banking system, with the primary purpose of isolating government paper, which must then be protected from the speculative oscillations of the markets and exchange rates of foreign currencies. Immediately, the government should propose an arrangement with its treasury bond holders, to set a date after which the accumulation of interest is suspended. With the backing of the national Congress, the government has the prerogative of buying back these bonds with new debt instruments, setting fixed interest rates and longer repayment deadlines.

This task would be simpler than it appears, since 80% of the market for government paper is concentrated in the hands of private banks, non-financial companies, and financial brokers, who should understand that this is the only possible—not to mention patriotic—way out of the current crisis.

These new government debt instruments could be viewed by the companies as discountable assets. This is especially important for those private companies which, because of the current characteristics of the financial markets, protect their operating capital from the ravages of inflation by keeping them on the overnight markets. Thus, for example, Mercedes Benz which currently turns over several million dollars a day on the overnight market, would be able to discount the new bonds once it is demonstrated that the money would be invested in the company's own expansion.

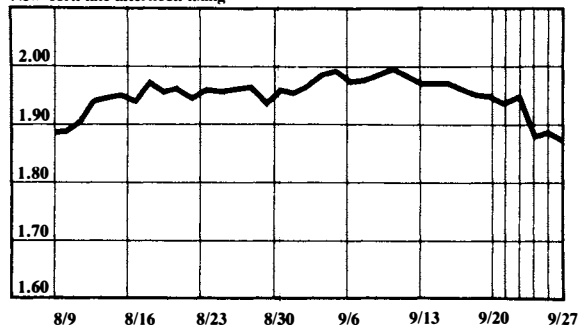
For this new system to function, it is clear that the Central Bank, which until now has functioned as an agent of private creditor interests—both domestic and foreign—and not as an agent of the National Treasury, must be re-nationalized. As part of this reorganization, the country must reestablish a system of issuing credit based on gold reserves, which would restore confidence in, and independence to, credit destined for productive use. This measure would also increase the value of gold production; most gold stocks today are fleeing the country as contraband under the auspices of powerful international groups.

If these measures were to be backed up by a Supreme Court review of the constitutionality of the country's foreign debt contracts with the international banks, as was recently proposed by members of the national congress's Mixed Commission to Audit the Debt, this would constitute the necessary "shock of sovereignty" to enable the country to keep its distance from the rapidly approaching international financial crash.

Currency Rates

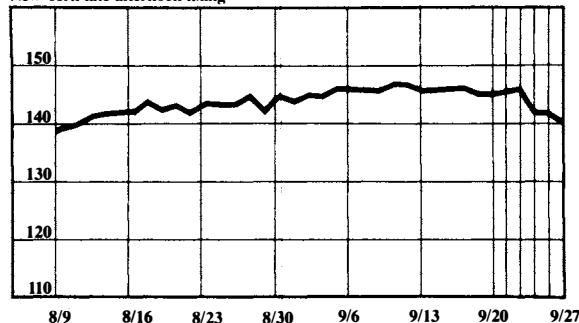
The dollar in deutschemarks

New York late afternoon fixing



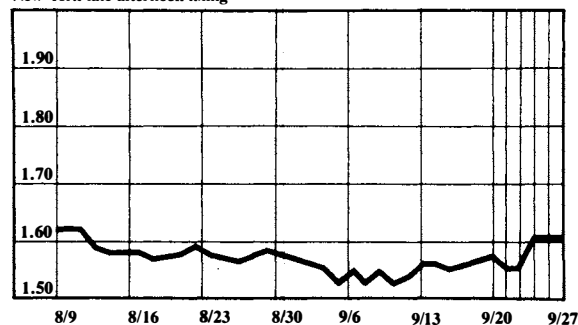
The dollar in yen

New York late afternoon fixing



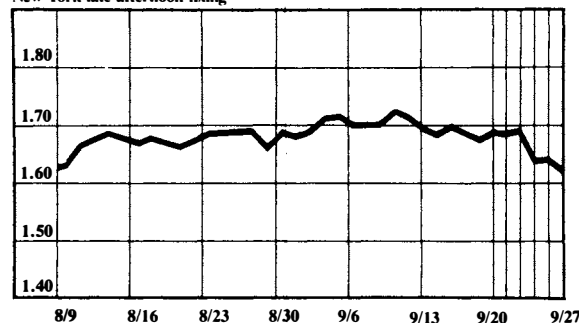
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Debt burden decimates real U.S. production

by Richard Freeman

The National Association for Manufacturing Technology, formerly known as the National Machine Tool Builders Association, has announced that orders for U.S.-made **machine tools**, at \$226 million for August, were down 33% from the level of August 1988. The “spin-masters” of the media and the machine tool association tried to make the data look good by noting that machine tool orders had at least risen from the previous month of July’s level.

Machine tools are the machines that produce other machines, the most critical sector of the economy, upon which economic expansion and capital formation are based. Hence, while the machine tool sector is minuscule—at \$3.0 billion in annual sales it is but .06% of Gross National Product—its contraction gives a direct reading of how the usurious debt bubble leeches out life from the economy.

As *EIR* reported in our Sept. 8 issue, the total debt of U.S. business swelled nearly fivefold in 16 years, from about \$1 trillion in 1973 to \$4.85 trillion in the first quarter of 1989. Though official figures cannot be obtained, a best estimate is that *the annual interest service charge on this debt rose*, for business, from close to \$85 billion in 1973 to \$450 billion in the first quarter of 1989.

The U.S. Department of Commerce does publish a figure, from its internal sources, that nets out the difference between what business pays out on its borrowings over what it earns on its holdings. This “net interest” in 1973 was \$22.5 billion; by 1987, the last year for which figures are published, it had grown to \$98.6 billion. What is startling is the comparison of the net interest a corporation paid and its retained earnings or retained profits. In 1973, business retained earnings were 158% the size of net interest; in 1987, only 28%. Thus in 1973, there were \$1.58 in retained profits for each dollar a business paid in net interest; in 1987, only 28¢ in retained profits were available to cover every dollar cost in net interest. The resulting cash squeeze shows up partly in the slash in real capital formation.

The **oilfield service** industry, which is a gauge of all U.S. energy production, has also been devastated. Out of 106 publicly held oilfield service firms operating in 1981, at the height of the oil-drilling boom, 42 have been liquidated, sold, or have discontinued oilfield service-related operations. Matthew R. Simmons, president of the Houston consulting firm, Simmons and Co. International, said that 1989 “will

go down in the record books as the worst ever for the oilfield service industry—worse than ’86 or ’87.” J. Steven Larkin, executive vice president of the Houston-based Petroleum Equipment Suppliers Association, expects bad times to continue. “Everybody agrees that at some point this market will turn around. But I’ll bet you can’t find anybody that will hazard a guess when that point will be.” Larkin said that 60% or more of the oilfield service industry’s sales originate overseas, as the drilling rig count for the U.S. continues to hover around 900, compared to the average of close to 2,500 rigs working each day from 1977 to 1986.

Declining trade

The industrial contraction skewered **trade**. Imports of industrial supplies and capital goods fell sharply in both June and July. As a result, total imports shrank by 2.5% in July, to \$38.3 billion, after a 3.1% drop in June. Outgoing shipments of manufactured goods also declined in July, combining with lower agricultural exports to lower U.S. exports to \$30.7 billion in July. The U.S. trade deficit “fell” to \$7.6 billion in July. The government crowed over this “smaller” amount, a deficit still larger than most countries run in a year. But not only will this deficit not stay long below \$10 billion a month, this “trade turnaround” comes from falling industrial activity.

Finally, the labor force cannot buy basic necessities, like houses and cars. **Housing** statistics released in September showed that housing starts, after rising 7.4% in June and 1.3% in July, fell back 5% in August to 1.35 million starts on an annualized basis. For the first eight months of 1988, new home production is 11% below 1988 levels—which are 10% below 1987’s. Real unemployment in the construction industry lingers at 20-25%. **Auto** dealers discounted heavily to get rid of 1989 models. In August, autos sold at a 8.3 million annualized rate. But in September, the minute the discounts were taken off, sales fell to a 7 million annualized level. Production usually closely follows sales.

For the whole U.S. economy, inventories of unsold goods are piling up. In July, the ratio of inventories to sales rose to 1.54, a 2 and a half year high, before easing off in August. Even this depressed level of consumer production wholly depends on credit. **Consumer borrowing**, represented by consumer installment credit, rose \$2-5 billion per month between February and June. In July, consumers paid off \$280 million more than they borrowed, and the shock wave of collapse in the physical economy amplified. In August, a brief respite occurred; consumers borrowed again, but the economy still went downward.

But as consumer borrowing buys less and less, and as credit costs more and more, consumers will borrow less. At this point, several retail stores, already on the verge of bankruptcy, shut down, more construction companies fold, and the shock front in the physical economy takes over to the extent that the U.S. economy closes in on itself.

Retail sales chains primed for disaster

by Anthony K. Wikrent

The problems with Campeau Canadian Corp., the retail store empire built on junk bond financing, are just a foretaste of what is to come for the entire retail trade and its suppliers, an ongoing analysis by *EIR* shows.

EIR has compiled a list of over 50 companies with financing structures based on junk bonds and junk loans. Of these, 12 companies are in the retail trade, and account for well over one-tenth of the nation's total retail sales. The list includes the nation's two largest grocery chains, Safeway and Kroger, the two largest convenience store chains, 7-Eleven and Circle K, and the company that operates the largest department store in the world, R.H. Macy and Corp. Campeau's Corp.'s two department store chains in the United States—Allied Stores and Federated Department Stores—are also on the list.

Taken together, in 1987 the 12 companies on our list accounted for 12.8% of total retail sales, and five companies on the list accounted for 16.3% of all retail food sales. *EIR* is also studying the financial posture of Sears Roebuck to determine if it should be added to the list, which would boost the list's share of total U.S. retail sales to nearly 20%.

The essential problem is that these companies are being crushed under a gigantic load of debt. In many instances, the company's interest expenses exceed its operating income. This was the case for Campeau's Allied chain, where the cost of servicing the debt in 1988 exceeded operating income of \$192.5 million, by \$58.8 million. Almost all the companies on our list have interest expenses that are 70-80% of operating income, if not more.

These unstable financing structures are the result of what the financial wizards call "highly leveraged transactions" (HLTs), more popularly known as leveraged buy-outs. A major component of HLTs are the notorious junk bonds—low-grade, high-risk bonds yielding high interest rates to the investor. The entire junk bond market for which began to blow out on Sept. 13, when it became known that Campeau would be unable to meet a \$401 million loan repayment to First Boston Corp. on Sept. 15. The loan repayment was for the unpaid portion of a \$1.15 billion bridge loan First Boston

had provided in July 1988, for Campeau's leveraged takeover of Federated Department Stores. Campeau's difficulties underline the fact that the largest component of HLTs are not the junk bonds, but short- and medium-term loans, provided by money center banks and investment houses, such as Manufacturers Hanover, CS First Boston, and Citibank.

Finance runs wild

Until the Campeau default sparked the junk bond collapse, banks and investment houses were willing to extend financing for HLTs, no matter how shaky the junk deal appeared, because they were guaranteed an up-front fee for simply arranging the financing. In fact, Morgan Stanley is now in court, attempting to collect fees from John B. Coleman and Co. for merely *intending* to arrange a financing package. In the case of Campeau, CS First Boston may have taken a major hit in the bonds it holds, which are now selling for one-quarter of their face value, but collected over \$200 million in fees as Campeau's adviser and underwriter. As the *Wall Street Journal* put it modestly, Campeau Canadian Corp. was "First Boston's most lucrative client of the decade."

But financing is only a service to a company, and should not become the basis of its entire operations. Once a company is forced to carry the levels of debt that are routine in HLTs, the orientation of the management is shaped by the need to meet the demands of the company's creditors, rather than its clients. In a book being privately circulated on Capitol Hill, entitled *The Japan That Can Say No—The New U.S./Japan Relations Card*, Akio Morita, the highly respected founder of Japan's premier consumer electronics firm, Sony, warns that the function of money "should not be to enrich banks and securities companies, but to smooth the path of production."

A former vice president of Allied Department Stores, Herbert Wittkin, says the same thing. "The important part of a business is *products* and *service*," Wittkin stresses. "But what's happened is, the support side of the business has taken over. The banks have made debt fashionable. They have made a workable, sensible, attractive approach out of lunacy!"

Other companies in trouble have not been bought out, but have taken on large debts to make themselves less attractive as takeover targets, such as the nation's second largest supermarket chain, Kroger. In 1988, the largest HLT specialist firm, Kohlberg, Kravis and Roberts, moved in on Kroger. KKR had already pirated off with the nation's largest chain, Safeway, in August 1986 by means of a \$5.336 billion HLT. Safeway's debt had rocketed upward overnight, and the chain lost more money in the last 17 weeks of 1986 than it had made in the first 35 weeks of that year, before KKR had taken control. Kroger's management, understandably, had no desire to have their company suffer Safeway's fate, and in October 1988 it fought back by quadrupling the company's long-term debt, from \$986.8 million, to \$4.725 billion,

smashing Kroger's net worth from \$1.134 billion to *negative* \$2.679 billion. Now Kroger is selling off parts of its operations in an attempt to buy down its unmanageable debt.

Big companies in big trouble

The two largest convenience store chains, 7-Eleven and Circle K, are also choking on debt. Southland Corp., the operator and franchisor of 7-Eleven and half-owner of Citgo Petroleum, is in particularly bad shape, even with annual sales approaching \$8 billion. In December 1987 Southland was bought up by JT Acquisition Corp., a front for the Thompson family. Interest expenses have leaped from \$75.2 million in 1986, to almost \$200 million, while operating income has dropped from \$319 million to around \$200 million. The result: Whereas Southland posted a net income of \$200.4 million in 1986, it posted a \$149.7 million loss in 1987, and a \$216.2 million loss in 1988.

And then there's the flagship of department stores, Macy's, whose Herald Square store in New York City is the largest in the world. The parent company, R.H. Macy and Co., which does business in New Jersey, Georgia, and California as well, acquired Macy's in a buy-out in July 1986, dumping over \$2 billion in debt on the retailer. While operating income has increased over one-fifth, based on steadily rising sales, interest expenses have increased *fivefold*. The result: Net income of \$189.3 million in 1985 and \$205.6 million in 1986, has been replaced by a net loss of \$13.8 million in 1987.

But the largest detonator could very well be the largest retailer: Sears Roebuck, with total revenues of \$50.251 billion, of which \$30.256 billion are from its 824 retail outlets and 2,303 catalogue offices, is now consuming over half its operating income for debt service. Officials at Sears refuse to comment, but a retail trade analyst said that Sears overstretched itself in its purchases of Dean Witter Reynolds and Coldwell Banker. Sears has already begun to spin off parts of its subsidiaries; in January it sold off its All State insurance group.

Trigger for deflationary collapse?

The financial wizards who have created this lunacy are heaving sighs of relief, since Olympia and York, the Canadian hot money real estate operation of the Reichmann brothers, came to Campeau's rescue on Sept. 18 with an emergency infusion of \$250 million, calming the raging storm in the junk bond market. But retail analysts who are trying to calculate the toxicity of the fallout, are terrified that something much worse may have been set into motion. The Olympia and York bailout will only meet Campeau's immediate debt obligations, particularly to its suppliers, which does little to ensure that Allied and Federated will be able to order more merchandise, as little as a month from now.

"There is only one answer," according to Kurt Barnard, of the Barnard Retail Marketing Newsletter. "Allied and Fed-

erated will go into an intense promotional mode, take a huge markdown, and try to blow all the merchandise out the door as soon as it comes in, to raise the cash right away they need to guarantee their purchases of merchandise for Christmas. And this is a terrible concern for the other retailers." Thus, leveraged retailers already operating with razor thin profit margins may find themselves hurled into a price war that could sink them in red ink, and replicate the Campeau default dozens of times over.

But even without the "last straw" of such a price war, retailers are now facing a collapse in Americans' discretionary income. Recent statistics show that retail inventories are beginning to bloat, as consumers back off from assuming new debt obligations. Elliot Janeway authored major signal pieces in the *Washington Post* on Sept. 24, entitled "A Deflation Wave? Awash in Money, the Economy is Drowning in Debt," and in the *New York Times* Sept. 17, entitled "The Inventory Mess—Caution: A Price Deflation Is Under Way." Collapsing sales in Long Island, for example, is what has caused KKR's Seaman's Furniture, the nation's second largest furniture retailer, to run into debt difficulty. And the owner of a Boston area office furniture company told the *Boston Globe* on Sept. 23, "Activity is slow and slower, the worst that I've seen in my 17 years in the business."

Effect of blowing out one-fifth of retail

Because the effects of the economic collapse in physical production have been papered over by floating layer after layer of debt, we have now reached the point where the failure of one company in the retail sector will initiate a chain reaction of failures among other companies burdened with excessive debt, and working with operating income to debt service ratios considered disastrous 20 years ago.

Think of it this way: One-tenth to one-fifth of the nation's distribution chain to the consumer is about to be blasted into financial oblivion. This is the system that distributes the very basic necessities of sustaining human existence—clothing and food. If a 1929-30-style chain of collapse were to hit the retail sector, the disruption in distribution of food and clothing would begin to approximate that of a low-level nuclear war. And then there would be the shock effect on unemployment, where an industry with a highly disproportionate share of the workforce, compared to physical production, would be shut down, laying off hundreds of thousands of workers. Just imagine every 7-Eleven across the country shutting its doors. The shock effect, both economically and psychologically, would make the 1930s Great Depression seem like a fairy tale of prosperity.

Sound outlandish? Consider this: The week when Olympia and York moved in with \$250 million to bail out Campeau, it suddenly cut off negotiations to buy out a prime piece of real estate in Chicago for \$1 billion. The seller was Sears, and it was trying to sell its corporate headquarters, Sears Tower.

An 18-year wait to buy a car

East German refugees tell why they escaped from the Communist system, where basic necessities are unavailable.

By the end of September, more than 30,000 refugees from Communist East Germany had arrived in West Germany. From the end of May through the first days of September, when the Hungarian government lifted border controls for the transit to Austria, some 5,000 such refugees, and after the opening of the borders, more than 25,000 took the escape route to the West.

The refugees are fleeing from a worsening political situation and a collapse of large sections of the economy in the German Democratic Republic (G.D.R.). Although East Germany is one of the 12 largest industrial economies in the world, the situation there is very reminiscent of what one would find in a Third World country.

EIR talked to refugees who had just arrived in West Germany and are lodged in one of the various temporary encampments set up all over the country. It becomes clear that the economic and political reasons for their emigration go together; the system of political repression and economic undersupply is one and the same.

A young woman of 23 years, who had worked in a grocery store in the city of Goerlitz, said she grew tired of "standing in a store where there was almost nothing to sell." There were "apples, but no bananas, maybe some cherries . . . mostly cabbage, carrots, and cucumbers for sale," she said.

Even cucumbers grew scarce this year, because a disease wiped out much of the harvest. In the East German five-year-plan economy, there is no contingency for extra food im-

ports, so if the harvest is bad, nothing will be done to improve the situation.

There are food imports, but these are used as "cash crops" for re-export to third countries, to bring in hard foreign currencies. A refugee of about 30 years of age, who formerly worked as a sailor for the East German merchant marine, reported the following: "We picked up a lot of bananas, mainly from Ecuador, but also from other countries. These were shipped to Berlin, part of the cargo also to Prague or Budapest. But in our own stores, you would never find bananas, and if at all, a kilogram would cost around 5 [G.D.R.] marks."

In West Germany, a kilogram of bananas from Ecuador would cost 1.99 deutschemarks. The price difference is even larger, if one compares the 900-1,000 G.D.R. marks net income an East German worker earns per month, to the DM 1,500 net income of a worker in West Germany.

The ex-sailor said that most of the imported goods are not used to supply the G.D.R. population, but end up in West German food stores. "The fruit cans you see in your stores—I am sure they are from us," he said.

It is the same with furniture. Many West German homes are filled with chairs, tables, beds, and shelves from IKEA—manufactured in the G.D.R., the raw material coming from Finland. In East Germany, people have to wait several years to acquire a new desk or chair of modern design.

A former cab driver from the East German city of Magdeburg reported that one has to wait up to 18 years, to get one of the three main low-cost au-

tomobiles produced in the G.D.R. He had ordered his new car in late 1973, and finally received it in 1989!

This is only part of the problem; the roads are in such bad condition, that professional drivers may ruin the shock absorbers of their cars within half a year. Getting new shocks is no easy operation. To take the car to a repair shop is a risk, because it may take weeks or months to get it back. But at least the licensed auto shop can get a supply of shock absorbers—eventually.

But as a private person, one has to go to the black market for spare parts. As the cab driver reported, he got an essential part for his brake system from one of the Polish "tourists" entering East Germany with a store of spare parts—but he had to pay seven times the usual price for it.

The Pole may very well have gotten the part from a licensed import store in Poland. An underground market for spare parts of all sorts exists in Eastern Europe. It is also used by many industrial companies in the G.D.R., which otherwise would not be able to produce, because the supplies are not available in the official five-year-plan system.

Except for the military-related sectors of the economy which supply the Soviet military machine, the ruling Socialist Unity Party (SED) shows no intention of improving the situation.

Even the private belongings which the refugees left behind serve the SED's "economy." Since a refugee is a "criminal" under the G.D.R. penal code, his belongings fall to the state and are re-sold. The chair a refugee was sitting on a few weeks ago, may thus end up with a family that hasn't been able to buy one. With 30,000 refugees already having left for the West now, this makes roughly 30,000 chairs, right?

Banking on debts

Some little noticed aspects of those Third World loans are hinted at in a 1986 report.

With the recent news that J.P. Morgan & Co., the United States' third largest commercial bank, had set aside \$2 billion more in a special contingency reserve for expected losses in its Third World lending, the incredible Third World debt tragedy opened a new chapter. Morgan is now 100% clear of future losses from its lending to developing nations. Citibank, the largest U.S. lender in absolute sums, with only a paltry 25% reserve set-aside, is rumored to be ill-prepared to absorb future loan losses from that sector.

But what nobody is willing to discuss is why the tenacious New York money center banks have held on to their ludicrous claims on their debts. This is the subject of our short discourse.

I came across a report prepared by the staff of the Congressional Joint Economic Committee back in May, 1986. The study has been conveniently buried, but I think some of its comments warrant better treatment. Its title is, "The Impact of the Latin American Debt Crisis on the U.S. Economy."

This study notes the clear point that in its near-panic response to the 1982 "Third World debt crisis," the Reagan administration dumped its Milton Friedman-Adam Smith "free market" fundamentalism and moved to prevent a collapse of the U.S. banking system. That being so, what then? "The decision to intervene and avert a financial collapse was only a first step," say our staff investigators. "The second step should have been to consider—and minimize—the impact

of the debt crisis on the U.S. economy."

But the second step was never taken. The October 1982 "Reagan economic recovery" was manipulation to prop up the banks at the expense of the rest of the world.

Does that mean that for seven or more years, we have been misled as to what the real point of the whole debt crisis has been? "It is now becoming clear," our study continues, "*that administration policies have gone above and beyond what was needed for protecting the money center banks from insolvency.*" That's putting things mildly. Instead of looking to the national interest in maintaining export markets for U.S. industry and industrial jobs, the Reagan-Bush administration since 1982 has concentrated on helping the large money center banks such as Citicorp, Chase Manhattan, and Morgan to "improve their profitability." Yes, "the administration's management of the debt crisis has, in effect, rewarded the institutions that played a major role in precipitating the crisis and penalized those sectors of the U.S. economy that had played no role in causing the debt crisis."

The report details that the only beneficiaries of the administration's handling of the Third World debt crisis have been bank stockholders. It notes that "bank profits have grown steadily since the onset of the debt crisis. Between 1982 and 1984, after-tax income rose by \$167 million at Citicorp, \$99 million at Chase Manhattan and \$144 million at Morgan Guaranty."

Calculating the costs of the

Reagan-Bush administration's policy is not easy. But some rough calculations give an idea. Before the debt crisis, U.S. farm exports to Ibero-American nations were their fastest growing market, increasing almost 20% annually. In 1981 U.S. farm exports to all developing countries were just short of \$17 billion. Ibero-America was the third largest U.S. food export market at that time, surpassed only by Western Europe and Japan. The Soviet Union was trailing behind. After the 1982 debt crisis, the IMF demanded debtor countries slash all imports in order to secure debt service to Citibank and friends. Today they have plunged more than 33%, and far below exports to Russia.

In addition, U.S. industrial exports of machinery and other capital goods to the economies of Ibero-America, have collapsed since the one-sided Reagan-Bush debt strategy was implemented. Ibero-American debtors generated 50% of their trade surpluses demanded by the IMF to pay debt service to the creditor banks by slashing purchases of U.S. industrial exports. One estimate puts U.S. job losses at 2 million industrial jobs since 1982 because of this looney policy. But the big banks kept booming.

With ruthless irony, it is the powerful Citicorp, the largest U.S. lender to Ibero-America, which is now the subject of growing rumors and worries. Citibank has forced the present disastrous policy onto Washington since 1982. Now Citibank is in the most dangerous position. It leads the list of domestic banks exposed to leveraged buy-out debt, it has a huge portfolio of loans tied to the shaky mortgage markets, and it is finding country after country simply unable to pay more on the fraudulent debts. Perhaps it's time for the concept of "national interest" to once again include more than a few New York banks.

Moscow pulls Yeutter's strings

The agriculture secretary is junking the set-aside folly, but don't expect American eaters to benefit.

In August, Agriculture Secretary Clayton Yeutter made a sharp about-face, and started making sounds about putting more acreage into production, producing more grain next year, and rebuilding depleted food stocks.

For years, Yeutter promoted just the opposite. He backed the scarce food policies dictated by the international commodities cartel which dominate the U.S. Department of Agriculture. Millions of acres were locked up into the Conservation Reserve Program, and also set aside each year by order of the annual U.S. Department of Agriculture Commodities program.

With the impact of the 1988 "killer drought," followed by continuing adverse weather, a food shortage crisis has been created—obvious even for the USDA to see. As of harvest period in the northern latitudes, world "carry-over" of grains—the difference between what is consumed and the excess—has dropped to merely 60 days or less of grain use. That is the "red alert" level. This fall's harvest marks the third year in a row in which grain consumption is more than annual grain production. In some commodities, soybeans for example, the U.S. has effectively none in stockpile. Milk output is running behind need. And staple grains, wheat and corn, are not much better.

A new report from the World Health Organization estimates that 1.3 billion people are suffering from malnourishment and related diseases.

In the face of this situation, Secretary Yeutter has not brought out the blaring trumpets nor made any media fanfare about producing more food;

that would make the Bush administration look bad. But Yeutter is trying to cajole more grain production for next year.

In September, Yeutter announced a change in the acreage formula for wheat growers, permitting them to plant more acres in 1990 than usually allowed by the USDA programs. This is a change from May, when Yeutter called for a 5% wheat land set-aside.

By Sept. 30, Yeutter is required by law to announce the 1990 USDA plans for U.S. feed grains acreage. He may also try to induce more production.

The finger pulling the ring in Yeutter's nose comes from Moscow. Although recent headlines say there is "uncertainty" about how much and when the Soviets will be buying grain again, this is just propaganda for the gullible. The food riots in Russia make clear that the Soviet Union expects food imports from the West as a matter of political tribute. The strategic issue is that the food isn't there.

USDA officials are bowing and scraping to meet expected Soviet demands. Yeutter has repeatedly announced that the USDA will implement food output policies that will meet all food aid and export commitments. Ray Nightingale, Agriculture Department food needs analyst, said, "The U.S. could increase production tremendously. Canada could too. Europe could, too."

However, the flow of grain is not like a water tap that you can turn on and off.

The first response of many farmers is: How can we be expected to produce

more, when we don't get paid a fair price for our output now? The USDA will not touch the issue of farm prices. The group of grain cartel companies that control 90% of the world grain trade (Cargill, Bunge, Louis Dreyfus, Archer-Daniels-Midland, Ferruzzi, Garmac/André, Continental) is deliberately suppressing grain prices. If such a fairy tale as "the laws of supply and demand" actually prevailed right now, farm grain prices would be astronomical.

During World War II, when federal officials wanted to increase food output, they decreed that parity prices must be paid by any and all grain dealers—a move which Yeutter and his cartel backers abhor.

Therefore, there should be no presumption that Yeutter can get any results when he waves his magic wand and calls for more grain to be produced.

Congress likewise has been content only to "study" the problem and hold hearings about shortages. On Sept. 26, a hearing was held by the House Agriculture Subcommittee on wheat, soybeans, and feedgrains. Subcommittee chairman Dan Glickman (D-Kan.) insisted that regarding the grain stocks shortages, "It's no cause for panic . . . but it is cause for caution."

Likewise, Congress has done nothing about the dairy shortages except express "concern." On May 16, House Agriculture Committee chairman Kika de la Garza (D-Tex.) issued a press release to officially recognize shortages affecting dairy products in the school lunch programs. He said, "The Deputy Secretary of Agriculture, Jack Parnall, has confirmed that due to reduced surplus production of dairy goods there will be far less milk and other dairy products to distribute to school districts for use in lunch programs across the nation."

Real estate could go the way of junk

Parts of the U.S. real estate liabilities are becoming just as unpayable as Third World debt.

The failure of Canadian financier Robert Campeau to meet debt payment deadlines on Sept. 15 heralded the derailing of the junk bond/leveraged buy-out roller-coaster. Now, with the almost simultaneous default of the Dallas-based Lomas Financial Corp., an even more terrifying specter looms before the fast-buck speculators and big banks: the detonation of the huge real estate bubble.

On Sept. 1, Lomas defaulted on \$145 million in notes, immediately triggering a cross-default on \$1.45 billion of senior debt. Lomas finally filed for bankruptcy on Sept. 25, suspending indefinitely payments on \$2.1 billion in debt held by 47 unsecured lenders, led by Chase Manhattan and the Bank of New York. Lomas, which until this spring had been the largest mortgage banker in the United States, has stopped dividend payments, and reported a loss of \$282.4 million for its just-ended fiscal year.

The Lomas debacle coincides with three major New York banks writing off \$4 billion in bad Third World debt. Among them was Lomas' chief creditor, Chase Manhattan. Unlike with the other banks, a chunk of Chase's write-offs was for non-performing Arizona real estate investments. Now Chase is getting hit by Texas real estate.

It is no secret that Texas and other Sunbelt real estate has been sour for several years. But so far, banks have written off only a relative smattering of bad real estate debt. Furthermore, real estate markets in almost every part of the nation are softening.

On Sept. 19, Federal Deposit Insurance Corporation chairman Wil-

liam Seidman indirectly warned that the combination of rising non-performing loans—which banks admit to only well after the loans stop producing income—and the sudden softening of real estate markets could spell a disaster for commercial banks and the grossly underfunded bank insurance fund. This is particularly true for the Northeast, where the market is on the verge of falling apart and where the bulk of FDIC-insured savings banks are located.

Average and median prices of homes and commercial property throughout the nation have generally been falling for more than a year. Most realtors blame overbuilding and a speculative demand-push that has doubled and tripled prices in the last ten years. Half-heartedly, they maintain that things will eventually turn around as they always have.

But there is a huge difference. Real estate and construction downturns in the recent past have primarily been caused by credit crunches. The current downturn is due to prices and rents outstripping the ability of debt-ridden consumers and businesses to pay.

One of the most ominous signs for commercial real estate is that leveraged purchases of New York City office buildings are blowing out. One firm, Broadway Management Co., has lost control of about a dozen properties because it is unable to meet debt payments, because vacancies are rising and property values falling. Broadway is one of a number of highly leveraged companies that bought everything in sight at a time when prices were soaring, and are now getting hit

with huge debt payments amid falling cash flow.

The bellwether home real estate market in metropolitan New York is also falling apart. From 1982-88, the market went through a stupendous speculative price surge. The median sales price increased 160%, from \$70,500 to \$183,500. A two-bedroom Manhattan condominium has gone from \$220,200 to \$476,000. Now, this housing is beyond the reach of even yuppies, let alone most families.

On Long Island, homes listed for sale are up 30% over last year, while actual sales are down 15%. Sellers throughout the region are already taking 10-20% cuts in their prices. "The New York area is simply tapped out in terms of income and buying power," said one regional economist.

A recent study by Lomas and Nettleton showed that homebuilding in each of the past 11 quarters has been lower than in the same quarter of the preceding year. The fall in the second quarter of this year occurred despite lower mortgage rates. New home sales were down 8% in the second quarter, and down 5% in the first half of the year. In the first half of 1989, residential building permits were down 6.3%. In Hampton Roads, Virginia, building permits plunged 20.7%.

All of this sets the stage for what City of London economist Stephen Lewis recently forecast. "I think that mortgage-backed securities will be the next shock," said Lewis. "This is a \$400-500 billion market where Citicorp and Salomon Brothers play a leading role."

Lewis is right on the mark. On Sept. 27, the General Accounting Office told Congress that the Federal Housing Association insurance fund, which guarantees mortgages, lost a record \$4.2 billion in 1988.

Business Briefs

The Debt Bomb

IMF rejects Third World conference

The International Monetary Fund has in effect rejected the proposal made by India, Egypt, and several other countries for an international conference on the Third World debt, the United News of India press service reported from Washington, D.C.

Asked about the proposal at his press conference Sept. 22, IMF managing director Michel Camdessus said, "This is not the forum to discuss such a proposal." The debt problem, he said, would be discussed by the 152 countries at the on-going World Bank-IMF meeting. Moreover, he added, the IMF and World Bank are busy working on a program to deal with the debt problem.

On Sept. 25, during the IMF conference in Washington, Camdessus menacingly stated, "The countries which are in arrears in their dues to the IMF denounce themselves." Camdessus was referring to a number of countries, like Peru, who have not paid their debts to the IMF. Camdessus indicated that there are a number of measures which could be taken against such countries: 1) they could be deprived of the benefits of the quota increase; 2) they could be cut off from technical assistance; or 3) the IMF could issue a declaration of non-cooperation.

Third World Development

Japan will create thousands of new jobs

Japan will create more than 20,000 new jobs and generate more than 2 trillion yen worth of economic development benefits through joint ventures in developing nations over the next five years, according to a plan unveiled at a meeting between representatives of the Japan International Development Organization (JAIDO) and the Confederation of Engineering Industries (CEI) of India, held during Sep-

tember in New Delhi.

JAIDO, a joint stock company with capital provided by about 100 private companies in Japan and the Overseas Economic Cooperation Fund of the Japanese government, was set up in April to promote direct investment in developing countries. It will invest an average of 200 million yen each in about 100 projects under consideration.

Japan also announced Sept. 26 in Washington, D.C. that it will give the World Bank \$300 million over the next three years to train people in poor countries to help their nations develop. "Japan is now prepared to contribute a total of about \$300 million . . . for a special fund in the bank," Foreign Minister Hashimoto told the annual meeting of the International Monetary Fund and World Bank.

The Special Fund for Policy and Human Resources Development is designed to provide technical assistance for developing countries and to help develop human resources that could take the responsibility for formulating and implementing development policy, the officials said. "It is important that developing countries make their governments' administrative system more efficient and improve their capacity in formulation and implementation of their development policies," Hashimoto was quoted by Reuters.

Investment

Sony founder blasts U.S. financial policy

Akio Morita, the founder of Japan's consumer electronics firm Sony, has co-authored a book criticizing U.S. financial and investment policies, the *Boston Globe* reported on Sept. 24.

Entitled *The Japan That Can Say No—The New U.S./Japan Relations Card*, the book is receiving much attention in the U.S. Congress, even though the English translation of the book is not yet publicly available.

Morita says that Americans make money by "simply moving money back and forth through mergers and acquisitions," and argues

that the function of money "should not be to enrich banks and securities companies, but to smooth the path of production." The *Globe* reports that the book "isn't a pleasant read," probably because it is right on the mark.

Americans have apparently forgotten just what it was they taught the Japanese about running a successful economy 40 years ago, Morita writes. In Japan, "We . . . plan and develop our business strategies 10 years ahead, while Americans seem to be concerned only with profits 10 minutes from now."

Morita is especially critical of U.S. investment houses, which "actually buy and sell stocks in huge numbers in an attempt to maximize profits. . . . For [Americans] the name of the game is nothing but quick profits. Entrepreneurs and investors alike do not leave their money in long-term projects. . . . The American economy is . . . without substance."

The *Globe* quotes an anonymous former U.S. government official admitting, in reference to the wave of leveraged buy-outs, "I think that much of the recent hostile takeover activity, as well as the LBOs, have been little more than economic racketeering which, for the most part, managed to steer clear of outright illegality, although we probably haven't heard the last of that story, yet."

The co-author of the book is Shintaro Ishihara, now the third most popular politician in Japan's Liberal Democratic Party.

Health

Crisis hits one-fifth of world population

One-fifth of the world's population is suffering from severe health problems, the World Health Organization announced Sept. 24 in its annual "Report on World Health."

In Southeast Asia, some 500 million people—40% of the population—suffer from malnutrition and disease. In sub-Saharan Africa, 160 million people suffer from some of the most serious diseases known to man, including AIDS, malaria, and parasitic diseases. Almost

25% of the populations of South and Central America are diseased, as are the populations of North Africa and the Middle East. Some 46 million infants worldwide are not fully immunized against the six major fatal childhood diseases—polio, tetanus, measles, diphtheria, pertussis, and tuberculosis—which kill 2.8 million children annually and disable 3 million more.

Symptomatic of the problem, Abdel-Qadar Qaddoura, the speaker of the Syrian Parliament, told Reuters Sept. 26 that one-third of the Arab world faces starvation. He said that the Arab world will need 49 million tons of wheat, for example, but will only produce 28 million tons. Qaddoura proposed that the Arab oil-producing countries use their petrodollars to upgrade agriculture.

Transportation

France unveils world's fastest train

The world's fastest train, known as the TGV Atlantique, traveled from Paris to LeMans, France at over 186 miles per hour. A spokesman for Compagnie Générale d'Electricité, which built the train, told the Sept. 21 *New York Times* that it would eventually be brought up to its designed speed of 360 kilometers an hour, or 223 mph, once riders were accustomed to the speed.

The Atlantique weighs 490 tons, and uses three 1,500-horsepower three-phase electric motors, which have 40% more power than France's eight-year old Paris-Lyons train, which has a top speed of 167 mph. Though the Atlantique's ticket prices will be some 5-47% higher than current train prices, a ticket on the Atlantique from Paris to Nantes will cost \$49.08 to \$61.38, depending on the time of day, compared to \$90.00 for an airline ticket.

The Société Nationale des Chemins de Fer, the state railroad company, has invested \$3 billion in new track and equipment for the Atlantique. The company says it will be able to earn back the money within a decade by attracting 22 million passengers a year. Last

year, the Paris-Lyons train carried 17 million riders, giving revenues of \$681 million, for net earnings of over \$100 million.

France now leads the world in high-speed train technology, and hopes to soon win a South Korean contract to build a high-speed train between Seoul and Pusan. Officials in Canada are looking at a link from Toronto to Montreal, and Florida is studying a link between Miami and Tampa.

Airlines

U.S. admits planes 'might be' unsafe

In what may be the understatement of the year, U.S. Secretary of Transportation Samuel Skinner warned that airlines saddled with high loads of debt might not be able to afford proper maintenance, particularly of older aircraft. The implication is that such airlines might be unsafe to fly. The past year has seen a record number of airplane crashes.

In a speech to the International Aviation Club on Sept. 20, Skinner said that the U.S. government was very concerned about the recent wave of foreign acquisitions of U.S. airlines. "When a foreign airline is willing to contribute a large share of the equity capital in return for a relatively small percentage of the voting stock, we need to examine all aspects of control," Skinner said. "What does the foreign airline think it is buying?"

Skinner's remarks referred to a law limiting foreign ownership of a U.S. airline to less than 25%. So far this year, British Airways has agreed to a purchase a 15% stake in United Airlines; Swissair has reached a deal with Delta Air Lines; Scandinavian Airline System is buying into Texas Air; and Northwest Airlines has been bought by a group led by Italy's Alfred Checchi for \$3.65 billion. The Checchi group included KLM Royal Dutch Airlines and Elders IXL Ltd. of Australia, which together contributed \$480 million out of \$700 million of equity financing (direct purchases of ownership stock), but received only a 20% voting interest.

● **WASHINGTON** is "absolutely obsessed with fear that the markets might spook, and send the economy into a tailspin," writes Mark Melcher in the Prudential-Bache Securities strategy letter. "There is a profound concern that if a recession comes, it could be an utter disaster because of the high amount of private and public debt outstanding."

● **EIGHT EUROPEAN** nations—Switzerland, Luxembourg, Sweden, Iceland, West Germany, Norway, Denmark, and France—have higher per capita income than the U.S., the World Bank announced Sept. 22. Switzerland leads the world at \$20,130 per person, the U.S. has a dismal \$14,080, and Japan has \$12,480, but grew 22.2% between 1984 and 1988.

● **THOUSANDS** of children who live on the streets of Cochabamba, one of Bolivia's major cities, smoke cigarettes laced with cocaine paste to relieve hunger, the *Washington Post* reported Sept. 18. Bolivia is touted by Harvard economist Jeffrey Sachs as the "success story" for his shock economic program.

● **U.S. HOMEBUILDING** in each of the past 11 quarters has been lower than in the same quarter of the preceding year, a study by the Lomas and Nettleton realty company reports. The fall in the second quarter of 1989 occurred despite lower mortgage rates.

● **JAPANESE BANKS** may sell some U.S. assets, Toru Kusukawa, deputy president of Fuji Bank Ltd., said on Sept. 19. Because of new international rules on reserves scheduled to take effect in the 1990s, Japanese banks "might have to sell some portion of the assets" they have acquired in the U.S.

Jeremy Rifkin's crazies attack your children's milk

Marcia Merry proves how the environmentalist, anti-people crowd are hitting both the consumers and producers of this vital food product.

The unfolding events in the case of the bovine growth hormone (bGH, or the "more milk hormone"), show that the campaign of the radical environmentalists to prevent its use stems from their hatred of people, of population growth, and of science. What has happened in recent weeks is that an elaborate social engineering operation is under way in which it is said that "public opinion" opposes consumption of dairy products from cows that have received the "more milk" growth hormone. In fact, an "aura" of public fear over the hormone has been contrived by selective TV appearances, press conferences, and media hype by an anti-technology gang, which does not want the supplies of milk or other basic foods to be expanded in the world, but instead wants less food and fewer people.

What is bovine growth hormone? BGH is a protein that is produced naturally in the pituitary gland of cattle. The substance performs various metabolic functions, including regulating a cow's milk output. A few years ago, scientists were able to isolate this substance, whose technical name is bovine somatotropin (BST); and then researchers succeeded in creating genetically altered bacteria to produce bGH on a scale for commercial use. For all practical purposes, the "synthetic" hormone, and the hormone from the milk cow's pituitary gland are identical. When selected doses of bGH are given to a cow, her milk output may increase from 20% to over 35%, depending on what phase of her lactation she is in. The Food and Drug Administration has approved it for general use, pending the completion of field tests now under way. Approximately 100 herds have been involved in using the hormone. For evaluation reasons, the exact location of

the herds, the number of cows, and the amounts of milk involved have not been made known. The tests are being conducted by private companies, in limited on-farm situations. According to the FDA timetable, bGH could be available for general use by early 1990 or by 1991.

Because of the costs involved in administering bGH, and the costs of the increased feed a more productive cow may need, most average dairy farmers cannot at present afford the option of bGH. Dairymen are getting only about \$12 per hundred pounds (cwt) of their milk, when their minimum costs are about \$14 per cwt, and the parity price, or fair price, for milk from the farm is \$22 per cwt.

However, there is an urgent need for more milk. If emergency measures were taken to phase in parity prices, build up herds, and give the farmer the means to decide whether bGH is useful for his animal husbandry plans, then there could be a dramatic increase in milk supplies, from both the use of bGH and from simple herd expansion.

To kill this potential, "public opinion" operations have been launched against both the general consuming public and the dairy-producing farmer. The consumer is told that milk from cows receiving the hormone is harmful. Farmers have been told that only the big operators with several thousand cows in their "milk factory herds" will be able to afford bGH, and that federal approval of bGH will drive the family-run dairy farm out of existence.

In August, Jeremy Rifkin, head of the Washington-based Center for Economic Trends, sent a threatening letter to the large supermarket chains and others, warning that there would be public hysteria if the stores sold dairy products from herds

receiving the bovine growth hormone. Rifkin then appeared on national network television with scare stories about the dangers of milk from cows receiving bGH. He cited as evidence baseless assertions from a report prepared by Dr. Samuel S. Epstein, from Chicago. Typical was the claim that bovine somatotropin could potentially be absorbed from milk into the bloodstream, particularly in infants, and produce "hormonal and allergic effects."

Five major supermarket chains then announced they would not handle dairy products from milk from bGH herds. Also, Ben and Jerry's Homemade Ice Cream—whose "un-adulterated" product caters to the "thirtysomething" crowd's cravings for designer foods, announced they would not only shun bGH-connected milk, but they would carry an ad on their ice cream cartons, proclaiming "Save Family Farms!"

The timing of this Rifkin anti-bGH campaign before schools opened was key. There is a national and international shortage of milk, which became very visible when schools opened in September. Rifkin's campaign for "pure milk" was designed to divert attention from the fact that depleted herds need to be built up, dairymen and other farmers need emergency assistance, and growing, healthy children need milk.

The U.S. Department of Agriculture, as of this fall, has cut off the distribution of all federal stocks of cheese to school lunch programs. For the first time since 1974, there is none to give out. The USDA has discontinued supplying dried milk powder to the WIC—Women, Infants and Children—program. There is none to give out. Local dairy-processing plants are scrambling to get enough raw milk for fresh, fluid milk supplies for schools. In one instance, at Johanna Farms in New Jersey, milk was brought by tank truck from Washington State, a practice which guarantees that milk arrives "stale," no matter how carefully it is handled.

In May, House Agriculture Committee Chairman Kika de la Garza (D-Tex.) released a statement saying, "The Deputy Secretary of Agriculture Jack Parnall has confirmed that due to reduced surplus production of dairy goods there will be far less milk and other dairy products to distribute to school districts for use in lunch programs across the nation." De la Garza pledged "Our continuing support of the school lunch program as a way of ensuring that youngsters receive proper nutrition during their early school years." The result of the pledge? Nothing. An estimated 12 million children from low income families are potentially suffering the loss of this high-protein food.

What is Jeremy Rifkin?

Rifkin has specialized over the years in attacking technological advances, not just in agriculture, but also in defense and in energy production. Last spring, he lashed out against the threat of limitless energy from "cold fusion," because it would raise living standards and cause

population growth. He uses specious arguments and plays on irrational fears and bogeymen: "If you interfere in Mother Nature, who knows where it may end?" Rifkin is one element in a grouping of anti-technology fanatics who are committed to drastic population reduction and want no advances in food production to derail their agenda. For example, a cohort of Rifkin's, Daniel S. Greenberg, who works out of Washington, D.C., wrote against the use of bGH in the *Sacramento Bee*, "In the perverse uses of science, it would be difficult to surpass the creation of a man-made hormone that induces cows to produce more milk, a commodity whose surpluses fill storage caves and drain treasuries in the United States and many European nations." The latter claim that there is overproduction is a straight lie. However, Greenberg makes his real point by asking, "A relevant question, of course, is who needs more milk, even if it's a bit cheaper?"

The facts on bovine growth hormone

by Thomas H. Jukes

Dr. Thomas H. Jukes is a professor-in-residence in biophysics and nutritional sciences at the University of California at Berkeley. An earlier contribution refuting the cancer scare around the growth regulator alar in apples, "Consumers Union publishes bad science on good apples," appeared in our May 15, 1989 issue.

Recent allegations by Samuel Epstein about purported dangers of administering bovine growth hormones (bGH) to dairy cattle^{1,2} have been adequately rebutted by the Food and Drug Administration (FDA)^{3,4,5}. There are some obvious biochemical facts that Epstein has not mentioned, in addition to those listed by the FDA.

First, the ingestion of "foreign" proteins (proteins of non-human origin) is implied by Epstein to be generically dangerous² because of differences in amino acid sequences. But the main proteins of cow's milk are casein and lactalbumin, both of which are different in their amino acid sequences from the corresponding patterns in humans!

The amino acid sequences of bovine and human lactalbumin differ by about 23%⁶. Bovine and sheep kappa caseins differ by 19%. Human and bovine kappa caseins differ even more widely^{6,7} because of their greater evolutionary divergence, as shown by the "molecular evolution-

ary clock." Yet these "foreign proteins," which are present in bovine fluid milk at levels of about 1% and 2.5% are among the most important and best-tolerated proteins in the human food supply, and the amounts ingested are greater by several orders of magnitude than any possible traces of bGH in milk. Since bGH is produced naturally by cows, most of the allegations made by Epstein apply also to market milk from untreated cows, and the allegations have no scientific basis.

Second, the "alien methionyl terminal residue" in bGH is viewed with alarm by Epstein. *All* proteins start with a methionine terminal residue, and this is normally removed by a special enzyme during protein synthesis⁸. So there is nothing to make us feel xenophobic about a terminal methionyl residue.

My next point is a reminder that genetic selection of cattle for high milk production, as practiced for many years, was, in effect, selecting cattle that secreted higher levels of bGH. This is how the Holstein-Friesian breed (now known as Holsteins) came into being, in contrast with beef cattle, such as Herefords, with low milk production. The use of bGH is an acceleration of this familiar genetic practice, rather than a strange innovation calculated by Epstein to arouse "America's new timorousness" that contrasts so abruptly with this nation's adventurous spirit prior to the 1960s.⁹

The cancer argument, revisited

Fourth, Epstein deplores the negative energy balance induced by "biosynthetic milk hormones," but he simultaneously notes that this normally occurs in the rising phase of lactation. This is well known in dairy husbandry. The Holstein breed, in particular, normally draws on body reserves, including bone calcium, during lactation. Epstein views this negative energy balance with horror and he claims that this normal biorhythm will, when (allegedly) prolonged by bGH, be "associated with increased stress, susceptibility to infectious disease and measurable changes in the composition of milk." Also, Epstein² claims that "the fat and milk of cattle are contaminated with a wide range of carcinogens including pesticides such as heptachlor epoxide and dieldrin, and xenobiotics such as PCBs and tetrachlorodibenzo dioxin" and that such contaminants are "likely" to be increased by bGH. But on page 8 in the same treatise he says that no information is available on these "concerns." This approach seems like scare-mongering, but let us examine the allegations further.

(a) If "the fat and milk of cattle are contaminated with a wide range of carcinogens" then milk would not be fit to drink.

(b) The pesticides and "xenobiotics" listed above are not known to be human carcinogens. The pesticides he names have been banned, and therefore are not used. The only carcinogenic responses to them have been in special strains of mice and rats. Animal studies with PCBs (the content of

which in milk is set at a maximum of 1.5 parts per million in milk fat by the FDA) "do not provide convincing evidence that PCBs induce liver cancer,"¹⁰ and studies by the Michigan Department of Public Health showed no health effect in humans. Dioxin is a potent animal carcinogen, but the only effect found in humans exposed to high levels of dioxin is a skin rash, "chloracne."¹¹ In any case, there is no evidence that the levels of these four substances in milk are likely to be increased by bGH.

The amounts of pesticides encountered in foods, including milk, are so small that they are insignificant in comparison with naturally occurring toxicants, as explained at length in various publications by B.N. Ames et al. (for example, *Science* 236, 271: 1987). Is Epstein attempting by tortuous arguments, to play on the public fear of pesticides as a device to arouse suspicions of bGH. If so, the target of his arguments is milk, not bGH.

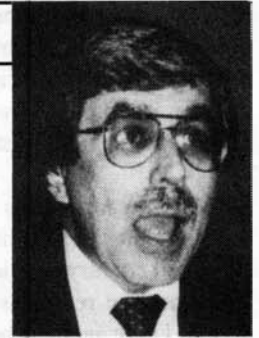
Fifth, Epstein alleges that bGH will increase the level of infectious disease in cattle, so that antibiotics will be used for treatment, so that there will be "increased" levels of antibiotics in milk, so that antibiotic resistance will be induced "in the general population." The use of antibiotics in dairy cattle is in penicillin treatment of mastitis. This use is followed by a withdrawal period, only because a few people are allergically sensitive to penicillin, not because "antibiotic resistance will be induced in the general population." So, this imagined "domino effect" of an imagined train of events is something that won't happen!

Rather than dilate upon the other pessimistic forebodings listed by Epstein, a general comment is in order: If bGH is as bad as he claims, it will never get off the ground, because it will never be successful enough to reach the market place at all.

An innovation in the food supply should by all means be thoroughly examined and criticized before being introduced. But Epstein's exaggerations and fantasies do not contribute usefully to such an examination.

Notes

1. Epstein, S., July 27, 1989, "Growth Hormones Would Endanger Milk," *Los Angeles Times*.
2. Epstein, S., "Potential Public Health Hazards of Biosynthetic Milk Hormones", MS sent to FDA Commissioner F.E. Young, July 19, 1989.
3. Guest, G.B., letter to *Los Angeles Times*, Aug. 1, 1989.
4. Aikman, B., Talk Paper, FDA T89-50, August 4, 1989.
5. Cannon, H.C., FDA, letter to Congressman Peter Smith, Aug. 4, 1989.
6. Dayhoff, M., *Atlas of Protein Sequence and Structure*, 1972 and 1978.
7. Brignon, G. et al., FEBS letters 188 48 (1985).
8. Watson, J.D. et al., *Molecular Biology of the Gene*, third edition, 1987, p. 411.
9. Fairlie, H., "America's Fear of Living," *The New Republic* 1989, reprinted in the *Sacramento Bee*, Forum, p. 1, April 23, 1989.
10. Report by Drill, Friess, Hays, Loomis and Shafter Inc., cited by EPA in report on PCBs, Sept. 1, 1983.
11. *Science* editorial, June 24, 1983.



Food irradiation would greatly benefit Latin America

Mr. Labuza, the president of the California-based Institute for Food Technologies, was interviewed in Bogotá, Colombia, in December 1988. The interview, conducted by Javier Almario, was kindly made available to EIR by the editors of 21st Century Science & Technology.

Q: You said that the communications media are not covering the food technology process in an appropriate way. Do you consider the campaigns against nitrates and food irradiation as nonsense?

Labuza: You know, the media need to sell their products, and articles about how safe the food supply is, don't get great reviews versus an article that says here is a problem. Articles about problems are more readable articles. What we are trying to do, through the Institute for Food Technologies, and through a communicators program, is to supply to the media background information, so that, when something comes up . . . for example, when somebody gives a speech and says that when you eat irradiated food, you'll become radioactive and die, we hope that the media would have some other well-documented background scientific material, so that when they write an article on that person talking about that, maybe they will also present a different viewpoint based on what the scientist thinks about that area. We are not trying to say that the media should not write the article. What we want is that if someone is talking about the murderous food industry, the media also report some scientific facts that probably that person does not know.

Q: Do you think food irradiation is safe?

Labuza: Yes, absolutely. Food irradiation is very safe for the purposes that have been approved, that is, the low-dose radiation for extending the shelf life of fruits and vegetables, which would be a major benefit to Latin American countries, which produce many fruits which decay very rapidly. If these fruits are irradiated, [the Latin American countries] can transport them and sell them in foreign countries, and get some balances of trade. Irradiation of spices is safe. It is done in the United States. In fact, that helps to make other foods safer. The irradiated spices are not the spices people use at home, but the ones used at the industrial level. There, the major concern is that many spices, the way they are grown

and harvested, especially in the tropics, are highly contaminated with a lot of spoiling bacteria. And if you try to make a food with that spoiling bacteria, in the process of making food commercially, you have a potential that the food may spoil faster, and the potential for food poisoning. Now we can offer, the spice industry can offer, to the food-processing industry sources of spices that are free of micro-organisms.

Those are the two major areas in which that technology has been approved. The third area is for reduction of trichinae in pork. In the United States, the U.S. Department of Agriculture does not inspect hogs for trichinosis. They rely on the consumer cooking the food up to certain temperatures that kill the trichinae, or freezing the pork which makes it dryer and tougher. With irradiation, you can cook pork to a rare temperature and have a juicier product, not a dry product. Again, the level of radiation is low. . . .

Q: What is the future of that technology in the U.S. ?

Labuza: Of irradiation technology? I think the future of that technology in the U.S. is dead.

Q: Why?

Labuza: Because there are too many activities that are against that technology. There is a coalition against food irradiation. This is one of the strongest activist groups. They are totally opposed to food irradiation because they think that if they eat irradiated food, they will become radioactive and die. So, they trick the supermarkets who are trying to sell irradiated fruits, for example, and they scare the consumers. Whenever a company has proposed to put a food irradiation facility—if you build a new facility, of course, you have to go to the local government and get permission to build a building and you present your plans—then the coalition group goes to the town council meetings and makes the point that now you have radioactivity in your garden, and tells the people of the neighborhood that the facility is going to explode like Three Mile Island. That opinion, of course, is wrong. They argue that at some point, you have to transport the radiation source to the facility, and there are some possibilities that an accident could happen, and the environment would be contaminated.

One example of this was the National Food Association,

which is a national laboratory sponsored by the food companies. One of its laboratories is out in California. About a year and a half ago, they wanted to build a test radiation facility there so that they could make studies for the food companies, and the local government did not allow them to do that, because those kinds of stories were being told.

Q: Why do Americans believe more in these hysterical activists than in the scientists? Is not the United States the most advanced country in science and technology?

Labuza: The reason is human nature. The way it is presented. I give another, better reason: the level of understanding of science, and there are a lot of studies that have been published, the level of understanding of science by young children, people in high schools, adults, has dramatically gone down over the last 20 years. That is because less and less science and less and less mathematics have been taught in the elementary schools and the high schools. If one does not have the feeling for the understanding of science, one cannot consider science as a help for mankind. Instead one considers science as something strange, something that is unknown, something that is scary; unless you have a background in science, it's easy to be scared of that kind of technology. I am afraid for the United States from that standpoint. Scientists will have a very hard time convincing people of some kinds of new technology and the directions we would like to go into.

Q: What is happening with U.S. education?

Labuza: I don't know. I don't think education schools are teaching teachers to be science teachers. We have to revive education. Somebody should start teaching teachers. There is a tremendous math hysteria. People have an aversity to math. I have met some secretaries to whom I can show simply how to use a calculator and they become afraid of using that calculator, and in order to divide, they prefer dividing by hand and don't understand what I am doing. Our education system needs a kind of boost. I think the National Science Foundation has recently gotten some money from Congress to try to put science and math teaching back in schools. We should begin in elementary schools. If we put science and math only at the high school level, when we try to teach them they will have become phobic to mathematics. By the time they will be in high school, they will not like to learn mathematics.

If we are talking about food technologies, I think the people in the activist groups, and in the media, who deal with that, don't have the science background. They think that food technology is only a matter of cooking and they think that adding some chemicals to food is only economics and not basic science. That is part of our problem and the Institute for Food Technology is getting the people in Washington to understand that food science is a science. It was recently that food science has been considered in the list of the U.S. Department of Agriculture. The problem of education is se-

vere and we only are going to solve it in about 10 years if we begin our efforts now.

Q: What is the role that food technology could have to solve the problems that the severe drought the U.S. and other countries have suffered?

Labuza: In the short term there is nothing that science and food technology could do to solve the drought. The short-term solution is to try to get the raw materials for food industries from another part of the world. The second thing we can do, and we are doing it in the U.S.A., we have done a lot of research in that area, is the engineering or whatever it is called, is to design and study the storage facilities of commodity articles like grains, building the proper kind of silos, so that you can store grains for longer periods of time, so that in periods of shortage you will have the grain available for the market place.

The third area of research, and probably the most exciting, which will not solve the problems of this specific drought, but will increase the ability to grow plants in areas where there is less rainfall, is genetic engineering and hydro-metrical manipulation of plants to make them drought resistant and be able to grow in areas or in periods in which they could not grow before. There is some work on that in Israel and in Arizona where plants have been developed that can grow in desert areas. You can virtually convert that area into a plantation and the plants can grow with less water. I think that is the kind of thing we are going to need.

Q: Why do you think food irradiation has better prospects in South American countries, like Colombia, than in the U.S.A.?

Labuza: Well, you still don't have the kind of activist groups opposed to that technology that we have in the United States, and you should take advantage of that.

Q: What is the cost of a food irradiation facility?

Labuza: I do not know what the cost is. The cost is not much higher, let us say, than putting up a [medical] sterilization plant. The key thing is that the demand for fresh products is going up, fruits and vegetables, and people are willing to pay a premium price. For example, in Minneapolis in winter time you will probably pay a dollar for a kiwi from New Zealand. In California we also grow kiwis, and near the end of the harvest season you can buy 12 kiwis for a dollar. But they are not of the quality of the kiwis from New Zealand. People are willing to pay extra for exotic fruits if they have good quality. If you pick up papayas and mangos, by the time they reach the supermarkets in the United States, depending on what part of the United States, the quality is very poor, the flavor is not there, because of damage, rotting, mold, spoiling, or whatever. Irradiation, low doses of radiation, will slow down that process, extending shelf life and making these kinds of exotic fruits available in many markets. People want to be able to take the product home, espe-

cially in developed countries, and put it in a refrigerator. They are not going to eat it the next day because they shop once a week or whatever, so they want it to have a longer shelf life once the food gets into the home. That means 40-45 days of shelf life from the time of harvesting to the consumer. One of the best examples of that, even in the United States, is strawberries. You pick strawberries, you put them in a basket and put them in a refrigerator, and in three days, the basket is moldy. A small dose of radiation makes them last for about three weeks. Then you have something that the consumers are willing to pay for. . . .

Q: Do you think there is an artificial interest among these groups against science?

Labuza: Oh yes. There are a lot of groups against science.

There are a number of groups in the United States that feel and think that we have to go back to the old ways, that science is degrading our moral philosophy, adding poison to food, and we are going to die, that science is producing cancer. They tend to forget to look at the statistics and look at what mankind ate in the old days, and the fact that they lived maybe 35-40 years, and that they died so much of food poisoning. You know, when you give them those numbers they just ignore them. When you are an anti-science person it is easy to ignore whatever you want to ignore and only believe what you want to believe in. And I think that is one of our real problems.

Q: What do they want? A new Dark Age?

Labuza: Ha, ha. I think so. I think so.

A beneficial technology poisoned by the anti-nukes

There seems to be no end to the lies the anti-nuclear movement invents about food irradiation—and the numbers of people who will fall for them.

The propaganda has reached new depths of deception in New Jersey, a state that has pioneered in the development of low-level irradiation to kill insects and bacteria. If New Jersey legislators do not stop the proposed two-year moratorium on food irradiation, the Garden State will go on record opposing science and supporting the lies of the well-funded anti-nuclear movement. The moratorium was an ill-conceived compromise proposed by the State Health Department. Although the department itself has ruled irradiated foods to be safe and wholesome, it feared that without such a compromise the anti-nuclear lobby would succeed in achieving a permanent ban on the technology.

The professional anti-nuclear activists in New Jersey have no concern for truth. Typical of their propaganda is a leaflet against food irradiation adorned with a cartoon of a wicked witch, saying, "Eat it my pretty little guinea pig," as she force feeds children. Various leaflets suggest that irradiated food will "poison" people, that it is a plot on the part of greedy industrialists, that animals and people have been harmed by eating it.

Using the logic of the anti-food-irradiation lobby, which claims that "unique radiolytic products" are produced by irradiation, the New Jersey state legislature should also ban cooked foods as well as canned foods (which are heat processed), because the radiolytic products found are the same in all cases!

The antinukes have had their arguments refuted time after time by scientists and state and federal agencies. In

the Dec. 30 *Federal Register*, the Food and Drug Administration published a detailed rebuttal to every objection raised to the FDA's ruling that permits food irradiation use for fresh pork, disinfestation of produce, and growth inhibition (such as sprouts in onions). The FDA denied requests for hearings on these objections, stating after a review of each objection, "A hearing will not be granted on the basis of mere allegations or general descriptions of positions and contentions."

Food irradiation is the most researched food process in man's history. The studies began during World War II, when researchers were looking for ways to supply battlefield troops with wholesome, tasty food. Today, more than 40 years of research and thousands of studies later, the technology has the full weight of the international scientific community attesting to the safety and wholesomeness of the product.

Food irradiation at low doses can prolong the shelf life of fruits and vegetables, kill the parasitical trichina worm in pork and the bacteria salmonella in chicken, disinfest fruits and grains after harvest, and delay sprouting in potatoes and onions. At higher doses, irradiation can sterilize foods, enabling them to be stored at room-temperature indefinitely. (This is what astronauts eat in space.)

Although the United States has led the world in pioneering the research, it now lags behind in the use of the technology. While the relatively affluent U.S. consumer can continue the luxury of believing environmentalist propaganda, reason must prevail in developing countries, which have starving or semi-starving populations and crop losses of up to 60%.

It is not too late for New Jersey to wake up. All it will take is one or two legislators who are more worried about the disease, starvation, and grinding poverty that accompany a new dark age, than they are about votes from the environmentalist lobby.—*Marjorie Mazel Hecht*

Satan's helpers: Nazi doctors in America

by Carol White and Brian Lantz

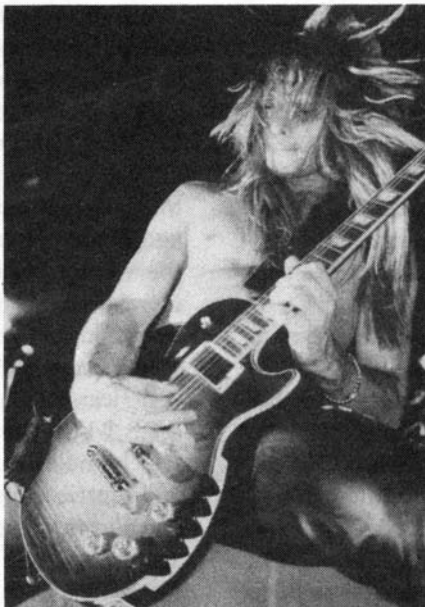
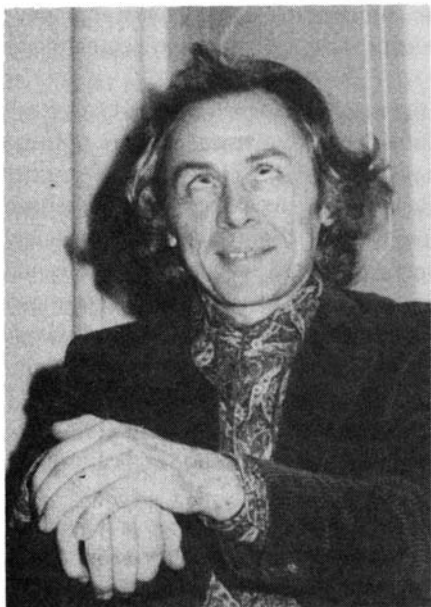
While U.S. Central Intelligence Agency involvement in experiments with mind-altering drugs in the 1950s and early 1960s was made public in the Rockefeller Commission hearings in 1975, public knowledge of the CIA's MK-Ultra program has remained superficial. If a new Satanic Dark Age is to be prevented, every citizen has a right—and duty—to know the full scope of the secret government's effort to “blow their minds.”

The problem is that not only was the Rockefeller Commission's report itself a coverup, but its emphasis upon abuses by U.S. intelligence agencies, by its very nature, eliminated the crucial role of Britain's Tavistock Institute. The paradigm shift which has occurred in the West—to introduce the “Aquarian” values of the “New Age”—was manufactured by the social engineers of Tavistock, at the behest of an Anglo-Saxon oligarchical grouping which not only set itself above nations, but against the Judeo-Christian traditions of Western civilization as well.

Tavistock played a crucial role during the Second World War in Anglo-Soviet intelligence operations which ran out of a secret group sometimes called the British Occult Bureau. The Bureau included occultists—such as Aleister Crowley and Dennis Wheatley—astrologers, along with intelligence professionals. They maintained contact with Heinrich Himmler's astrologer, as well as with occultists in Hitler's immediate circle.

In the postwar period, Tavistock ran a number of psychological profiles not only of political leaders and would-be leaders, but of entire populations. It was also involved in intensive studies of brainwashing. A leader in this field was the psychiatrist R.D. Laing, who worked out of Tavistock. It was he who first stated the doctrine that insanity was a form of social revolt of a higher consciousness than so-called normal behavior; this formed the basis for recruitment to the terrorist Baader-Meinhof Gang in Germany in the 1960s and 1970s, and similar groups elsewhere, from among patients in mental institutions.

This notwithstanding, the role of the Allen Dulles wing of the U.S. intelligence



EIRNS; EIRNS; Stuart Lewis

Left to right: R.D. Laing, Tavistock psychiatrist who promoted insanity as a higher form of consciousness; Zakk Wylde, guitarist for Satanist rock star Ozzy Osbourne, in a March 1989 concert in Sweden (rock was developed as a brainwashing technique); and a typical product of the intelligence services' evil workings, at a New York "pot parade."

community in fostering the spread of Tavistock methods throughout the United States, and in the creation of the counterculture, should be told and retold. Three new books offer a chilling account of the ability of the "secret government" to utilize the services of psychiatrists and other social scientists, as well as members of the medical profession in general, in the service of aims that can best be described as violations of the Nuremberg War Crimes Statutes. The first, *Search for a Manchurian Candidate* by John Marks, is actually a re-issue; the second, *A Father, a Son and the CIA* by Harvey Weinstein, was released in 1988, as was *Journey Into Madness, Medical Torture and the Mind Controllers* by Gordon Thomas.

Marks's account appeared first and is the broadest in scope. He details the prehistory of the MK-Ultra project—best known for disseminating the hallucinogenic drug LSD to an unwitting population of young people—and traces the attempts by the wartime Office of Strategic Services (OSS), and then by the CIA, to find the "philosopher's stone" of brainwashing, the magic elixir which would give them total control over an unwitting subject. LSD was only one of the drugs in their pharmacopoeia, which included amphetamines, truth serums, standard narcotics, cocaine, and barbiturates.

The effort to create a "Manchurian candidate" who could be made to act at the behest of his CIA controllers, encompassed more than merely experimentation with drugs or hypnosis, and included the use of various psychological techniques to make the victim malleable. Weinstein and Thomas

focus more particularly on the activities of one of the most evil of the CIA brainwashers, a Dr. Ewen Cameron, but they

Journey Into Madness, Medical Torture and the Mind Controllers

by Gordon Thomas
Bantam Press, New York, 1989
398 pages, paperbound, \$21.95

A Father, a Son and the CIA

by Harvey Weinstein
James Lorimer & Company, Toronto, 1988
265 pages, hardbound, \$24.95 Canadian dollars

The Search for the Manchurian Candidate, the CIA and Mind Control: The Secret History of the Behavioral Sciences

by John Marks
Dell Publishing Company, New York, 1979,
reprinted August 1988
264 pages, paperbound, \$4.95

also provide the broader context. Dr. Cameron's specialty was to reduce his victims to a state of infantile regression as a prelude to the attempt to reprogram the hapless individual. Weinstein's book has an additional merit, because it is the poignant story of how his own family was grievously injured by Cameron and the CIA.

The story which these books tell is given a historical setting, but as the authors indicate, while the particular projects which they describe are no longer ongoing, there is every reason to believe that they have been replaced by others equally evil, if different.

When President Nixon fired CIA chief Richard Helms at the beginning of his second administration, one phase of the CIA's mind-control project came to an end as well. While many of the files were deliberately destroyed, author John Marks was given 16,000 pages of documents released by the CIA according to the mandate of the Freedom of Information Act. Names and other information were blacked out, but despite this, through cross-referencing and interviews with some of the participants in the project, he was able to piece together a part of the story.

What was MK-Ultra?

The CIA-sponsored LSD experiments of the 1950s and 1960s did not "go out of control." Nor were the likes of Allen Dulles and Richard Helms waging a patriotic war against the brainwashing tools of communism.

Where all three books fall short is in their treatment of MK-Ultra and associated programs as creations of the spy community itself, in their attribution of self-motivation and self-direction to the CIA. In this sense, despite the excellent detailed accounts in each of the books, they amount to disinformation, perhaps despite the best efforts of their authors.

The CIA's first defense of its various projects to develop the art of brainwashing, was the claim that the devices which they were exploring—the drugs, shock treatment, etc.—were already known and used by the Soviets and Chinese, and were being studied by the Nazis before them. Marks, however, shows that early on, Western intelligence had learned through debriefings, that the Soviets and Chinese were using brutal, but relatively standard and unsophisticated, interrogation techniques, which involved placing prisoners in solitary confinement, preventing them from sleeping, humiliating them and so on. The rationale for continuing MK-Ultra became: Suppose in the future the communists develop these tools, we must be prepared to defend ourselves. Obviously, the appeal of having one's own Manchurian candidate was great!

In the three books, there are accounts of how members of the intelligence community—from the Second World War on—were involved in the search for ways to play the spy game more effectively: how to force information from the enemy, how to control one's own agent, and how to prevent one's own agent from spilling the beans if he or she is caught

by the enemy. All of these goals made the possibilities of psychological control attractive to the intelligence community; but it is a serious distortion to view such projects narrowly as "CIA" activities.

The truth is that figures such as Allen Dulles, W. Averell Harriman, Victor Rothschild, Margaret Mead, her husband Gregory Bateson, and Aldous Huxley were at the center of deception operations run by the British, with American cooperation, from the Second World War on. Ostensibly the wartime black operations were intended to lower enemy morale; in reality they were directed against the underground operations of Gen. Charles de Gaulle and resistance fighters in the occupied countries, and in Germany itself. Anglo-American intelligence operations were intended to sow the seeds which would shape the postwar world in a direction which would be agreeable to a certain section of the European and American oligarchies.

Winston Churchill was determined that any republican sentiments expressed by Franklin Roosevelt—as quoted by his son Elliot Roosevelt—or represented by some of the "wildmen" in the OSS, would "die a-borning." His aim, which was all too well realized, was to preserve the British Empire, even if in the form of a Commonwealth, and suppress republican tendencies wherever.

The rock-drug-counterculture was not an accidental creation spun off from the MK-Ultra project, as these three books contend: It was the MK-Ultra project. All else was either a pretext or a sideline. This is documented in the material cited by Weinstein, Thomas, and Marks. Nor did the CIA act alone. British intelligence was a full participant through the Tavistock Institute, which ran social profiles on the Nazis and on various national cultures during and after the war, and which supplied the personnel who in all probability brainwashed Rudolph Hess.

Allen Dulles and MK-Ultra

MK-Ultra, practically understood, may be said to have had its beginning when Allen W. Dulles met with Carl Jung at the Harvard University Tercentenary Conference in 1936. Jung at that time was president of the International Medical Society of Psychotherapy, headquartered in Zurich. This was the beginning of a close collaboration between spymaster Dulles and Jung, whose occultist theories of racial memory were the psychiatric equivalent of Nazi ideology.

During World War II, Allen Dulles was deployed to Berne, Switzerland as part of the American Legation. Dulles was chief of the OSS mission there, and made no secret about it. During those war years, Dulles was shaping policy for the postwar era. Among his preoccupations, according to favorable biographers, were the methods used in what later became known as "brainwashing," an interest said to have been piqued by the 1937 and 1938 forced confessions in the Moscow purge trials.

During the war years in Switzerland, Dulles renewed his

contact with Carl Jung. He also maintained contact with a group of American psychiatrists including the later infamous mind butcher Dr. Ewen Cameron of McGill University. Allen Dulles also made the friendship of leading chemists of the Sandoz drug and chemical company, including Dr. Albert Hoffman, the creator of LSD.

Dulles's contact with American psychiatrists was through the Military Mobilization Committee of the American Psychiatric Association. Dr. Cameron, whom Dulles would meet personally after the war, joined the committee shortly after Pearl Harbor. Thompson describes Dulles role in *Journey into Madness*, as follows:

"While Allen Dulles brilliantly manipulated first the German generals and then Admiral Canaris's Abwehr from his office in Switzerland, he had received invaluable insights into the enemy's mentality from Dr. Cameron and other psychiatrists who were members of an ultra-secret committee meeting regularly in the offices of the American Psychiatric Association in Washington to assess the changing attitudes of Germany and its leaders. Dr. Cameron's insights into the German mentality made it easier for Dulles to have manipulated Himmler's Gestapo toward overthrowing Hitler, and helped him to use German liberals to spread hysteria among the population. Dr. Cameron had synthesized the techniques in documents like *Mass Hysteria in a War Situation*. Some of Dr. Cameron's suggestions had struck Dulles as original and far-reaching—such as his proposal that after the war each surviving German over the age of 12 should receive a short course of electroshock treatment to burn out any remaining vestige of Nazism."

LSD

LSD was discovered by Dr. Albert Hoffman, the Swiss chemist, on April 16, 1943. He was making a witch's brew of the fungus ergot, which attacks rye. For centuries, the power of its toxic by-products to drive men mad was well known. Reportedly he was studying ergot's effects on blood circulation. In any event he accidentally ingested the d-lysergic acid diethylamide (LSD) which he had refined and found that with a dose as small as 1/100,000 of an ounce he was thrown into a quasi-psychotic state.

By 1953, the drug was in circulation among the intelligence and psychiatric community, all of whom were themselves "tripping." It was also being administered to unwitting victims, in order to study how they would react.

At Lexington, Kentucky, prisoners were given the drugs of their choice if they allowed themselves to be used as test subjects in the psychedelic experiments. Seven men were kept on LSD for a continuous 77 days. No followup studies exist about the effects upon them, but counterculture writer Hunter Thompson described a three-day "trip" as creating a feeling that one's brain was boiling away in the sun, with ones nerves wrapping around enormous barbed wire forts, and the remaining faculties reduced to their reptilian anteced-

ents. John Lennon of the Beatles took a three-week LSD "trip" which reduced him to walking on all fours. His brain was so "fried" that he lost the capacity to hallucinate while on the drug.

According to Barbara Honegger, in her 1989 book *October Surprise*, the Bureau of Prisons Federal Medical Center in Rochester Minnesota has done "rehabilitation" research, using a drug called haloperidol, reportedly used by the KGB to destroy memory.

In November 1953, CIA experimenters decided to test LSD on scientists who were working at the Army Chemical Corps' Special Operations Division (SOD) at Fort Detrick, in Frederick, Maryland. Presumably the choice of subject was dictated by the fact that the Army scientists were working in a related field, and had a high security clearance. On Nov. 18, 1953 a group was invited to a log cabin mountain retreat in western Maryland, ostensibly for a three-day seminar to brainstorm together on biological weapons. One LSD subject, Dr. Frank Olson became seriously deranged as a result of the experience and committed suicide. The affair was covered up for two decades and the testing went on.

A similar case occurred in 1953, when Harold Blauer, a professional tennis player who was suffering from depression, was asked to volunteer for a new "treatment." This "treatment" was underwritten by the Army's Chemical Center, which supplied hired psychiatrists working at the New York State Psychiatric Institute to test various derivatives of the hallucinogen mescaline for toxicity. Blauer was coerced into continuing with the project, despite his objections that the tests were making him ill. He died of convulsions during the last test to which he was subjected.

CIA money was conduited through the Geschichte Foundation and the Josiah Macy Foundation for various of these research projects. Student volunteers were "turned on" to drugs through their teachers. Harvard University, from which Timothy Leary came, was a leader in the effort, and the Veterans Hospital at Palo Alto, California recruited counterculture hero Ken Kesey in 1960. In 1963, John Lennon was slipped LSD several times. Finally, he began to use it deliberately, and modeled his trips according to a script written by Leary. By 1965, it was impossible to function as a rock star without being high on LSD, as John Phillips, founder of the Mamas and Papas, wrote in his autobiography.

Dr. Ewen Cameron

While many psychiatrists were involved in aspects of the CIA's brainwashing program, Dr. Donald Ewen Cameron was one of those who actually anticipated the practices of Nazi doctors in Germany and CIA doctors in the postwar period. While Huxley, Mead, and Bateson were responsible for creating the policies that gave birth to the rock-drug counterculture, Cameron was a hard-core brainwasher.

He was simultaneously president of the World, American, and Canadian psychiatric societies, and he created the

prestigious Allan Institute in Montreal—financed by the Rockefellers—where he pioneered in using combinations of drugs, sleep therapy and electroshock in experiments on his unwitting patients. Ironically, many of his victims paid for their “treatment.” They were in most cases not psychotic to begin with, although many ended up hopelessly so after undergoing Cameron’s “treatment.” Despite his fascist views on eugenics and racial purification, Cameron did not discriminate in his choice of victim, such that one was the wife of a Canadian parliamentarian, another a successful businessman and so on.

Donald Ewen Cameron was born in Bridge of Allan, Scotland, in 1901. He was the son of a Presbyterian minister, and received a diploma in psychological medicine in 1925. He trained at the Royal Mental Hospital in Glasgow, under Sir David Henderson, who had himself been taught by Adolph Meyer. While he is not identified with the Tavistock Institute, a number of articles that he wrote, particularly those profiling the German population, fall directly within the orbit of work sponsored by Tavistock. In 1926, he left for America to work with Meyer at the Phipps Clinic at Johns Hopkins Hospital in Baltimore, where Cameron held the Henderson research scholarship in psychiatry. He then moved on to the Burghoelzli Clinic in Switzerland, where he studied under Hans W. Meier, the successor of Eugen Bleuler. Also in Switzerland was A. T. Mathers, from Manitoba, Canada who attracted Cameron to emigrate to Manitoba, in the 1920s. It is questionable why Cameron would have chosen such an out-of-the-way location, unless he wished freedom to do human experimentation on the immigrant population of Manitoba. One would assume that he had some contact with the Jung circle in Switzerland, but this is not documented.

In 1936, he moved to Massachusetts, where he became director of the research division at Worcester State Hospital, and from 1939 to 1943 he was a professor of neurology and psychiatry at Albany Medical College in Albany, New York and at the Russell Sage School of Nursing, which was also in the Albany area. In 1943, he was invited to McGill University in Montreal, and received a grant from the Rockefeller Foundation and other sources of funding to found the Allan Memorial Institute.

The Nuremberg trials

Ironically—since he violated every one of the humanitarian precepts established there—Cameron was directly involved in giving testimony at the Nuremberg trials. He was one of three North American psychiatrists invited in 1945, to evaluate the sanity of Rudolph Hess.

The choice of Cameron for such a prestigious assignment was obviously not fortuitous, because he was already involved in the Anglo-Soviet project to destroy German classical culture, by pretending that Hitler and the Nazi Party were an outgrowth of the Prussian republican tradition, rather than an attack against it. It was the operation by the Tavistock

Institute and its American counterparts to destroy German culture—as typified by Friedrich Schiller and Ludwig van Beethoven—which prepared the way for the more ambitious “New Age” project of the counterculture.

Cameron participated in a team effort which included leading Tavistock profiler and brainwasher John Rawlings Rees, as well as three Soviet psychologists and Britain’s Lord Moran, Winston Churchill’s private physician. Allen Dulles had his own slant on the matter. He wanted Cameron to physically examine Hess, because he believed the man standing trial was a substitute provided by the British.

Seven months before he went to Nuremberg, Cameron wrote a paper which established his credentials: It was entitled, “The Social Reorganization of Germany.” In it, he examined the interaction between the culture of Germany and the character patterns of individuals. His thesis focused on the need for a major “transformation of the existing cultural organization in the postwar period.” He talked about the need for status, worship of order, regimentation, authoritarian leadership, and fear of other countries which typified, according to him, German culture.

Cameron particularly targeted German youth for attack. He speculated that 30 years thence, those who had been adolescents during the Third Reich, would represent the greatest threat to world peace. In later papers he suggested that all adolescents be given a sample of his shock-regression therapy as a way of reprogramming them.

The counterculture in embryo

Six weeks after returning from Nuremberg he wrote a paper, “Nuremberg and Its Significance,” in which he concluded: “It is not simply against future conspiracies of evil men which we have to guard ourselves but it is against ourselves, against weaknesses and faults in our own social order, in our own ways of living against which we have to be on continual guard.”

At this time he began the development of a series of concepts which would become more familiar in the writings of Dr. Benjamin Spock and in the development of the new idea of the validity of a *youth* culture, which would be immune to the values and guidance of the adult world.

In a 1946 paper, “Frontiers of Social Psychiatry,” Cameron concluded that social psychiatry must contribute to developing methods of social control over its citizens in order to direct “the transmission of attitudes, beliefs, and ways of managing life.” He wrote: “We now recognize that the transmission to children, and also to people at all ages of beliefs, attitudes, and customs which produce unnecessary anxiety, guilt, feelings of inadequacy and hostility, must come to an end as a matter of public health and individual well-being. We have recognized that many of these damaging ways of being are transmitted by parents who themselves suffer from them. We also recognize the part played by social institutions interested in perpetuating themselves.” In this

paper he noted that children have “certain psychological rights” which include the right “to protection against indoctrination with damaging, outmoded attitudes, against the implantation of taboos and inhibitions” by their parents.”

“All of us have seen the transmission down the generations of insecurity, chronic anxiety, frigidity, feelings of inadequacy. We have at present no means whatsoever of stopping this. It could be stopped, however, by remodelling and expanding our present concepts of suitability for marriage, of quarantine of individuals suffering from diseases likely to spread to others.” In “Life is for the Living,” published in 1948, Cameron wrote about those influenced by the Nazis: “If we can succeed in inventing means of changing their attitudes and beliefs, we shall find ourselves in possession of measures which, if wisely used, may be employed in freeing ourselves from attitudes and beliefs in other fields which have greatly contributed to the instability of our period by their propensity for holding up progress.”

Cameron became an American citizen in 1942. In 1964, he left Montreal and returned to Albany, where he became the director of the Psychiatry and Aging Research Laboratory at the Veterans Administration Hospital and at Albany Medical College.

Cameron’s method

Electroconvulsive shock therapy was developed in Italy under the fascist Mussolini regime. In 1938 Dr. Ugo Cerletti applied the first electroshock treatment to a mentally ill patient, Umberto Castelli. It was used extensively in the post-war period, before the development of tranquilizers, but normally shocks would be given only a few times per week at 110 volts.

Cameron used a method developed in England, the Page-Russell method, which called for the daily administering of a series of shocks to a patient: an initial one-second shock, followed by five to nine additional shocks, administered while the patient was in seizure.

Cameron upped the voltage to 150 volts and increased the number of applications of the shock treatment from one to two or three times per day. He coupled the administration of the shocks with sleep therapy, induced by forcing the patient to ingest heavy doses of drugs. Typically, patients suffered amnesia (sometimes permanently) and at least for a while would lose the ability to control their bodily functions. In some cases, he induced so great a regression in the patient that the ability to speak was lost. One patient was finally lobotomized, and others were so damaged that they ended their lives in state institutions for the hopelessly insane.

Cameron also used sensory deprivation by isolating patients, generally for a 35-day period, but once for as long as 65 days. Normally, an individual could only sustain sensory deprivation for a one-to-two day period, and student volunteers were never kept against their will or for longer than six days, for fear of doing them irreparable psychic damage.

Cameron described this as “depatterning,” which was to be followed by reprogramming when Cameron felt that his patient had sufficiently regressed. This was done by playing a tape with one message repetitively for up to 16 hours a day. He would first play a negative message, and then after several weeks, he would substitute a “positive” command. He kept one person in what he called “psychic-driving” for as long as 101 days. This work was contracted and paid for by the CIA, which was interested in its application in reprogramming individuals.

Applications to the counterculture

Cameron’s studies of the use of taped messages, combined with sensory deprivation, the use of drugs and so on, on his patient-victims occurred in the 1950s. Patients were forced to hear these messages, which were played to them through earphones which they could not remove. Cameron further refined his technique by introducing headphones so that the voices would appear to be coming from inside the patient’s head. He then developed filtered recordings which would emphasize ultra high or low sounds at extremes in volume. He would space the sounds, repeat them, use echoes, and ultimately multiply a voice, to add weight to the message. Cameron experimented with echo effects, and different use of sound-tracks which certainly predated modern recording techniques. It is not a great stretch of the imagination to suppose that the use of subliminal messages now found on rock-music records is a technique adapted from Cameron’s work. It should be noted here that Cameron was all too successful in reducing his victims to a regressed state.

Aldous Huxley and MK-Ultra

The Esalen Institute at Big Sur, California, was built up during the 1960s by Michael Murphy, on a property owned by his family. Esalen has been a center for the dissemination of psychedelics, New Age philosophy, and “humanist” psychology into the general culture. Author Murphy credits Aldous Huxley with being a prime catalyst in encouraging him to launch the institute. Gregory Bateson, Huxley, Ken Kesey, Timothy Leary, Alan Watts, Allen Ginsburg, Fritz Perls, Abraham Maslow, and other gurus were frequent lecturers there. Charles Manson was known to have visited Esalen, which was also frequented by his victims Sharon Tate and Abigail Folger. Aldous Huxley’s vision of a drug-sodden New Age, in which the population is completely manipulated by social-science controllers, was laid out in his book *Brave New World*.

Despite the worrying degree to which that vision has been realized, Huxley’s role in MK-Ultra has generally been hidden behind a cultivated academic and religious patina, even though his advocacy of hallucinogenic drugs is acknowledged. Huxley was closely connected to Capt. Albert Hubbard, who was an important operative for the OSS during the Second World War.

Captain Alfred Hubbard

Alfred Hubbard in fact was the person who made the mescaline available to Huxley for his second mescaline “trip.” Prior to the Japanese attack on Pearl Harbor, Hubbard was responsible for an extremely sensitive covert operation that involved smuggling weapons and war matériel to Great Britain via Vancouver, British Columbia, including destroyers and airplanes. While living in Vancouver, Hubbard became a Canadian citizen as part of his cover for the OSS, and according to his own report, he personally handled several million dollars, filtered by the OSS through the American consulate to finance covert operations in Europe.

By 1951 Hubbard was a millionaire, having invested in uranium mines. That same year, Captain Hubbard was reportedly introduced to LSD by Dr. Ronald Sandison of Great Britain. Dr. Sandison would establish the first LSD clinic open to the public in 1953, using low-dose techniques. Sandison’s approach would be replicated throughout Europe in the next few years. Hubbard became an enthusiast for LSD, writing about his mystical experiences. In 1951, he began buying vast quantities of LSD, which he introduced into the elite social circles in which he traveled. He maintained close contact with the CIA, which closely monitored all LSD supplies.

Hubbard became deputy chief of security at the Los Vegas Tropicana Hotel. He was a close friend of FBI director J. Edgar Hoover and engaged in undercover work for a number of government agencies, including the Federal Narcotics Bureau and the Food and Drug Administration, both of which were assisting the CIA’s drug programs.

Dr. Humphrey Osmond

In the 1950s, Dr. Humphrey Osmond was a young British psychiatrist working with mescaline at Weyburn Hospital in Saskatchewan, Canada. Osmond’s work in Saskatchewan ran parallel to Dr. Cameron’s in Montreal and Hubbard’s in Vancouver. While Osmond denied CIA sponsorship, he did not deny that the CIA closely monitored his work with the mentally ill. In 1952 Osmond had drawn attention to the structural similarity between the mescaline and adrenaline molecules, implying that schizophrenia might be a form of self-intoxication caused by the body mistakenly producing its own hallucinogenic compounds. That work had attracted the attention of Huxley, and in 1953, Osmond flew to Los Angeles with a supply of mescaline. It was from him that Huxley first sampled the drug.

In the 1950s, Dr. Osmond worked with Alfred Hubbard to set up alcoholism programs using high-dose LSD therapy, an approach Hubbard “pioneered.” The same idea was then applied to juvenile delinquents, narcotics addicts, and the mentally ill.

Osmond left Canada in 1963 and joined a group of researchers at the Princeton Neuropsychiatric Institute. There Osmond worked with Bernard Aaranson, whose studies were

funded through a CIA cut-out, the Society for the Study of Human Ecology, the same society funding Dr. Cameron’s brain butchery and electroshock therapy—often combined with drugs—at McGill University. It was Osmond who in 1957 coined the term “psychedelics,” meaning “mind manifesting.” His purpose, shared with Huxley, was to replace the term psychotomimetic, which implied experimentally induced psychosis. Osmond and Aaranson co-authored an anthology entitled *Psychedelics*.

After MK-Ultra

By the 1970s, LSD was a fixed part of Western “youth culture” and the CIA was ready to move onto the formation of Satanic cults. This was run out of the CIA Office of Research and Development (ORD), but the CIA men introduced themselves as researchers from the Scientific Engineering Institute. Clairvoyants and astrologers were hired. In May of 1971 there were three astrologers on the payroll. Among other things their job was forecasting.

At the same time, Operation Often was launched to go deeper into demonology. The CIA behaviorists hired Sybil Leek, a Houston sorceress, and they gave a grant to the University of South Carolina to establish a course in sorcery. Two hundred and fifty students enrolled. The scientists of Operation Often studied carefully the results of classes devoted to “fertility rites and initiation rites and raising the dead.”

At Harvard, students and faculty concentrated their attention on the Process Church of the Final Judgment, a Satanic group to which was connected former Boston U.S. Attorney John Markham, prosecutor in two trials against Lyndon LaRouche. In an earlier phase, the CIA had studied the susceptibility of students who were undergoing sensory deprivation, to occultist propaganda, and they found that some became occultists and remained so.

By the end of the decade, the emphasis shifted to *deprogramming*. By this time a proliferation of occult groups and kook groups had sprung up. Some used drugs, others preyed upon young people who had been through the drug culture and were looking for moorings.

The same psychiatrists who had pioneered the MK-Ultra project, and their students, now became employed by groups such as the American Family Foundation (AFF). A case in point is Dr. Louis Jolyon West, who participated in MK-Ultra-funded research at the University of Oklahoma, according to Senate testimony.

Dr. Jolly West

West is sometimes laughed off as an MK-Ultra researcher who couldn’t shoot straight. Attempting to chemically produce the state of a bull elephant in rut, Jolly injected it with a huge dose of LSD-25. The poor beast fell into a stupor and died.

Huxley’s friend Dr. West was the head of the Department of Psychiatry at the University of Oklahoma during the 1950s

and early 1960s, doing research on LSD hypnosis and “the psychology of dissociated states” for the CIA. Huxley was quite helpful to him. Huxley suggested to Dr. West during an MK-Ultra experiment that West hypnotize his subjects prior to administering LSD in order to give them “post-hypnotic suggestions aimed at orienting the drug-induced experience in some desired direction.”

Such work is of particular interest given that in 1964 Dr. West took part in the coverup of the Kennedy assassination. West was called upon by the government to examine Jack Ruby, whom West declared to be in a “paranoid state manifested by delusions, visual and auditory hallucinations, and suicidal impulses.” West said that Ruby wasn’t faking because a faker would have asserted that he was indeed mentally ill, while Ruby insisted that he was healthy.

During the “summer of love” in 1967, West rented an apartment in the Haight-Ashbury district of San Francisco to study the “hippies,” certainly a by-product of his work.

After moving to Los Angeles, Dr. West became chairman of the department of psychiatry at the University of California at Los Angeles and director of its Neuropsychiatric Institute. In the 1970s West became infamous for his plans to create a “Center for the Study and Reduction of Violence.” Backed to the hilt by Gov. Ronald Reagan, he proposed a Brave New World monitoring system for criminals and those predicted to engage in violent behavior, including “pre-delinquent children.”

Today he is a leading member of the American Family Foundation. Most recently, these same psychiatrists and social scientists have been running cover for Satanists by denying the existence of Satanic child abuse. The FBI’s “expert” on cults, Kenneth Lanning, is notorious in this regard for his statement that “more people have been killed in the name of Christ than in the name of Satan.”

Satanists

The ideology of these brainwashers is truly Satanic. They believe themselves to be above good and evil. They would reduce every man, woman, and child to the condition of a beast to be conditioned. It is not that they reject the truth that every human being has an immortal soul, but they would knowingly destroy that soul. Surely, whether or not they consciously submit their being to Satan, these men are truly his instruments.

Dr. William Sargant, a British psychiatrist with Tavistock, was an associate of Cameron. He claimed to disagree with some of the more brutal aspects of Cameron’s treatment of patients, yet he himself had pioneered during and after the Second World War, a series of seminal studies on brainwashing. His first work involved shell-shocked troops. He would give them “truth serums” and then force them to relive traumatic experiences.

He found that if they were sufficiently agitated, a period of calm would follow, during which they would be in a

suggestible state. This process, which he called abreaction, frequently resulted in shaking the soldiers free from obsessions which they had developed as a result of battle strain. He sought a theoretical basis for this in the work of the Soviet behaviorist psychologist Ivan Pavlov.

Pavlov had observed that when dogs were severely stressed they would frequently forget recently learned skills, but they would easily pick up new habits. Sargant generalized that sensory overload of the brain would similarly render a human highly suggestible. This led him to study primitive ceremonies such as voodoo, which would place participants in a trance-like state.

His studies of brainwashing techniques involved travels to Haiti and Africa, where he developed parallels between primitive witchcraft ceremonies and rock music festivals, which he described in his books. He also looked at fundamentalist religious ceremonies from the same perspective. In his book *Battle for the Mind*, he developed various examples. Underscoring the message with a picture of the Beatles bearing the caption “Beatle Possession,” he writes: “Any method which induces states of excitement leading to a suitable degree of exhaustion and consequent alteration in brain function can work miracles on its own.”

Sargant concluded his book with an honest admission of his repudiation of the truth of Christianity (or Judaism). For him there is no natural law; all truth is relative, and the gods (not God) are the creation of man.

He writes: “Perhaps we must therefore conclude that it is man who has created the gods and made them in his image, reflecting his varying imaginings, aspirations and fears, just as he, and not some mysterious fate or necessity or abstract historical dynamic, has created his varying political creeds and moral codes. And yet we need faith.

“Without faith of some sort living becomes extraordinarily difficult. We do not live by reason alone and we have to take all sorts of people and assumptions on trust. We need confidence in ourselves, in the value of the work we do, in certain people and standards. We cannot, or most of us cannot, forever be doubting and questioning and withholding final judgment on everything and everyone. Most of us quite evidently need the support of some general religious, political or social framework of faith, however bizarre or dangerous a particular belief-system may be. . . .”

“In the future, the conquest and control of man’s mind is going to be a far more important matter for us than all the development of bigger and better nuclear weapons, and it is essential that we learn all we can about how the brain works and how human beings can be psychologically coerced. . . .”

The exposure of how the secret government has and continues to dabble in mind control is extremely valuable, and each of the three books should be read. They are painful but they are informative, bearing in mind the limitations in viewpoint mentioned above.

From MK-Ultra brainwashing to the American Family Foundation

In 1956, a young Air Force major named Dr. Louis Jolyon West published an article in the *American Journal of Psychiatry* with the unambiguous title, "Brainwashing." Dr. West's credentials in that burgeoning field were impressive. As one of the experimental researchers at the Air Force Office of Scientific Research, he was part of a team of psychiatrists carrying out experiments with LSD-25 and other drugs, under the patronage of the CIA. His most recent claim to fame had been his killing of an elephant with a massive dose of LSD, a feat he reportedly documented with photographs that he carried around with him.

The nature of West's activities back then was known to only a handful of people in the most secret corridors of the U.S. and British governments. For most of his colleagues, West was a medical doctor, working in Oklahoma City at the Veterans Administration hospital and holding consulting positions with the University of Oklahoma and the city government of Oklahoma City. Only 20 years later, when congressional investigators discovered the existence of MK-Ultra and other mind-control projects, would West's actual covert career be revealed. And even then, the story would be far from complete. Today, "Jolly" West is as involved as ever in the covert side of mind control.

At about the same time that Dr. West was stalking elephants in the jungles of Oklahoma, Rabbi Maurice Davis was finishing up a five-year stay in Lexington, Kentucky, where, in addition to running a Reform Jewish congregation, he was a chaplain with the U.S. Public Health Service Hospital for drug addicts. The Addiction Research Center (ARC) at Lexington, run by Dr. Harris Isbell, was at the time one of the main recipients of covert MK-Ultra funds to carry out large-scale brainwashing and mind-control experiments on the captive population. Through his chaplain's post at the facility, Davis was reportedly a key player in the MK-Ultra work that went on at Lexington. According to one of Dr. Isbell's staff doctors, Sherman Kieffer, Davis was a bridge between the community and the hospital wards, where "patients" were treated to heavy doses of drugs, interspersed with electroshock and induced sleep: "Rabbi Davis as chaplain functioned as a representative of the outside world, projecting the outside world as 'warm and caring.'"

One of the "therapeutic" approaches taken by the ARC toward their patients, was the encouragement of participation in cults.

In 1956, Davis was moving on to bigger and better things—a post as chief rabbi at the Indianapolis Hebrew Congregation, the largest Reform synagogue in the state. His work as a community-based patron of mind-bending cults would continue to grow.

Indianapolis is a city whose social welfare and community health structure is dominated by the Eli Lilly Corporation, which at the time was a key element of the secret MK-Ultra work, providing LSD to the CIA out of its pharmaceutical labs. Davis immediately became a fixture of the "ecumenical activist" community there, becoming an intimate collaborator of the Episcopal Bishop Paul Moore. Moore would later move on to the Episcopal Cathedral of St. John the Divine in New York City, where he would emerge as a major patron of the New Age movement, hosting such outfits as the Lucis Trust, Gaia, and the Temple of Understanding (see *EIR*, Feb. 10, 1989, "The Lucis Trust: Satanism and the new world order").

Jonestown, and other projects

One of the most infamous projects on which Davis and Moore teamed up during their stay in Indianapolis was the sponsorship of the career of cult leader Rev. Jim Jones and his People's Temple. Not only did Davis personally intercede with the city government to have Jones installed on the city's Public Housing Commission; Davis also got Jones his first church building.

Dr. West and Rabbi Davis never abandoned their secret MK-Ultra work. By the mid-1970s, their paths crossed, as both men became fixtures in a nationwide network ostensibly committed to helping families to rescue their children who had been recruited into religious cults. If the 1950s was the decade in which brainwashing was the buzzword in the secret back rooms of the Anglo-American intelligence community, the 1970s was the decade in which brainwashing became a subject of near-soap opera fascination among the general public. Between the 1974 kidnaping and brainwashing of heiress Patty Hearst by the terrorist Symbionese Liberation

Army and the 1978 mass suicides of the People's Temple in Jonestown, Guyana, parents all over America were worrying whether their son or daughter would be next.

In the immediate aftermath of Jonestown, the very medical experimenters, psychiatric shock-troops, and community mental health operators who had crafted the fine art of brainwashing in the 1950s and had fathered the counterculture and the proliferation of irrationalist cults in the 1960s, surfaced a nationwide series of organizations bearing such alluring titles as the American Family Foundation (AFF), the Cult Awareness Network (CAN), Citizens Engaged in Reuniting Families (CERF), and the International Foundation for Individual Freedom (IFIF).

It appears that the same secret government funding conduits that had been used to fuel the MK-Ultra efforts were back at it again, funding the army of erstwhile "anti-cult" networks. Back in the mid-1950s, an Air Force lieutenant colonel named James Monroe, on loan to the CIA, had set up the Society for the Study of Human Ecology in New York City as the principal money conduit for the scores of hospital- and university-based drug experiments conducted under MK-Ultra.

By the 1970s, the money-laundering infrastructure had been built up around a handful of tax exempt "philanthropic" family foundations. When AFF got off the ground in 1979, its principal patrons were the small New York City-based Bodman Foundation and the Scaife Family Foundation. By the early 1980s, the Anti-Defamation League of B'nai B'rith, longtime sponsors of Rabbi Davis, had gotten into the act as well. The Swig Foundation of San Francisco, run by ADL national committeeman Marvin Swig, joined the elite list of AFF contributors.

The Bodman Foundation counted among its small list of recipients some of the key centers of New Age and occult activity, including the Cathedral of St. John the Divine of Bishop Paul Moore, the Temple of Understanding, and the Henry Street Settlement House. Leo Cherne's International Rescue Committee, a longstanding covert arm of the social democratic wing of the CIA, also enjoyed Bodman's largesse.

The Scaife Foundation, run by Richard Mellon Scaife, is another well-known covert conduit of special funds, linked to the Project Democracy apparatus. During the heyday of MK-Ultra, another heir of the Mellon family fortune, Billy Mellon Hitchcock, had been a major funder of LSD experimentation and manufacturing.

License to kidnap

In the post-Jonestown climate, the American Family Foundation, with "Jolly" West on its board of directors, and the Cult Awareness Network, linked to Rabbi Davis, became clearinghouses for a nationwide network of kidnapers, targeting members of what are in some cases genuinely dangerous cults for kidnappings and brainwashing. The fact that these dangerous cults, such as the Unification Church, Scientology, and EST, were all outgrowths of MK-Ultra and related

covert projects, underscores the point that the "anti-cult" networks were a continuation of the very same experiments.

AFF and CAN adopted the euphemistic term "deprogramming" to describe their activities. Ironically, the term "deprogramming" likely derives from one of the most primitive and brutal forms of brainwashing developed under the MK-Ultra funding umbrella, "depatterning."

Developed at the Allan Memorial Institute in Montreal, Canada by Dr. Ewen Cameron, an intimate collaborator of Tavistock Institute brainwashers Dr. John Rawlings Rees and Dr. William Sargant, "depatterning" initially involved the use of drugs, sleep therapy, electro-convulsive shock treatments, and sensory deprivation torture to break patients of their behavior patterns and beliefs. Cameron's efforts were so heavy-handed and so incompetent that the CIA wound up paying out millions of dollars to victims of his "depatterning" lab to cover up the full horror story. Other more "reasonable" brainwashers, like Sargant, argued in books bearing such titles as *Battle for the Mind* and *The Mind Possessed*, that the same results could be achieved by replicating the process of religious conversions—without having to get into the kinds of heavy drug and electro-shock techniques that have only limited applications in an institutional setting.

To prove that point, under AFF and CAN, armies of kidnapers were sent out into the field to profile both the distraught parents and the cult recruits. Operating under what one longtime deprogrammer characterized as a "license to kidnap" from witting local, state, and federal law enforcement agencies, these kidnaping teams operated with impunity from coast to coast throughout much of the 1980s.

Given this new phase of the covert mind control war, a certain degree of operational control apparently was shifted from the CIA to the FBI. The FBI's Training Academy at Quantico, Virginia established a fulltime staff of behavioral scientists. And at the nearby University of Virginia, an Institute of Law, Psychiatry, and Public Policy began receiving funds of the Criminal Justice Institute, to set up as a reservoir of professional forensic psychiatric personnel, many veterans of the MK-Ultra wars (see article, page 64, for the story of how this institute figures in an attempt to subject Michael Billington, an associate of Lyndon LaRouche who is currently on trial in Virginia as a political dissident, to Soviet-style psychiatric abuses).

Up until last year, Dr. Park Elliot Deitz, formerly of the MK-Ultra-linked Maclean Hospital and the Bridgewater State Institution for the Criminally Insane in Massachusetts, was the chief guru at the institute. Deitz was apparently a liaison between the FBI and the CAN and AFF. In at least one instance, CAN-sponsored kidnaper-deprogrammer Ken Connor was deployed through Deitz in an arm's-length operation run for Quantico.

Part II will take up the question of why the American Family Foundation really hates LaRouche, and how it has deployed against his political movement.

Moscow delivers 'pre-war' threat to West Germany

by Gabriele Liebig

Eduard Shevardnadze, the "peace-loving" Soviet Foreign Minister, delivered an astonishingly warlike tirade to the United Nations General Assembly on Sept. 26, warning of the rebirth of "Nazism" and "revanchism" in West Germany, and promising the direst of consequences for those nationalist movements within the Soviet empire which would dare assert their independence, or for anyone who would dare support them.

Shevardnadze's threats—completely blacked out of the news media in the United States—ran in part: "Fascism is the ugliest and most extreme form of nationalism. German Nazism marched under the flag of revanchism. Since the forces of revanchism are now again becoming active and are seeking to alter and destroy the post-war realities of Europe, it is our duty to warn all those who wittingly or unwittingly are giving encouragement to those forces." That evening, Shevardnadze held a discussion with French Foreign Minister Roland Dumas, to whom he observed that recent statements by West German politicians betray "undertones from the era preceding the Second World War."

Shevardnadze's tone was still more threatening toward the opposition movements in the Baltic nations of Latvia, Lithuania, and Estonia. "The ship of our world has not yet traversed these dangerous waters. New threats are approaching, which could capsize it." The dangers he cited were the violent forces of a self-serving nationalism, which is threatening the physical survival of entire nations. "Those who want to live well at the expense of others, do not realize that their own existence is at risk."

What is the purpose of this attack on "revanchism"? Quite simply, the Kremlin wants to nip in the bud, any thoughts in the West of giving support to opposition movements within East Germany or in the rest of the East bloc. Its plan is

to make Western Europe—and especially West Germany—cringe in fear, while the United States is still inundated with its cynical babblings of "peace."

In the view of one member of the Baltic opposition with whom *EIR* spoke, Shevardnadze's assault on the nationalist movements within the Soviet Union are even more ominous than the infamous Soviet Communist Party Central Committee declaration of Aug. 26, which warned that the "very existence" of the Baltic nations was now at risk. The Baltic leader noted with some bitterness, that "When the Soviet tanks roll into the Baltic, people are supposed to think that this is happening in the name of peace and better East-West relations."

Pre-arranged with Washington

One entirely overlooked aspect of Shevardnadze's invective, was that it clearly had been worked out in advance with the approval of the Bush administration. U.S. Secretary of State James Baker III admitted that "the German question" had been on the agenda at his meetings just before with Shevardnadze at Jackson Hole, Wyoming, even though they had agreed to keep the proceedings secret. In the portion of Shevardnadze's U.N. speech dealing with Germany, he explicitly referred to the meeting he had held with Bush just a few days before: "The advance of the revanchism movement is dangerous and is hostile to the march toward peace which President Bush spoke about yesterday," he said.

Moreover, the Soviet foreign minister prefaced his tirade against an alleged rebirth of German "fascism" and "revanchism," with an invocation to the Three Powers of the Yalta Treaty—the United States, Great Britain, and the Soviet Union. With this, he was indirectly referring to today's "New Yalta," the condominium of the superpowers in Washington

and Moscow, whose effectiveness, unfortunately, is being demonstrated by the policies of the administration in Washington.

While Baker had the discretion not to blab in public about a joint U.S.-Soviet policy on the "German question," he did let it be known in a television interview on "Face the Nation," that the Balts for their part should expect no support from the United States. Baltic opposition figures are already speaking of a sharp change of policy in Washington. For example, the chairman of Lithuania's Sajudis opposition movement was not received at the White House during his recent U.S. visit. Many Balts now fear that, under pressure from Moscow, the passivity which Western governments have shown heretofore toward their struggles, is now changing into outright hostility.

One further indication of the existence of far-reaching agreements between Washington and Moscow on this question, is the worse than pitiful amount of economic aid which the U.S. government has given to the new Polish government.

Selling out Western Europe

It is an open secret, that the superpower condominium, with its wretched INF treaty, has begun the process of U.S. nuclear disengagement from Western Europe. Indeed, the top agenda item in Wyoming was the continuation of this decoupling of Western Europe from the United States. Regardless of what most news media chose to focus on, all other topics and results of that meeting were of tertiary importance, in comparison to the announcement that both sides desired to ensure that the Vienna talks on conventional disarmament in Europe are concluded *within the next six months*. The chief issue in Vienna is a stepwise withdrawal of foreign troops from Europe—i.e., the pullout of the U.S. troops.

This will also be the actual theme of the planned summit meeting between Bush and Mikhail Gorbachov next spring. And the main topic of a "European summit meeting" à la Reykjavik which the Soviets have repeatedly proposed for sometime next year, would be nothing but this: a Europe entirely under Soviet domination.

All the other resolutions and agreements made at Jackson Hole are relatively insignificant, or at least, are nothing new:

- For the purpose of achieving 50% disarmament, a verifiable catalog of fixed intercontinental missiles is to be assembled. Of course, the era of mobile ICBMs already began some time ago; indeed, it began in the Soviet Union much earlier than in the United States, which only now is constructing its first mobile MX and Midgetman missiles.

- A great fanfare was given to the Soviet "concession," that the termination of the United States' Strategic Defense Initiative program would no longer be made a precondition for the conclusion of a START agreement. This has been under discussion behind the scenes for some time, but any idea of a "concession" was quickly contradicted by Yuri

Nazarkin, the Soviet negotiator in Geneva, who stated that Moscow continues to regard the SDI and START as linked problems.

- The Russians also announced (for the umpteenth time) the dismantling of their Krasnoyarsk radar station. But this is merely one of 11 phased-array radar installations, all of which are in violation of the ABM treaty.

- The statement of both sides' intention to drastically reduce their arsenals of chemical weapons, even if it were actually carried out, has little strategic significance, since this is chiefly a matter of disposing of aging, outmoded stockpiles.

- Of the series of bilateral agreements concluded in Wyoming, one is particularly noteworthy: an agreement concerning visits to the United States of Soviet legal and psychiatric experts. The months-long visits by these delegations must be seen in connection with U.S.-Soviet coordination in dealing with Western opponents of the superpower condominium; the most prominent of those opponents in the United States is the economist and former U.S. presidential candidate, Lyndon LaRouche.

CIA sees Europe as the enemy

On Sept. 19, William Webster, director of the U.S. Central Intelligence Agency, delivered a speech before the World Affairs Council in Los Angeles (see article, p. 58), which caused the French daily *Le Figaro* to observe that Bush's advisers are clearly saying that "the essential conflict is no longer with the Soviet Union, but rather with Tokyo and with 'Fortress Europe.' "

The CIA chief's declaration was so brash, that even the *Realpolitik* experts around former West German Chancellor Helmut Schmidt can't stomach it. "This is wishful thinking," said a close aide to Schmidt. "Tremendous changes could soon occur in the East, which would have dramatic consequences. This will force thinking about the relationship with Moscow all over again. There is an overwhelming feeling among those who have taken a close look at the Soviet Union, that the whole gamble of *perestroika* is about to fail, and there can be nothing done about it. Things are doing down the drain in the Soviet Union. It's that simple."

But while these "realists" murmur their warnings, officials in West Germany's capital Bonn are acting, if anything, worse than their Washington counterparts. In the federal parliament, the opposition Social Democratic Party has stepped up its campaign against low-flying NATO air maneuvers, arguing that the noise they produce is damaging the environment. Meanwhile, Foreign Minister Hans-Dietrich Genscher hastily announced a pilgrimage to Moscow; the Christian Socialist governor of Bavaria has demanded an end to all public debate about the possibility of German reunification; and the ruling Christian Democratic leadership, while expressing concern over Shevardnadze's tirade, has decided "not to make it into a state incident." In other words, official Bonn is cringing before the "peace-loving" Soviets.

Dope, Inc. steps up its assault on Colombia's Barco

by José Restrepo

Dope, Inc. has stepped up its drive to force the Colombian government of Virgilio Barco to surrender to the cocaine lords who have been slaughtering the Colombian people and spreading mind-destroying drugs to the world's youth. For the first time, drug legalization became an official plank in the platform of a leading candidate for the presidency in Colombia; and for the first time, a South American government went on public record calling for legalization of drugs. Both of these events occurred on Sept. 25, three days before President Barco traveled to the United States to seek support for the war on drugs.

On Sept. 25, Ernesto Samper Pizano, a presidential candidate in Colombia's ruling Liberal Party, called for drug legalization, as an alternative to the courageous fight Barco's government has put up since the mafia murdered front-running presidential contender Luis Galán in August. On the same day, the foreign minister of neighboring Peru, which used to back Colombia's efforts to stamp out the narcotics traffickers, went before the United Nations to argue for surrender to the drug pushers.

Peruvian Foreign Minister Guillermo Larco Cox suggested the "decriminalization" of drug use, arguing that "social and economic considerations" made the outright eradication of coca crops in his country unfeasible. Peru's ambassador to Washington César Atala also told a Senate Governmental Affairs committee that the U.S. should buy up Peru's coca crop as a cheaper alternative to trying to stop the traffickers.

Ernesto Samper Pizano, whose chances to become Colombia's next President were boosted when Galán died, owes his political career to the big money-center banks that keep afloat from the profits on laundering the fabulous profits of the drug trade, and to the U.S. Eastern Establishment media who speak for those banks. In the Carter era, Samper was invited to the U.S. by the State Department to argue for the "economic" benefits of legalizing drugs—until exposure by Lyndon LaRouche's political movement forced the Carter folks to put that policy on the back burner. Now Samper is invoking a full-scale revolt by the Liberal Party against President Barco.

Every call for "dialogue" with the drug lords has been amplified throughout the U.S. media, and every one is a page taken straight from the script written by the drug kingpins. In an interview published in mid-September by the Spanish magazine *Interviú*, Medellín Cartel chieftain Gonzalo Rodríguez Gacha admits that the cartel launched its bloody offensive to force the government into the negotiations Samper is now demanding. "In Colombia they have dialogued with everyone except us. . . . What we want is to dialogue, what we want is peace. We want nothing more. . . . At this point it is up to the government, to propose what is to be done."

U.S. media traitors love it

Larco Cox's appeasement plan was applauded by left-liberal *Washington Post* columnist William Raspberry, who suggests that market forces—not morality—should determine national drug policy. That same argument has been actively defended by the right-wing liberal economist Milton Friedman, and of course by Samper.

Interviewed in Colombia's *La República* on Sept. 25, Samper asserted that "if repressive action" against the drug cartels fails, "the road left is legalization of drugs." Samper chose the moment of President Barco's departure for the U.S. to demand a meeting of Liberal congressmen to formulate a new policy on the war on drugs. He told the RCN radio station that one needn't "blindly" follow government policy simply by virtue of being a member of the Liberal Party.

The Samper coup attempt was timed with Justice Minister Monica de Greiff's resignation, announced upon her return from the United States. She said, "I am going to collaborate with Ernesto Samper Pizano in his campaign." Samper called on the Liberal Party to issue a statement of solidarity with De Greiff.

On Sept. 26, De Greiff told the daily *El Tiempo*, she opposed the extradition of drug traffickers, which is *the* key issue in Barco's anti-drug war. In the Justice Ministry, she said, "All of us were aware that it wasn't a popular measure. Philosophically, the majority of the ministers did not like the idea of Colombians being tried abroad. . . . Extradition has

been the most difficult measure. . . . And it is possible that part of the violence that has been generated has been because of the extradition.”

De Greiff also confessed to *El Tiempo* that, like Samper Pizano, she believes in dialogue with the traffickers: “The government said that it will not dialogue, but one must wait and see how things develop. I don’t believe that the decisions of a government should be absolute, because situations are always changing. The President has said that dialogue is impossible. Suddenly, later, the question changes. Furthermore, in Colombia wars have almost never ended, because in nearly all of them arrangements were made. . . . In the United States, they asked me about extradition, and I told them it was unpopular, that it was not going to solve the problem of drug trafficking.”

The bankers’ blessing

Samper Pizano is getting the blessing of the U.S. Eastern Establishment bankers’ controlled media, known for promoting “recreational” drugs. The *Los Angeles Times* on Sept. 15 had a lengthy article drooling over the “courageous and patriotic” candidacy of Samper. The paper painted Samper as “anti-drug,” and made no mention of his decade-long advocacy of drug legalization, but did report his opposition to extradition. The Sunday *New York Times* of Sept. 24 showcased Samper as a popular anti-drug figure with an “international solution” to the drug problem. Again, it did not report that his proffered solution is legalization. On Sept. 29, the *New York Times* devoted ample coverage to De Greiff, but ran only a tiny paragraph on Barco’s meeting with President Bush to seek more support for his anti-drug offensive.

The U.S. publicity does not seem to be helping Samper’s electoral chances inside Colombia. According to a poll published by the pro-Samper magazine *Semana* of Sept. 25, 38-41% of Colombian voters back candidate César Gaviria Trujillo, successor to the martyred Luis Carlos Galán. The poll gives Samper only 15-18%.

Perhaps hoping to cash in on a “popular” issue, Samper has joined his voice in solidarity with a group of congressmen—including rival presidential candidate Alberto Santofimio Botero—who, it has just been revealed, have had their entrance visas to the United States canceled because of suspected drug ties. Samper’s protest, like those of the tainted politicians named, is that the State Department’s action constitutes an “imperialist” violation of Colombia’s “national sovereignty.”

However, the National Congress is far from a popular institution in Colombia these days. The anti-drug daily *El Espectador* devoted its lead editorial Sept. 26 to the growing suspicion that Colombia’s sovereignty is being violated by a Congress largely in league with the drug mafia. The editorial notes that the U.S. diplomatic black list was drawn up months earlier, but the targeted congressmen are only now howling against “Yankee imperialism,” in tandem with the “extradit-

ables” themselves. *El Espectador* writes, “The government has not dared to entrust [Congress] with its emergency legislation on the drug trade, perhaps because of this business of the visas and their protagonists. [Their names] were already known. The government feared a self-interested rebellion. There is no Congress. Why insist?”

When President Barco presented an executive decree to permit the naming of military mayors to those municipalities which required it, the Congress opposed his measure and forced it to be overturned. It was the president of the Chamber of Deputies, Norberto Morales Ballesteros, who told the press Sept. 23 that he has received several calls from Cartel chieftains Pablo Escobar and Gonzalo Rodríguez Gacha, urging his intervention to force a government-mafia dialogue. Morales said, “Many feel that some day the war has to end, whether it is won or not. I believe that [dialogue] is an expeditious road, a door that has been opened. We will see if someone wants to enter.”

Sen. Juan Slebi Slebi, whose visa was canceled by the U.S. embassy, said Sept. 21 that “the inclusion of my name on the black list could be the result of my public position regarding the drug trafficking problem: that the only way to attenuate the business and lower the pressure is by legalizing consumption, as indicated by a British economic magazine,” *The Economist*.

The war goes on

Despite the pressures, President Barco has remained single-minded in his commitment to winning the war the mafia started. The National Narcotics Council has already allocated 180 of 375 planes seized from narcotics traffickers to the Colombian armed forces and national police force. Thousands of troops have been deployed onto the streets of major cities to protect banks, movie theaters, supermarkets, official buildings, and other mafia targets from an escalating series of bombings directed increasingly, according to military authorities, at “civilian targets.” Colombian and Venezuelan military officers spent three days in the city of Cartagena Sept. 23-25 to study joint plans for security and for fighting narco-terrorism along their common border.

On the eve of his departure for the United States to address the U.N. General Assembly and meet with President Bush, Barco vowed that his government “will never give in to the pressures of the narco-terrorists.” He said that the drastic measures he has dictated against the drug cartels are fully supported by the Colombians and have also received unprecedented international solidarity. Barco said that during his speech to the U.N., he would stress the global aspects of the battle against the drug trade, including the need for: a war against drug consumption in the advanced sector; a war against drug money laundering in the advanced sector; and a war against the uncontrolled export of chemicals and other products used in the production of cocaine, as well as against the uncontrolled export of weapons.

The Barco government has not been as clear-cut in its policy toward the narco-terrorist guerrilla groups. On Sept. 26, Colombia signed a long-debated peace accord with the M-19, the same terrorists who in November 1985 murdered half the Supreme Court and gutted the country's Justice Palace on orders of the drug cartels. That day, the M-19 published a full-page paid advertisement in the daily *El Tiempo*, urging dialogue with the drug mafia and elaborating a detailed agenda on how to accomplish this. While the M-19 covers itself by calling for an end to the drug trade, "because of the damage it causes to the health and dignity of man," its proposals are the same as the drug cartels. Point C of its agenda urges "suspension of all extradition requests. Amnesty for those who comply with the commitments stemming from this negotiation."

Dope, Inc.'s lobbyists

Working right alongside the legalization advocates are the doom-sayers and the anti-military crowd. On Sept. 11, the daily *La Prensa* published the statements of a supposed former member of Colombian army intelligence, insisting that "it will take billions of dollars and more than a decade to remove the threat posed by the drug traffickers." Next to these statements, *La Prensa* reported that "the government increased the military expense budget in 1990 by 17% [which will] limit increases in expenditures on schools, hospitals and other public works." *La Prensa* is owned by former President Misael Pastrana (Conservative Party) who has persisted in arguing the impossibility of a successful war against drugs, and who has led his party into vociferous opposition to the government's policy, a treasonous posture under war-time conditions.

Claims that military corruption is responsible for the drug trade are not only coming from the Colombian Communist Party and its media hirelings, like journalist Jorge Child, but from within the government. Attorney General Alfonso Gómez Méndez, married to M-19 sympathizer Patricia Lara, has told the press that "it is not for lack of military might that the big narcotics traffickers have not been able to be captured, or that they have an undefeatable army. It is because they have informants in the army and police that warn them ahead of time when operations are going to be executed."

Communist infiltrator Ricardo Gómez Mazuera, a former military intelligence officer, claimed at a press conference in Brazil Sept. 26 that "about 80% of the [Colombian] police are linked to the drug trade," and that the anti-drug offensive was therefore doomed to failure. He also accused both the army and police of clandestine killings of leftists, criminals, and homosexuals. Before his flight from Colombia, Gómez Mazuera—denounced by the Colombian Defense Ministry as "a mercenary of disinformation"—left his statement of accusations with the Attorney General, who is expected to conduct a formal investigation of the charges.

Gómez Mazuera's charges are designed to feed a growing campaign to undermine President Barco, who is being ac-

cused of having full prior knowledge of alleged military ties to paramilitary/drug trafficking networks. The Colombian Communist Party, the Samper networks, and circles around the Conservative Party's Pastrana are all pushing this scandal scenario, in hope of forcing the President's resignation and ending his anti-drug offensive. Their joint campaign is neatly represented by Clara López Obregón, a Communist politician and niece of Samper's mentor, former President Alfonso López Michelsen, who wrote in the Latin American-wide magazine *Visión* that "Nazi paramilitarism" has corrupted the Colombian armed forces, and is responsible for the violence wracking the country.

The "Nazi" charges are the ultimate cynical trick in the bag of those who demand that Colombia sit down and come to terms with the drug cartels without firing a further shot. By their logic, no one should have ever opposed Adolf Hitler's genocidal pretensions to power. After all, would it not have been simpler, since wars always end with peace talks, to have proceeded directly to the negotiating table with the Nazis? The analogy is not stretched: The cocaine cartels against whom the Barco government, and the majority of Colombia's people, are arrayed in the present war, share Hitler's values and methods down to the last detail. And those bankers, controlled media, and sleazy politicians who promote "dialogue" with them today, are no different from the collaborationists and appeasers of the Nazi era.

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Schiller Institute rallies defense of Lebanon at Paris meeting

by Christine Schier

“Stopping Genocide in Lebanon—A Strategy to Fight the American-Soviet Condominium” was the theme of a conference held by *Executive Intelligence Review* and the Schiller Institute in Paris, France on Sept. 21. More than 150 people gathered at the Centre Chaillot to hear Lebanese, French, and American speakers denounce American appeasement of the Syrian occupier, and defend the cause of a free Lebanon, enjoying freedom of conscience and cooperation among all its different communities.

The conference filled a vacuum left by other French political forces who, although defending the sovereignty of Lebanon, have not attempted to transform their protests into a mass mobilization or direct popular support.

Among the attendees were many religious and political leaders, including Monsignor Harfouche, vicar of the Maronite Patriarchate in France, and Father Riquet, an eminent defender of human rights, as well as representatives from the Lebanese Sunnite and Shi'ite Muslim communities. Speeches ranged from the international setting behind the occupation of Lebanon, to an analysis of the internal Lebanese situation and the contribution of France toward ensuring peace.

‘Kissinger doctrine’ is to blame

Jacques Cheminade, president of the French Schiller Institute, showed how the disaster had been brought to a head by a combination of Syrian ambitions, fanatic Islamic fundamentalism, and Israeli fears. But over and above these more visible elements, the ultimate blame is to be laid on the Soviet-American condominium and the “Kissinger doctrine” with its Metternichean concept of balance of forces. On the regional level, Hafez al Assad, that “small-time Metternich” whom Kissinger so admires, is called upon to enforce the condominium. “As an independent nation-state based on freedom of conscience and of speech, Lebanon is therefore naturally hostile to a regional and worldwide New Yalta, which explains why it is being attacked.” Cheminade called upon all Frenchmen to defend Lebanon with the same tenacity as does the Lebanese peasant in refusing to give up his fields.

The theme of Soviet-American deals over the Middle East was further elaborated by Philip Golub, director of the *Middle East Insider* newsletter. “As ironic as it may be, American and Soviet priorities are identical, notwithstanding problems of competition, because both superpowers want to avoid reaching a nuclear level of escalation, while giving diplomatic priority to Teheran and Damascus, at the expense of other Middle Eastern nations and peoples.”

The American government approved of Hafez al Assad’s coup d’état in November 1970 and its policy has not really changed since, Golub explained. The expected worsening of Soviet-American relations over the next few years will probably lead to a major war in the Middle East. In that light, the resistance of the Lebanese people today is all the more justified.

What does Assad really hope to accomplish in Lebanon? Bassam al Hachem, professor at the Social Sciences Institute of the University of Lebanon, answered this question. “He did not come in order to fight Israel—he could have gone to the Golan for that. He did not come to defend the Palestinian revolution—he was one of their hangmen. And he certainly did not come to preserve the freedom of Lebanon. No, he occupied the country to ‘divide and reign.’” First, he attacked the Sunnites who opposed his regime, then he divided the Christians—the carrot for those in the North and the stick to those in the Shouf region south of Beirut. He is the one who has fomented the inter-Muslim conflicts, supporting Shi’ites and Druzes against Sunnites, then supporting the Shi’ite Amal movement against the Druze leader Walid Jumblatt.

Professor al Hachem explained that Hafez al Assad is obsessed by the smallness of his community in Syria—the Alawites account for only 12.5% of the Syrian population. Assad seeks in a Greater Syria the means to break the internal isolation of his community. At the same time, he tries to attack the different Sunnite communities by mounting an “axis of minorities” all along the crescent from Pakistan to the Mediterranean. That is why he supported Iran against Sunnite Iraq.

During the discussion period, a participant pointed to the parallel of Henry Kissinger's policy toward the world's largest heroin producer, Communist China, and the way in which Assad transformed Lebanon's Bekaa Valley into marijuana and poppy fields.

Create a Second Lebanese Republic

Antoine Sfeir, editor-in-chief of *Cahiers de l'Orient*, stressed in his speech that Lebanon has always been a "troublemaker" in the region, in that it is the only state which honors democracy and freedom of religion and of speech. Prime Minister Michel Aoun himself, a man of the people and the armed forces, is also a "troublemaker." His message is simple: All foreign troops must get out of Lebanon. And yet, this "simplistic" message creates trouble for the Lebanese oligarchy, the political caste, and even the hierarchy of the Maronite Church.

Now, thanks to General Aoun, there is again the possibility of building a true Lebanese nation. We are going to create a Second Lebanese Republic, Sfeir declared. It will be built by all those "children of the war" who identify themselves first and foremost as "Lebanese." The fight will be tough, warned Sfeir. For a long time, the Christians neglected the Muslims and gave up trying to "Lebanize" them. "The time has come to build one single indivisible nation. . . . We have taken too much advantage of cheap Palestinian manpower, we have let the only democracy in the Arab-Muslim world sink into anarchy."

A lively debate broke out between Professor al Hachem and Mr. Sfeir. Hachem maintained that it was now up to the Lebanese Islamic community to recognize the separation between civil and religious society, while Sfeir argued that the Lebanese Christians had not "organized," or "Lebanized," the Muslims over the years, and that the Christian community first had to wake up. These differences dissolved in the room and at the podium when homage was paid to those Shi'ites and Sunnis who, like Nazem el Kaderi, have defended the constitutional state at their own risk and peril.

Samir Daher, president of the International Peace and Human Rights Union, defined the conditions for peace in the Middle East. The Lebanese Army, in his words, is the last legitimate resort for resisting the Syrian occupying force, and is therefore a rallying point. From the U.S.S.R., Lebanon expects a minimum of sincerity when it speaks of "popular liberation"; and from the U.S., it expects that it act as the "leader of the free world." Kissinger's policy has spelled nothing but disaster; he "carried over into the Lebanon the Israeli-Egyptian conflict," and as Cardinal de Retz stated, "For great issues, there can be no small steps." Daher expressed confidence that the Lebanese can work things out among themselves: In war, he said, there are never two winners but, without this consensus, there may well be two losers.

Gen. Georges Lavernhe, former technical adviser to the Lebanese government, described the role of France in the

Middle East. Although France still has a special responsibility toward Lebanon, she at least partially reneged in the 1970s and 1980s.

The Parisian intelligentsia totally misunderstood the nature of the conflict: pro-Palestinian and pro-Muslim, they thought they were witnessing a "class struggle" and a "liberation of the Palestinian people." This misconception paralyzed the necessary initiatives, even more so since French intellectuals were still suffering from the trauma and the guilt of the Algerian war. On top of that, when the oil crisis broke out, a premium was placed on relations with oil-producing countries, often to the detriment of Lebanon.

Since then, in the recent period, French policy has somewhat shifted, even though the means employed, such as the sending of the fleet to the Mediterranean, are not really equal to the tasks. However, France has found herself relatively isolated on the Lebanese issue. When the government asked for emergency action by the United Nations Security Council, when French Foreign Minister Roland Dumas denounced the Kissinger doctrine, neither the American administration nor the European Community (EC) supported them. The truth is that all other European countries followed the United States, playing the Syrian card.

In this way, France has had to retreat from her former position and toe the line. Under American pressure, the search for a solution was again entrusted to the Group of Three (Marocco, Algeria, and Saudi Arabia) from the Arab League. Although the Group of Three had originally imposed the withdrawal of all Syrian troops as a precondition to any agreement or cease-fire, they have now withdrawn this precondition, under pressure from Washington.

The participants supported sending a harshly worded message to President George Bush, asking him to change policy, and another to French President François Mitterrand, thanking him for his help and asking him to intervene in order to have the EC countries withdraw their ambassadors from Damascus and to put an end to economic aid for Syria.

Mrs. Marianna Wertz, the wife of William Wertz, one of Lyndon LaRouche's imprisoned collaborators, testified on the battle led by her American friends on behalf of Lebanon and human rights. She described the physical and spiritual torture Mr. LaRouche is subjected to, but also asked the public not to judge the American people on the basis of its government. "America will wake up before long. The American people, committed to just causes, will not tolerate a bad government forever. In America, the fight is on to obtain freedom for Mr. LaRouche. We firmly intend to win it and at the same time to help you to win the battle for the freedom of Lebanon."

Toward the end of the conference, a film made by Lebanese students on the Syrians' atrocities in Beirut was shown. Finally, homage was paid to all the victims of the Lebanese war, and the memory of Marie-Madeleine Fourcade, great World War II French Resistance leader who had so passionately supported Lebanon, was invoked.

Documentation

The conference "Stopping Genocide in Lebanon—A Strategy to Fight the American-Soviet Condominium" held in Paris, France on Sept. 21, received the following message of greeting from General Aoun:

Lebanon is living through a martyrdom. In the free zones as in the occupied territories, the Lebanese people, equally but in different ways, suffer under the yoke of the Syrian occupation force. Whether it be in the name of an *Anschluss* or by trng pretext of its own security at the expense of neighbouring territory, this Nazi regime is perpetrating massacres in Lebanon. It unfortunately enjoys the support of more than one country that claims to defend human rights and human freedom.

Undoubtedly the liberated zone with its Christian majority has had to endure the most, but the totality of the Lebanese people are victims of this martyrdom.

As I address the message to you, a Muslim Lebanese parliamentarian has just been assassinated by bullets from the Assad regime. This regime is striving to eliminate all independent personalities, since in all Syrian-occupied regions, these independent voices are the only means by which the Lebanese can vote for a Lebanon of freedom, of unity and of the future.

We appreciate your efforts made in the service of that Lebanon which we all defend.

—Michel Aoun, Prime Minister of Lebanon

Participants in the conference unanimously adopted and sent the following messages:

To President George Bush:

We the undersigned, gathered in Paris this 21st of September at a Schiller Institute conference devoted to defending the sovereignty of the Lebanese people, are shocked by the systematic backing you give to Syrian policy in the region. How can a nation like the United States, born of a war for independence and liberation, support such a tyranny as Hafez al Assad's, well known for its barbarity? How can a nation like yours support a drug-trafficking country that is slowly killing your own youth? How can a nation like yours support a country that is complicit in hostage taking and in terrorist acts that destroy your own airplanes in the skies?

Is America, the beacon of liberty for all oppressed peoples, dead? In the name of the historical America, of the America founded upon its declaration of the inalienable rights of man, we call upon you, President Bush, to change policy. We call upon you to use all your power in order to free Lebanon from all foreign occupation forces, that this nation might restore its freedom and sovereignty.

To Lebanese Prime Minister Gen. Michel Aoun:

Gathered in Paris on September 21, at a Schiller Institute conference in support of a free and sovereign Lebanon, we wish to express, General Aoun, our full support for the war of liberation you are waging against all armies occupying your country. We salute your patriotism and your immense courage, that quality of military men which General de Gaulle called "character." Through your actions and your unselfish struggle, hope and the will to fight have been awakened in your people. You remind other nations of the world, especially France, of those great moments in the past when they were called upon to take up arms to defend national integrity. May your courage also inspire today's politicians, so often devoid of ideals and purpose!

To Selim Hoss, Muslim Prime Minister of Lebanon:

Gathered in Paris . . . we ask you to denounce the exactions of the Syrian occupation forces who are acting against all the communities in Lebanon.

We are aware of the courage such an attitude would demand of you. We hope you will demonstrate that courage.

To François Mitterrand, President of France and of the European Council:

Gathered in Paris on September 21 at a conference organized by the Schiller Institute in support of a free and sovereign Lebanon, we would first like to thank you personally for your efforts and those of your foreign minister.

However, deeply outraged by the attitude of the Syrian occupier in Lebanon, we feel that a greater firmness toward Mr. Hafez al Assad, on your part and on the part of the member countries of the EEC, is politically indispensable.

We would also ask you to intervene on behalf of an immediate suspension of economic aid to Syria from France and from the member countries of the EEC, and for the withdrawal of their ambassadors in Damascus, until such time as the Syrian troops have withdrawn from Lebanon, in parallel with the other occupants of this country.

To Lyndon H. LaRouche, Jr.:

Gathered together in Paris, this 21st of September, at a conference organized by the Schiller Institute in defense of a free and sovereign Lebanon, we wish to convey our testimony of friendship and our moral support to Lyndon LaRouche, held prisoner in Rochester, Minnesota.

We salute the terrible risks run by all those fighting for the liberation of oppressed peoples, for justice and against any violation of any nation's sovereignty. We are in a good position to understand the price exacted for challenging established powers, and especially that of the present Soviet-American condominium and its mastermind in the U.S., Henry Kissinger.

Standing firm in the fight we are waging in spite of the martyrdom of our nation, we share your suffering and know that you, also, remain steadfast in a combat that joins ours.

Ukrainians seek to legalize their church

by Oksana Polischyk

Very often a single case tells more about how vicious police-state repression can be than giving statistics. Ukrainian Catholic priest Mikhaylo Havryliv was sent to Chernobyl, as a punishment, to clear contaminated radioactive debris. His "crime" was that he served as a Ukrainian Catholic priest, openly celebrating the sacraments according to his faith. This punishment occurred under Mikhail Gorbachov, while the West was praising the birth of so-called *glasnost* and *perestroika*. Whether under Khrushchov, Brezhnev, or today under Gorbachov, such punishment typifies the cruelty and barbarism of Moscow towards Ukrainian Catholics and their deeply held faith.

Despite years of the most brutal KGB police and militia repression, which continues to the present day, over 150,000 Ukrainian Catholic faithful turned out to celebrate the *moleben* (devotional mass) in the city of Lviv Sept. 17. The date chosen for this huge anti-Moscow protest, demanding legal status for the Ukrainian Catholic Church, outlawed by Stalin in 1946, was not accidental. It was the 50th anniversary of the Soviet invasion of Poland, after the Hitler-Stalin Pact, an invasion which began the Soviet occupation of the Western Ukraine.

The Synod of Ukrainian Catholic Bishops is about to convene in Rome. Their agenda: To elaborate a strategy to pressure the Gorbachov regime into legalizing their church. The Ukrainian Catholic Church of the Eastern Rite (also called the Uniate Church), with some 5 million believers, is the largest underground church in the world. Banned by Stalin in 1946, the church continues, despite brutal repression against illegal clandestine services. Today many Ukrainian Catholic priests have emerged from the underground to hold public masses, running the risk of having services broken up by police and being detained.

The question of legalization will soon come to a head. According to Nikolai Lunkov, Soviet ambassador to Italy, Mikhail Gorbachov is to meet Pope John Paul II when he visits Italy at the end of November. The Vatican confirmed in the first week of September that Gorbachov had expressed interest in meeting the Pope to review Soviet-Vatican relations. The Ukrainian Catholic Church, as well as Catholic Lithuania and Latvia, with a Catholic minority, are expected to be high on the meeting's agenda. The Pope has often sent messages to Gorbachov expressing his desire that the Ukrainian Catholic Church be allowed legal status.

This year has already seen the biggest mass organizing for the legal restoration of the Ukrainian Church since its banning in 1946. On May 16, a Ukrainian Catholic clerical delegation, including bishops F. Kurchaba, S. Dmyterko, and P. Vasylyk, went to Moscow, bringing a petition, addressed to Gorbachov, for the legalization of the Ukrainian Catholic Church. As Gorbachov was in China, the delegation requested to meet Gorbachov's close ally, number two in terms of state protocol, Vice President Anatoli Lukyanov. Lukyanov refused to meet, sending instead low-level Supreme Soviet functionaries and a representative of the Soviet Ministry for Religious Affairs, Valeriy Vespanov, to meet with the delegation. All appeals fell on deaf ears. At the same time, repressions of Ukrainian Catholic priests and believers increased.

The next protest took the form of a very publicized hunger strike in Moscow organized by the Committee for Defense of the Ukrainian Catholic Church, with the goal of bringing public attention to the plight of their Church. The hunger strike was timed with the late May opening session of the newly elected Soviet parliament.

The Sept. 8 founding of the Ukrainian National Movement for Restructuring, Rukh (see *EIR*, Sept. 21, 1986, "Ukrainian freedom movement gathers strength, backed by Polish Solidarnosc") has accelerated the mass campaign for legalization. One of Rukh's leaders is the head of the Committee for Defense of the Ukrainian Catholic Church, Ivan Hel—known in the Ukraine as the "Ukrainian Lech Walesa." In 1987, he was released after 15 years incarceration, where he was often beaten and tortured. On many occasions he was denied even the meager daily prison food ration, and forced to stand outdoors half-naked in sub-zero temperatures. To-

'You admire Gorbachov too much'

"... It is your great mistake, the fascination with [Hollywood] stars, stars, stars. When someone becomes a star, he can blind people. We must be cautious. Stalin was also applauded (in the West). You admire Gorbachov too much. Nobody should be admired like that. Only God.

"We see . . . very real changes. . . . I rejoice at these changes, but I am afraid they may not last long. As long as you have a one-party government, there is a danger of dictatorship. Stalinism is dormant, but it is not dead."

—Cardinal Vincentas Sladkevicius, as quoted in the *Washington Post*, Feb. 4, 1989.

day, as a leader of Rukh, he is fighting not only for the legalization of the Ukrainian Catholic Church, but for the creation of a mass Christian Democratic movement whose platform would include the restoration of an independent Ukrainian Orthodox Church for the Orthodox believers who comprise 80% of the Ukraine's population.

Forbidding silence from Moscow

So far Gorbachov has not said a word. The only answer the Ukrainian Catholics have received from the Soviet government has been more and more repression.

The other answer to the Ukrainians' appeal came from the Russian Orthodox Metropolitan Filaret of Kiev, who in an interview with *Radianska Ukraina* warned that the "consequences" of legalizing the Ukrainian Catholic Church would be "undesirable." "The Ukrainian Catholics have negative attitudes towards the Russian Orthodox Church, which they call unholy, even the church of Satan, whose hierarchs they disrespect and whose liturgies they counsel others not to attend. And this is the case when the Ukrainian Catholic Church is not legalized. Can you imagine what will happen when it is legalized?"

Furthermore, the Metropolitan lied, "On the territory of Ukraine, there are other religions in addition to the Russian Orthodox Church, and among them, is Catholicism. Those who call themselves Catholics may attend Catholic churches. Those who live in the faith of their forefathers, the Orthodox faith, can attend Orthodox liturgies."

Indeed, when the Metropolitan says anyone can worship in a "Catholic Church"—this may *sound* totally "logical" to people in the West. The facts, however, tear this argument to shreds. The only legal Catholic churches in the Ukraine are in the Carpatho-Ukraine, bordering on Hungary and Poland. These very few churches serve the Ukraine's tiny Polish and Hungarian minorities. They are physically inaccessible to nearly all Ukrainian Catholics, and in the Hungarian case, services are in a totally alien, non-Slavic language.

In the meantime, the Ukrainians have not given up, as proven by the 150,000-strong march under the blue and yellow national flag in Lviv on Sept 17. Like the Church of Poland, the church in Ukraine is seen by many Ukrainians as part of their national and cultural identity.

As Ivan Hel put it: "Stalin destroyed the people physically, Shcherbitsky spiritually." Shcherbitsky, the Ukrainian party boss and "Brezhnev relic" is gone now, having been "retired" at the September Plenum. Gorbachov's mask will either have to fall or he will have to give in to at least some of the Ukrainian Catholics' demands. His meeting with the Pope will be the test. Legalizing the Ukrainian Catholic Church would mean opening up for Moscow another can of worms: Ukrainian Orthodox, of whom several tens of millions, are waiting in the wings to break the Russian Orthodox grip and press for their own Autocephalous Orthodox Church.

Documentation

Michnik calls for anti-bolshevik front

The following are excerpts from a translation from Polish of the speech by Adam Michnik, a leading spokesman for Poland's Solidarnosc movement, delivered before the founding congress of the Popular Movement in Ukraine for Perestroika (Rukh) in Kiev on Sept. 8.

We are experiencing together the end of the totalitarian system, the end of Stalinist communism. I bring you greetings from Poland on behalf of Solidarnosc and the deputies of the Polish Sejm. We are listening to your congress and are overjoyed and moved as we observe your national rebirth.

Behind us lies a great stock of common history, both good and bad, but common. Today we ask, what has always marred our coexistence? And we believe the time has come to call this evil by its real name: chauvinism. You as Ukrainians and we as Poles know the face of Great Russian chauvinism, which over the centuries has stifled our national cultures. We know how much harm it has brought to the Russians themselves. No nation can be happy if it degrades and oppresses other nations. Hatred between nations is called chauvinism. Distinctions are made between the chauvinism of great and powerful nations and that of the weak and subjugated, but it is an illness in both cases. Let us renounce it! Let us, as Poles, drive chauvinism from Polish hearts, and you, as Ukrainians, from Ukrainian hearts.

I represent Solidarnosc, the Solidarnosc that is striving to build democracy on traditions of understanding and struggle against totalitarian ideologies. We draw from Christian traditions, from the freedom-loving aspirations of the Polish intelligentsia, and from the resistance of the Polish countryside to collectivization; and above all, from the striking struggle of Polish workers. . . . The Church has taught us that each of us must reject the totalitarian assault on our conscience and answer only to God. And, thanks to this, we are free, and as one free nation we wish to build our alliances with other free nations, as an equal among equals. . . .

We are glad that now, on this historic day, at this solemn moment for Ukraine and for all of Europe, there are Poles in this hall. We are glad that at this time of national rebirth—for which you paid the price of camps, trials, suffering, pain, and the death of the best sons of this land—Solidarnosc is with you, Poland is with you. May fortune be with you! May God give you strength! Long live a democratic, just, free Ukraine!

A Russian Orthodox 'nyet' to Uniates

by Kathleen Klenetsky

Amidst hints that Moscow may be prepared to legalize the outlawed Ukrainian Catholic Church, a leading spokesman for the Russian Orthodox Church (ROC) has delivered a scathing attack against the Uniate churches in the East bloc, virtually demanding that the Vatican agree to their continued suppression as a condition for the continuation of the Catholic-Orthodox dialogue.

Metropolitan Filaret, head of the External Relations Department of the Russian Orthodox Church's Moscow Patriarchate, and one of the Soviet Union's leading purveyors of the lie that it wants nothing but peace with the West, told a U.S.-based Catholic newspaper that the Byzantine rite church must never be recognized as legitimate.

In an interview published in the Sept. 24 *National Catholic Register*, Filaret, who serves as metropolitan of Kiev, the capital of the Ukraine, voiced adamant opposition to any loosening of the brutal repression which Josef Stalin unleashed against the Ukrainian Catholic Church in 1946. Stalin declared the church illegal, and demanded that its members join the ROC. Since that time, it has been forced to function underground.

"The Uniate tradition," Filaret claimed, "was created under abnormal conditions—not as the product of a dialogue with God, but as an act *against* this dialogue. For this reason, it will never, never be a constructive factor. . . . Uniatism will never be a bridge between East and West. It will always be the precipice which separates us."

The most significant aspect of Filaret's remarks was his attempt to draw a fundamental distinction between the Roman Catholic Church, and the Uniate churches. The latter, while using a liturgy different from that used by the Roman Church, nevertheless recognize the Pope as their spiritual leader, and are doctrinally in accord with Rome.

Filaret declared that while there is room for the Roman Catholic Church to exist in the Soviet Union, this is absolutely not true for the Uniates. "We are *not* against the Catholic Church," and "we accept [the Pope] by our own judgment and free will," Filaret asserted. "But Uniatism, however you may choose to interpret it, represents an act of proselytism by the Western Church in the East. This is what angers the Russian Church."

Filaret made little attempt to disguise the reasons for

his antipathy toward the Uniates': their pivotal role in the nationalist movements which are demanding independence from Soviet rule. "In the Baltic countries and the Ukraine, and in Belorussia, too, the Catholic Church is closely connected with national culture," he said. "Sometimes this assumes a nationalist character. Churches should resist this. . . . Nationalist tendencies still exist in the Ukraine. And in practice, many Uniates are not against Moscow as a center of the Orthodox Church but against Moscow as a political center."

Soviet maneuvers

Filaret's candid interview comes just as the pace of Vatican-Soviet diplomacy has markedly quickened. It was recently announced that Mikhail Gorbachov will meet with the Pope in Rome this November. According to several sources, the subject of the legalization of the Byzantine rite will definitely be on the agenda, and, according to one individual familiar with preparations for the meeting, "will certainly be one of the Pontiff's top two priorities."

The Ukrainian Catholic Church's leader in exile, Cardinal Lubachivsky, disclosed Sept. 21 that the Vatican had set discussion of the banned church as a condition for the meeting.

A week later, the KGB's Fyodor Burlatsky, chairman of the Supreme Soviet's subcommittee on humanitarian matters, announced that the Supreme Soviet will consider legalizing the Ukrainian Church next year.

The issue of the Ukrainian church is also expected to dominate the next meeting between the Vatican's Council for Promoting Christian Unity and Russian Orthodox Church representatives, which is scheduled to take place sometime in October.

Filaret's seeming dissension from the official Soviet state declaration of war on the Byzantine churches may be part of a Soviet "soft cop/hard cop" operation, which seeks to extract as many concessions from the Vatican as possible, in exchange for some easy promises from Moscow to lessen the persecution of the Byzantine churches. It has been suggested by some observers that Gorbachov may be willing to at least grant the appearance of legalizing the Uniates, in order to defuse the mounting pressures for political and economic independence in the Ukraine and other parts of the empire.

Filaret concluded his interview by suggesting that the Pope, if he does succeed in arranging his long-wished-for trip to the centers of the Uniate churches in the East, should come to Moscow as well. "We would like John Paul II to come when the time is ripe," said Filaret. "And we cannot see how he can visit Lithuania, Belorussia, and the Ukraine without going to Moscow, the Orthodox capital." By convincing the Pope to visit Moscow, the Russian Orthodox Church is hoping to bolster its side in its ongoing contest with the Patriarchate of Constantinople for the position of true representative of Orthodoxy in the East.

Crisis not ended in Soviet Transcaucasus

by Konstantin George

On Sept. 27, two days after an ultimatum from Soviet leader Mikhail Gorbachov to the Central Asian republic of Azerbaijan to end its blockade of Armenia, or else force would be employed, Soviet radioproclaimed the "end" to Azerbaijan's four-week rail blockade of the neighboring republic. Soviet radio announced that "the first trains have arrived in Armenia after Azerbaijan lifted the blockade." It thus appeared, on the surface, that Gorbachov's ultimatum had succeeded, and that the crisis between the two ethnic groups in the Transcaucasus was beginning to wind down. Surface appearances are almost always deceptive, and this case was no exception.

The Soviet announcement was at best a half-truth, and the smell of a statement designed to win political capital for Gorbachov, while covering up an actual worsening of the crisis, was already evident in the very next sentence of the broadcast: "However, several freight trains are missing, including one with food," and most cargoes are still being airlifted.

Armenia depends on rail lines that run through Azerbaijan for 85% of its supplies, and the blockade, which terminated shipments of fuel, food, raw materials, and construction materials, had brought all of Armenia's transport and auto traffic to a halt, shut down most industry, and stopped all post-earthquake reconstruction work. In short, in the first case ever where one Soviet republic blockaded another one, Armenia's economy was crippled. Armenia is totally dependent on Azerbaijan for fuel.

On Sept. 27, the "first trains," seven to be precise, did arrive in Armenia, in an Armenia where no civilian motor transport operates because there is no gasoline or diesel fuel. The trains brought desperately needed building materials, machinery, paper, and coal for winter heating (winters are severe in Armenia); other shipments arrived with food. Azerbaijan did not end the blockade, but changed tactics to "confine" the blockade to fuel. Everything that reached Armenia got no further than the train station, where the supplies were unloaded, to sit and rot, awaiting, due to the absence of fuel, non-existent motor transport.

Moscow's grandiose announcement that the blockade had been "lifted," got Gorbachov off the hook, temporarily, in that he was not compelled to use the military against the Azerbaijanis, which would have certainly precipitated a

bloody guerrilla war against Moscow in that mountainous Muslim republic—where hundreds of thousands of Azerbaijanis have, since 1988, acquired arms—and other, unpredictable consequences.

How long Gorbachov can postpone deploying troops without entailing major political consequences for himself, is questionable. The disruption of Transcaucasian rail service has already passed the blockade stage. The Soviet government daily *Izvestia* of Sept. 28 reported that a rail bridge in Azerbaijan, near Karabakh, had been blown up. Guerrilla war is already beginning. The U.S.S.R. Interior Troops, which Gorbachov placed under his personal control before the September Central Committee Plenum, are being mobilized for such a contingency. Timed with Gorbachov's Sept. 25 ultimatum, an entire elite division of Interior Troops, composed of "special units," (recruited from ex-Army Airborne and Afghan War special forces veterans) were flown into Azerbaijan's Karabakh region, where many Armenians live. The troops had arrived from Uzbekistan's Fergana Valley, where they had been sent in June to quell the Uzbek pogroms against Meshketian Turks.

The urgency of the situation in Armenia and Azerbaijan was underscored by Interior Ministry Gen. Vladimir Yegorov, in a Moscow press conference on Sept. 26. He stressed that even though the "first trains" had arrived in Armenia, no food and no fuel were getting through. Yegorov warned that if the blockade were not totally lifted, then "the forces of the state" would be employed to break the blockade.

Military grows impatient

Soviet military impatience over Gorbachov's tough words but do-nothing stance toward the blockade and national unrest in general, is very high. Defense Minister Dmitri Yazov in his speech to the Central Committee Plenum Sept. 20, warned that "nationalist and extremist forces" are not only active throughout the Soviet Union, where he singled out the Baltic republics and the Transcaucasus, but had begun "to find an echo" within the Armed Forces itself. He demanded that "a stinging rebuff" be given to these forces.

The Transcaucasian theater is but one of many crisis arenas troubling Moscow. In October, the Baltic Popular Fronts will hold congresses, and renew their campaign for wide-ranging autonomy and future independence. The next round of mass strikes in the Ukraine and Russia will probably begin also in October. In the other Warsaw Pact satellite states, the economic-political crises in Poland, Hungary and East Germany, will also heavily intensify as winter comes on.

Gorbachov's preemptive strike at the September plenum, ousting three Politburo opponents, has given him a short-term political stability. However, the current emergency in the Transcaucasus, and the inevitable October upheavals, will provoke new and bitter rounds in the power struggle raging in the Soviet leadership.

Mystery surrounds Niger air explosion

by Thierry Lalevée

One hundred seventy passengers were killed on Sept. 19 when the DC-10 operated by the French company UTA exploded above the Tenere Desert between Chad and Niger. Yet, this event, which rivals the Dec. 21, 1988 bombing aboard Pan American Flight 103 over Lockerbie, England, which killed 270 people, has drawn little attention. In the United States, it was secondary news, overshadowed by news of a U.S. Air Boeing 737 which skidded into the East River at New York's LaGuardia Airport. Was the Niger bombing played down just because it happened in Central Africa, with most of the passengers being black Africans; or, was it because it might raise embarrassing questions?

More than a week after it occurred, it has become evident that, however difficult the actual police and intelligence investigations will be, the main issue in finding the culprits will be a matter of political will—especially the political will to point the accusing finger not at some ostensibly “independent” terrorist organization, but at the state or states which sponsored it. Indeed, just as the mystery of Lockerbie has remained unsolved so far, because of Washington's reluctance to name either Syria or Iran, that is very likely the reason why the Niger crash has not made headlines outside of France. Coming just a few days before the summit between Soviet Foreign Minister Eduard Shevardnadze and U.S. Secretary of State James Baker III in Wyoming, U.S. agencies were not eager to start denouncing any state which just happened to be Moscow's ally.

Cynics, or “realists” as they are sometimes known, add that because of the high level of tension between Washington and Paris over the Middle East, and Lebanon in particular, some American officials considered that the bombing as Paris “paying the price of its adventures” in the region.

Hezbollah implicated

Preliminary and scattered investigations are nonetheless pointing in a definite direction. UT-772 was blown up by a 10-kilogram charge of Semtex explosive, loaded onto the plane at its point of departure, Congo-Brazzaville. Though officials in Congo claim that each piece of luggage was checked twice before departure, Congo's Maya Maya airport is known for its lax security—especially since no less than the personal guard of the Congolese President includes many

Palestinians element associated with the Syrian-sponsored rejectionist front. Moreover, the region has also seen the rapid spread in the last two years of Hezbollah Shi'ite cells from West Africa, especially from Sierra Leone, Senegal, and Ivory Coast, into the Central African Republic, Gabon, and Cameroon.

Besides the creation of a clandestine infrastructure, the growth of the Hezbollah is also part of a broader political design. Iranian leaders have assessed that, in coming years, they could fill the political vacuum in many countries which, like Senegal two years ago, are confronted with a social and economic crisis. In the final analysis, the growth of the Hezbollah is a direct political challenge to the longstanding relationship between the African countries and France, in particular.

Investigations are narrowing on the Hezbollah networks as having provided the logistics for the bombings, and further questions are being raised about the origins of the Semtex, and about which terror organization sponsored the operations and on whose behalf. Several reports are already circulating linking the bomb to the cells of the PFLP-General Command of Ahmed Jibril, which was supposedly dismantled last winter in West Germany, just prior to the Lockerbie bombing. One unconfirmed hypothesis suggests that the same kind of portable radio-tape recorder was used, as that used for the Lockerbie bombing and previously found in the PFLP-GC's safehouse in Germany.

Yet, such a *modus operandi* implicates not only the PFLP-GC, but also such well-known explosives experts as the May 15 group of Abu Ibrahim. The latter group, no longer operationally independent, has joined a pool which is variously used either by the PFLP-GC or the Abu Nidal organization.

A look at recent events in Lebanon also shows further integration among these groups. Over this past summer, a series of meetings took place, resulting in the establishment of a broad coalition in Lebanon which sees Hezbollah, Amal, Jibril, and Abu Nidal operating jointly in the south, with the last two organizations sharing training camps. Such cooperation makes it most unlikely for Hezbollah cells to decide independently, somewhere in West Africa, to order the killing of 170 passengers. As one French official was quoted in the Paris daily *Le Figaro* Sept 22, such a move is an “act of war, sponsored by a state.”

But which state? *Le Figaro* on Sept. 27 gave part of the answer in its headline, “Syria's Shadow.” But, not only Syria, but also Iran would have most likely involved in such an operation. The precise motive for the bombing, however, remains unclear. It could have been an act of retaliation against France's policy in Lebanon against Syria. Some have indicated that the targets may have been two passengers involved in a large arms sale to the Lebanese Christians; but this may be a mere convergence of events, since it is rare that an entire plane is blown up just for two passengers.

Beijing leaders revert to true nature

by Linda de Hoyos

In his *Memoirs of a Chinese Revolutionary*, the great fighter for a “new China,” Dr. Sun Yat-sen, wages a bitter polemic against the 2000-year-old theory of Fu-kueh on “the difficulty of action and the easiness of knowledge.” “The theory of Fu-kueh is my enemy,” Sun Yat-sen states in his preface on the “Causes of China’s Stagnation,” “a thousand times more powerful than the authority of the Manchu dynasty. The power of the Manchus could achieve only the killing of our bodies, but it could not deprive us of our will.” In reality, as Dr. Sun proceeds to develop by examples in the next 100 pages of his memoirs, it is knowledge that is difficult; once the knowledge has been attained, then action is easy. “Mind is the beginning of everything that happens in the world.”

Dr. Sun’s struggle on behalf of knowledge and truth is but one indication that the Maoist Revolution was not the great reform of the “old China,” but a *counterrevolutionary* throw-back aimed at the destruction of Sun Yat-sen’s republicanism and ideas for economic construction (see *EIR*, Sept. 1, 1989, “Sun Yat-sen’s program and China’s development today.”)

Nowhere was this more explicit than in the orgy of self-destruction known as the Great Proletarian Cultural Revolution, led by Mao Zedong from 1966-76. The crushing of the “Hundred Flowers Campaign” in 1957—in which intellectuals who were promised freedom of thought and expression were then ruthlessly repressed—was the dress rehearsal for the Cultural Revolution, in which the nation’s universities were completely shut down and intellectuals were killed, tortured, driven into isolated countryside areas to perform the hardest manual labor, or driven to suicide.

The Cultural Revolution conjured up one of the worst eras of Chinese history, the Ch’in dynasty, whose legalist philosophers introduced book-burning to China. As Simon Leys points out in his book *Broken Images*, Han Fei-tzu, the theoretician of the legalist school, wrote, “The people must not fall into the way of prizing knowledge, which would lead them to neglect agricultural production. A people which despises knowledge stays ignorant, and in that state of ignorance it remains immune to outside influences, which is altogether to the advantage of the State’s security.” This was precisely Mao’s prescription for the Cultural Revolution.

The new assault

It should not be surprising, then, to find that despite the last decade of “reform” and the “opening of the door,” carried out by Deng Xiaoping, once the Communist Party leadership feels itself under the slightest threat, it reverts hysterically to its true nature and carries out the repression of intellectuals and a policy of stifling the mind—all in the name of the “four cardinal principles” of the Maoist Revolution. As the vice minister of Education, He Dongchang, stated, a “screen” must be placed over China’s windows to the world, to keep the “flies and worms” of Western ideas from infesting the country.

Accordingly, steps reminiscent of the Cultural Revolution are now being taken:

- Cuts in student enrollment. University enrollment for this academic year will be reduced by 30,000. Most of these cuts are in the fields of science and technology, and especially in the Beijing universities. The government is also cutting back on subsidies to students. Students seeking university education will first have to go through a training period, lasting as long as a year, with the People’s Liberation Army.

- A new crusade against books was launched at the National People’s Congress July 6, a month after the Tiananmen massacre, by Xinkiang representative Seypydin Aizezi, who decried “a non-theoretical, nonsocial, and nonethical ideological trend [that] has spread unchecked within literary and art circles. Books are written without regard to the social benefits of the proletariat. Bookstalls on the streets have become bastions spreading bourgeois liberalization. . . . All this is a new expression of class struggle under the new situation. However, fearing that they might commit the leftist mistake of taking class struggle as the key link, many comrades let the situation develop, and the term ‘struggle’ has almost disappeared from our vocabulary.”

Books and magazines are being ripped off the shelves. The search is thorough, as this July 25 report shows: “In Hefei, Anhui province, an inspection of 208 private bookstalls and 18 book wholesale departments has found 5,300 books advocating violence and 57,000 books in violation of the state publication regulations.”

- Purges and expulsion to the countryside. On Aug. 22, Politburo member Song Ping declared that the Communist Party has been forced to carry out a purge down to the “grass roots” in order to cleanse the party of “bourgeois liberalization.” Song Ping indicated that the purged cadre would get the same treatment as their predecessors during the Cultural Revolution—return to the countryside. Song Ping stated: “I would like to talk a little more about the system of cadre participation in labor. This is an effective measure that can help a cadre maintain the flesh-and-blood ties between cadre and masses.” An order has already been transmitted that all national-level Communist Party cadre who graduated from college after 1985 are to be transferred to low-level jobs in the provinces for at least one year.

Federation for a Democratic China sees models in de Gaulle, Solidarnosc

by Mary Burdman

The challenges facing the new Federation for a Democratic China, founded at a conference of 170 persons on the weekend of Sept. 22-24 in Paris, are very great. The leadership of the FDC are all exiles who fled the People's Republic of China for their lives in the wake of the June 4 massacre of many thousands of Chinese in Beijing, and are "wanted criminals" accused of treason for attempting to overthrow the P.R.C. government. Yet they have succeeded in creating the foundation for a government-in-exile for China—one that is determined to win the fight to rule China in the near term. This is the first time since the Communist Party took power in China 40 years ago—on Oct. 1, 1949—that any such major opposition group has been created, and the first time since the work of Dr. Sun Yat-sen, the founder of modern China, 90 years ago, that a group representing Chinese throughout the world has been founded.

The newly elected leadership of the FDC—president Yan Jiaqui, who was a director of the Academy of Social Sciences in Beijing; student leader Wuer Kaixi; and Secretary-General Wan Runnan, who founded one of China's most successful independent companies—has chosen important examples for its goal of establishing democracy in China: the late President Charles de Gaulle of France and the Solidarnosc movement, which has just set up a government in Poland. For this reason, the claim of the Beijing government, that this small group represents a challenge to their power, is quite justified.

As Yan Jiaqui emphasized in his speech to the founding conference, the movement will only be effective if it goes back to China and works inside China, as Solidarnosc did in Poland. Simply by its determination to end the brutal dictatorship of the Communist Party in China, which is insanely committed to holding power, the FDC is committing treason against the People's Republic.

But, as the Federation has proclaimed that the "21st century will be the century of democracy in China," the FDC leaders must take up another challenge, expressed by Solidarnosc leader Lech Walesa when he proclaimed that Poland needs "something better than capitalism" to meet its economic crisis. With the West as well as the Communist bloc crippled by economic crisis, only something superior to the "market forces" capitalism being shoved down Poland's throat will save China. Ten years of free-market reforms have failed

utterly to build the infrastructure China's huge economy must have in order to develop; Without such an infrastructure program, proposed by Sun Yat-sen in 1910, and currently by U.S. economist Lyndon LaRouche, China will not survive.

The strategic fight

The leaders of the FDC have demonstrated that they understand the strategic aspects of their fight for democracy in China, by challenging the policy of the U.S. government of maintaining its present relationship with China at any cost. As Chinese leader Deng Xiaoping said on June 16 to the new leadership he had promoted in the wake of the Tiananmen massacre, there is a "great China-U.S.-Russia triangle of world power," and the U.S. is unwilling to do anything to break up that triangle. At the first public meeting of the conference, held at the Sorbonne University in Paris Sept. 21, representatives of political parties or other organizations of every major nation except the U.S.—France, Britain, West Germany, Italy, Poland (there were four representatives of Solidarnosc), Hong Kong, Taiwan, and Japan—spoke in support of the FDC.

Both Wuer Kaixi and FDC "éminence grise" Chen Yizhi, a former senior adviser to deposed CP head Zhao Ziyang, have denounced Henry Kissinger, the architect of the U.S. "China Card," for his betrayal of China. At a press conference on Sept. 24, Wan Runnan responded to the *Wall Street Journal's* question, if U.S.-Beijing relations pose a problem for the FDC, by warning that U.S. policy is not only utterly immoral, it is doomed to failure: "We understand the attitude of the United States. They are acting in their interests. We understand that a stable China is of interest for the U.S. But China cannot be stable. The Tiananmen massacre has caused an upheaval in the history of China. A stable, democratic China would serve the interests of the U.S. far better. We hope the U.S. will understand this soon. The U.S. must decide for itself, but the government must think about the consequences of its actions."

France is playing a critical role by not only offering asylum to the exiles, but also allowing them to organize—in the face of bitter complaints from the Beijing government about interference in Chinese affairs and violations of diplomatic relations. FDC president Yan Jiaqui expressed the profound

gratitude of the exiles to the government and people of France—and his recognition of one reason why they are supporting the movement—at the final press conference Sept. 24. “France is the birthplace of democracy and liberty,” he said. “We know that tomorrow, the Chinese press will attack us, and that we will be denounced by Li Peng. But I will advise him to study the creation of the Fourth and Fifth Republics. It was in London, between 1940 and 1945, that General de Gaulle sowed the seeds of the Fifth Republic. I hope that the attitude of the government and people of France will influence the attitude of the rest of the world.”

A constitution for China

To create a democratic China, Yan Jiaqi told the founding conference, the movement must go back and organize inside China. The FDC has two instruments to do this: It is founding a publication, to which all and any member of the federation can contribute, which will be circulating throughout China in the next few years. And, faced with the tremendous discord inside the Communist Party and in China, the Federation must now write a constitution for its future government, because this is the only way that China can achieve real stability, as the U.S. and European nations have. But this must be a constitution for China, developed by the Chinese themselves, if it is to succeed. It must go beyond laws and rules. This has never been done before in China, Yan said: Neither the Communist Party, the Kuomintang, nor the opposition in Taiwan have created good constitutions.

The new constitution must enforce the end of the one-party system in China. The development of democracy will be a long-term process, Yan said, because there has been 5,000 years of despotism in China. Sun Yat-sen attempted to create a democratic government, but he did not succeed for very long. Democracy must be based on “inalienable rights” protected by the constitution. China has been through wars, violence, and conspiracies; to break this cycle, the Chinese must study the French constitution, which works on the basis of all political parties. One fundamental principle is that the army must be a national institution and not a political instrument.

The issue facing the Chinese is how to establish the rights of state and rights of the citizen, and to determine what are the origins of the right of the state.

In its manifesto, issued Sept. 24, the FDC stated that history had given birth to its movement, and proposed “The guarantee of the fundamental and unalienable rights of man: This means to live and to develop oneself, the pursuit of happiness, of the dignity of man and his security. These rights are the cornerstone of a modern and civilized society, the absolute and necessary condition of a democratic policy. . . . Every citizen has the right to dispose of the materials and the fruit of his work. . . . The Federation for a Democratic China is convinced that the days of absolutism are numbered. The creation of a democratic China and the rebirth of the Chinese nation are close at hand.”

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 NORA HAMERMAN, Editor.

Afghanistan: Is there light at the end of the tunnel?

by Susan Maitra

General Aslam Beg, Pakistan's Chief of Army Staff, told reporters in Islamabad Sept. 13 that there should be direct talks between the Afghan Mujahiddin and Kabul's Peoples Democratic Party of Afghanistan (PDPA) regime once the Soviet Union has persuaded Afghan leader Dr. Najibullah "and some others" to step down. Certain diplomatic moves were under way, he indicated, and those would soon bring "good news."

Afghanistan was only one of several burning topics candidly addressed by the Army Chief during the unprecedented two-and-one-half-hour meeting with the press. But, taken together with what Prime Minister Benazir Bhutto told Reuters several days later, Beg's forthright discussion of Afghanistan marks a new determination by the Pakistan government to take up the reins on Afghanistan and chart out an independent path.

Significantly, Pakistan's highest authorities chose to speak out at a time when the so-called Zahir Shah option was being blown into center stage by the Western media for the umpteenth time in the past ten years, following reports of a high-ranking American diplomat's meeting in Rome with the exiled monarch.

Benazir: 'AIG best framework'

On Sept. 19 Prime Minister Bhutto told Reuters that talk of the return of the deposed Afghan king was "premature," and reiterated Pakistan's support for the AIG (the Afghanistan Interim Government, the multi-party resistance front based in Pakistan), warts and all. "Some people feel that the AIG has perhaps not lived up to the exaggerated expectations that were held at the time of the Soviet withdrawal and are thinking of alternatives," Bhutto said. "But as far as we in Pakistan are concerned, that is premature and the AIG is the best framework with which to proceed for the time being. To talk of King Zahir Shah at this time would be a bit premature."

Prime Minister Bhutto's insistence on the primacy of the Interim Government as the political vehicle for a settlement—underscored by Mrs. Nusrat Bhutto's call for recognition of the body at the just-concluded Non-Aligned summit,

where the senior minister and mother of the prime minister represented Pakistan—is at the core of Pakistan's approach. Chaotic as it is, the AIG represents a large chunk of the Afghan political spectrum, of the eight million refugees created by the Soviet invasion. Any attempt to bypass it, or preempt it must fail.

The prime minister also told Reuters that her government was encouraging the AIG to broaden its base, including the mujahiddin based in Iran and local commanders in Afghanistan, to make public its internal and external policies, and to act cohesively, as a matter of urgency.

On Sept. 21 a Pakistan Foreign Office spokesman denied that a visa had been issued to Zahir Shah for a visit to Pakistan in October. "Zahir Shah has not approached us for a visa," the spokesman said. "We have no information on his travel plans."

A typical superpower 'solution'

According to one Pakistani analyst, the so-called Zahir Shah option is a typical superpower-initiated "solution" that has little to do with realities on the ground. The monarch, who is widely credited with having laid the groundwork for the Communists' takeover of Afghanistan in the first place, is rejected by a majority of the members of the Interim Government. Having declined to involve himself in the fight for Afghanistan all these years, Zahir Shah has little moral authority. Moreover, his longstanding ties to tribal groups in northern Pakistan and his related refusal to recognize the Durrand Line demarcating Afghanistan and Pakistan, must raise serious questions for Islamabad.

"If the Americans and Russians think they can put Zahir Shah back in there, and thereby 'fix' the Afghan situation, they are sorely deluded," stated one knowledgeable observer. Whether or not Zahir Shah emerges as an *element* in some kind of political settlement in Afghanistan is another question—that the exiled monarch is not himself "the solution" could hardly be more plain. Diplomats, it seems, are only now trying to elicit a statement of support for the AIG from Zahir Shah, apparently the first step in the scheme to implant him into the crisis! But given the disarray of the AIG, quite

apart from the general antipathy toward him, the old king himself may well decline to climb aboard.

Reportedly, Pakistani Foreign Minister Yaqub Khan has sounded out the Saudi princes on the matter, and, though it is officially denied, Pakistan Foreign Office leaks say Khan has had a talk with Zahir Shah as well. But as some commentators noted, the Saudis themselves are now openly questioning the capability of the AIG. Iran has already gone on record opposing the return of the king, charging it is a Western plot to create the impression that the Afghan resistance is now an Islamic government. Latest reports are that the Indian diplomats, among the Afghan monarch's promoters, are in Iran for talks with the Iran-based mujahiddin.

A realistic approach

The diplomatic flurry does represent a break from the ritual endorsement of "the military option"—a euphemism for the military overthrow of the Kabul regime—that has covered over a yawning policy vacuum for the past ten months. Arguably precious political capital has been lost in the meantime.

General Beg's unprecedented press meeting was clearly aimed, among other things, at retaking the political high ground. As such, it serves to put the Zahir Shah flap into perspective. "Let the people of Afghanistan determine their future destiny without any outside interference," is the way General Beg put it. "There is no point talking about the Zahir Shah option or any other option; it is for the Afghan people to decide their future, and if they want Zahir Shah or anyone else, that is their concern."

Beg's call for talks between the PDPA and the Mujahiddin is actually a call to restart the dialogue tentatively begun more than a year ago when the Kremlin's stated willingness to dump Najibullah led to two meetings between AIG and PDPA representatives, first in Saudi Arabia and then in Islamabad. Beg had a hand in pressing the Soviets into opening direct talks with the Mujahiddin at that time. From August 1988, when President Zia ul-Haq was killed, through the November elections that brought the PPP to power, it was General Beg, together with the then-caretaker President Ghulam Ishaq Khan, who was in charge of Afghanistan policy.

General Beg scored the Soviets' subsequent decision to continue backing Najib as "as bad a decision as the 1979 intervention in Afghanistan." Now, Beg told reporters, he had reason to believe the Soviets may again be willing to dump Najibullah in the interest of working out a political settlement.

Why? Ultimately, Beg insisted, the Kabul regime's position is untenable. Acknowledging that the Jalalabad attack was a mistake, precisely because with it the mujahiddin had abandoned their winning strategy of strangulation of the cities, Beg said that Kabul's "fortress strategy" could buy time. But he is convinced, he said, that it is ultimately a losing strategy. "A force that is denied space and has no room

to maneuver, has to ultimately lose," he said.

General Beg added that he had studied the Afghan problem intensely for the past eight years, and cited the final stages of the negotiations that produced the Geneva Accords as an example of how *not* to handle a problem. At the time, he said, the government, the Foreign Office, and the Army all seemed to be pulling in different directions.

A few imponderables

Welcome as it is, the Pakistani initiative is beset with imponderables. Whether the initiative enjoys the genuine support of the U.S. is moot. The sovereign interest of erstwhile allies has not counted for much in the face of superpower compulsions thus far. Washington's recent abrupt decision to channel military aid to the field commanders inside Afghanistan instead of through the AIG must have caused disquiet in Islamabad. According to one source, it provoked nightmares of a Vietnam-type process being unleashed in the Pakistan-Afghanistan theater.

There is little doubt, in any case, that the Washington-authored miscalculation as to the Najibullah regime's staying power, and the faulty assumptions about the level of Soviet aid to Kabul, following the pullout, have resulted in a serious loss of ground for the resistance. Pakistani commentators have scored the drift, arguing that bad American policy has held sway only by virtue of Pakistan's default.

The new initiative will test the claims of the Najibullah regime to political stability and viability, and the actual intentions of its Soviet backers as well. In the past several months the Kabul regime claims to have made agreements with several hundred local resistance commanders, ending their fighting and bringing them into the "National Reconciliation" process. Indian journalists fresh from Kabul report that everything is coming back to normal in major cities, universities and schools are open, and shops are doing brisk business. Some 400,000 refugees, Kabul claims, have already returned to their country. Dr. Najibullah, it is claimed, is the great peacemaker—in the words of Indian commentator Bhabani Sen Gupta, the one Afghan leader who can be negotiated with with confidence.

The recall of the Kremlin's "wunderkind," Yuri Vorontsov, the deputy foreign minister assigned as ambassador to Afghanistan during the critical Geneva Accord period, has been taken as another signal of Moscow's confidence in Dr. Najibullah. But that remains to be seen. It could as well mean that Moscow is shifting its priority in Afghanistan from defense of the Kabul government to elsewhere. Reorganization of the PDPA might require someone with different skills than those of the Count.

If Gen. Aslam Beg is right, perhaps the new ambassador to Afghanistan, B.N. Postohov, will be drawing less on his experience as ambassador to Denmark and more on his in-nings as the Soviet Communist Party's Komsomol organizer in the days ahead.

Devi Lal brings his show to town

The birthday bash was big, but the opposition is still far from looking like an alternative to Prime Minister Gandhi.

On Sept. 25 a rising star on India's opposition political horizon, Devi Lal, celebrated his 75th birthday in style. At the New Delhi Boat Club, the traditional venue for all sorts of demonstrations in the heart of the capital, at least 300,000 people, along with most of the opposition leaders, assembled to wish Devi Lal a happy birthday.

Devi Lal, a Jat leader (a community of farmers in northern India noted for their aggressiveness), does not celebrate this annual event in such a grand fashion normally. But this year, there is a general election around the corner. In the absence of any opposition leader who can garner support of all the others, Devi Lal is considered a rising star.

This is highly unusual since Devi Lal is chief minister from Haryana, a small state tucked in between Delhi and Punjab, and thought unlikely to deliver a leader who would be acceptable to the rest of India. But, things have gone rather well for the Jat leader lately.

Devi Lal's finest hour came in June 1987, when under his leadership the Lok Dal (B) swept into power in the Haryana state Assembly elections. The ruling Congress (I) Party was nearly wiped out, making Haryana the only state in the Hindi belt to come under non-Congress (I) rule.

The victory was sweet revenge for Devi Lal. His aggressive and popular campaign humbled two of his protégés, Bansi Lal and Bhajan Lal—both chief ministers of Haryana earlier, who had betrayed Devi Lal. Devi Lal, a farmer's son, began to position him-

self as a serious contender for higher posts.

For a while V.P. Singh, the former chief minister of Uttar Pradesh—the most populous state and known for producing prime ministers—and finance minister in the first cabinet of India's current prime minister, Rajiv Gandhi, held sway within the opposition's leadership ranks, after his parting of the ways with the Congress (I). But Singh's hesitant postures led him nowhere. The hard-core opposition leaders in the Hindi belt—Chandrashekhar in Bihar and Ajit Singh in Uttar Pradesh—were busy cutting each other down to size.

Seeing his chance, the wily Jat leader made friends stay at the center of the stage, however small it may be.

That is not to say that Devi Lal is leading a resurgent opposition, or has become acceptable to the masses of India—or even to his newly cultivated friends. He has his hands full in his little state. Typically for Indian politics, Devi Lal's sons also rose in the state political scene and are engaged in a bitter war against each other.

Last October, Devi Lal astounded all when he resigned from the chief ministership, ostensibly to play a greater role in national politics. The real story was that Lal's decision came about after sharp differences with his eldest son, Om Prakash Chauthala, who now has a major power base in Haryana.

Lal was persuaded to withdraw his resignation, and it is now clear that he has accommodated his eldest son. This has made his younger son, Ranjit Singh, most unhappy. Singh, also po-

litically potent in Haryana, did not even go to his father's birthday bash, reports say.

It would be unfair, however, to say that Devi Lal's political activities are wholly centered around his family. Brought up as a congress member, as most Hindi belt opposition leaders were and are, Devi Lal has brought to the fore a number of politicians, at least three of whom became chief ministers. All three left him over the years, and only recently one, Rao Birendra Singh, has returned to the fold. In 1979, while Devi Lal was Haryana chief minister, one of his protégés, Bhajan Lal, mustered the support of a majority of the state assemblymen to dethrone him. Three years later, the drama was reenacted; the main actors were again Bhajan Lal and Devi Lal.

In 1985 Devi Lal set up the Haryana Sangharsh Samiti, with mass support in the state. This organization helped him the most in reviving his political life.

The Boat Club show was impressive—what the locals call a real *tamasha*, an entertaining farce. Devi Lal's volunteer force, dressed in green shirts and green trousers, behaved well that day, to everyone's relief. The opposition leaders were elated at the show of people's strength. Ramakrishna Hegde, the former Karnataka state chief minister, whose star began to wane when New Delhi exposed his involvement in illegal wiretapping, gave the battlecry to fight the Congress (I) as a united opposition in the coming elections.

Devi Lal, who had earlier said he would like to see "a farmer's son" sitting in the prime minister's chair, refrained from voicing such thoughts publicly on this auspicious occasion. *Tamashas* notwithstanding, the opposition is still a long way from looking like an alternative government to Rajiv Gandhi's.

Drug legalizers and casinos

The campaign to permit casinos here has been revived, combined with an offensive to legalize drugs.

Prominent Mexican figures, including Ambassador to Beijing Jorge Eduardo Navarrete and certain leading newspaper publishers, have joined the international campaign to legalize drugs. This campaign is now being combined with another, long-standing drive to promote the legalization of casinos in Mexico. Casinos have been banned since 1936, when nationalist Lázaro Cárdenas was President of Mexico.

Not accidentally, both campaigns coincide with recent official declarations by the Salinas de Gortari government that flight capital that returns to Mexico will *not* be investigated as to its origin, and that it is in any case "extremely difficult" to prevent the laundering of drug money through the Mexican banking system.

Although their campaign is certainly not new, the promoters of casino legalization have re-taken the offensive. On Sept. 17, *El Universal* journalist Juan Bustillos charged that "the effort to install a dog-racing track at the port of Acapulco is more than first meets the eye. . . . Carlos Laviada, who formally appears to be the interested party in this business . . . represents just the tip of the iceberg. . . . It is the Televisa consortium which is—or may be—behind this promotion." Bustillos warned that "these centers . . . are in reality being converted into huge laundries of ill-gotten wealth."

The Televisa media empire, created by former President Miguel Alemán, is working hand-in-glove with the hotel and tourism "industry" to re-

store casino gambling; this is the same mafia that brought Meyer Lansky and Bugsy Siegel's drug-trafficking networks into Mexico in the first place.

On Sept. 20, also in *El Universal*, journalist Pablo Palomino denounced those who "seek the installation of casinos . . . under the pretext of 'the great source of foreign exchange they would represent.' As is known, such an argument is a fallacy, since with the authorization of such installations . . . the entrance of the mafia would be almost immediate. Gambling and drugs are indissolubly united. . . . Further, a casino easily encourages 'money laundering.' "

Antonio Haas, one of Mexico's most longstanding advocates of the restoration of casinos, has now come out proposing drug legalization. In an article published in the magazine *Semana*, Haas says that "the war of extermination against the drug trade declared by Presidents Bush and Barco . . . is going to accomplish very little." Haas concludes that "simultaneous legalization worldwide and distribution of drugs by governments offer the only solution."

On Sept. 24, the daily *La Jornada*, run by Miguel Angel Granados Chapa os Chapa, reproduced an article from the London *Economist* of Sept. 2, which unabashedly proposed the legalization of drugs (see *EIR*, Sept. 15, 1989, "Bankers back drug mafia by issuing demands for drug legalization"). *La Jornada* accompanies the *Economist* piece, described by the Mexican daily as "serious and well-argued," with its own editorial

which, after noting the political, economic, and social ravages of the drug trade, goes on to lament the cost of government battles against the mafia. *La Jornada* lies, "There is no indication of a victory of the authorities over the criminal drug organizations, at least in the short term. . . . Given these circumstances, one cannot dismiss proposals such as that formulated at the beginning of this month by the British weekly *Economist*. . . . Neither is it prudent to dismiss *a priori* its proposals stemming from ethical positions of principle."

On Sept. 26, Granados Chapa wrote, "It appears both improper and contradictory, but the proposal to decriminalize drugs as the only means of combatting its abuse and the criminality that accompanies it should merit discussion and attention, above all when an institution as above suspicion as the British weekly *Economist* assumes responsibility for formulating it." There is, says Granados, "a growing tendency toward legalization of certain drugs under certain circumstances. . . . From this new view of consumption, one can proceed to a new perspective regarding the trade."

Such talk is not limited to journalistic mouthpieces for the drug lobby. Mexico's ambassador to China and former assistant secretary of foreign relations Jorge Eduardo Navarrete, in an article published in the magazine *Tiempo* of Sept. 14, declared that the possibility of "controlled drug legalization" was "admirably reviewed" by the *Economist*. Navarrete asserts: "In my opinion, the response [to the drug problem] . . . should combine in some form elements of decriminalization of [drug] use, control over supply, and a multilateral battle against illegal trafficking in drugs. . . . However, a well-balanced focus is not, for the moment, politically viable."

International Intelligence

Yugoslavia crisis at boiling point

The political crisis in Yugoslavia is rapidly worsening as the Yugoslav federal Communist Party Central Committee and Yugoslav federal political leadership began holding emergency sessions on Sept. 26 in Belgrade in response to plans by the leadership in the northwestern province of Slovenia to assert its right to secede from the federation.

A meeting of the Slovenian Parliament scheduled for Sept. 27 is expected to ratify recommendations by the province's constitutional commission asserting the republic's right to secede, to associate with another state, and to use the armed forces in the republic as it sees fit.

The Yugoslav collective presidency threatened "grave consequences" should Slovenia proceed, in a statement issued Sept. 26. Slovenian leader Stanovnik charged that the Belgrade federal authorities have launched a "war of nerves" with Slovenia, warned that any use of force against Slovenia by Belgrade would be counterproductive, and said he hoped that "reason would prevail." Another Slovenian spokesman launched what BBC characterized Sept. 26 as an "extremely strong rebuttal" to Belgrade, and said the mood in Slovenia is defiant.

BBC reported that there is growing speculation in the country about a "possible use of force" by the central authorities to rein in the Slovenians.

Communist Chinese rush to Kissinger's defense

The news agency of Communist China, Xinhua, is defending former Secretary of State Henry Kissinger against conflict of interest allegations that his public support for the Chinese government is influenced by his business interests in China, the *South China Morning Post* reported Sept. 18.

The People's Republic of China's news agency reportedly said that Kissinger had

"refuted slanderous attacks by certain people on his views following China's quelling of counter-revolutionary rebellion," during his interview with CNN's Newsmaker Saturday program. The *Post* reports on allegations appearing in the Sept. 15 *Wall Street Journal* concerning Kissinger's business links with China which, the *Post* maintains, "have sparked quite a controversy in the U.S."

The *London Times* reports in its Diary column Sept. 20 that "The reputation of Henry Kissinger suddenly appears rather tarnished." The entry cites Kissinger's statement on ABC News in June opposing any sanctions against China, and reports that "other news organizations have since been investigating the business activities of Henry Kissinger" and Kissinger Associates, and "they have established that he has substantial interests in China." The *Times* quotes Kissinger's "outrage" that anyone could assume that any "commercial consideration" could affect "the judgments that I expressed publicly," but notes that ABC said it would not have used him, had it known of his commercial ties.

Arab League adopts Syrian plan for Lebanon

The Arab League's mediators of the Lebanese crisis apparently adopted Syria's demands for greater power-sharing with the Islamic population in Lebanon, according to the *Christian Science Monitor* Sept. 27. Arab League troubleshooter Lakhdar Librahimi had announced that the five-member committee had ordered an end to Syria's blockade of Christian-controlled ports and an opening of Beirut Airport on Sept. 22.

According to the *Monitor*, only with greater power-sharing would Syrian forces stage a withdrawal from the Beirut area back to the eastern Bekaa Valley, phased in over two years. The only apparent concession of the Syrian occupiers has been to lift the blockade of the port of Beirut, which supplies Christians.

Lebanese Christian Prime Minister Gen. Michel Aoun on Sept. 27 reversed his earlier

position and rejected the Arab League's plan, lashing out at Syria for its refusal to withdraw its 33,000 troops immediately and insisting that this be at the top of the agenda when Christian parliamentary deputies meet in talks in the Saudi mountain resort of Taif Sept. 30. Aoun said that he only accepted the Arab League-mediated peace under "international pressure," and added that "I reserved the right to use any means to achieve the liberation of Lebanon." As for the peace plan, Aoun said, "It is blocked."

Pope John Paul II appealed to Muslims to save Lebanon in an unprecedented apostolic letter to the Secretary General of the Islamic Conference, dated Sept. 7 and made public Sept. 26. "May God find us, both Muslims and Christians, together at the bedside of our Lebanese brethren as they lie wounded in spirit and in body," the Pope said, calling for an end "to what must truly be called the massacre of an entire people . . . a country now on the road to total destruction. . . . The disappearance of Lebanon would undoubtedly be one of the world's greatest tragedies. Its preservation is one of the most urgent and noble tasks which the world is called to take up in our day." The Pope asserted that Lebanon must be freed "of every occupying force."

Israeli journal warns of Soviet military threat

The Israeli journal *Defence Update* echoed *EIR*'s "Global Showdown" analysis of the threat of the new Soviet post-nuclear offensive doctrine, in its latest edition.

The introduction to the first part of a series on Soviet Airborne Forces reads, "Following the Intermediate Nuclear Forces (INF) agreement of 1987, under which long- and medium-range weapons are to be withdrawn from Central Europe, the Soviets have initiated what they call the 'Post Nuclear' operational concept, currently being implemented throughout the Soviet armed forces, followed by the Warsaw Pact countries. The cutback of forces announced by Gorbachov in his widely publicized United

Nations speech in December 1988 is actually just one part of that new concept."

"The 'Post Nuclear' operational concept," the article says, "has not eliminated the offensive doctrine prevailing for over three decades. On the contrary, the new concept advocates a surprise attack, *Blitzkrieg* style, to overwhelm NATO forces before they can actually deploy. . . . The Soviets seem to have reached a point at which they consider combined ground and air assault operations as the linchpin for future offensive moves against Central Europe. While the Soviet airborne forces have received some coverage in the Western press and professional media, the operational ideas behind them have remained relatively unknown, and only in recent NATO exercises has rear zone defense received the attention it merits."

Agreement on Auschwitz convent reached

Polish Cardinal Glemp has agreed that the Carmelite convent abutting the former Auschwitz concentration camp should be moved as soon as possible, Sir Sigmund Sternberg, chairman of the International Council for Christians and Jews, announced Sept. 21. The controversy, fomented by the drug- and mob-linked Anti-Defamation League (ADL), had threatened to split the new Solidarity government of Poland.

Sternberg said that Glemp agreed to relocate the convent in a letter drafted at a meeting with Jewish leaders in London Sept. 20. Glemp stated in the letter that he will implement the 1987 agreement to move the convent. "Auschwitz should never be a place of controversy. There has been a great deal of ill feelings and misunderstanding which we would like to clear up," he wrote. Polish Prime Minister Tadeusz Mazowiecki has invited Sternberg and other Jewish officials to Poland to discuss the issue.

The Vatican, in an attempt to ease the controversy, had stated on Sept. 19 that it would help fund an interfaith center near Auschwitz, which would permit the Car-

melite nuns there to move outside the immediate environs of the former concentration camp.

Glemp launched a counter-offensive against the ADL in an interview with the *süddeutsche zeitung* Sept. 28. Addressing the phony character of the debate and charges of "intrinsic anti-Semitism in the Polish mind," Glemp declared, "If a Jewish musician in an orchestra plays wrong and you tell him, 'You played wrong,' some people might already charge you with anti-Semitism for that. . . . We want the Jews to understand us [Poles], especially the Jews in America, who are not understanding the situation but are talking a lot."

Singapore prime minister warns of Soviet arms

Singapore's Prime Minister Lee Kuan Yew emphasized that "Soviet armaments have not decreased," in an interview with *The Nation* of Bangkok, published Sept. 20.

In response to the Thai reporter's assertion that "Thailand is now no longer afraid of Soviet expansion; we don't think it is a threat any more," Lee responded that, granted, "It's no longer the same threat. If you are a Soviet marshal of the Red Army, you know day-by-day that if ever you go to war against NATO, the Poles and Hungarians may not be dependable. The East Germans may well be on the other side. Who knows whether the Czech people are more dependable than their leaders? Definitely the Romanians are not dependable. So the position has already altered.

"But that does not mean the Soviet Union has become a weak power. Its military capability is enormous. If it can't solve its economic problems whilst it has got this tremendous military power, it may find a way to solve their economic problems through pressures these forces can apply. We must hope that Gorbachov succeeds. . . . In case he doesn't and somebody else takes over while they still have a military preponderance, it not a trouble-free world. Think about it."

Briefly

● **POPE JOHN PAUL II** called for an international "war on drugs" while on a Sept. 23-24 trip to Tuscany, Italy, and said that national and international organizations had "to put the brakes on the growth of the drug market." The Pope said that a spotlight should be placed upon those who make illicit financial gain from trafficking.

● **NORWAY** reported that the Soviets have added an Akula-class submarine to their northern fleet. "The Soviets are upgrading the quality and firepower of the northern fleet all the time, and there is little sign of disarmament in that area," said Col. Gullow Gjeseth of Norway's Defense Command Sept. 23.

● **DAN QUAYLE**, the U.S. Vice President, said that "Anybody who thinks you ought to hamper, rewrite, or modify the U.S.-Japan Security Treaty is wrong," during a visit to the air bases on the Japanese island of Hokkaido Sept. 23.

● **ROME** has a new political party for its upcoming municipal elections on Oct. 29 and 30. "Pensionati—Libertà per LaRouche," a retired persons' party, will field 230 candidates and will demand the freeing of Lyndon LaRouche from prison, along with the implementation of LaRouche's economic policies.

● **THE ANTI-DEFAMATION** League will give its Distinguished Statesman Award to Mexican President Carlos Salinas de Gortari, "in recognition of his spirit of dynamic leadership, which is necessary for the coming decade."

● **THE IRISH** Republican Army claimed responsibility Sept. 22 for a terrorist attack on a Royal Marines base in southeastern England which killed 11 and wounded 8—more casualties than any attack ever launched by the IRA on a military installation inside Britain.

Wyoming talks launch open season on SDI

by Leo Scanlon

In the week following the Wyoming meeting between Secretary of State James Baker and Soviet Foreign Minister Eduard Shevardnadze, events have shown that killing the Strategic Defense Initiative is the main target of Soviet strategy, no matter what kind of agreements are reached at the bargaining table. It remains to be seen just how far the Bush administration is willing to gamble with the program, which is rapidly losing support in the Congress.

Ironically, the so-called "breakthrough" achieved in Wyoming is setting the stage for further congressional attacks on the funding and strategy behind the SDI, the new military doctrine which President Reagan proposed in 1983 to apply new physical principles to render nuclear weapons "impotent and obsolete." The SDI was the best thing Reagan did, and it is about to be offered up in the service of keeping Gorbachov in power, as the Soviets continue their own military buildup.

The intellectual author of the SDI was former Democratic presidential candidate Lyndon LaRouche, who had made it the centerpiece of his political campaigns for over a year before Reagan's 1983 announcement. LaRouche recently warned, in the April 14, 1989 issue of *EIR*, that under the combination of the worldwide food crisis, the Soviet leaders' desperation in the face of their internal economic crisis, the AIDS pandemic, and the biggest financial crash of the century, a renewed commitment to the SDI is "an integral, indispensable feature of any solution to these crises." Yet with LaRouche having been railroaded to political imprisonment, the SDI, too, is now on a fast track to oblivion.

The dangers facing the SDI, and other strategic programs in the administration's defense budget, have been compounded by the just released new edition of the Pentagon annual report *Soviet Military Power*, which downplays the technical

and military dimensions of Soviet policy, and treats our *allies* as the new threat.

After it was announced at the Wyoming ministerial meeting, that the Soviet negotiators had agreed to drop their demand that the issue of SDI testing be settled before any progress could occur at the START negotiations, opponents of the SDI opened full throttle in their campaign to downgrade the program, and immobilize it through budget cuts.

The first shot was fired by National Security Adviser Brent Scowcroft, an enemy of the SDI since it was announced in 1983, who told NBC's "Meet The Press" that talks on the SDI would be conducted on a separate track from other arms control issues, and would occupy a lower priority. He added that it should be no surprise that the Bush administration would do this, noting that at the end of the Reagan administration, commitment to the program was "quite different than at the beginning."

Then, the liberal *New York Times* announced that the administration was abandoning the SDI as a major element of strategy, and predicted that the administration would be forced to accept major cuts in the program as a condition for a budget agreement. Sen. Sam Nunn (D-Ga.), early in the week, had characterized the SDI as a "perishable commodity."

The *Times* analysis was contradicted at once by Pentagon spokesman Pete Williams, who insisted that the congressional support for the program "had not weakened" as much as the *Times* believed, and indicated that the administration is looking to a series of upcoming budget votes to restore the bulk of the DoD proposal. He added that the possibility of an administration veto would figure in the final arbitration of the issue.

Despite the optimistic assessment, and very strong words

on the subject from the secretary of defense himself, the budget is expected to settle on a funding figure which will represent a drop in real funding for the SDI—the first in the program's history.

Ironically, the Soviet "concession" in Wyoming will do more to tie up the SDI than any bargaining strategy. Having removed the SDI as an issue in the START talks, the Soviets have eliminated its value as a "club" in the negotiations, and lowered its stock in the Congress.

Real concession made by State Department

The entire story of a "concession" in Wyoming is likely little more than showmanship by James Baker, another foe of strategic defense. Several days after the Baker-Shevardnadze meeting ended, Yuri Nazarkin, the chief Soviet negotiator at the START arms control talks in Geneva, reported that his delegation would not budge an inch on the question of linkage to SDI. Nazarkin told reporters that he wanted to discuss with Americans "in a pragmatic way" what work could and could not be permitted in the U.S. program. According to the London *Daily Telegraph*, "Mr. Nazarkin said that, in the Soviet view, certain tests of space weapons could be allowed, but only those connected with research. He stressed that, despite the new Soviet position under which a Star Wars agreement was no longer a precondition, the Soviet side still upheld the inter-relationship between the two problems."

On cue, the Soviet view was echoed by Senate Armed Services Committee chairman Sam Nunn, and his House counterpart, Rep. Les Aspin (D-Wis.), when they announced that they doubted the Senate would ratify a START accord, unless the United States and Soviet Union had also reached an agreement governing the SDI.

With the SDI card effectively trumped by this maneuver, Baker and his faction have moved to the next phase of their desired plan of locking the United States into a series of economic bailout agreements with the Soviet Union.

In a speech to the Los Angeles World Affairs Council, CIA head William Webster proclaimed that the cold war had ended, and the intelligence priorities of the nation would be directed to analyzing the threat posed by the developing economic strength of our allies. To help with this, Webster has hired former CIA directors William Colby and Stansfield Turner as consultants to the CIA: Colby, who started a purge of anti-communist intelligence networks during the first phase of Kissinger's détente negotiations; Turner, who eviscerated what remained of that faction during the Carter years.

'Soviet Military Power'

Released on Wednesday, Sept. 27, the 1989 edition of *Soviet Military Power* stands as a bureaucratic "non-document" which reflects the lowest common denominator of administration policy. The salient feature of the long-delayed book is the final chapter which features a large chart enumerating the frontier technologies of scientific research, and rates

the efforts of four "threat" categories in those areas: the Warsaw Pact, Non-U.S. NATO, Japan, and "Others."

The matter is put bluntly: "It is ironic that, although the Soviet Union constitutes the greatest threat to U.S. security, the greatest challenge to the U.S. technology and industrial base will almost certainly come from the United States' own allies." The report reasons that economic development of European, Japanese and Third World allies, to the extent that it displaces U.S. preeminence, will be a threat to the "West's system of collective security."

Many foreign analysts have already concluded that the United States has committed itself to an economic relationship with the Soviet Union which views the traditional allies as potential enemies. An indication of the gratuitous nastiness which infects U.S. policy circles is the first ever listing of Panama among the nations categorized as "Soviet Client States."

The most remarkable feature of this edition is the coverage of Soviet military capabilities which has vanished:

- The 1987 version contained a discussion of the training and doctrine which shapes the deployment of Soviet *spetsnaz* (special) forces; the current edition does not even list the word in the index.

- The 1987 version featured the only operational ABM system in the world—defending Moscow. The issue is barely mentioned today.

- The 1987 edition presented maps and graphics depicting the national coverage provided by the Soviet ABM battle management radar system, the Krasnoyarsk radar, the Shary Sagan ABM laser facility, and so on. All gone in 1989.

In 1986 Mikhail Gorbachov announced "force reductions" in Europe, and staged a phony "withdrawal" of troops from Afghanistan. The 1987 *Soviet Military Power* treated these events, accurately, as propaganda hoaxes. The latest edition uncritically asserts that Gorbachov's 1988 repeat of these same themes is reality—despite the fact that the Soviets still occupy and control Kabul, and even the Congress has identified the "restructuring" of European forces as an improvement in Soviet war capabilities.

When asked to explain the lack of coverage of Soviet work in directed energy weapons, Defense Secretary Richard Cheney replied, "I guess I'd refer you to one of our experts in terms of why that particular change was made. It's not an editorial decision that I made." When pressed on whether the Soviets have shifted energy from R&D to field deployment of new systems, the secretary said, "That's classified. . . . That's an area I can't get into this morning."

That is the reality which is angering increasing numbers of military and intelligence officials, who have been silenced on these issues since the beginning of the Bush administration. The question, since without Lyndon LaRouche's policy input the SDI will never be implemented, are they angry enough to fight to free LaRouche from his unjust, and potentially fatal, imprisonment?

CIA, KGB agree to bash U.S. allies

by Joseph Brewda

One day after the conclusion of the Wyoming discussions between U.S. Secretary of State Baker and Soviet Foreign Minister Shevardnadze, a little publicized conference began at Rand corporation headquarters in Santa Monica, California. The participants at the Sept. 25-30 conference were exclusively retired senior officials of the U.S. Central Intelligence Agency and the Soviet KGB. The topic of their closed-door event, according to U.S. participants, was joint CIA/KGB operations against international terrorists and international narcotics-trafficking organizations.

While the exact results of the Wyoming and California discussions are not known at this time, both events were intended to further the appeasement process begun at the 1986 Reykjavik summit. Observers note that the CIA/KGB conference may have led to secret agreements to mutually support the post-Reykjavik U.S.-Soviet deals, even against traditional U.S. allies. The Santa Monica conference appears to culminate a series of secret meetings between the two intelligence services begun in 1987, where broad-based joint operations were discussed under the cover of combatting narcotics and terrorism.

Those who know the murderous record of Soviet intelligence, will not be pleased to learn that the KGB has expressed enthusiasm over the California meeting, in comments made by its participants to the U.S. Armed Forces publication *Stars and Stripes*. "This is the first time that former senior officials of the KGB and CIA have met in a public policy forum," gushed Soviet delegation leader Igor Belyaev, political observer for the semi-official KGB mouthpiece *Literaturnaya Gazeta*. "This is a real opportunity for an exchange of views and for the development of a new approach in the international arena," he added.

Former KGB counterterrorism chief Valentin Zvezdenkov articulated one of the two primary public-relations formulations used to justify the proposed pact, in his comments to the same publication: "The terrorism mafia is pooling its resources." Consequently, he intoned, "It is time that the

world forces find a common approach and a common way to prevent terrorism and protect all human beings."

Meanwhile, *Literaturnaya Gazeta* South America analyst Vladimir Vessensky attended the conference to provide the other "humanitarian" cover for the event: combatting international narcotics cartels. A self-professed expert on South American narco-terrorist organizations, Vessensky offered Soviet intelligence assistance to the Bush administration's recently proclaimed war on drugs, participants report. Vessensky even plans to co-author a book on narco-terrorism with Rand terrorist expert and conference participant Robert Kupperman, these same U.S. attendees state.

Indicating the importance that the White House placed on the gathering, U.S. participants included former CIA director William Colby, who is now back at the agency as an adviser to CIA director William Webster; former covert-operations specialist Miles Copeland; and former CIA deputy director Ray Cline. Both Copeland and Cline have remained top U.S. intelligence hands, whatever their formal ties to the CIA may now be. Both have been close to President Bush for at least two decades.

The conference itself was sponsored by the Washington, D.C.-based Center for Strategic and International Studies "Terrorism Committee," through its front organization, "The Search for a Common Ground." Cline runs the Terrorism Committee; former Cline aide John Marks directs the Search for a Common Ground. No minor affair, Terrorism Committee members include former CIA director Richard Helms, former National Security Adviser Zbigniew Brzezinski, former U.S. Army Chief of Staff Gen. Edward Meyer, longtime CIA propagandist Walter Laqueur, and Rand specialist Robert Kupperman, whose firm hosted the event.

Economic warfare

Although the reported agenda of the conference centered on a combined war against terrorism and narco-terrorism, some Western European observers feel that a more likely subject of discussion was battering U.S. allies in Europe and the Third World through economic and financial warfare. That this was a key agenda topic, some say, was indicated by a strikingly unusual speech made by CIA director William Webster on Sept. 20, shortly before both the Wyoming and California discussions.

In his address before the World Affairs Council of Los Angeles, Webster asserted that the agency would be shifting its strategic focus away from East-West military issues, since the Cold War is now allegedly over. Instead the agency would refocus its attention on economic matters, since "intelligence on economic developments has never been more important." Having established that theme, the U.S. intelligence chief asserted, "Our political and military allies are also our economic competitors," and ominously stated, "The national security implications of a competitor's ability to create, capture, or control markets of the future are very significant."

Lest the audience misunderstand the target of his address, Webster explicitly labeled "Japanese and European surplus capital" as "creating some potential risks." In a threatening allusion to Third World nations' considering debt moratoria on their unpayable debt, the CIA director also asserted that "along with the globalization of international finance has come the greater use of the financial system by governments and groups whose objectives threaten our national security."

Earlier preparations: terrorism

Although the Santa Monica intelligence-planning conference is a dramatic development, it is not the first discussion of its type to have taken place since the Reykjavik appeasement process began. Some say that Soviet dictator Mikhail Gorbachov first proposed the pooling of the resources of the KGB and CIA himself, back in December 1988. The pretext for the proposal was the terrorist bombing of Pan Am Flight 103 over Lockerbie, Scotland that month. This pooling of resources would be popularly justified by a humanitarian war against terrorism.

According to London *Sunday Mail* correspondent William Lowther, Gorbachov's December initiative met with a favorable response. Lowther reported in a April 7, 1989 column that "preliminary talks were held between the Americans and the Russians in Moscow, and CIA bosses decided to consult with British intelligence—their chief allies—in London." After noting British intelligence enthusiasm over the Soviet offer, Lowther further projected, "Intelligence officials from the three services may meet to plan actual joint operations as early as June" 1989.

One of the first public responses to the Gorbachov December 1988 offer was that made by CIA director Webster in an exclusive interview published in *U.S.A. Today* on Jan. 12, 1989. Asked if he believed that Soviet intelligence would share information with the United States regarding the Lockerbie Pan Am bombing, Webster stated: "I would guess they would. It's a view that I have held that conflicts with many who have thought that the Soviet Union was monolithically responsible for terrorism. . . . We've had intimations of a desire of the Soviets to work in the world arena to reduce the threat of terrorism."

An unprecedented January meeting between U.S. Ambassador to Moscow Jack Matlock and then KGB chief Vladimir Kryuchkov, shortly following Webster's press interview, furthered the process, some analysts note. That same January, Cline's "Search for a Common Ground" held its first CIA/KGB meeting in Moscow, to discuss collaboration against international terrorism and narco-terrorism.

Then in March 1989, Secretary of State Baker and Soviet Foreign Minister Shevardnadze raised the discussion to a state-to-state level at their Vienna, Austria meeting. U.S. administration spokesmen report that intelligence agency collaboration in a program of measures against terrorism was first formally discussed at that meeting. The topic continued

as a formal agenda item at the Baker/Shevardnadze meeting in Moscow that May.

And drugs

While terrorism has been the main pretext used to justify joint CIA/KGB operations, the narcotics plague has also been an issue seized upon by both powers as a public relations basis for ever-expanding collaboration. This ploy goes as far back as 1987, and was also initiated by Moscow.

According to U.S. State Department spokesmen, the idea that U.S. and Soviet intelligence services could assist each other in combatting drugs first began in 1987. That year, Canadian embassy officials in Moscow were startled when they were abruptly contacted by officials of the Soviet Foreign Ministry with information regarding a narcotics ring active in both the U.S.S.R. and Canada. Breaking all precedents, Soviet officials warned Canadian authorities that the Soviet freighter *Buktarma* was carrying five tons of Afghan hashish from the Soviet port of Murmansk to the Canadian port of Montreal. Royal Canadian Mounted Police officers promptly flew to Moscow to exchange narcotics intelligence with Soviet Customs authorities on the ring. A multi-million dollar Montreal ring was busted as a result. Later that year, Soviet officials tipped off British police authorities to another narcotics ring, to the delight of the pro-détente British press.

Responding to this unexpected offer of assistance, U.S. Assistant Secretary of State for Narcotics Matters Barbara Wrobloski, and former Drug Enforcement Administration chief John Lawn, traveled to Moscow in April 1988, to hold talks with their counterparts on intelligence exchanges.

Then in January 1989, Secretary of State Baker and Soviet Foreign Minister Shevardnadze signed a Memorandum of Understanding at their Paris meeting which provided for government cooperation on the chemical analysis of seized narcotics. The midwife for that agreement, former U.S. Ambassador to Bulgaria Melvyn Levitzky, himself no stranger to the intelligence world, has now replaced Wrobloski as the State Department's top narcotics officer. Since that time, expanding U.S.-Soviet intelligence-sharing on narcotics trafficking has been a formal agenda item at every Baker/Shevardnadze meeting, according to State Department spokesmen, including at Wyoming.

As in the related case of Soviet responsibility for much of international terrorism, the U.S. government has suspended all reference to Warsaw Pact involvement in the narcotics trade, as the negotiations have proceeded.

In March of 1989, the State Department issued an *International Narcotics Strategy Report* which flatly lied, "There is no evidence of any current involvement of Bulgarian government, government agencies in drug trafficking." That same month the executive director of the U.N. Fund for Drug Abuse Control, Giuseppe di Gennaro, traveled to Bulgaria to ludicrously laud "Bulgaria in her struggle against illegal trafficking of narcotics."

LaRouche still in mortal danger at Rochester 'medical' prison

Warren J. Hamerman, national coordinator of the legal defense team for former U.S. presidential candidate and political prisoner Lyndon LaRouche, issued the following statement on Sept. 30 concerning LaRouche's medical status following what can only be classified as an attempt to murder him under the pretext of a medical treatment. (See EIR, Sept. 29, for a chronology of what was done to the 67-year-old statesman.)

The purpose of this report is to update my bulletin of Sept. 16, 1989, on the status of Lyndon H., LaRouche, Jr., and to dispel rumors or any misleading interpretations of his personal situation at the Rochester Federal Medical Center.

Lyndon LaRouche has continued to suffer serious fatigue and muscular pain as result of cumulative over-exertion. His current status is that his medical condition is being examined, with respect to the previous report of the events which occurred between Sept. 11 and Sept. 15, 1989, before and after his surgical procedure.

It should be emphasized that there was no problem with the medical personnel at the Mayo Clinic, as opposed to the Bureau of Prisons. All of the facts in that statement are true. The problem in his mistreatment was that the Bureau of Prisons used strong cathartic medication and compelled Mr. LaRouche to heavy labor while that medication was being administered before and after his surgical procedure. This caused a dysentery-like condition for Mr. LaRouche prior to the procedure, a condition which lasted for nearly 48 hours. The prison system also compelled him to resume heavy labor to the point of virtual collapse only hours after the surgical procedure. This in fact was contrary to the Mayo Clinic's medical request for his preparation.

The inmate is a senior citizen who has been compelled to do heavy labor characteristically done by people who are 20-40 years old. This has caused persisting muscular pain and fatigue. While Mr. LaRouche's current status is that he is being medically examined, there is a very clear pattern of someone in the prison system trying to break him down physically and accelerate his demise. In plain language: This is an attempt to murder him by a process not unsimilar to that which occurred in Nazi concentration camps or other prisons which have intended to physically wear down a prisoner. . . .

There is a tendency for institutional people, such as those in the prison system, or especially in government, to join ranks and rally their employees to cover up for embarrassing facts by saying that nothing but the standard procedure was followed. This is based on a general untruth, because the prison system is not composed entirely of senior citizens. Therefore, if the senior citizens in the prison system are treated exactly the same way as 20- and 30-year-olds, there is a basic problem in the policy of standard heavy labor.

* * *

The following is a small selection of the thousands of telegrams and letters which have arrived at the offices of President George Bush and U.S. Attorney General Richard Thornburgh by concerned citizens around the world protesting the cruel mistreatment of LaRouche. (Messages are directed to President Bush unless otherwise noted.)

We received news from different people about the severe judgment against Mr. Lyndon LaRouche, an American politician who is well known in many parts of the world.

Since the punishment with life-long imprisonment is in democratic countries never given in case of somebody who is not able to pay money back, this whole matter creates the impression to people in other countries that political reasons, and not only crimes are responsible for the severe judgment. After the news we got today about an operation he had to undergo because of a polyposis in the rectum, he was not allowed to rest a day before the operation and also not after the operation was finished, but was forced always to work eight hours.

If this is really true, we as members of the *World Federation of Doctors who Respect Human Life* have to protest in case of a patient who is 67 years old, because such a treatment would be against all medical and human rules.

Since we cannot think, that such things are corresponding with your worldwide battle for human rights—for which we are very thankful—we beg you, dear Mr. President, to investigate this case and to stop if possible such violations of Human Rights, if they really should have happened. . . .

Dr. Med. Siegfried Ernst, President of the *Europäische Ärzteaktion* and Vice President of the *World Federation of Doctors Who Respect Human Life*, Ulm, West Germany

Dr. Med. Georg Goetz, Vice President of the Europäische Ärztekation, Augsburg, West Germany

* * *

"I am outraged to learn that Mr. Lyndon LaRouche, imprisoned in Rochester, Minnesota, was reportedly forced to a full work schedule until shortly before undergoing a surgical procedure and already during the night afterwards. And this despite considerable physical weakness due to a liquid-only diet and heavy laxatives he received in preparation of the procedure.

I urge you to immediately take steps in order to end this inhuman treatment that without any doubt jeopardizes the life of the 67-years-old man. Otherwise the world will hold the government of the U.S. responsible for any consequences.

Dr. Adam, National Chairman of the organization Pro Vita—Movement for the Human Right to Life, Austria

Dr. Naef-Hofmann, Vice President "Ja zum Leben," Section Zurich, Switzerland

Prof.-Dr. Nieboer, Prof. of Procedural and Penal Law, Criminal and Forensic Psychiatry, Catholic University, Tilburg, The Netherlands

* * *

As medical professionals we wish to register our strong exception to the treatment Mr. LaRouche has received at the Federal Medical Center at Rochester, Minnesota. . . .

We especially object to medical and surgical, diagnostic and therapeutic procedures being used as a pretext for coercive mistreatment of an individual in custody. This episode is an affront to the medical profession in particular, as well as civilized standards of behavior. We fail to see where maintenance of relations with the Soviet Union requires us to emulate the brutality for which they have become so notorious.

Dr. Jacques Rivière, physician, Bethune, France

Dr. Jean-Alain Scemama, dentist, Paris, France

Dr. Rougemont, physician, professor, chairman of Physicians Against Nuclear War, Bourg-en-Bresse, France

Colette Crassier, nurse, Ville d'Auray, France

Marie-Helene Touboul, dentist, Chaumont-en-Vexin, France

* * *

I was informed that Mr. Lyndon LaRouche, whom I know as the initiator of the international campaign to lower opera pitch according to Giuseppe Verdi's will in order to preserve belcanto, is being mistreated in the Rochester Detention Center. I am one of the hundreds of opera stars who endorsed the Schiller Institute's initiative to go back to Verdi's pitch, and you may have heard me sing in records.

I can assure you, Mr. President, that I would have never meddled with political affairs, particularly not in another

country, if it were not for a severe human case, and a case of violation of the most fundamental right of every person, the right to life. Mr. LaRouche is 67 years old, and has been forced to carry pots and pans and to work in a jail kitchen after an intestine operation. At this age, such efforts can turn to be fatal.

As a singer, I do not know much about politics, but from the many Verdi operas I sang in the thirty years of my career, I know that human life and justice are worth defending. I call on you, Mr. President, to put an end to this mistreatment towards Mr. LaRouche and to reaffirm your commitment to life and justice.

Best regards,

Fedora Barbieri

Mezzosoprano, Florence, Italy

* * *

I wish to call upon you to investigate the injustice done to Lyndon LaRouche in Rochester, Minnesota. Rectify it. I earnestly request that you give an immediate presidential pardon to Lyndon LaRouche and to his six associates. May all the world admire your rightness, praise our nation and all we Americans be proud of our good strong President Bush. God bless America!

Rev. Andrew Bonet

Pastor of the Shrine of Fatima & St. Cajetan Brooksville, Florida

* * *

To all the people of the United States who believe in freedom and justice and the rule of law. It is of great concern to those of us here in Australia that we see the criminal abuse of your most courageous patriot, Lyndon LaRouche. The railroad conviction in a Virginia court alone was beyond belief. But now to learn of the medical abuse and subsequent outrages in a Minnesota prison of this just man is more fitting for the Soviet police state rather than the land of Ben Franklin, Washington, and Lincoln.

The legal people who have had the courage to support the Friend of the Court petition need to be commended in an age of amoral career watching. As the socialist governments of Australia undermine our freedoms, we look to your republic to be a light shining forth for liberty and the dignity of man in God's image. I believe it was one of your great statesmen who said: "We must hang together gentlemen, or else we will surely hang separately."

John Koehler

Executive Officer, Citizens Electoral Council, Australia

* * *

We wish to appeal for your intervention in the case of Lyndon LaRouche and associates jailed this year on charges of fraud and corruption which appear to bear little relation to fact. For a man of such standing and of such age (he is in his

Billington forced to stand trial with hostile lawyer

Michael Billington, a nationally known activist in the political movement of Lyndon LaRouche, was forced to begin his trial on charges of "securities fraud" in the Commonwealth of Virginia on Sept. 28, even though his own attorney has, as Billington charged, "taken on the role of an adversary."

Asserting his constitutional rights to a jury trial and a lawyer of his own choosing, and not to be subjected to continuing "psychiatric examinations" as demanded by both the prosecution and his own lawyer, Billington filed an emergency *pro se* motion in the Roanoke County Circuit Court in Salem, Virginia on Sept. 25 (see last week's *EIR* for the full text).

Billington is one of 16 persons indicted in Virginia in February 1987 as part of a national effort by the "Get LaRouche" task force. He was already convicted on similar charges in a frameup trial in federal court, along with LaRouche and five others, and has been a political prisoner since January.

Billington was forced to file *pro se*, that is, on his own behalf, without a lawyer, because he was being denied the right to counsel of his choice. On Sept. 20, he had fired attorney Brian Gettings, but the Court refused to recognize that fact.

On Sept. 25, Billington was taken to the University of Virginia Institute for Psychiatry, Law and Public Policy for psychiatric examination, but refused to submit to interrogation.

Then, after a several-hour hearing on Billington's motion Sept. 26, Roanoke Judge Clifford Weckstein ruled

that Gettings had to continue to "represent" Billington. He also declared that Billington was fully competent to stand trial.

Thus, Billington is now being deprived of his Sixth Amendment right to counsel, since Gettings has become openly hostile to his client, to the point of arguing numerous times in open court—in concert with the prosecution—and in the media, that his client should be declared mentally incompetent, and insane.

Soviet-style abuse of psychiatry

It was on Sept. 18, after Billington decided that he wanted a jury trial, that Billington's attorney Gettings raised the issue of his client's competence to stand trial. Gettings was seeking to withdraw from the case, he said, because Billington did not agree with him on having a bench trial, in which the judge would decide on his innocence or guilt, instead of a jury. Billington, Gettings claimed, was not acting "of his own free will."

Prosecutor John Russell immediately demanded a psychiatric exam, which was ordered by Judge Weckstein. But, when the first exam certified Billington to be sane, Russell and Gettings demanded a second one, by "an expert in cults," Judge Weckstein acquiesced, with the proviso that Billington could object to the examination if it involved so-called cult deprogramming.

Prosecutor Russell chose the University of Virginia Institute of Law, Psychiatry, and Public Policy as the location of the second exam. This institute brags in its own annual report about its "strong" relationship with the Commonwealth Attorney General's Office and the FBI. Both of these offices are intimately involved in the "Get LaRouche" strike force, which provoked the prosecutions against Billington.

In addition, the director of the Institute, Richard J. Bonnie, is the self-described "granddad" of the marijuana legalization movement, a movement which LaRouche and

60s) to have been jailed with hard labour *for so many years* is inexplicable to us—and bewildering. Your great Republic has always ranked high among the nations in dispensing justice at home and abroad. Your Constitution has been a model for many in this respect—yet never to my knowledge, has a Court in New Zealand (which has no Constitution) handed down such a sentence for such a "crime"—even if the person *had* been guilty of it (which LaRouche wasn't). Even a convicted spy—and there is nothing lower than that—or a rapist or multiple murderer would probably get off with far less. But Mr. LaRouche, because he has been brash enough to expose and oppose in his publications people who are real enemies to the American way of life—Communists,

pornographers, drug dealers, Satan-worshippers, ruthless internationalists, etc., etc.—has been trapped by his enemies and "had the book thrown at him" in court. Yet he has every mark of being a true patriot—and a gentleman. Even the charges brought against him by liberals and leftists (he himself espouses the Christian principles which made America great) were heavily weighted against him. He was *foredoomed* because governmental agencies themselves had closed down the firm charged with repaying his investors. And a savage campaign of vilification in the media had reduced his credit rating almost to nil.

Please do order a re-trial of this man, under normal traditional procedures, where prejudice can have nothing to do

Billington went directly up against in the late 1970s.

But when Billington cited these facts to Judge Weckstein, the judge ordered him to go ahead with the examination anyway. This left Billington with no alternative but to file his *pro se* motion, while exercising his constitutional right not to cooperate in the psychiatric examination.

Who's set up?

During the course of the hearing Sept. 26, Judge Weckstein heard testimony on both the issue of Billington's mental competence, and on a new motion by Gettings to withdraw from the case.

Dr. Steven Hoge of the Institute testified that he could not make an evaluation of Billington, since the defendant had refused to cooperate. Prosecutor Russell asked Hoge "if an individual had made a decision manifestly not in his self-interest, but for a higher purpose," would you challenge his competence? Hoge said he would want to examine the individual further. At this point, Russell changed his tune, and argued that Billington was competent to stand trial, and that he was essentially trying to manipulate the court by firing Gettings. He asserted that Billington could not be represented by Attorney John Flannery, whom he had hired the week before, because of alleged conflicts of interest.

The other part of the hearing dealt with Gettings's representation of Billington. Gettings's own attorney, Harvey Cohen, argued that Gettings should be allowed to withdraw from the case on the grounds of a "complete breakdown of all communications" with Billington.

Gettings then rose to declare that he believed that he was "set up" in his representation of Billington, and that Billington was acting as a "tool of the organization." Gettings then went on to imply that a message received from Lyndon LaRouche concerning treating him "charitably" was a threat (!), which made him feel uncomfortable in

continuing his representation.

Judge Weckstein concluded the hearing with two rulings: first, that there was not "one iota or scintilla of evidence" that Billington was incompetent; and second, that he would not allow Billington to hire a new attorney.

Billington was therefore forced to begin jury selection and trial, with Gettings as his attorney. While Gettings is attempting to appear proper in his representation, he is also appearing on local television regularly, making charges that he has been "set up" by his client.

This coverage, plus the extensive coverage of Gettings's original charge that Billington was "incompetent," has significantly poisoned the environment in this small, one-newspaper town. In addition, Billington is being prevented by the local sheriff from both normal telephone access and visits from paralegals, and is thus restricted to contact with his hostile attorney, and his assistant.

Billington's only recourse, according to Judge Weckstein, is to submit on-the-record objections when Gettings does not do what he wants.

So far, Billington has entered two such objections. The first is that Gettings refused to make a motion for a change of venue, despite the flurry of damaging publicity on the eve of trial. The jury was chosen in only a few hours. The second is that Gettings has refused to take any action to provide Billington adequate access to paralegal help, despite his continuous requests. Access of paralegals has been upheld as a right of the accused, in recent federal court decisions.

At present, Billington appears to be stymied from stopping the farcical proceeding with appeals to higher state courts, or federal court, because those courts require a verdict prior to accepting a case for review.

At present, Judge Weckstein, prosecutor Russell, and attorney Gettings all seem to be rushing to get such a verdict, with the maximum efforts to ensure that it is "guilty."

with the verdict—or the sentence (which seems to be unaccountably severe). He has been in jail 231 days now. If he stays there it may well cost him his life—by direct assassination if by no other means. (You would be aware of the possibilities here). . . .

M.V. Thorn (Mr.)

Secretary, Coalition of Concerned Citizens, New Zealand

* * *

Dear Attorney General:

In the name of all nations' joint effort to guarantee human rights, I request of Your Excellency that Mr. Lyndon La-

Rouche, 66 years old, be treated in prison in conformity with the humanitarian standards and care that his age demands. Imprisoned after a trial only two months long in circumstances which several international jurists consider to be similar to those of the famous "Dreyfus Affair," Mr. Lyndon LaRouche has the right to be treated within the strict terms that the law guarantees him, with due attention to his being in his sixties.

I appreciate Your Excellency's attending to this.

Francisco Kuster

Federal Deputy, Brazil

* * *

As a member of the National Congress of the Federative Republic of Brazil, I feel deeply perturbed by the inhuman treatment and by the forced labor regime to which Mr. Lyndon LaRouche has been subjected in the Rochester, Minnesota, federal prison, a torture treatment appropriate to the worst tyrannies and the most bloody dictatorships, which violates the most cherished principles of dignity and human rights which were consecrated in your country's own Constitution, 200 years ago.

I anticipate, Mr. President, that Mr. LaRouche's situation be immediately changed for the benefit of the prestige of the United States and of its government.

Jose Carlos Saboia
Federal Deputy, Brazil

* * *

Abundant information, provided by important world personalities relating to the violation of human rights in your country, has reached us here in Argentina. As Argentine citizens and as Catholics, allow us to call your attention to this fact, given that your country asserts leadership among the nations of the world.

It has always been Soviet terrorism and the communist nations which systematically violated the fundamental principles defended by our Faith. As we enter the third millennium of Christianity, civilization must approach a greater humanism. Yet it is your country, and your judicial system, which is persecuting political opponents, in true Soviet fashion.

We are gravely concerned about the systematic violation of fundamental rights suffered by Mr. Lyndon LaRouche and his associate Michael Billington. We have been informed that Mr. LaRouche, 67 years old, is forced to work long hours at the federal prison at Rochester, Minnesota, a threat to his physical well-being. We have always considered Mr. LaRouche as one of your country's best ambassadors; he is an American patriot, who has rekindled in us the hope we had lost in your country's leadership. You cannot be unaware that LaRouche supported us during the Malvinas crisis, and that his clearly anti-Marxist policies have served to direct many Hispano-American youth away from that ideological plague and toward the aspirations for freedom expressed by Alexander Hamilton and other of your nation's revolutionary heroes. Just as Pope John Paul II has done, LaRouche has denounced that crime against the civilized world—the slavery which narcoterrorism would impose on us.

Therefore, in that bastion of the struggle against Marxist tyranny, and in that indefatigable enemy of the drug counter-culture, we can only find a committed American patriot, a friend to Argentina, who is now jailed and subjected to violations which go against the most fundamental norms of a civilized nation.

Because our country fought against Marxist terrorism, we were accused by your country and other international

organizations of violating human rights. Now, your country appears to be persecuting combatants of Marxism, narcoterrorism, and international usury.

May God permit, that through His Blessed Mother, the Holy Virgin Mary, you be illuminated, Mr. President, so that you may stimulate and encourage the strengthening of Western civilization; so that you will not be called upon to be the executioner of moral values, thus destroying that freedom of mankind attained at such a high cost to Christian civilization.

With all good wishes for a successful term in office, and for your Nation, we remain,

Sincerely yours,
Reverend Father Luis Moises Jardin
Jorge Cesar Quadro, president, Prolatin
Buenos Aires, Argentina

* * *

We, the undersigned, are citizens and legislators of Mexico, members of the LII Legislature of the State of Sonora, Mexico. We are active in our country's democratic and political life, and thus, we are persons with a profound conviction about the importance for the world of a growing adherence to respect for human rights.

For those reasons we view with much concern the case of the North American political leader Lyndon H. LaRouche and his associates, who, according to reports from the Commission to Investigate Human Right Violations, and in the opinion of a group of more than 400 prominent American attorneys led by your nation's former Attorney General Ramsey Clark, have suffered violations of their fundamental rights to be tried in an impartial manner, in accordance with applicable criminal law.

Those of us who sign this letter, do not all share the same beliefs, or the political or philosophical perspectives of Mr. LaRouche and his co-defendants. However, we share the common conviction that the rights of all sincere fighters for social justice must be respected throughout the world, and that all aggression against their rights of expression, by the use of tainted judicial processes, must be avoided.

Therefore, we appeal to your nation's long tradition of political democracy and equality, in order that the civil and political rights of Mr. LaRouche and his associates are not trampled upon and their right to a fair trial is respected.

Rep. Cecilia Soto G. (PARM)
Rep. Adalberto Rosas Lopez (PAN)
Rep. Irene Gaxiola Mendivil (PPS)
Rep. Prisciliano Melendrez (PAN)
Rep. Guadalupe R. de Bazan (PAN)
Rep. Juan Ceballos Ayala (PRI)
Rep. Leonel Arguelles Mendez (PRI)
Rep. Quinardo Melendrez Montijo (PAN)
Rep. A. Mendoza De La Lama (PFCRN)
Rep. Raul Vaderrrain Otero (PRI)

Egypt presents Nile development plan

An ambitious project to expand the river's hydroelectric potential was presented on Capitol Hill.

Dr. Boutros Ghali, the Egyptian Minister of State for Foreign Affairs, gave a compelling presentation here Sept. 25, on the need and potential for canal and related water infrastructure development in the nine African nations that rely on the Nile River.

Ghali addressed a meeting of the Global Water Policy and Technology Summits on Capitol Hill. The meetings are organized by the Global Strategy Council and are aimed toward a world water development conference, to be hosted by Egyptian President Hosni Mubarak in Cairo next summer.

Ghali's vision of an enormous upgrading of the water and hydroelectric yield potential of the Nile was in sharp contrast to the zero-growth bleatings of his host at the forum, Sen. Albert Gore (D-Tenn.).

Ghali contended that the nine nations through which the Nile runs will need to work together to gain an additional 10 billion cubic meters of water per year from the river within the next 20 years.

While the population of Egypt is projected to almost double from its present 52 million by that time, the increase can be met by effective investment in canals and related infrastructure, which will enable the participating nations to sell hydroelectric power to customers as far away as the European Community.

Ghali said that efforts have been under way to achieve a cooperative approach to development of the Nile since 1980, when the Lagos Plan of Action was drafted by the Organization of African Unity. However, he said, significant progress was impos-

sible as long as the Marxist regime in Ethiopia was not willing to participate. Since 85% of the Nile's water originates in Ethiopia, any real progress toward improving its yield potential was not possible without the cooperation of that country.

Ghali has traveled to the Ethiopian capital of Addis Ababa 11 times to seek cooperation, and finally succeeded when the government there sent a signal six months ago of its willingness to negotiate. In the meantime, he said, the U.N. has responded to a request by the participating nations to prepare two reports: a feasibility study for a network of transport canals, roads, railways, and hydroelectric facilities on the Nile; and a report outlining potential means of collaboration among the nine nations. Both were completed in September.

The collaboration among the nine nations would be based on deriving different benefits from development of the river. Those nations that need the additional water most, such as Egypt, would exchange the water for a return of hydroelectric power, which would benefit the Upper Nile countries.

Dr. Ghali said that the potential for improving the infrastructure along the Nile is so great, that a surplus of power could, with the use of new microprocessing technology, be up for sale to other countries in the Middle East, and even in Europe.

He said that the major obstacles to progress in such a visionary plan include: 1) political instability in the region, notably the conflicts in Sudan, Uganda, and Ethiopia, and conflict between the nations of Kenya and

Uganda, and Rwanda and Burundi; 2) a limited awareness of the seriousness of the impending water shortage crisis in the area; and, 3) the need for a major influx of foreign aid to realize the huge potential of the project, with the \$80 billion in foreign debt owed by the Nile countries being a major impediment now to such aid.

Of the three, he said, the most intractable problem is the political instability, although the recent decision of Ethiopia to enter into the development talks is a hopeful sign.

Another species of problem was manifested by the outrageous behavior of Senator Gore, who tried to "summarize" Ghali's presentation by twisting its meaning into a polemic against population growth and polluted water.

Gore even implied that water is not a benefit, but actually a bane to the Third World, by ranting about the effect of "water-borne diseases" which kill so many people.

Dr. Ghali responded by saying, "We in the Third World do not have the luxury of choosing between the quantity and quality of our water. At this point, what is vital for our survival is quantity."

As to Gore's absurd charge that "water is the primary source of death and disease" in the Third World, Dr. Ghali countered with some facts. He detailed how his government's rigorous health and public education campaign has been highly successful in reducing the incidence of water-borne disease in Egypt.

By establishing safe water wells and small hospitals to dispense medication, and combining these with a 10-minute television warning aired three times daily cautioning against drinking from or bathing directly in the Nile, the incidence of disease has dropped dramatically, he said.

Senate approves \$9.4 billion for war on drugs

The Senate on Sept. 27 approved, 97-2, a \$9.4 billion budget for the nation's war on drugs, \$1.1 billion more than requested by President Bush for drug and crime-control efforts for FY1990 which begins Oct. 1.

The largest single allocation will provide \$1 billion for prison construction. Funds are also provided for more law enforcement agents, anti-drug programs in schools, local treatment and rehabilitation programs, assistance to state and local law enforcement efforts, anti-delinquency programs, Indian and veterans health services, and programs for the homeless. The plan would be financed by an across-the-board 4.3% cut in government spending with the exception of entitlement programs. The cuts will include \$1.3 billion in Pentagon spending.

The voting followed weeks of posturing over who would take political credit for spearheading the drug war. Sen. Robert Dole (R-Kan.) described the Democrats' overbidding Bush as "nibbling around the edges." Sen. Robert Byrd (D-W.V.) insisted that the Democratic proposal is a major expansion and refocusing of the program toward prevention and treatment as well as enforcement of drug laws.

Capital gains tax passed by House

The House passed the capital gains tax proposed by President Bush by a vote of 239-190 on Sept. 28; 64 Democrats voted for the proposal.

Democratic opposition to the tax had thrown a monkey wrench in the bipartisanship which the administration had attempted to foster during the

first months of its existence. President Bush, without knowing that his comments were being overheard, commented that he was "displeased with Gephardt. He made it so personal." Although more Democrats than expected sided with the administration on the capital gains issue, thus assuring its ultimate passage, the Democratic congressional leadership had used the issue to pick a fight with the administration—and lost. Budget Director Richard Darman called the Democrats' efforts "a kamikaze approach to national politics." The House vote is considered a major defeat for the new House leadership of House Speaker Thomas Foley (D-Wa.) and House Majority leader Richard Gephardt (D-Mo.).

The administration's proposal would exclude from taxation 30% of the profit from the sale of stock, real estate, and other assets on transactions made in the next two years. At the end of the two-year period, the top rate would rise to 28% and all gains would be indexed for inflation so investors would pay no tax on the portion of their profits attributable to general price rises.

Democrats, calling Bush's proposal a tax break for the rich, offered an alternative that would restore the deductibility of Individual Retirement Accounts. Darman had threatened that a failure to enact a capital gains tax cut would lead to across-the-board spending cuts, which would be mandatory under the Gramm-Rudman deficit-reduction law. The Gramm-Rudman sequestration is scheduled to take effect on Oct. 15 if the government hasn't succeeded in reducing the fiscal 1990 budget deficit to \$110 billion or less. The administration hopes that a cut in the capital gains tax will raise government revenue in the short run by stimulating a rapid turnover of

taxable assets as investors sell in order to reap the benefits of the tax cut.

But as one opponent of the capital gains tax, Sen. Bill Bradley (D-N.J.), pointed out in a *Washington Post* commentary on Sept. 27, if a lot of investors try to unload their assets immediately to pay less taxes before the rate goes back up, it could lead to a deflation of the real estate markets, sending housing values tumbling.

Comptroller says FHA will be \$5 billion short

Charles Bowsher, Comptroller General of the United States, said that \$4.5 billion will be needed over the next several years to save home mortgage insurance programs that are jeopardized by losses, in testimony before a Senate Committee on Banking, Housing and Urban Affairs subcommittee Sept. 27.

The Federal Housing Administration, which is administered by the Department of Housing and Urban Development, runs four mortgage insurance funds. The single-family loan program had adequate reserves to cover its losses, but losses stemming from HUD's co-insurance and other high-risk insurance programs cut deeply into already-exhausted reserve funds. Defaults from the co-insurance program, in which the government assumes 80% of the risk of some housing programs and private developers the remaining 20%, are estimated to reach \$960 million in 1988, said Bowsher.

HUD had previously claimed the agency sustained a fiscal 1988 loss of \$858 million, but an independent audit by the General Accounting Office and Price Waterhouse—was the first audit of the FHA in 15 years—

found otherwise. According to the testimony, the FHA's Mutual Mortgage Insurance Fund, which provides single-family home mortgage insurance, saw defaults increase dramatically over the past two years, from 166,000 in 1987 to 203,000 in 1988. The loan program, which had \$229 billion worth of residential mortgage insurance in force on Sept. 30, 1988, suffered a \$1.4 billion loss that year, reducing government equity in the program from more than \$3 billion at the start of 1988 to \$1.8 billion at the end of the year.

The FHA General Insurance Fund, which Congress subsidizes annually, provided \$62 billion of insurance for various projects as of September 1988. It was in deficit at the start of 1988 and suffered an additional loss of \$2.6 billion, bringing its deficit to \$3.1 billion on Sept. 30, 1988. The FHA Special Risk fund contributed another \$1.6 billion to the deficit. "I don't think we're in a free fall," said Bowsher. "I think what we have here is a program that's in some trouble."

Senate rejects SDI funding increase

An effort to restore nearly \$300 million to the \$4 billion no-growth level of spending for the Strategic Defense Initiative was defeated in the Senate on a 66 to 34 vote on Sept. 26. The increase had been recommended by the Appropriations Committee for inclusion in the \$288 billion defense spending bill for fiscal year 1990.

Two months ago the Senate authorized up to \$4.6 billion for the SDI, while the House has approved \$3.1 billion for FY1990. The Senate vote indicates that a House-Senate conference on the Defense Authorization bill is likely to approve the first cutback in

spending for the SDI program since it was launched by President Reagan in 1983.

Troops to stay in Korea, for now

A proposal which would have reduced the 43,800 U.S. soldiers stationed in South Korea by 3,000 troops, was defeated in the Senate on Sept. 26 by a vote of 65 to 34. The Senate instead called on the administration to "reassess" U.S. deployments without abandoning the military presence necessary to deter aggression by North Korea.

In related action, the Senate refused to delay the closing of 86 military bases, recommended by a special commission and approved by Congress earlier this year, by a vote of 86 to 14. Sen. Sam Nunn (D-Ga.) warned that a delay could unravel the base-closing agreement.

Democrats propose cuts in catastrophic insurance

Democrats have been reeling over their touted Catastrophic Coverage Act as House members are being bombarded with calls and letters from outraged Medicare recipients who, under the bill, would have to pay a surtax from their Social Security in order to finance the fund.

A new formulation, worked out by the House leadership on Sept. 27, leaves intact only reimbursement payments for prescription drugs, and some health benefits for the poor. This remaining coverage would be financed by the existing flat fee of \$4 a month paid by all Medicare beneficiaries.

The revised proposal eliminates two primary benefits for elderly people who suffer long-term illness. It would restore Medicare-style coverage, payment of hospital bills for up to 90 days for each time they were admitted with an illness after paying \$560, plus a one-time reserve of 60 days. The proposal also retains the prescription drug benefit, which calls for payment of half the cost of the drugs above \$600 starting in January 1991.

Though the White House has not made any efforts to keep the program, it does oppose its repeal, since any revenue surplus from the program is applied to lower the Federal budget deficit.

House committee speaks on China, reserves

The House Banking Committee approved a resolution on Sept. 27 urging the Bush administration to oppose loans to China by international banks. The resolution said loans and other financial aid from international banks to China should be opposed until the repressions and reprisals against persons connected with the pro-democracy demonstrations have been ended.

On Sept. 26 the Banking Committee approved a bill that directs federal regulators to require commercial banks to maintain "significantly higher" reserves against their loans to many lesser developed countries. The committee suggested that regulators be given flexibility to assign favorable risk ratings to credits extended as part of a rescheduling package under the Brady Plan. Presumably, banks not participating in the Brady Plan would have to maintain higher loan-loss reserves than those that do not.

National News

Leaflet catalogues crimes of ADL

A leaflet exposing the role of the Anti-Defamation League (ADL) as an arm of the international drug lobby and a witting asset of the Soviet KGB, was released in several million copies on Sept. 24 by the National Democratic Policy Committee (NDPC), a political action committee linked to jailed statesman Lyndon LaRouche.

Among the charges leveled against the ADL are that it is a financial and covert political support conduit for drug legalization advocates; that it is linked to the drug mafia, including to fugitive financier Robert Vesco, Medellín Cartel leader Carlos Lehder Rivas, and the late mob kingpin Meyer Lansky; that it supports Satanic cults through a nationwide campaign to block legislation that would increase penalties against Satanic-related crimes; that it is involved with brainwashing and mind-control groups including the American Family Foundation; and that it publicly supports the brutalization of pro-life activists.

In March 1986, a top ADL official, Irwin Suall, played a major role in a KGB-directed campaign to blame the assassination of Swedish Prime Minister Olof Palme on associates of LaRouche. In August, Swedish newspapers revealed that a KGB official in Stockholm had known in advance of Palme's imminent murder, and that the ADL and Soviet accusations against LaRouche were part of the coverup of that crime, the leaflet reports.

New York conspiracy charges dismissed

New York State dropped charges Sept. 22 against the last five individuals it had indicted in a grand "conspiracy" case, initiated as part of the national "Get LaRouche" sweep in the spring of 1987. The five associates of Lyndon LaRouche—J. Philip Rubinstein,

Kathy Wolfe, Nancy Spannaus, Mark Calney, and Paul Gallagher—who originally faced numerous felony and misdemeanor counts, had already had their charges reduced to a single misdemeanor "conspiracy" count. The charges were dismissed by Justice Stephen Crane at the request of prosecutor Dawn Cardi.

Cardi attempted to place the blame for the decision to dismiss on Judge Crane's decision to sever four other LaRouche associates, who just completed trial, thus creating an impossible cost burden to the state. Of the four, one was acquitted and three were convicted on one or more counts.

"My only regrets are that Attorney General Robert Abrams's office was not forced to admit what political claptrap the whole indictment was," said Nancy Spannaus, one of the individuals whose indictment was dismissed and a candidate for U.S. Senate in Virginia, "and that the judge's ruling out of relevant political evidence offered by the defense, led to the convictions of three defendants on four counts. This was a totally political trial, which went so far as to argue that the 'conspiracy' involved actually producing and mailing out-publications! By all rights, the state should not only be dismissing the charges, but admitting that the whole affair was a political prosecution ordered by the 'Get LaRouche' strike force."

Air Force Association stresses Soviet threat

The National Convention of the Air Force Association, the official civilian lobbying organization of the U.S. Air Force, passed a resolution on Sept. 20 calling on the President and other officials to release to the American public intelligence about the actual Soviet military threat.

The measure was motivated by one speaker who reported that he had attended a classified briefing in which the publicly available information on the rate of Soviet tank production was identified as "top secret." He ridiculed the "gumshoe babble you get when you talk to these security

types—'well, we reexamined the exigencies in the light of the possible contingencies and have adjusted our estimates to reflect the economic potentialities'"—and reported that every Air Force general he confronted with the problem concurred that the order to stop telling the truth about the magnitude of the Soviet threat has been the single most frustrating feature of the past two years.

"We know what the Soviets are doing, the Soviets know what they are doing, and know that we know it; the only people who don't know what is going on are the American public," the speaker said. Another official pointed out that it is the essence of the communist system that motivations are concealed, and all evaluations of Gorbachov are incompetent that fail to start from that premise and then look at the real rate of military buildup. The measure passed with loud acclamation.

Admiral calls glasnost an attempt to buy time

U.S. Chief of Naval Operations Adm. Carlisle A.H. Trost warned the Defense Orientation Conference Association, a group of defense contractors, meeting in San Diego, California, on Sept. 22 that Soviet leader Mikhail Gorbachov's *glasnost* and arms control policies are an attempt to "buy time," and that the West should therefore be cautious in response.

According to the U.S. Army publication *Stars and Stripes* of Sept. 24, Admiral Trost focused his remarks on the subject of "naval arms control." "I sense a real danger that if the American people are not fully aware of the consequences, naval arms control might get caught in a whirlwind of compromise."

Trost noted that reductions in naval forces would seriously jeopardize U.S. security, while doing no more than ridding the Soviets of some obsolete submarines that would have to be decommissioned in the near future anyway. "It's no bargain when the Soviets rid themselves of excess baggage and the United States is left with a void in our ability to protect our vital interests," he said.

Trost further warned that seemingly peaceful overtures to the West by Gorbachov could actually be a ruse that would lead the United States and its NATO allies to negotiate themselves into a position of weakness, at a time when the Soviet economy is faltering under the weight of its huge military budget. Despite all talk of arms reduction, he stressed, the naval arms buildup goes on unabated, with the Soviet shipyards busily turning out new aircraft carriers and submarines. "Mr. Gorbachov may well be using his policy of openness, *glasnost*, in concert with reductions in military expenditures, to buy time and allay Western fears, in order to let *perestroika* put life back in the battered Soviet economy."

Psychiatric exams ordered for farmers

Farm publications are reporting on two cases in which farmers fighting in court to retain their property have been ordered by the judge to undergo psychiatric evaluations. (For another instance of Soviet-style use of psychiatry in the U.S. judicial system, see article, page 62.)

The most egregious case is that of Lawrence Keiswetter, reported in the Aug. 22 issue of *Acres USA*. Keiswetter, a Kansas farmer, was indicted by the Production Credit Association for "conversion" (selling property pledged as collateral) and fought the charge in federal district court, firing two lawyers for conflict of interest in the process. He ended up arguing *pro se* (on his own behalf) and was convicted. He appealed to the 10th Circuit Court of Appeals in Denver, and the conviction was overturned.

The case was retried in Kansas, and a new judge, Patrick Kelly, was assigned. Kelly immediately ordered Keiswetter to the Springfield, Missouri prison medical facility for evaluation. On June 14, he was sent there for a 45-day observation period. No one could visit or counsel him without FBI clearance.

On June 22, a wire was sent to inform

his wife that he had died of a heart attack.

According to *Acres*, "If you care to cross a lender or a judge, the price may be higher than expected. If you have health problems and you can't prevail in court, they will use poor food and abuse by the prison system to break you and/or carry out a calculated death sentence."

A second farmer, Carl Peters from Farwell, Minnesota, stood trial before Judge Paul Flora on a foreclosure action last spring. In the middle of the case, the judge took it away from the jury and ruled on behalf of the bank. Peters was evicted from his farm. He returned to court requesting a restraining order against the eviction. He was held in contempt and sent to Fergus Falls Mental Hospital for seven days for observation.

Kissinger to testify in Hersch libel trial

After a federal judge in Chicago threatened to issue a bench warrant against him, Henry Kissinger has apparently agreed to testify on Oct. 2, in the libel suit of former Indian Prime Minister Morarji Desai against writer Seymour Hersh. This will be the first time ever that Kissinger has been compelled to testify before a court.

The case involves a civil suit brought by Desai against Hersh, who charged in his biography of Kissinger, *The Price of Power*, that Desai had been on the CIA payroll and a key source within the Indian government providing scurrilous information that undermined Prime Minister Indira Gandhi, when Kissinger was President Nixon's national security adviser.

Apart from Hersh's book, the only other publication that dared reveal Kissinger's role in the plot against Gandhi is *Derivative Assassination: Who Killed Indira Gandhi?* written by the editors of *EIR*.

As one leading opponent of Henry Kissinger commented, "It appears that with events in China, and now the Gandhi story surfacing, Kissinger's teflon shield is becoming badly scratched."

Briefly

● **JIMMY CARTER** declared Sept. 26 that Gorbachov is the most important cause of change in the 1980s. "Gorbachov is the most popular person by far that I know about," Carter told the *San Francisco Examiner*.

● **FOOD FOR PEACE**, founded by Lyndon LaRouche, will host an international conference in Chicago Nov. 4-5 to explore implications of the severe food shortages threatening the planet, and discuss how to dramatically increase food production.

● **THE AMERICAN** Psychiatric Association has voted to oppose the readmission of the official Soviet psychiatric association into the World Psychiatric Association, on the grounds that "the abuse of psychiatry for political purposes in the U.S.S.R. has not ended."

● **THE GALILEO LAUNCH** scheduled for Oct. 12 aboard the Space Shuttle Atlantis, which is one of a series of planetary missions that has a plutonium isotope with a heat conversion system as its energy source, was approved by the White House on Sept. 22.

● **ALAN GREENSPAN**, the chairman of the Federal Reserve Board, will go to Moscow on Oct. 7-11, as methods are being considered in Moscow to "soak up" the huge "excess" of rubles in the Soviet economy relative to goods, the London *Financial Times* reported Sept. 26.

● **PETER BUFFETT**, the 31-year-old son of takeover specialist and *Washington Post* co-owner Warren Buffett, bought a new home in Milwaukee which could turn that city into "a landmark of the New Age. The Buffets plan to play host to musical performances and benefits for causes such as protecting the environment and combatting homelessness," according to the Sept. 25 *Wall Street Journal*.

Editorial

Educating Americans

The poorness of U.S. schools in terms of performance, breadth of subject matter, and even discipline, compared to those of other nations has become a timeworn theme. Clearly, there is an element of correctness in criticisms of the recent Governors Conference on Education, that without significant additional funding, talk of reforms is pretty much illusory; but that is by no means the whole story.

Perhaps the most dangerous statistics are those concerning the scientific illiteracy of the American population. While the situation is better in European and Japanese schools, we would contend that the underlying problem which is eroding American schools is also operative in Europe and to a far lesser extent in Japan—that is, the growing irrationalism of the population, which is being fed by the anti-science environmentalist movement.

In the U.S. and in Europe many citizens are now willing to accept measures which will destroy the economy of their nations, the very means of existence of the world's population, in their misplaced zeal to protect the environment. The level of hysteria being generated is such that they are willing to accept frauds like the "greenhouse effect" whole-hog. This anti-science climate is the backdrop against which failing school performance must be judged.

This growing irrationality of large sections of the population—emphatically not excluding the teachers and parents of school-age children—goes part and parcel with an increasingly hedonistic world view which ignores consequences in favor of satisfaction in the here and now, particularly in the two generations which have reached maturity over the past 25 years. Without an adequate causal view of day-to-day reality, there is no basis upon which an individual can form a truly scientific conception of the universe. The environmentalist movement may be seen as an expression of this more fundamental social problem.

We are on the verge of one of the greatest depressions in human history precisely because the majority of Americans and citizens of Western Europe accepts the myth that a consumer-oriented economy can be kept

afloat through financial manipulation without regard to the exigencies of supporting the production even of such necessities as food—in other words, they accept the myths of the free market.

The so-called scientific community is equally bankrupt when it comes to redressing the situation. For example, *Nature* and *Science* magazines serve as the self-proclaimed arbiters of acceptable standards of research. They are fearless when it comes to attacking the work and reputation of scientists such as the French biologist Benveniste, who challenged accepted notions of how allergins—and implicitly the immune system—function; or the work and reputation of Fleischmann and Pons who seem to have been able to achieve "cold" fusion from simply (although not easily) reproducible table-top laboratory experiments.

These two science magazines of record, one British the other American, have both endorsed legalization of drugs. *Science* did it by featuring an article on the subject; the more honest *Nature* did so editorially.

In a nine-page argument replete with 78 footnotes, in the Sept. 1 issue of *Science*, author Ethan A. Nadelmann sought to develop the false argument that drug trafficking is uncontrollable and in any event that drug use is a victimless crime. With no basis in fact, he also claimed that legalizing drugs would reduce the crime rate and enhance the quality of urban life through higher tax revenues.

He failed to comment on the deteriorated quality of life for those trapped into drug dependence, particularly young people. Neither here nor in *Nature* will you find reference to the ample documentation of the irreversible metabolic, psychological, and educational damage done to young people who become regular drug abusers. The Sept. 7 issue of *Nature* editorialized at length on the benefits of drug decriminalization for the United States. The magazine commented on the opportunities for synthesizing designer drugs of great variety, and argued by analogy to Prohibition, that punitive regulation cannot ultimately succeed.

There are grave problems in American schools, but they go far beyond the educational institutions *per se*.

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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.

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