

EIR

TALC ARCHIVE

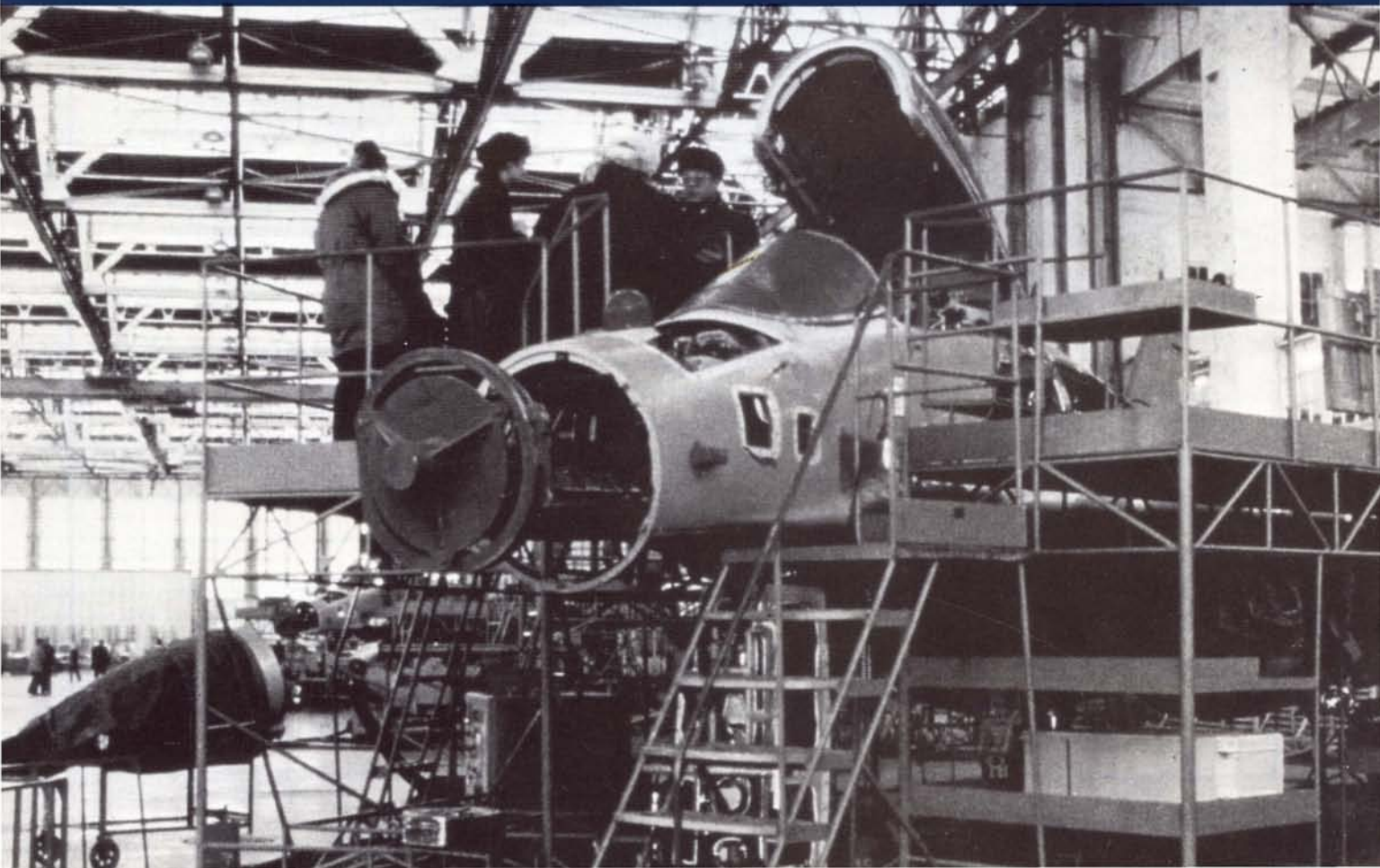
Executive Intelligence Review

October 20, 1989 • Vol. 16 No. 42

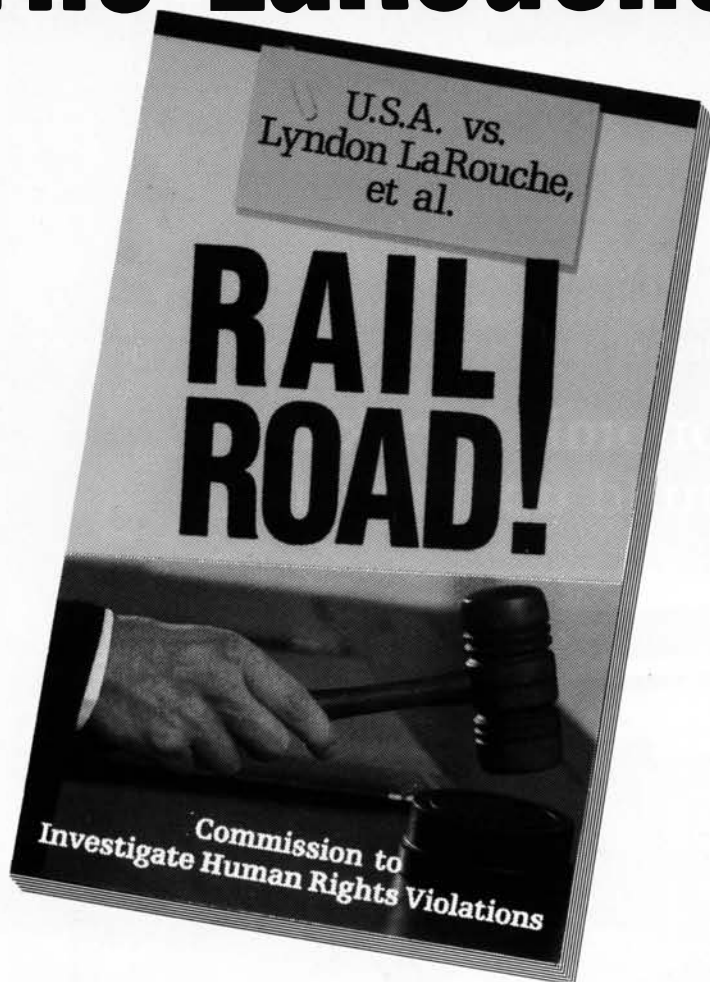
\$10.00

The Depression we warned about: It's on
Will you let debt kill Brazil's children?
Bush must release facts proving LaRouche innocent

**Amid economic breakdown,
Soviets build up for war**



The Truth About The LaRouche Trial



- The rush to trial only 37 days after indictment.
- Four years of federal investigations and a “warm-up” trial where jurors reported they would have voted unanimously for acquittal.
- The role of Henry Kissinger and the “Get LaRouche Task Force.”
- The judge’s decision to grant a special *motion in limine* to block the defense case.
- Full text of appeal papers filed by LaRouche’s attorney, former U.S. Attorney General Ramsey Clark, and distinguished international jurists.

\$10 ppd., 664 pages
Available from
Executive Intelligence Review

Name _____

Address _____

City _____ State _____ Zip _____

Telephone _____

Make checks payable to:

Executive Intelligence Review

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

EIR

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editor: *Nora Hamerman*

Managing Editors: *John Sigerson and Susan Welsh*

Editorial Board: *Warren Hamerman, Melvin Klenetsky, Antony Papert, Gerald Rose, Alan Salisbury, Edward Spannaus, Nancy Spannaus, Webster Tarpley, William Wertz, Carol White, Christopher White*

Science and Technology: *Carol White*

Special Services: *Richard Freeman*

Book Editor: *Katherine Notley*

Advertising Director: *Marsha Freeman*

Circulation Manager: *Joseph Jennings*

INTELLIGENCE DIRECTORS:

Africa: *Mary Lalevé*

Agriculture: *Marcia Merry*

Asia: *Linda de Hoyos*

Counterintelligence: *Jeffrey Steinberg, Paul Goldstein*

Economics: *Christopher White*

European Economics: *William Engdahl, Laurent Murawiec*

Ibero-America: *Robyn Quijano, Dennis Small*

Law: *Edward Spannaus*

Medicine: *John Grauerholz, M.D.*

Middle East: *Thierry Lalevé*

Soviet Union and Eastern Europe:

Rachel Douglas, Konstantin George

Special Projects: *Mark Burdman*

United States: *Kathleen Klenetsky*

INTERNATIONAL BUREAUS:

Bangkok: *Pakdee and Sophie Tanapura*

Bogotá: *Javier Almario*

Bonn: *George Gregory, Rainer Apel*

Copenhagen: *Poul Rasmussen*

Houston: *Harley Schlanger*

Lima: *Sara Madueño*

Mexico City: *Hugo López Ochoa, Josefina Menéndez*

Milan: *Marco Fanini*

New Delhi: *Susan Maitra*

Paris: *Christine Bierre*

Rio de Janeiro: *Silvia Palacios*

Rome: *Leonardo Servadio, Stefania Sacchi*

Stockholm: *Michael Ericson*

Washington, D.C.: *William Jones*

Wiesbaden: *Göran Haglund*

EIR/Executive Intelligence Review (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July and last week of December by New Solidarity International Press Service P.O. Box 65178, Washington, DC 20035 (202) 457-8840

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

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

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

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

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

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

From the Editor

The Wall Street market plunge of Friday the 13th is going to make the Kremlin take another look at any hopes the bankrupt Western economies would bail out Gorbachov's *perestroika*. With that in mind, read this week's *Feature* analysis from our Wiesbaden and Washington bureaus, of the actual military buildup going on behind the facade of a new era of détente—why it is that precisely in a period of internal economic breakdown crisis, the Soviet leadership is continuing to gear up the frontier technologies for making war.

In *Economics*, we start from founding editor Lyndon LaRouche's analysis of the economic reality. First there is the crumbling of the physical economy, seen in infrastructure and transportation; then the financial bankruptcy; then the singularity which could turn out to be a run on the banks, and the near-term potential for a *shock front* unraveling of the economy, as the physical breakdown catches up with the banks and financial markets. Beside documenting aspects of these phenomena, we denounce the slaughter of children in Brazil (see page 11) and China (see page 14) as a consequence of the economic evils that LaRouche has committed his life to opposing.

On page 60, we interview a representative of the miners in the Pittston coal strike, where American industry is at a crossroads between dehumanized, self-destructive policies, and those that could actually rebuild the economy based on labor-management cooperation.

Internationally, the news centers on Panama—for our exclusive story see page 36—and on the Soviet bloc, where Moscow's cynical policy of fomenting ethnic unrest in the Azeri-Armenian conflict (page 38) augurs worse crackdowns to come in East Germany. It has been nearly a year since LaRouche issued his call for a Worldwide Anti-Bolshevik Resistance, and the need for such a unified political movement could not be clearer today.

We have frequently stated that George Bush has the power to free Lyndon LaRouche, an innocent man whose continued imprisonment is not only a threat to his life, but to the national security of the United States, given the combined strategic and economic crises. On page 56 we present a letter to Bush and accompanying fact sheet, providing everything Bush needs to vindicate LaRouche. It is in everyone's interest that this letter receive the widest circulation.

Nora Hamerman

EIR Contents

Interviews

11 Dr. Lauro Monteiro Filho

The chief of pediatric services of the Souza Aguiar Municipal Hospital in Rio de Janeiro and president of the Brazilian Association for the Protection of Children and Adolescents, describes how the next generation of Brazilians is being devastated.

60 John Cox

An official of the United Mine Workers from West Virginia discusses the union's bitter strike against the Pittston Coal Group.

Science & Technology

22 EPA joins nitrate pollution offensive against farming

Marcia Merry exposes how the same crowd that started the scare over nitrates in meats is now claiming that farming is causing nitrates to pollute ground water.

23 Nitrates and nitrites as components of the normal environment

Thomas H. Jukes disproved the nitrates naysayers, in this paper which he wrote in 1976.

Departments

18 Report from Rio

Toward a new neo-liberal era?

19 Andean Report

Drug lobby calls on Sachs's services.

49 Report from Bonn

Labor scares East German Communists.

50 Northern Flank

Socialists out in Norway.

51 From New Delhi

The price of populism.

67 Kissinger Watch

Kissinger's teflon gets scratched.

72 Editorial

LaRouche, "hands on."

Economics

4 LaRouche breaks the story: The great depression is on!

LaRouche was right, where his opponents among the economic "experts" were wrong. Isn't it time that the American people elected leaders who knew what they were doing in the economy?

6 Mexican President is all show, no action

Salinas's trip to the U.S. was supposed to formalize economic deals—it flunked.

8 Greenspan sparks no-win debate

9 Hurricane Hugo: lesson in physical economy

10 American airlift capability in doubt

11 Debt payment policy is killing Brazil's children

13 Currency Rates

14 China's crazed population policy spurs Western backing for Beijing

17 International Credit

Britain, again Europe's "sick man."

20 Business Briefs

Feature



Department of Defense

The Soviets are pressing ahead with their military buildup, including the new supersonic MiG-29 Fulcrum, of which more than 500 are now operational.

28 Pre-war dynamic accompanies Soviet breakdown crisis

The Pentagon proclaims that the Soviet threat is the lowest in the postwar period, and Moscow announces that it has scrapped its offensive military strategy in favor of a new "defensive doctrine." What a fraud! Konstantin George analyzes the latest developments in the reorganization of the Soviet military command for war.

33 'Soviet Military Power': another wishful coverup

The authors of the new Pentagon report were so anxious to ignore reality, that they even deleted the word *spetsnaz* from the index. An evaluation by Leo Scanlon.

International

36 Panama names Noriega 'conductor of new republic'

"The fight is because the U.S. wants the geographic space of the Republic of Panama to carry out aggression against other nations and to establish control over the geopolitics of Latin America."

38 Transcaucasus goes into civil war phase

The cynical Kremlin leaders are allowing Azerbaijan to blockade neighboring Armenia, as well as clashes in neighboring Georgia.

40 E. Germany 'celebrates' its 40th anniversary with bloody crackdown

41 Argentine military pardoned by Menem

42 Drug legalizers assail Colombian President

43 Anti-drug? or anti-military?

A profile of Gen. Miguel Maza Márquez

44 Why Tavistock brainwashers hate Lyndon LaRouche

Part II of "30 Years of Menticide."

47 Anglo-Soviet occultists to meet in London

52 International Intelligence

National

54 Supreme Court backs RICO use against political groups

The court's refusal to hear the appeal of anti-abortion protesters convicted under the "racketeering" statute, means that constitutional guarantees of freedom of speech and political association are rendered meaningless.

56 President Bush called on to release facts that would exonerate LaRouche

Documentation: Declassify the 'Get LaRouche' file!

60 Pittston's confrontation tactics doomed to fail in today's world

63 Even Shamir now putting distance between Israel and the ADL

Leaders of the Anti-Defamation League are getting worried, as some of their political dirty tricks are exposed.

65 Dangerous forensic psychiatry kooks run FBI criminologists

68 Congressional Closeup

70 National News

Correction: An error of calculation appeared in the *Agriculture* column last week. The figures of 0.07% and 0.013% of wells testing with 3-10 mg/L of nitrates and greater than 10 mg/L of nitrates respectively, should have been 7% and 13%.

LaRouche breaks the story: The great depression is on!

by Nancy Spannaus

In a statement issued internationally on Oct. 10, congressional candidate and world-renowned economist Lyndon LaRouche put the news bluntly:

“Well, the new Great Depression is on. The key market event which set this depression off was the near bankruptcy of the international super-retail giant, the chain trust Campeau. This happened this past September. Campeau’s near bankruptcy signaled a general collapse of both the so-called leveraged buy-outs, and a severe downturn in real estate markets.

“Now, in the short term, one of two things will happen. Things *could* continue to go along as they are going. That means the continued slide deeper and deeper into the new worldwide economic depression. In this case, things will become much worse through October gradually, then after October, the rate of collapse will speed up into March of next year. That’s the normal thing, presuming the government makes no radical change from its present policy.

“However, the second option, if the Bush administration tries to buy its way out of the depression, or buy its way into a postponement of the depression using cheaper interest rates, the tendency will be to shift from a deflationary spiral, that is, a price-collapse spiral in real estate, retail sales, and so forth, into an inflationary spiral, which is even more disastrous than a straight deflationary spiral of the type now going on.

“Either way, what’s happening is exactly what I predicted was going to happen last year during the election campaign, and earlier this spring and summer. Isn’t it time that the

American people elected leaders who knew what they were doing in the economy?”

Bucking the trend

LaRouche’s statement flies in the face of all the “popular wisdom” floating around policy circles in the United States and Western Europe, as well as the citizenry itself. Patting themselves on the back for having avoided a “run on the bank” over the dangerous third-quarter rollover period, these “experts” are deluding themselves that everything is under control.

Nothing could be further from the truth. The world economy is in a desperate, worsening depression, which is leading the world into a collapse best described as a New Dark Age. This collapse, as analyzed by LaRouche, has proceeded in three distinct aspects:

1) *Physical economic breakdown.* This is the fundamental process driving the depression collapse. Due to the shift to the post-industrial society perspective in the mid-1960s, the physical economy began contracting around 1970. Concretely, that has meant the lack of replacement of infrastructure, the contraction of physical plant and equipment, and the descent into obsolescence of what remains.

The crucial turning point in transforming this contraction into breakdown, was the interest rate shock delivered by Federal Reserve chairman Paul Volcker in 1979. The more than 20% interest rates drove manufacturers out of physical production at a rapid rate—the steel industry became real

estate speculators, for example! The net result was the inability of the American economy to supply its own needs.

2) *Financial breakdown.* The U.S. economy has been financially bankrupt since the period of 1982-85. This period has been characterized by the fact that economic growth has been replaced by the growth of debt. Another name for this process is the "Reagan recovery." This policy of piling debt upon debt, created a situation in which current earnings became insufficient to cover current costs and expenses, and ultimately that cash flow was unable to cover even interest payments on the debt incurred.

3) *"The run on the bank."* While these two underlying processes of bankruptcy proceed apace, what most of the idiots in the financial world are concentrated upon is whether they can maintain "confidence" in the system—i.e., prevent a "run on the bank," in the form of a wholesale collapse of values which have been run up through the financial speculation.

In fact, this "run on the bank" began, as LaRouche said, with the big leveraged buy-out failure of Campeau's department stores on Sept. 13. This set off a deflationary spiral which has caused a major collapse in the junk bond market, which continues to be reflected in the failure of major conglomerates to market their junk bonds.

The question which immediately arose, however, is whether such a "run" would take the form of a gradually deepening deflation, or a sharp collapse like that of October 1987. As of this writing, the "tumbling" of the stock market, detonated by the failure of certain takeover bids, reflects one possible pathway. A series of bank bankruptcies—foretold by major drops in third-quarter profits and the unpayability of Third World debt—could be another.

No middle ground

For those who believe that the stock market and its fortunes represent economic reality, there will be a strong temptation to do everything possible to keep the financial markets looking viable. If this remains the policy, there is nothing to prevent the descent of the real economy into the worst depression in this century.

Should the deflation continue, with collapses in the stock market, real estate market, and the like, it will be like a spiral accelerating. At a certain point the acceleration of the deflationary spiral will lead to the generation of a shock front, similar to a sonic boom. LaRouche thought it highly likely that could happen this fall.

If the Bush administration tries to avoid this certainty, by ordering a loosening of credit and reflation, however, the spiral will simply take off in the opposite direction. It will become a hyperinflationary spiral, which will rival that of Weimar Germany, with the wheelbarrows full of money and all. This pathway will eventually lead to a financial blowout as well.

Reports from European financiers are that Great Britain, in particular, is urging the Federal Reserve to take this hyperinflationary direction, by lowering interest rates. The British hope that such U.S. action might prevent them from having to further raise their own interest.

The reality is, that without a change in fundamental financial and economic policy in the direction of Treasury Secretary Alexander Hamilton, there is no stability in sight. If more money is thrown at the problem, it may postpone a blowout until next spring, but the collapse at that time will be much, much worse. There will be either a hyperinflationary spiral, or a deflationary spiral, with no middle ground.

The Hamiltonian solution

During his entire 1988 presidential campaign, which began in 1985, now congressional candidate LaRouche had warned of the disastrous consequences of the post-industrial monetarist policies of the U.S. government. Beginning in July 1988, he began to forecast a period of financial and strategic crisis for 1989-92, unless a dramatic reversal of economic policy, in particular, were implemented.

But LaRouche did more than point to the crisis. He outlined the causes of the global crisis humanity faces, and the policies required for preventing disaster.

Given that the Eastern Establishment of the United States and the Soviet Union were anxious to throw LaRouche into jail precisely because he had the solutions to this conjuncture of global crisis, especially in the economic sphere, it is of considerable interest to look at these policies.

We quote here from LaRouche's Atlanta Platform for the Democratic Party Convention in July 1988, where he first forecast the strategic significance of the international food crisis. The ideas are further elaborated in his current campaign platform forward, also entitled, "The Great Crisis of 1989-1992."

"What we are proposing is a 'radical' turn away from the failed experiment launched during the 1960s, back to the traditions established chiefly by the original Massachusetts Bay Colony and the creation of our independent nation and constitutional form of representative self-government. . . .

"Out of the contributions of . . . two successive modern renaissances came an economic philosophy of government which U.S. Treasury Secretary Alexander Hamilton was first to name 'the American System of Political-Economy.' It was a system which divided the responsibilities for national economy in essentially this manner:

"1) The general objective of economic policy, by both government and private entrepreneurs, is the fostering of increases in the productive powers of labor through capital investment in the benefits of scientific and technological progress.

"2) The responsibilities of the federal government are chiefly three: (a) the development of basic economic infra-

structure, either as an economic activity of government, or of private utilities regulated by the governments of either the nation or the states; (b) the establishment of national banking to ensure that adequate supplies of low-cost credit are available through the banking system to foster useful investments in agriculture and industry; (c) a system of regulation of foreign and interstate commerce, to protect the useful enterprises of private entrepreneurs and to foster orderly commerce among the states.

"3) For all other enterprise, private entrepreneurs in agriculture, industry, and trade are encouraged to promote economic growth and technological progress as freely as possible."

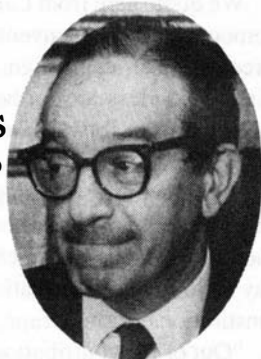
This Hamiltonian system has been elaborated by LaRouche in both financial and other programmatic form for the U.S. government. It is a dirigist system that alone will reverse the real physical deficit in the U.S. economy, a deficit that is about to get worse than simply bridge collapses, and airplanes falling out of the and will lead to absolute shortages of the most basic foodstuffs.

Unfortunately for the world, LaRouche is the only individual who has prepared himself to not only develop these plans, but to be able to implement them in a time of unprecedented turmoil and crisis. No matter what the U.S. government says, the only real indication of a policy shift away from monetarist insanity, will be the release of LaRouche from prison.

Flying saucers near Moscow?

Lyndon LaRouche issued the following statement on Oct. 10:

On Tuesday, Oct. 10, the big news from Moscow is a TASS report citing the landing of a flying saucer near Voronezh, a rather famous place near Moscow. TASS admitted that the sighting was by children. However, I find the report of TASS rather credible. On the basis of my experience with what the Federal Reserve Board has done under Director Alan Greenspan, and with the knowledge that Greenspan has just arrived in Moscow, I wouldn't be surprised, with the advice he has given to the Soviet economy, that the Soviet population imagines that flying saucers have landed.



Mexican President is all show, no action

by Carlos Cota Meza

With the euphoria ended and the veil of official propaganda worn thin, the Oct. 2-6 visit of Mexican President Carlos Salinas de Gortari to the United States has turned out to be a poorly disguised attempt by the Mexican head of state to garner from north of the border the support that he has been unable to command at home. President Salinas returned to Mexico with little to show in the way of concrete economic agreements, but with the promise of future "integration" (read: annexation) of the Mexican economy into a North American Common Market. He arrived in Mexico City with the applause of a foreign congress ringing in his ears, but must face the real music when he delivers his first State of the Union address to his own national congress on Nov. 1.

In opening his address to the U.S. Congress, Salinas declared, "I come before you . . . to inaugurate an era of new friendship." This reference to a new era of bilateral relations, repeatedly inserted into all of Salinas's U.S. speeches, in no way represents a change in the strategy or appetites of would-be annexationists on both sides of the border. Rather, it expressed Salinas's fervent hope that nationalist opposition to such a strategy has finally been eliminated from the ruling Institutional Revolutionary Party (PRI).

It was during the six-year term of José López Portillo (1976-82) that the United States under Jimmy Carter's presidency openly insisted that "the United States will not permit the creation of a Japan on its southern border." This was explicitly directed against government efforts at the time to invest burgeoning oil revenues in a total renewal of Mexico's industrial plant and infrastructure. The presidency of Miguel de la Madrid, and now of Salinas, has been dedicated to eradicating those nationalist currents, and stopping Mexican development cold.

Now, ironically, voices are being heard inside the United States insisting that "Mexico's economic advance" be permitted. Susan Kaufman Purcell, vice-president for Latin American affairs of the Americas Society, evaluated Salinas's trip with the observation that "a poor and weak Mexico on its southern border is not in the interest of the United States." She went on, however, to clarify what a "prosper-

ous" Mexico means to the bankers she speaks for: "With the possible growth of regional commercial blocs in Europe and in Southern and Southeast Asia over the coming years, the capacity of the United States to broaden its trade with its two North American neighbors becomes more desirable."

Henry Kissinger said the same thing during the Salinas tour when, speaking as president of his firm, Kissinger Associates, which is expanding its operations inside Mexico: "The United States is obliged to help Mexico . . . [given that] in a period of 10 to 15 years a common market between Mexico and the United States could be formalized."

More opportunities—for looting

Of course, this in no way means that a Japan south of the border will now be permitted. What it does mean is that only the economic policies which the United States approves will be applied in Mexico. This is the view that permeated all the U.S. protocol surrounding Salinas's reception on the White House lawn, at the Capitol, at David Rockefeller's Americas Society, at Brown University, and so on.

This was also the rhetoric of the Mexican head of state himself, who magnified the "achievements," and ignored the dramatic social cost, of his economic policies applied during the past seven years. Salinas presented the "new face" of Mexico to the foreign investors he was wooing: new rules to eliminate bureaucratic obstacles, to broaden the field of action of the foreign investor, and to provide that investor with legal security; a tax system compatible with those of Mexico's trading partners, privatization of broad sectors of the economy; complete deregulation of major economic sectors, etc.—a veritable investors' paradise.

And what of the impact of Salinas's "fiscal discipline" so applauded in the United States? According to Carlos Tello Macías, president of the advisory council of the president's National Solidarity Program, supposedly created to combat extreme poverty, "During those years (1982-89), the per capita GNP fell 14%. . . . Just as the population of the country rose from 71.4 to 81.2 million, so, too, did the poor, going from 32.1 to 41.3 million. In this brief period, nine out of every ten Mexicans to enter the population joined the ranks of the poor. . . . At the present time, approximately one-half of the population is unable to meet its basic needs, and some 17 million Mexicans live under conditions of extreme poverty."

A commercial failure

Salinas de Gortari insisted that his visit be confined to formalizing agreements on "economic matters," and from that standpoint, his trip was a dismal failure. Six of seven anticipated agreements were "signed," it is true, but they represent much ado about nothing. Three of these deal with protection or improvement of the environment: treatment of residual waters in the Tijuana-San Diego area, technical assistance to combat environmental deterioration along the

common border, and technical and financial assistance to "improve the air" of the Federal District where Mexico City is located.

Another agreement was to encourage tourism in both directions and a compromise was struck to review Mexico's proposed textile treaty in 1990. The only concrete aspect to emerge as part of a General Agreement revising the 1987 bilateral trade and investment accord, was an extension of the pre-existing steel export treaty, about to expire. It is well known, of course, that more steel crosses the border as contraband than as legal exports. The only failure the Mexican officials themselves were willing to acknowledge was the impossibility of signing a bilateral agreement on agriculture—representing the bulk of trade between the two countries—because of "certain inconclusive aspects," which were never defined.

The truth of the matter is that the United States refused to give any serious trade concessions to Mexico because Mexico is its only trade partner with a favorable balance of trade. During the term of Miguel de la Madrid (1982-88), an export boom was produced by means of a peso devaluation, which took food out of the mouths of Mexicans, and by drastically reducing imports. The "boom" was accomplished by selling beer, plastics and synthetic materials, cement, glass and crystal, iron and manufactured steel, and word processors. Other products, such as seafood, mineral products, or coffee are ruled by the "laws of the marketplace," with the aggravating factor that two of those products have been eliminated from the agenda by a United States which, in the one case, wants to fish in Mexican waters, and in the other, is refusing to review the price of coffee even to help Colombia in its war against the drug cartels. Mexico can export nothing more, until it increases its petroleum sales.

No concessions were to be wrested from the United States on imports, either. Because of Mexico's dependency on U.S. imports—largely food and consumer products—the United States has its neighbor "over the barrel." As one high-level official of Mexico's Agriculture Ministry was heard to comment: "Soon we will have to ask Moscow permission to buy food from the United States."

The new General Agreement establishes a mandate for holding future negotiations intended to free up bilateral trade. Coming under that category are customs tariffs, non-tariff barriers, foreign investment, patent rights, technology, services, trade restrictions, and distribution problems—all matters relevant to an "integration" of economies.

The rest was pure show, to attest to the support which the Salinas government has from George Bush. There was, of course, time allowed for Salinas's token "protest" against U.S. protectionism. It seems the U.S. government has not permitted the sale of brooms made by Mexican Indians on the U.S. market. Left unsaid was the fact that these brooms have no market in Mexico, either, except as an occasional souvenir for the unsuspecting tourist.

Greenspan sparks no-win debate

by Steve Parsons

Federal Reserve chairman Alan Greenspan's notorious remarks in Moscow have generated a remarkable amount of newsprint and commentary interpreting his "true meaning."

In a lecture on central banking delivered Oct. 10 to Moscow economists, Greenspan said that "attempts to maintain unrealistic exchange rates may lead to destabilizing international capital flows, and ultimately have to be abandoned."

The international press and most economists generally have interpreted these words to mean that Greenspan's Federal Reserve opposes the policy decision adopted by the Group of Seven finance ministers at the September International Monetary Fund meeting, to bring down the dollar's exchange rate. Since then, G-7 central banks have intervened almost daily in foreign exchange markets, selling perhaps \$10 billion in some three weeks of trading. Greenspan also implied that the Fed will maintain its policy of relatively tight money and high interest rates in order to keep a rein on U.S. inflation, and will not cut rates simply to lower the attractiveness of the dollar.

Within hours of Greenspan's remarks, the Bank of Japan surprised the markets by raising its official discount rate 0.5%. The move occurred less than one week after the West German Bundesbank raised its rates a full 1%, which was immediately followed by most major European central banks.

While nearly every U.S. economist and banker has tried to explain these actions as merely technical machinations designed to stem escalating inflation rates, and as attempts to try to contain the dollar's rise, *EIR* has emphasized that these are political messages of extreme dissatisfaction with the incompetent crisis-management approach of U.S. economic authorities.

There is no indication that these messages are cutting through the haze of inebriated financial speculation that shrouds Washington and Wall Street these days. Even for those G-7 financiers and the few Americans who acknowledge the spiraling collapse of the markets in junk bonds, LBOs, and real estate, their dogmatic adherence to monetarist policy options ensures that the feared "recession" will indeed become a full-scale depression.

The incompetence of ideology

Greenspan certainly has not gone along with the dollar-dumping policies of the Treasury and central banks. Although Nicholas Brady's Treasury Department has directed the Fed to sell billions of dollars almost every morning, Greenspan has effectively negated its impact on the markets by "sterilizing" these dollars—removing them from the money supply every afternoon through government securities trades. The dollar, of course, has continued to rise on the markets, regardless of the moves by the other central banks.

While debate is raging in financial circles over whether there is in fact a significant split between Brady and Greenspan over the Fed's supposed emphasis on tight money and high interest rates, everyone acknowledges that when future economic statistics show a downturn and more-or-less stable inflation, Greenspan will quickly ease up.

Under these conditions, say the economic soothsayers, foreign investors will not flee from the United States and thus not force a compensatory interest rate rise, because the easing will not be perceived as inflationary, but as prudent. Money will simply shift from the speculative ventures like junk bonds, takeovers, and commercial real estate speculation, to more traditional investments like financing new industry.

For these sages, Greenspan is nimbly treading a fine line between inflation and recession; if he moves at the right time, everything can be managed.

Such rosy perceptions ignore the devastating combination of the underlying ruin of the real economy with spiraling financial illiquidity, both resulting from enormous speculation and unsupportable debt. They similarly ignore the abundant data portraying the virtual bankruptcy of the debt-saturated consumer sector, exemplified by the collapse of retail sales, automobile purchases, and consumer durables. This is often explained away as "increased consumer savings," that is, more funds for future speculation.

The wizards of Wall Street maniacally believe they will always be "awash with liquidity," hysterically denying the reality that foreign capital has flowed in largely because of the inordinately high returns from takeovers and similar speculative ventures. In their intoxication, they see the dollar as undervalued because it is currently in such great demand.

One economist at the investment firm of Morgan Stanley insisted, "There is no risk of contagion to other sectors from the problems with junk bonds and LBOs. The Fed is more focused than anyone on contagion to the banks. . . . The economy is rolling along well, there is a worldwide investment boom. We have a strong worldwide economy—including Britain. Consumption is still strong there, after all."

For most on Wall Street, even a "mild recession" is not in sight. For the few bears, a recession is perhaps inevitable. But even these seers believe that it will just shake out—albeit painfully—the excesses from what they perceive to be an otherwise adaptable system.

Hurricane Hugo: lesson in physical economy

by John Hoefle

Hurricane Hugo, which slammed into the South Carolina coast Sept. 21, left a trail of human and economic devastation in its wake, having already cut a swath of destruction through the U.S. Virgin Islands and Puerto Rico.

The hurricane came ashore right in the middle of South Carolina's prime tourist and forestry regions, the state's second and third largest industries, respectively, doing significant damage to both. Tucker Eskew, a spokesman for the governor's office, said that preliminary damage estimates were in the \$5-6 billion range, with damage reports continuing to flow in.

The storm put some 6.7 billion board-feet of timber on the ground, according to David Castle, a district timber manager for Georgia Pacific in Russellville, South Carolina. Since the state's lumber industry processes only 2.2 billion board-feet of timber per year, that means that a three-year supply of timber is on the ground. The South Carolina timber industry will be able to process only 1-2 billion board-feet of that wood before it rots. He said that the state forestry commission had placed the value of the damaged timber at \$1.1 billion.

In Castle's district, around Russellville, some 75% or more of the trees have been destroyed. The Francis Marion National Forest and adjoining private forests, on the coast just north of Charleston, were right in the path of the storm. Castle estimated that it would take 40 years for those forests to recover. Some of the less-damaged timber areas might recover in 10 years, he said. Statewide, some 1 million acres of timberland were damaged, putting the future of the industry there in doubt.

Rhett Bickley, a spokesman for the South Carolina Forestry Commission in Columbia, said the governor's salvage council was trying to get surrounding states to process some of the felled timber, so that as little as possible would go to waste. The forestry products industry has an economic impact of over \$3 billion per year in the state, he said, and employs some 40,000 workers.

In seven to ten counties of the state's 46 counties, the forests were virtually destroyed, Bickley said.

Electrical grid

The state's electrical power grid also took a beating. Al Ballard, a spokesman for the Electric Co-op of South

Carolina, which represents 20 power co-ops across the state, said all of them suffered some damage and outages during Hurricane Hugo. Statewide, there are still problems, with up to 40% outages in some systems as of Oct. 12, when Ballard thought it would take another week to restore the entire power grid statewide.

Ballard said that the hurricane seriously damaged about half the state, both from Hugo itself and from the 100 or so tornadoes it spawned. "We lost about half of our forests," he said, "and many of those uprooted trees are now blocking our rights-of-way. You could go for miles and miles without seeing a standing power pole—they were all blown away. It just flattened things. We thought we knew about hurricanes, but we weren't ready for this.

"Some 3,000 power workers have come in from surrounding states with which we have mutual aid agreements," Ballard continued. "We will have to reimburse their employers for their time and equipment. We have also lost a large number of customers. Some meters will never be hooked up again, because the homes and buildings are gone—they're just not there any more. Some of these businesses will never reopen. The unemployment rate in the state will be unbelievable."

Tom Collier, of Santee Electric in Kingstree, said Hugo knocked out almost all of Santee's transmission system. "We had 4,500 miles of lines before the storm," he said, "but the longest segment left after the storm was half a mile. We lost 3,000 poles and 1,000 transformers. It took us three days to restore transmission to our substations, and three weeks to get the entire grid operational. We now have only isolated outages, in places where homeowners and businesses have to repair their electrical systems before we can reconnect them. The system is patched back together, but it will take a couple of years to restore it to the way it was before the storm." Collier estimated it will cost Santee \$15 million to repair the damage.

One of the striking things about the aftermath of Hurricane Hugo is the difficulty encountered by relief agencies in restoring basic services to the affected areas. FEMA, the Federal Emergency Management Agency, is responsible for coordinating all emergency federal aid in such situations. FEMA was seriously criticized for the inadequacy of its response. One critic was Sen. Ernest Hollings, the South Carolina Democrat, who called FEMA "as sorry a bunch of bureaucratic jackasses as I've worked with in my life. . . . I tell them people need generators, and they tell me, 'We don't have any generators—fill out a form.'"

The real problem, no doubt compounded by FEMA's bureaucratic shortcomings, is that the physical economy of the country has collapsed to such a point, that we no longer have the ready surplus to cover such natural disasters. We can no longer respond with the same speed as before, because we lack the goods and the means to ship them, without disrupting other vital segments of the economy.

American airlift capability in doubt

by Anthony K. Wikrent

After years of disinvestment in U.S. commercial airlift capacity, enforced by the deregulation of the air transport industry, the United States is now suffering from inadequate capability to move large amounts of material—either military or commercial—by air. The aircraft just aren't there. Even without the Boeing strike which began Oct. 3 and involves 60,000 unionists, the aircraft wouldn't have been there for a long time to come.

And, even if the aircraft are delivered by the manufacturers, the rapidly increasing financial difficulties of highly indebted airlines may make it impossible for the cargo carriers to pay the bill when it is presented by the manufacturers.

The shortage is so serious, that when the U.S. Military Airlift Command mounted an emergency airlift of 160 aircraft in September in response to Hurricane Hugo, it seriously disrupted military air transportation around the world. The difficulty encountered in mounting a 160-plane airlift (airlifting just one of the Army's light infantry divisions requires 500 aircraft) provides the proper backdrop with which to view the International Association of Machinists' strike at Boeing, and the scramble by air cargo companies to refit retired passenger jets for service as cargo carriers.

The Airlift Command was forced to postpone more than 100 military air transport flights, because it was unable to charter commercial air freighters to fly military cargoes on such short notice—because the commercial companies have no spare capacity. The lack of enough cargo planes has started to push air cargo carriers, Japan Air Lines, raised its rates for flights to Japan by 22% at the beginning of October, to \$1.10 per pound. Rates from Japan are more than double that, reflecting the U.S. life-or-death dependence on Japanese imports.

There are so few cargo aircraft left, that the carriers have bidded up the price of old passenger planes, which they intend to convert into freighters, to two or three times the original purchase price. Most of the original Boeing 747-100 passenger jets, which sold new for \$25 million, have been converted into freighters. Cargo carriers are now bidding at least \$60 million to buy old 747-200 passenger jets, with some asking prices recently reported to be as high as \$75 million. Converting each plane, which involves remov-

ing the entire passenger cabin interior, cutting a 10-by-11-foot door in the side of the plane, and bracing the floor and the fuselage to receive cargo-handling machinery, costs another \$18 million. But since the conversions lack a nose door, essential for the handling of large cargo, such as machine tools, the cargo companies are not really satisfied with the conversions.

The price for the new 747-400 freighter is \$120 million, but Boeing will not complete the first one until late 1993, for Air France. The entirety of Boeing's production capacity until then will be devoted to filling existing contracts for 747-400 passenger jets. McDonnell Douglas will have its new wide body MD-11 cargo planes rolling off the assembly lines within the next year or so, but the MD-11 is just not as large as the 747-400.

Boeing now has a \$80 billion, ten-year backlog of 1,603 new plane orders. This is an abrupt reversal of the situation Boeing found itself in during most of the deregulated 1980s, when fierce competition cost the airlines so much money, that they were forced to defer purchasing new aircraft. But in the past two years, a series of accidents caused by corrosion and structural fatigue of aged aircraft, has forced airlines to place a large volume of orders for new planes.

The folly of deregulation

Earlier in the decade, when new orders were scarce, Boeing was able to convince its employees to forego any pay raises, and even grant concessions in 1983 and 1986. Boeing workers have not had a real rise in pay since 1980. But airlines and leasing companies now have ordered 736 planes worth \$38.5 billion so far this year. With the sudden flood of new orders, Boeing has been hiring 400 new employees a month, and mandated that workers put in 200 hours of overtime each quarter, as it struggled to increase production from 27 to 34 planes a month—four times the output of just two years ago. Just before the strike began on Oct. 3, some workers had been putting in 40 hours of overtime a week.

Besides wanting more money, the major goal of the International Association of Machinists is to get Boeing to agree to a significant reduction in overtime hours. Some workers have reported working 12 hour days for 30 days straight. "You walk around the plant like a zombie," one Boeing worker told the *New York Times*. "We're out here building most of the world's airplanes, trying to make sure Grandma doesn't fall out of the sky someday, and we're just dog-tired." Other workers reported that they had no time left for their families; some marriages are reported to have broken up as a result.

Production facilities of the aircraft manufacturers are now so tautly stretched, it has become impossible for cargo companies to get some replacement parts for their aircraft. Some cargo companies have reported that they are now forced to manufacture their own parts, from plans supplied by the original builder. This is especially the case for McDonnell Douglas DC-8s and DC-9s.

'Debt payment policy is killing Brazil's children'

Dr. Monteiro is chief of pediatric services of the Souza Aguiar Municipal Hospital in Rio de Janeiro and also president of the Brazilian Association for the Protection of Children and Adolescents. He spoke with EIR's Lorenzo Carrasco on Sept. 15.

EIR: Dr. Monteiro, for some time you and a group of your collaborators have been conducting a campaign to inform Brazilians about the alarming situation of child health care in Brazil. Can you describe your work further?

Monteiro: In this moment just prior to presidential elections, we can see how the great issues affecting us are being treated. We can see the superficial way with which matters of health and education are dealt. The situation of child health is not even adequately dealt with statistically. Much is said of economic data and little or nothing of our sad social indicators.

As a citizen and as a pediatrician, I daily confront a reality which I believe should be known to the entire population. Fragile, defenseless and incapable of providing for itself the necessary conditions for its own development, the child is exposed from conception to constant risks, which frequency and intensity is directly related to the social structure of the area in which the child lives and to the levels of protection provided by family and society.

So that the parents may exercise their role as educators and protectors of their children, they themselves need access to indispensable economic resources. In the hindrance or absence of the parents, the state and society should assume that role.

EIR: What is the situation of Brazil's children, how to encourage their development? Is the wealth of the country being used for their protection?

Monteiro: Today, it is the social indicators and not the economic ones which best reveal the development of the entire population of a country. For example, Brazil is a developing country, with a high level of industrial production that makes it the eighth economic power in the world, with a per capita Gross National Product that is one of the best in Latin America and progress in its trade that is truly

extraordinary, with \$18.6 billion registered in 1987, for example.

Nonetheless, it is also known that more than 90 million Brazilians live below the poverty level; that the majority of the economically active population earns up to one minimum salary per month (approximately \$50) and that the per capita GNP—if only the poorest 40% of the population is considered—is extremely low.

Our social reality therefore is that of a poor nation, and it will be the children who will most suffer the consequences of this.

Economic indicators do not reveal the reality of the majority of the population. They measure the means to achieve development, while the social indicators measure the results obtained for the entire population, as a consequence of applying the nation's resources.

EIR: What, then, are the social indicators to which you refer?

Monteiro: UNICEF chose the mortality rate of minors under the age of five (MRM5) as the best indicator of a country's development, supplemented by the literacy rate. MRM5 represents the number of children who die before the age of five, out of every 1,000 live births.

EIR: How is Brazil situated in relation to the social indicators, as compared to other countries?

Monteiro: I chose for terms of comparison three Latin American countries to which I have conducted lengthy professional visits and which possess the best social indicators in the region: Cuba, Costa Rica and Chile. I also chose a European country which possesses the best social indicators, Switzerland. The data is from 1987, complemented by as-yet-unpublished figures from 1988.

We began with the rate of maternal deaths, that is, the annual number of deaths of women from causes related to pregnancy, per 100,000 live births: Cuba 31, Costa Rica 26, Chile 55, Switzerland 4, *Brazil 150*.

The percentage of children immunized by three doses of the DPT vaccine (diphtheria, pertussis, tetanus): Cuba, Cos-

ta Rica and Chile had figures around 90%, Switzerland 100%, *Brazil* 57%.

The literacy rate: Cuba 96%, Costa Rica 84%, Chile 96%, Switzerland 100%, *Brazil* 77%. It should be noted that in various regions of the Brazilian northeast, nearly 50% of those over 15 years of age are illiterate.

School attendance (percentage of those enrolled in first grade who finish first grade): Cuba 86%, Costa Rica 75%, Switzerland 98%, *Brazil* 20%.

MRM5: Cuba 19, Costa Rica 23, Chile 26, Switzerland 7, *Brazil* 87. That is, for every 4,101,000 children born each year in Brazil, 359,787 die before the age of five!

Infant mortality rate, or IMR (deaths below one year of age, for every 1,000 live births): Cuba 15, Costa Rica 18, Chile 20, Switzerland 6, *Brazil* 64. In the northeast, the IMR reaches between 50 and 200.

EIR: How have IMF conditionalities affected this social situation?

Monteiro: In the years 1983 and 1984, there was a deterioration of all social indicators in Brazil, with the greatest deterioration in the poorest and most deficient regions such as the northeast. Infant mortality rose because of malnutrition, infectious disease and premature birth. The incidence of low birth weight and the absolute number of infant deaths

also rose. This situation was the unmistakable consequence, during the 1980-83 period, of the reduction of government expenditures in health, nutrition, education and sanitation, along with the increase in unemployment figures and the loss of buying power of the average salary. This period of economic depression is primarily linked to the demands of the world economic community regarding the developing nations' foreign debt.

EIR: What are Brazil's principal health problems today?

Monteiro: There are in Brazil 600,000 registered cases of malaria, 5.5 million carries of schistosomiasis, 5 million infected with Chagas, and 260,000 with Hansen's disease. There are nearly 86,000 new cases of tuberculosis registered each year. Dengue and yellow fever are not under control. With the exception of poliomyelitis and diphtheria, little has changed in recent years regarding the incidence of diseases preventable by vaccination and epidemiological vigilance, such as measles, tetanus, whooping cough, typhoid fever, and meningitis.

EIR: What are the primary causes of infant mortality?

Monteiro: In socially developed countries, the causes of infant mortality are linked to the pre-natal period. In Brazil, children die of diarrheal and respiratory diseases associated with malnutrition. After four years of age, death by accident becomes the preponderant cause due to absolute lack of preventive programs.

During the school and adolescent years, the major causes of sickness and death are external causes: accidents, aggressions and suicide, a situation common to the developed and industrialized countries, not to the poor countries.

EIR: In your daily practice as a pediatrician, how do you view the situation of children and adolescents in Rio de Janeiro?

Monteiro: We struggle with malnutrition, with children who die in the hospitals from pneumonia and diarrhea, under totally avoidable situations had they received basic health care; of serious, lethal, or deforming burns caused by the horrendous living conditions of our population; with children who are victims of every sort of serious and fatal accident; with children abandoned, assaulted and sexually abused by their parents or guardians, themselves mistreated since infancy by their own parents and now victims of social aggression by the system.

We struggle with the child and the adolescent from the street, often in our emergency rooms due to accidents or assaults to which they are subject, or from perpetual intoxication due to inhalation of solvents or ingestion of alcohol. We see adolescents involved in drug trafficking, robbing, killing and being killed by criminals and by the police; adolescents who prostitute themselves in exchange for drugs, many of them the precocious carriers of sexually

CONSULTING ARBORIST

Available to Assist in

The planning and development of wooded sites throughout the continental United States as well as



The development of urban and suburban planting areas and

The planning of individual homes subdivisions or industrial parks

For further information and availability please contact Perry Crawford III

Crawford Tree and Landscape Services

8530 West Calumet Road
Milwaukee, Wisconsin 53224

transmitted diseases and already infected with AIDS. We must contend with adolescents from all social classes, who become pregnant at an early age, swelling the abortion statistics or increasing the probability of risk to the newborn and themselves; with adolescents who abuse drugs and alcohol, fleeing the depression, who die or kill others in car accidents or who, insecure, discouraged, without a future or help, actively or passively seek out death through various means.

Unhappily, this is the way the majority of Brazil's youth are born, live and die.

EIR: How can we change this picture?

Monteiro: We could follow, for example, the recommendations of UNICEF for reducing infant mortality in the short term: adequate nutrition, basic sanitation, immunization programs. Prevention of low birth weight with a consequent reduction of the infant mortality rate could be achieved by improving the health and nutrition levels of women of child-bearing years, with pre-natal consultation, with prevention of drug abuse in the pregnant woman, and with the reduction of adolescent pregnancies.

EIR: Do you think that the social problem can be solved with local proposals?

Monteiro: Apart from the local solutions, it is essential to understand Brazil's position in the global context, and to view as extremely unjust the unequal distribution of wealth among nations. We are aware that in recent years, the lives of hundreds of thousands of children from the developing sector have been mowed down to pay the debt.

To the question of former Tanzanian President Julius Nyerere—"Must we starve our children to death to pay the debt?"—we must answer "No!" In the face of the devastating situation of tens of millions of Brazilian children and youth, a situation with which few are familiar and others either don't want to see or don't want to involve themselves in, it is immoral and anti-ethical to divert economic resources for any other purpose than to improve this situation.

It is important to emphasize that given the current economic conditions in the country, there are already indications of stagnation and projected worsening of the curve of infant mortality in Brazil. This reality is unacceptable. We cannot permit the deterioration of our social indicators, as occurred in 1983-84, to recur over the next few years.

I am neither an economist nor a ruler. It is as a pediatric physician that I propose that Brazilians inform the international economic community that we are suspending payment on the foreign debt out of just and humanitarian considerations, and that negotiations will be conditional on the reduction of our infant mortality rates to internationally acceptable levels, and not on the imposition of unattainable economic goals.

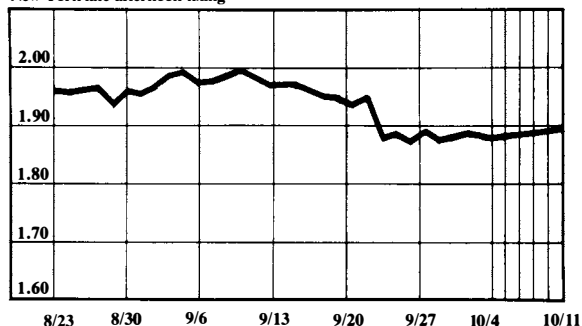
"We do not want to die. We want to live with dignity."

This is the clamor of millions of Brazilian children to the bearers of economic power throughout the world.

Currency Rates

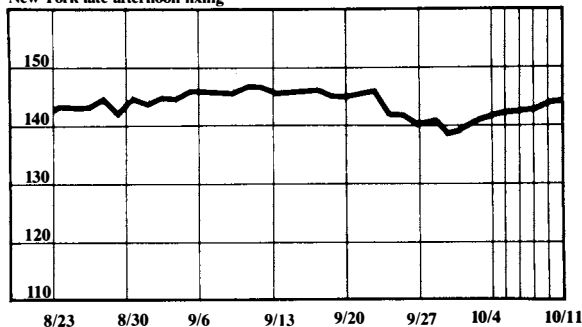
The dollar in deutschmarks

New York late afternoon fixing



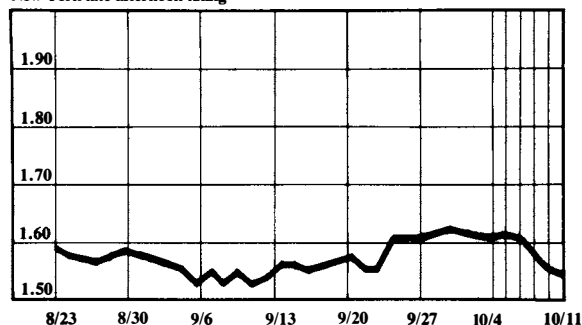
The dollar in yen

New York late afternoon fixing



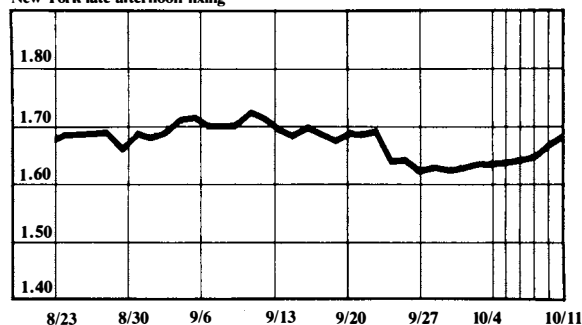
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



China's crazed population policy spurs Western backing for Beijing

by Mary McCourt Burdman

Monstrous though the greed of Henry Kissinger is, it is only one reason why those in power in the United States and Western Europe, and in such supranational organizations as the United Nations, have done next to nothing to oppose the Communist regime in the People's Republic of China which murdered some 10,000 people in June. A more fundamental reason is that the octogenarians in Beijing are such committed malthusians. P. R. C. policy on population, economic crisis, and "environmental pollution" is a hideous reflection of the policies espoused every day by such entities as the Green Party, Environmental Protection Agency, or World Wildlife Fund in Europe and America, made far uglier by China's desperate poverty.

Western support for the Chinese malthusians continues unabated. The operations of the U. N. Fund for Population Activities inside China suffered only a "slight disruption" due to "the events of late spring," an officer of the Asia Division of the UNFPA in New York City told the author Oct. 12, using the usual euphemism in such circles for the wanton murder of up to 10,000 unarmed civilians in Beijing and other cities by troops in June 4 and the following days. "Certainly the action program" is being continued, the officer said, "and as a matter of fact, a new five-year program has just been approved." The only shift in the UNFPA program, which is the biggest single outside donor to China's population program, notorious for its strenuous enforcement of an insane one-child-per-couple policy, is that emphasis will be changed from import to local production of "commodities" (contraceptives). Of course, that might be good news for all those Chinese who abhor the one-child policy: If Chinese contraceptives are anything like other products, the number of pregnancies should surge. Otherwise, delivery of services and 10% of China's birth control funds will go on.

The fact that China's birth control program is based largely on crazy eugenics policies, is not of issue, the UNFPA officer said: "We are a neutral organization, and do not interfere into governments' policies."

China's State Family Planning Commission gets other cooperation from the West. The SFPC announced in Febru-

ary 1988 that China is starting a "nationwide survey on fertility and birth," the official *China Daily* reported, because the commission was alarmed that the birth rate was not dropping as drastically as planned. Births increased 18% in 1986 over 1985, and another 10% increase in 1987.

Statistics Sweden, the national statistics bureau of Sweden, offered its help to modernize China's archaic system of controlling the reproductive cycle of every woman in the country. Statistics Sweden, the oldest national statistics bureau in existence, and the Chinese State Family Planning Commission reached an agreement to "cooperate" on building a computer system for "monitoring the Chinese family planning program." Work was "temporarily discontinued from June 5, due to the situation in China [emphasis added]," the Swedish bureau said in its report for the second quarter of 1989, over the objections of the Swedish Foreign Ministry, which wanted all aid projects to China to continue after the Tiananmen massacre.

The purpose of the project is to make it easier for the Chinese State Family Planning Commission to track every pregnancy in China. A statement from the SFPC as recently as Oct. 27, 1988, announced that the Swedish-Chinese project was being done "in accordance with the instruction of the Central Committee of the Communist Party of China that 'family planning departments should strengthen investigation and study and scientific projection in order to gradually perfect the family planning policy and measures.'" Both the Chinese Ministry of Finance and the Ministry of Public Security are behind the project, which is to include all of China by 1992. One purpose in developing the computer system, Statistics Sweden reported in September 1988, "is to be a tool for monitoring the family planning situation continuously."

The Chinese authorities are particularly afraid of the chaos which is breaking out all over China as the economy collapses. One critical focus of the study is to determine "the fertility situation of the daily increasing floating population under the present circumstances of urban and rural economic structure reforming." Experts estimate that there are some

100 million in the *manu liu*—*manu* is blind, *liu* is current—an army of unemployed, homeless people, wandering from city to city and province to province, seeking work.

There were some objections in Sweden to the project, a Statistics Sweden staff member told the author Oct. 9, because of China's eugenics policies, but they did not stop the project. But eugenics is a live policy in China. In November 1988, China's official *People's Daily* announced that the impoverished northwestern province of Gansu has enacted a law to sterilize tens of thousands of mentally handicapped women. Later, a senior health official in Beijing announced that a similar law was now being drafted to expand the ban on births to the entire nation. The *People's Daily* proclaimed that the Gansu law would "raise the quality of the population" and help the province out of its poverty. One report from Statistics Sweden states that troops staged amateur plays in the city of Chengdu in October to publicize family planning. While most emphasized that girls should be worth as much as boys, "some troops from remote areas of Sichuan [province] stressed eugenics subjects."

Deng's reforms: Reduce population

It is the "reformer," supreme Chinese leader Deng Xiaoping—the man whom President George Bush called an "old friend"—who has been successful in controlling the Chinese population, though not—so far—as successful at outright murder as his predecessor Mao Zedong, although Deng always professed himself a loyal follower of "Mao Zedong Thought."

The Communist Party of China has killed 80-100 million people in its brief history this century, most under the rule of Mao Zedong. According to recent statements by exiled Chinese investigative journalist Liu Binyan, not 10-20 million, but 43 million people died of starvation during Mao's "Great Leap Forward" in the late 1950s. At least another 10 million were killed in the Cultural Revolution holocaust a decade later, during which conditions were so desperate, one commentator well acquainted with the history of communism in China reports, that peasants used the rotting corpses for fertilizer and gave their chickens maggots feeding on the corpses' flesh as feed.

Deng's policies are barely more civilized. As the champion of population control in China, his policy is to prevent children from being born. Population control was "neglected" by Mao in the chaos of the 1950s and 1960s, Harvard China-watcher Roderick MacFarquhar said in July, and was only begun seriously in the 1970s, when Deng came to power. Under Mao's rule, the population nearly doubled in 30 years.

Deng's government set its policy to *reduce* China's population by at least one-third—300 million people—within the next century, at a meeting in February 1981, *EIR* reported in March 1982. They arrived at this number by determining how many people China's land, water, and other resources could support, *if China remains a primarily peasant country*

for the next 100 years, and this would be only 650-700 million people. China has remained a peasant country. In 1949, the population of China was 80% peasant and only 20% urban. Today, 40 years later, the same primitive conditions prevail: China's peasant population is still four times the size of its city dwellers.

Almost a decade of "reforms" later, in January 1988, Prime Minister Li Peng announced that family planning will remain a basic state policy, in the starkest malthusian terms. "Without family planning, an additional 200 million people would have been born, calculated according to the natural growth rate of 1970," Li said. "If we do not exercise population control . . . the wealth gained from productive development will be offset by the population increase." What productive development? Li has since endorsed the "environmentalist" excuse for ending costly investment. In May, he gave the keynote speech at the Third National Conference on the Environment, stating that "Economic and administrative measures must be taken to limit the development of industries or products that consume a lot of materials and energy, [and] cause serious pollution. . . . We do not approve of short-sighted behavior that pursues economic development at the cost of the environment. Such behavior must be curbed firmly."

Destroying the family

The real "reform policy" was the draconian one-child-per-family law enacted in 1980. This law is intended to destroy every pillar of Chinese society, in which the family is seen not only as the basis of social order, but the key to the individual's immortality—in the sense that people continue living on through their children and grandchildren—which is the positive essence of so-called "ancestor worship." How determined the Communists are to undermine this fundamental conception of individual and social worth, is shown in the recent attempt by the Communist government to persuade the Chinese that graveyards are a "waste" of scarce land, and that individual burial should be stopped.

Beijing is actually conducting a "major education campaign" to get people to give up traditional burial and use cremation instead. The nominal reason is the lack of land. Burials last year took up 2,500 hectares of land, the *China Review* reported in its September 1989 issue, and 1.2 million cubic meters of timber was used for coffins. "The Party knows that convincing the people to switch from burial to cremation is a formidable task that can be fulfilled only by eliminating China's long history of feudalism and deep-rooted conventions," Civil Affairs Ministry official Liao Hui told the *China Daily* in September. One example of such "feudalism" was one farmer outside Beijing, who said, "Burial is a good way to show the respect of the living for the dead."

Civil Administration Bureau director for Beijing, Fan Bitian, told a Western reporter recently, "We Communists are atheists, we do not believe in God. But feudalistic-minded

people believed in an after-life," and hence buried their dead and offered sacrifices to heaven.

One of the government's main objections is the cost of the burials, because impoverished households spend 9% of their miserable income on weddings, funerals, or festival gifts to relatives. But, given the crisis situation in China, the government is "going slow," the *China Review* reported, trying to prevent the recurrence of cases in which local officials, trying to meet regulations, dug up already buried corpses to have them cremated.

The policy is not new. When the People's Liberation Army marched into Beijing in 1949, the new government immediately ordered the 110,000 tombs in downtown Beijing emptied and the corpses cremated in the crematorium built by the Japanese occupying forces—the only one in the city. Since then, municipal officials have imported crematoria from Czechoslovakia, and two were built with great fanfare in Beijing.

Besides, Fan Bi-tian concluded, "earth burial will lead to environmental pollution and water pollution."

'Population out of control'

Already on Sept. 23, 1986, the sixth anniversary of the formal adoption of the one-child policy, the official *Health News* editorialized that the program was a "long-range strategic principle policy. It is the wrong idea that there is no need to stress the policy since China's economy has developed."

By January this year, officials were alarmed enough to launch another public birth control drive. Several thousand people gathered in the Great Hall of the People Jan. 12 to hear Vice Premier Tian Jiyun and Beijing Mayor Chen Xitong—one of those who demanded the Tiananmen massacre June 3-4. Chen blamed China's low per capita output on population problems. Grain production per capita is only 390 kilos, and per capita output is much lower than "many other countries," Chen said. If population is not controlled, "the new riches produced every year will be used up by the new babies, and the population pressure on resources will intensify," he said.

A *China Daily* editorial Feb. 4 called for putting population control—and environmental protection—among the very top priorities of the People's Republic as the new lunar year, the Year of the Snake, began. After Deng's "reforms," China's second priority is "family planning and population control." China's population will exceed the "staggering figure of 1.1 billion" within days, and with many peasants still having more than one child, the paper wrote. "The enormous population has added to the shrinkage of forests, arable land, water, and virtually all other resources." Mines are being worked without adequate "regeneration of the ecology."

The same month, Minister Peng Pieyun of the State Family Planning Commission announced that "various localities must strictly implement the policy of one child per family and no children to women under 20, and allow no variations or exceptions. We should consider the task of

ending multiple and early childbirths our major priority." She complained that while city women have generally complied, in the countryside the "overwhelming majority of women" have more than one child. She called for extending the policy of not allocating farmland to new children, and revealed plans for a new family planning law, the Beijing Domestic Service reported Feb. 21.

By April 14, the day that the government estimated China's population reached 1.1 billion, the P.R.C. held a "National Day of Mourning." Newspapers printed warnings of national disaster and Communist Party officials told the population they would starve if the "baby boom" is not brought under control. Vice Premier Tian Jiyun announced that the nine-year-long "one couple-one child" program was a failure. The *People's Daily* is warning that if the current birth rate of 20.7 per 1,000 were to continue, it would bring "calamity to the entire Chinese race." An earlier editorial in the *Economic Daily* Jan. 10 said: "For the sake of the Chinese race, and to prevent the tragedy of the population explosion, let us wake up from our apathy. Experts say that average personal income will fall 10 yuan (\$2.70) for every increase of 10 million in population. If our targets are significantly breached, the economic and social pressures will be all the greater and there will be no hope of national modernization. Population is already putting heavy pressure on the environment. Our forests are being destroyed, grasslands are deteriorating, soil being eroded, land becoming desert, fresh water becoming daily scarcer and pollution worse."

Because of these insane malthusian programs, China is facing demographic disaster. The leader of one women's group predicted that, as a result of the one-child policy, China could have some 40 million more men than women in 20 years. Women's Federation official Tang Leng said, according to Chinese newspaper reports in early September, that female infanticide was continuing because people want male children, and the result would be an overwhelming majority of young men in the very near future. Chinese society is going insane. There are so few young women already, that families with sons are actually *buying* little girls from parents who want to attempt to have a son, to bring up as a future wife for their son.

In addition, millions of children are relegated to life in the "black" underworld. Since the early 1980s, Beijing's attempts to enforce the one-child law have included punishments ranging from denial of food rations, schooling, medicine, and even identity cards to second and third children, to forced abortions as late as the eighth month of pregnancy. Yet in defiance of the Communist Party, people kept having children. The number of unregistered children in China, according to the *Shanghai Youth News* this summer, is over 60 million. In the city of Taian in the north coastal province of Shandong, family planning officials offered an amnesty on fines if these "black children," as they are called, were registered. As a result, 68,674 children came out of hiding.

Britain, again Europe's 'sick man'

Some unusual features of the Bank of England's current usury policies.

In the 1960s, Britain was known as the "sick man of Europe," as the pound sterling came under attack and the industrial economy decayed. Today, after 10 years of "economic revolution," Britain is again Europe's "sick man." This time the Thatcher government is making it so with astronomical interest rates.

On Oct. 5, the Bank of England raised its principal bank interest rate, base rates, by 1% to 15%, the highest level since the all-time record of 17% in 1981. The impact of the Bank of England and Treasury Ministry's interest rate strategy since spring 1988 has created the most severe economic contraction in all Europe. In 1988, base rates stood at 7.5%. Today they are *double*, among the highest of any industrial nation. City of London economists predict that if U.K. trade deficits keep growing as in recent months, rates of 17% could be imminent. "We are very close to a full blown crisis," a spokesman for a London brokerage, Chase Securities, told me.

The real effects of this interest rate madness are to be measured in the physical economy of the nation's 60 million people.

Two areas had already been hurt before the latest interest rate shock: housing construction and retail buying. Now those key areas and overall manufacture face outright depression conditions. "The major U.K. banks turned to domestic lending, especially in real estate following the 1982 Third World debt crisis," noted senior City of London economist Stephen Lewis. "As a result, the amount of credit in the U.K. secured by real estate is high-

er than it was during the banking crisis in 1974. U.K. banks went into domestic real estate to make up for Third World exposures after 1982. Now we are facing severe problems in property lending. There is a potential threat looming to the London banking system."

One investment banker, Ewan Pearson of County NatWest, stressed, "Housing has been hit very hard by the base rate increase. Demand could now fall by another 10%." Base rates have fallen 10% in the few months since rates rose from 13% to 14% this spring. Since rates began soaring last year, profits in housing have plunged an estimated 60%, with home sales and prices collapsing together.

An economist with the Confederation of British Industry (CBI) reports that housing construction in the major growth regions such as the South is "absolutely dead. Companies there are beginning to go bankrupt, property companies." But the area hardest hit by the Bank of England's interest rate strategy is retail sales. "Textiles and furniture sales are dead," the CBI spokesman noted. "Now it's set to go even further down and spread into the manufacturer suppliers of the retailers, as people realize the high rates are here to stay for some time."

The Thatcher government argues that the high interest rates are needed in order to "squeeze" a 7.5% inflation rate out of the economy and to correct a record \$30 billion balance of trade deficit, the cited reason the pound has fallen to a two-year low recently despite higher interest rate incentives.

But there's good reason to believe that the "Old Lady of Threadneedle

Street," as the Bank of England is known, is being less than honest. Britain is the only European country to include home mortgage interest rates in its official inflation calculation. Chancellor of the Exchequer Nigel Lawson and Thatcher last year launched the current interest war to "squeeze inflation out." But inflation grew. Why? CBI estimates that for every 1% rise in home mortgage rates, the Consumer Price Index rises 0.44%, almost half the entire rate rise!

In May 1985 Lawson told the House of Lords, "If it turns out that we are relatively more efficient in world terms at producing services than at producing goods, then our national interest lies in a surplus on services and a deficit on goods."

Services include financial earnings on overseas investments as well as banking profits and the like, known as "invisibles." The problem is that since the October 1987 stock market crash, Britain's earnings as a world finance center have suffered badly. And now with soaring interest rates which are necessary to keep funds flowing into the London banks and brokerages, manufacturing exports are being hit. Both add up to this year's record balance of payments crisis.

British industry has never been encouraged by the Thatcher government to rebuild productive capacity since the depression collapse in the 1970s. Now, with double digit interest rates, needed investment in such plant and equipment is less feasible than ever.

The real reason for the Bank of England's draconian interest rates policy is mooted to lie in the terms being laid out for the City of London to dominate Western Europe's 1992 internal market process as the "banker of Europe." The high rates are a magnet keeping huge speculative flows in London banks.

Toward a new neo-liberal era?

Brazil's state sector is targeted for privatization by free-marketeters seeking a toehold through the elections.

With just one month to go to the presidential elections here, an offensive has been launched to assure that, whoever the victor is, he will carry out a free-market program whose basic content will be: first, the privatization of the valuable state sector, today weakened by International Monetary Fund (IMF) policies; and second, the imposition of a neo-liberal economic era in which the concept of national sovereignty is subverted.

The state sector is the key to realizing Brazil's potential as an independent economic power, through state-directed funding of great infrastructural projects, and nationalists in both civilian and military circles understand that the survival of state sector enterprises is crucial to national sovereignty. For the first time, through the combined assault of the creditor banks abroad and the advocates of neo-liberalism at home, the economic bulwarks of Brazilian nationhood are under threat of disappearing.

The most visible mouthpiece for this neo-liberal policy in Brazil is the daily *Folha de São Paulo*, which in an Oct. 1 editorial demanded that the presidential candidates not only endorse a program which establishes the privatization of the state sector as their top priority, but that they announce now which companies will be privatized.

The *Folha* editorial was followed up by various published reports, the most provocative of which was entitled, "Candidates Avoid Discussion of Petrobrás Taboo." The article targeted Brazil's massive state oil company for attack, citing one of the most

prominent spokesmen for the Brazilian neo-liberal project, former minister and current Senator Roberto Campos, who declared: "It is a defect of the economic model of the monopoly. All the monopolist state companies in Latin America are on the verge of collapse—in Argentina, Peru, Mexico, and Venezuela. The state oil monopoly is a fetish of underdevelopment."

Joining the new wave of neo-liberalism is the largest food cartel in Ibero-America, Bunge and Born. It was Jorge Born himself who, speaking from his São Paulo offices Aug. 27, broke with the traditional discretion of his company to tell the daily *O Estado de São Paulo*: "At the present time, a very interesting phenomenon is occurring: Public opinion is changing its mind. A wave of liberalism has begun to emerge, in Argentina as in Brazil, Peru, and Bolivia. The countries of the region are beginning to open themselves up to the world." Born said that, in the Brazilian elections, "I am convinced that the politician who comes out in favor of privatization is going to get elected."

This neo-liberal grouping, which includes Harvard's guru of the "Bolivian model," economist Jeffrey Sachs, unfortunately has in its favor the worsening financial decline of key state sector companies, the result of a decade of murderous IMF austerity recipes. By demanding an increase in export earnings, the IMF forced the Brazilian government to concede numerous subsidies to exporters in the form of artificially low public service rates. At the same time, cutbacks in invest-

ment in the public sector have affected the financial health and productivity of the state companies.

Hardest hit by these policies have been the two bulwarks of Brazilian nationalism, Petrobrás and the nearly 200-year-old Banco do Brasil, which has functioned as a national bank in helping fund the most productive areas of the economy. Somewhat cushioned for a long time from the ravages of the IMF, these two companies have now fallen victim to the infamous austerity dictates of the "Summer Plan," and have now reached the verge of collapse.

For the first time in its history, Petrobrás had a financial deficit of \$500 million, a result of the Summer Plan's dictate keeping fuel prices way below inflation. That deficit has significantly cut into productive investments. According to *O Globo* of Sept. 14, the country's oil reserve has fallen to 2.8 billion barrels, 15 million barrels less than last December's reserve, because oil exploration during that semester yielded less than production.

The Banco do Brasil has also been seriously undermined under the Summer Plan, says the bank's employees' association, ANABB. According to a paid advertisement taken out in the national press to denounce the bank's current critical state of affairs, the ANABB charges the government with imposing a \$2 billion burden on the institution by forcing it, under the Summer Plan, to pay yields on specialty accounts at the super-high interest rates of the overnight markets, while lending the capital from those specialty accounts at a mere 7% a year. "This means," says the ad, "that the Banco do Brasil, to compensate for those \$2 billion . . . for which it receives only 7% a year, was forced to seek funds on the [open] market at real interest rates of 80% a year."

Drug lobby calls on Sachs's services

The Harvard economist and his backers proffer yet another rationale for not wiping out the drug trade.

The Bush anti-drug plan is "anything but good news for Peru," Peruvian journalist Gustavo Gorriti wailed in a Sept. 19 column in the *Los Angeles Times*. Because "the coca economy stands firm as the only important growth industry in Peru," he insisted, any attempt to crush it will only play into the hands of terrorists recruiting in the area.

Gorriti's argument is a common one today in Peru and Bolivia, where the vast majority of the coca used by the cocaine cartel is grown. With some 400,000 families in these countries dependent on coca for their survival, and no sign of a shift away from the international bankers' austerity policies, many government officials feel overwhelmed by the problem.

Gorriti, however, is no frightened government official, but a spokesman for the mafia's legalization strategy who admits his goal is to see the "narco-elites" accepted as good capitalists. "What you have [in Colombia] is a confrontation between rogue capitalists and the system," he wrote. "There are no fundamental social, ethnic, or religious conflicts, so in spite of the current bloodletting, assimilation of the narco-elites in the span of one or two generations is a likely outcome."

Gorriti—who has a reputation in Lima as a collaborator of the Israeli Mossad—is serving as a spokesman for yet another scheme dreamed up by Western bankers to keep governments from facing the reality that until the drug trade is crushed, there can be no solution to the problems of their peoples.

In the July 1989 issue of *Atlantic*

Monthly, Gorriti put forward an "alternative" plan for dealing with the drug trade, under the fraudulent headline, "How to Fight the Drug War." His proposal is simply that if governments limit themselves to a "combination of economic incentives and tough interdiction of trade routes," Western governments will cough up some extra cash for them, and all will be well.

What gives this political weight, is that Gorriti announces that his "plan" is based on the advice of Jeffrey Sachs, the Harvard professor currently enjoying international fame as the U.S. bankers' favorite economist.

Sachs is indeed quite an expert—in *expanding* the cocaine trade. From 1985 to 1987, he ran the Bolivian government's economic policies. His famed "stabilization program" did only one thing there: It channeled more coca-dollars for debt payment, while cutting off all credit to Bolivia's agro-industrial economy.

By all rights, Gorriti should be dismissed as a lunatic. In his *Atlantic Monthly* piece, he demanded that the killers of the drug trade be "fought in the marketplace." American consumers created the drug mafia by creating demand, he lied. Don't blame the traffickers; they "simply catered to the demand. . . . They are primitive but efficient capitalists, astute and rapacious, catering to a hungry market."

"Demand for the drug has induced nothing less than an economic revolution in Latin America," he insisted. This is a very popular lie these days, not made any truer by its frequent repetition. How can it be argued that the drug trade has brought well-being to the Andean countries, when their in-

dustries and peoples are suffering a worse depression than the 1930s?

What is true is that, as Gorriti wrote, "the base has expanded considerably, owing partly to the bankrupt legal economies of Peru and Bolivia and the falling standards of living that have helped push new groups of people into the coca economy." But for that, the Andean nations have only to thank Gorriti's banker friends whom he would now invite back to "solve" the problem.

What bothers Gorriti is that "the economic revolution sparked by cocaine has not . . . brought social acceptance of the drug. Most South Americans . . . don't allow themselves to consider cocaine trafficking as a means of capital accumulation for the capital-starved subcontinent. Not even in Medellín is straightforward profiting from cocaine . . . a widely approved way of life."

So, governments must adopt a plan for the "gradual destruction" of coca, argues Gorriti. The international community has no need to invest in an infrastructure and industrial development program for the Andean nations; Sachs, says Gorriti, "believes that given the disastrous economic situation in Peru and Bolivia it would be possible to make great progress with relatively modest expenditures."

Whatever else, governments' economic strategies must not break with the International Monetary Fund and its policies, the two specify. Furthermore, the only "viable alternative" to coca is not producing food, but a "well-planned program of export-oriented crops" which competes in profitability with coca—and pays the debt.

With this strategy the drug trade will only grow, and the opportunity to eradicate the drug cancer now destroying the Andean economies will be lost.

Business Briefs

Environment

'Ozone hole' a hoax says French expert

The environmentalist scare story about pollution causing an ozone hole "is a hoax," according to vulcanologist and former French Minister for Natural Risks Haroun Tazieff, in an Agence France-Presse interview Oct. 9.

Tazieff denounced "the orchestrated panic" organized by "environmentalists who are manipulated by major chemical companies" who "target chlorofluorocarbons." Their charges that CFCs destroy the ozone layer are "without evidence of any kind.

"The hole in the ozone layer may only be observed in the South Pole in the course of the month of October, when summer comes in this part of the globe, after six months of night. Then, gradually, it reconstitutes itself and, at the end of the polar summer, it does not exist any longer," he said. "They omit to mention that the action of ultra-violet rays rebuilds the ozone, and the hole is not there any more as the South Polar summer comes to a close. This hole has existed since the beginning of time," he added.

Black Economy

World Bank admits drug money impact

A new report by the World Bank and an editorial in the Oct. 9 pro-drug Colombian daily *La República*, argue that drug trafficking has a decisive impact on the economy and that the war on drugs will carry a high economic cost.

La República reports that the crackdown has already reduced the flow of dollars into the special window where drug monies are legally exchanged, that tourism is off, and that flight capital out of the country has begun. The paper says the traffickers' business activities are affected, such as retail trade, construction, and the agrarian sector, where it reports that 7 million properties—20% of the national territory—are owned by the traffickers. It says the

country is therefore condemned to suffer a very sharp recession, compounded by low coffee prices. The newspaper's pessimistic assessment is part of a campaign to paint the war on drugs as unwinnable.

A new report by the World Bank tends to the same conclusion, saying that the traffickers control over 1 million hectares of fertile land, and argues that the presence of the traffickers in Colombia, engaged in business enterprises, has been a major factor of stability for the economy. The report says that the traffickers have achieved a leadership position among agricultural and cattle producers, and have brought peace to many parts of the countryside.

Development

García: Stop drugs with economic progress

An economic mobilization is necessary to win the war on drugs Peruvian President Alan García said, in an article in the Milan, Italy daily *La Repubblica* on Oct. 7.

While praising President Bush's actions against drugs, García argues that "more effective than repression is development. Therefore to limit oneself to give some weapons to the governments has little efficacy. It would be better if the U.S.A. could establish economic relations with the farmers and producers of Peru and Bolivia . . . an authentic alliance with the producers, an alliance to be brought about through the economic market and that would transform each single farmer of Peru, Colombia, and Bolivia into a resolute fighter in the war against drug trafficking."

García proposed to "create a fund for credits and guarantee of prices to favor" the cultivation of coffee, cocoa, and other products. "Thus the peasants would not depend any longer on the traders and would receive a larger share of the price of their products on the international markets."

By selling coca leaves to traffickers, rather than transporting products through terrorist-dominated territories toward the sea, peasants net \$3,000 per hectare for coca leaves but only \$800 for coffee and \$510 for achiote. But if people were told that in the next 10 years those

products will "appreciate at a rate of 30% and will have priority to enter the U.S. markets," combined with technical help to increase productivity, this will lead more people to abandon the cultivation of coca leaves, García said.

AIDS

Infection rates soar among homeless

More than 30% of the homeless who live in New York City's subway system have AIDS, the New York *Daily News* reported Oct. 4. Prison health officials estimate that up to 25% of city prisoners are infected with HIV, and AIDS is now the number-one killer in city jails, the *Daily News* reported Oct. 9.

A City Council Committee on the Homeless asserted in a brief that 30% of the homeless living in the Lower East Side subway stations "have full-blown AIDS." "That does not even take into account those homeless with ARC [AIDS-related complex] or with simply HIV positive readings." The Transit Authority estimates that between 1,000 and 2,000 homeless sleep in the subway system each night, but the committee chairman, City Councilman Abe Gerges, said some estimate the figure to be as high as 5,000.

Douglas Warn, planning director of the Bowery Residents Committee Human Services Corp., who conducted the survey, said, "We're only beginning to see the tip of the iceberg in terms of people who are homeless and have AIDS."

In 1982, one jail death was attributed to AIDS, but the number reached 46 deaths by 1988, and there had been 29 deaths due to AIDS up to June 4 of this year. Corrections Commissioner Richard Koehler told the *Daily News* that the epidemic will be "the major corrections problem of the nineties."

Dr. Wallace Rooney, medical director of the City's Prison Health Services, told the *Daily News* that these figures are undercounted and the records are incomplete. "We have the greatest number of HIV-infected people in the world in captivity," he said.

Briefly

● **HOMEOWNERSHIP** in the U.S. reached the lowest point since World War II, hitting young families especially hard, according to a study prepared for the Congressional Joint Economic Committee. In 1980, some 65.6% of the population owned their own homes, falling steadily to 63.9% for 1988.

● **AIDS CARRIERS** have increased in Southeast Asia, the 42nd session of the Regional Committee of the World Health Organization for Southeast Asia concluded Sept. 30. Hardest hit are India, where the seropositive rates are the highest among prostitutes, and Thailand, where nearly 40% of IV drug-users in Bangkok are found to be seropositive.

● **RAIL PASSENGER** service will be halved as the Canadian government, which has a budget deficit of \$25 billion—nearly 50% higher per capita than the U.S.—plans to eliminate the rail subsidies.

● **MILK PRICES** to the consumer will rise 10¢ per gallon in October due to an extreme shortage of liquid milk in the New York-New Jersey area, the New York *Daily News* reported Oct. 6.

● **DDT USE** has been banned by the Indian government, which has asked all manufacturers to hand in their licenses, following the recommendation of a committee constituted by the Ministry of Agriculture.

● **SUNMAID** has a recipe for "Great Depression Cake" on the back of its California sun-dried raisins box. "Take away the milk, the eggs and the butter and what do you have left? A great tasting, moist and spicy cake that became popular after the stock market crash of 1929."

● **BOLIVIA'S** infant mortality rate, officially a staggering 10%, may actually be close to 25%, according to an NPR radio report of Oct. 11.

Based upon the confidential HIV testing his department has conducted since December 1986, in which 56% of 749 inmates who volunteered for the tests came up positive, Rooney estimates that 25% of the inmates carry the virus.

Agriculture

Soviets see world grain 'catastrophe'

On Oct. 1, the Soviet government newspaper *Izvestia* ran an article on the world grain shortage, called "On the Brink of Ecological Catastrophe—A Grain Crisis Has Struck World Production of Agricultural Products."

Reporting the impact of the drought in U.S. and Canadian grain states, author E. Guseinov warned of the effect this would have in the Soviet Union. "At hand is a reduction of grain production in the world, continuing for a second year," he said, "which, if it continued, could take on the character of a catastrophe. In 1988 as a whole, the harvest of grain in the non socialist world fell by 67 million tons, or 4%, from the level of 1987. . . . By the beginning of 1989, world grain reserves had fallen to a low level not seen before; they would suffice to meet minimal requirements for food for only 54 days."

The price of grain has already risen 1.5 times because of the shortage. *Izvestia* described this as "a substantial blow against our state interests; after all, the Soviet Union this year, as in many preceding years, will have to purchase tens of millions of tons of wheat and corn abroad (and there still may not be enough of that grain for us)."

Health

Hospitals suing states for payment

U.S. hospitals are suing state governments that don't have enough money to pay their Medic-

aid obligations, the *New York Times* revealed on Oct. 10.

Massachusetts alone owes \$350 million in Medicaid payments to hospitals, which have incurred interest payments of \$1 million a month on money they had to borrow to meet costs. New York City owes \$578 million to private hospitals.

A vice-president of American Collectors' Association, which represents 3,500 collection agencies, said that hospitals were bill collectors' number-one clients, with \$12 billion in unpaid bills. Unpaid hospital bills far exceeded the second highest form of collectibles, unpaid utility bills. Bad checks were third, followed by overdue doctor bills, and credit cards.

An official at the Greater New York Hospital Association told the *Times*, "A whole new industry is growing up in buying hospital receivables." The GNYHA is studying the possibility of obtaining loans secured against money owed.

Consumer Credit

System out of control, judge warns

The U.S. credit card system is "a system run amok," according to U.S. Bankruptcy Judge George C. Paine II of Nashville, Tennessee, chairman of the National Conference of Bankruptcy Judges. "They send cards to everybody who will use them," he told UPI Oct. 7.

Credit card companies are being hit hard by record levels of personal bankruptcy. In the year ending in June, 580,000 people—1 in every 157 households—filed for bankruptcy in the United States, more than double the number five years ago and up 10% from 1988.

VISA, the nation's largest credit card system, recently announced a program to flush out "bankruptcy bandits," claiming that one in three filings was fraudulent.

However, bankruptcy attorney John MacConaghy of Emeryville, California, told UPI that only about 1 in 100 filings is fraudulent or abusive. "I think that number is outrageous—and irresponsible," he said of the VISA claim. "I'm in court all the time. I see these people and it's a very troubling decision for them."

EPA joins nitrate pollution offensive against farming

Marcia Merry exposes how the same crowd that started the scare over nitrates in meats is now claiming that farming is causing nitrates to pollute ground water.

Preventing "ground water contamination" is the theme now featured in almost every issue of farm journals, on every agenda of farm extension service meetings, and in environmental news coverage. In days gone by, one of the most popular scenes hanging in the parlor was that of gentle cows, grazing in the meadow and drinking at the brook. No more. If you see such a scene, you are now being programmed to worry that the manure runoff will pollute the stream, and find its way as nitrate contamination in your drinking water. Apart from a very few special cases of contaminated wells, this fear is baseless. The scare tactics over nitrate-contaminated surface and ground water was cooked up in the social engineering labs of such agencies as the Conservation Foundation. Based in Washington, D.C., this group, allied with the World Wildlife Fund, has specialized since the 1940s, in concocting pseudo-scientific terminology and campaigns to befuddle the public and lawmakers, all in the service of subverting modern science and technology, and preventing population growth.

Now such issues as preventing ground water contamination have become the core of policy drives by the Environmental Protection Agency, the U.S. Department of Agriculture and allied government offices, and state legislatures.

Before he was head of the EPA, William K. Reilly was head of the Conservation Foundation/World Wildlife Fund. In the 1980s, the foundation conducted elaborate operations—books, seminars, briefings to legislators—to make an issue of "the impacts on water quality of runoff from agricultural and other lands," according to the 1984 Annual Report of the Conservation Foundation. A "National Ground

Water Policy Forum" was set up. Reilly issued a statement in the 1984 Annual Report, called "Toward Environmental Realism," in which he stressed "critical emerging problems posed by water contamination and use, particularly ground water." The foundation pressed for action on the state and federal level to begin to curb and restrict agriculture in the name of keeping water supplies safe. Yet, the foundation persistently opposed expanding water and sewage treatment facilities to provide clean urban water, claiming these were boondoggles for civil engineers.

When Reilly took over at EPA earlier this year, he pledged that protecting ground water, by inhibiting agriculture, would be one of his chief issues. By the end of this year, EPA and USDA will publish a national ground water survey, despite the fact that the U.S. Geological Survey has in recent years conducted thorough reviews. The new EPA survey is a political ploy to scare the public, and also farmers, that farm fertilizers and other agricultural factors may be making their water unsafe.

On Sept. 7, a new report, "Alternative Agriculture," stressed the same theme. The 480-page book, produced by the National Research Council (part of the National Academy of Sciences) says simply, "Many agricultural practices have an off-farm impact on society and the environment. Common agricultural practices have degraded surface water quality, and, to a lesser degree, ground water quality in most major farming regions. In recent years, state and federal agencies have recognized that off-farm costs of certain agricultural practices must be reduced, especially the costs associated with some pesticides, tillage methods, and excessively high

rates of manure and nitrogen fertilizer application." Agriculture Secretary Clayton Yeutter has repeated the same points, most recently at the national Farm Credit System meeting in Minneapolis in September, where he called ground water contamination an area of "reasonable concern."

The Minnesota legislature has adopted sweeping rules for preserving clean water and for penalizing agriculture practices that threaten designated environmental zones in the state. Similar measures are pending in other states. In some local areas, a prospective farmer must present an elaborate livestock waste management plan—usually too demanding to be accomplished—before the local authorities will permit him to produce food.

In Texas, environmentalist lobbying has resulted in unheard-of fines from \$25,000 to over \$90,000 per farm, levied by the Water Commission this September against several dairy farmers in the Fort Worth area, because of water pollution. In the cases in question, bacteria from manure runoff into local streams is the issue, and not nitrates. But the legal mechanisms and precedents could be used in many other situations and locales against farmers.

Georgia Sen. Wyche Fowler (D-Ga.) has introduced federal legislation that includes severe penalties, to restrict farming in the name of protecting the environment. His radical bill, the "Farm Conservation and Water Protection Act," may not pass Congress, but it is expected to be a key part of the 1990 new five-year farm bill.

Assault on agriculture in Europe

Parallel operations are being run in Western Europe to restrict farming in the name of protecting water purity, with equally devastating results on agriculture. To prevent potential nitrate contamination of wells and other ground water features, rules have been imposed on manure management, and synthetic nitrogenous fertilizer applications in West Germany. In one German state, a "water penny" tax has been imposed to be applied to water safety work.

The European Community's European Commission has designated "environmentally sensitive zones," including water purity issues, throughout some of the prime farmland regions of Western Europe, such as the lush Po Valley in Italy. Rules have been drafted by the governments of the EC member nations, which specify how few cows, pigs, and other livestock per hectare (2.47 acres) a farmer may be allowed to keep in these designated regions, in order to prevent manure runoff. The proposals call for only 2 milk cows, 16 fattening hogs, or 5 sows per hectare.

One town in the Netherlands has gone so far in self-styled efforts to protect its ground water from perceived agricultural pollution, that officials set an 8 p.m. to 6 a.m. curfew in which all cows must be herded indoors, to concentrate their droppings and prevent runoff. This laborious chore may well be the last financial straw for many farmers.

The scandal of all this is that there is no sweeping excess

levels of nitrates in ground water, on either side of the Atlantic. In fact, one of the leading dietary sources of nitrates is not ground water at all, or even processed meats, but raw vegetables—and especially organically grown ones—such as spinach, carrots, celery, and beets. As the 1976 paper by Dr. Thomas H. Jukes below details, the danger does not lie in nitrates as such, but the mechanism by which nitrates are converted into cancer-causing nitrosamines. This process is poorly understood, and its relation to dietary intake of nitrates is now totally obfuscated by the hysteria whipped up by the friends of William K. Reilly.

On the larger scale, the absence of food supplies caused by the menace of fanatic environmentalism on farmers, will result in millions of people needlessly suffering and dying from malnutrition and even starvation.

Nitrates and nitrites as components of the normal environment

by Thomas H. Jukes

Dr. Jukes presented the following speech to the Meat Industry Research Conference on March 25-26, 1976.

The existence of life as we know it is completely dependent upon nitrogen. In July 1976, the Viking Space vehicle is scheduled to land on the surface of Mars to conduct a search for living organisms and to carry out other scientific measurements. No human beings will be present, of course, and the information obtained by the instruments on Viking will be transmitted by radio back to Earth. So far, nitrogen has not been detected in the Martian atmosphere. Horowitz concludes that if there are no functional amounts of nitrogen on Mars, there will be no possibility of life on that planet. Theories of the origin of life always include amino acids as an essential component of even the most primitive forms of life. These ideas have been greatly stimulated by the detection of small amounts of amino acids in meteorites, carbonaceous chondrites from outer space. The role of nitrogen in the origin of life is discussed in the book by Miller and Orgel, *The Origins of Life of Earth*. The usual theory is that the

primitive atmosphere, which had been built up by the escape of gas from the interior of the Earth, was dominated by water, methane, and ammonia. Free oxygen was absent, but carbon dioxide may have been present.

Nitrates and evolution

Next to the origin of life, probably the most important single event in the evolutionary history of the Earth was the appearance of photosynthesis. This started about 2 billion years ago, and it led to the introduction of oxygen into the terrestrial atmosphere. As a result, nitrates appeared in the biosphere because of their formation by the action of lighting on nitrogen, oxygen, and water in the atmosphere. At first, the predominant photosynthetic organisms were blue-green algae. These supplied free oxygen, formed from carbon dioxide and water. Nitrogen within the interior of organisms mostly remains at the level of ammonia. Organisms that lived before photosynthesis appeared on the Earth obtained chemical energy from various organic molecules by anaerobic fermentations in the absence of molecular oxygen. There are many bacteria, termed obligate anaerobes, that use such reactions exclusively, and, to these organisms, oxygen is poisonous. Indeed, patients with gas gangrene are placed in oxygen chambers to kill the infective *Clostridia*. Such bacteria are considered to be the evolutionary descendants of primitive microorganisms that have survived by occupying ecological niches, such as the deep mud of lake bottoms, which the oxygen of the atmosphere does not reach. However, most forms of life now on Earth are descended from ancestors that adapted to the entry of oxygen into the atmosphere, caused by the appearance of chlorophyll in the biosphere about 2 billion years ago. This adaptation was made possible by the evolutionary development of enzymes that use molecular oxygen, such as the enzymes in mitochondria that participate in oxidative phosphorylation.

During the development of such enzymes, organisms also had to adjust to the presence of nitrates in the environment produced by thunderstorms from the oxygen that entered the atmosphere as a result of photosynthesis. Some forms of life, including all the green plants, developed enzyme systems that reduced nitrates to ammonia. Other organisms developed excretory systems, especially kidneys, for removing nitrates and nitrites that entered the body following the consumption of food materials obtained from plants. At some time during the past 2 billion years, two broad classes of soil bacteria appeared, known as *Nitrosomonas* and *Nitrobacter*, that are widely distributed in soil. *Nitrosomonas* oxidizes ammoniacal compounds to nitrites which are then oxidized to nitrates by *Nitrobacter*. This process is called nitrification. The nitrate that is produced as the end product can be destroyed by reduction to molecular nitrogen by other bacteria or it may be absorbed from the soil by higher plants that transform it to ammonia by two steps, first, reduction of nitrates to nitrites, and, second, reduction of nitrites to ammonia.

Nitrates are therefore evolutionary intruders into living organisms. Nitrates are formed from nitrogen and atmospheric oxygen. They are, indirectly, by-products of photosynthesis that are used by green plants as precursors of ammonia and hence of amino acids. Nitrates have no nutritional value for animals, which excrete them through the renal portal mechanism. There are some bacteria that produce nitrous oxide by reduction of nitrates.

One of the paradoxes of terrestrial nitrates is the fact that, given the pH and oxidation reduction potential of sea-water, practically all nitrogen should be present as nitrate ions in sea-water rather than as nitrogen in the atmosphere (see **Table 1**). It is assumed that this is prevented by denitrification, carried out by living organisms. In the steady state, the rate of production of free nitrogen, mostly by denitrification, should equal the rate of fixation. Exposure of animals to nitrates takes place primarily through the consumption of plants containing them, and through nitrates in water that the animals drink.

Where nitrates are found

The most famous accumulations of nitrates are, of course, the deposits in Chile. Nitrate salts have also been found to be widespread in Antarctica. These have been studied along with margin of the Ross Sea and the Ross Ice Shelf. Claridge and Campbell (1968) proposed that these have accumulated by precipitation from the atmosphere, which they have reached from the upper, very thin layer of the ocean. Compounds of nitrogen, during transport in the air, are oxidized to nitrates. These reach the Antarctic continent, and fall to the ground with snow which either sublimates, or melts and evaporates. In Antarctica, there is no leaching or biological activity. In most other parts of the world the nitrates are either leached away or are used by living organisms. The main exception is Chile where the huge nitrate deposits were for many years, one of the principal sources of nitrogenous

TABLE 1

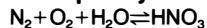
Comparison of primitive and contemporary atmospheres

Primitive atmosphere (before photosynthesis)

No oxygen (less than 0.1% of present level)

Fixed nitrogen present as $\text{NH}_3 \rightleftharpoons \text{NH}_4^+$ from aspartic acid (Miller and Orgel)

Contemporary atmosphere



$$K = \frac{(\text{HNO}_3)}{(\text{N}_2)0.5(\text{O}_2)1.25} = 0.0425^\circ$$

$\text{HNO}_3 \rightarrow \text{N}_2$ and NH_3 by living organisms

fertilizers for other countries.

The mean concentration of nitrate in the soil of the Chilean desert is between 0.1 and 0.2%, which is within the range of that of the soils of other deserts. This is in accordance with the theory that nitrates originate primarily from atmospheric processes, including the oxidative decomposition of organic remains, volcanic activity, and so on. However, the individual Chilean deposits contain up to millions of tons of minerals with 10% or more nitrates. The concentration of nitrates to form these deposits has been postulated to occur by capillary moistening of salt pans. The nitrates did not come from guano because in this case, phosphates would also be present, and this is not so. Mueller (1968) considers that the nitrate deposits are formed in two stages. The first is the primary genesis of nitrate through electrical discharges in the atmosphere, action of nitrifying bacteria on organic matter, atmospheric oxidation of organic remains in the soils, effects of cosmic rays and ionizing radiation of the atmosphere, hydrosphere, and soils, oxidation of products of forest fires and other combustions in the atmosphere, oxidation of ammonium salts produced by volcanic action, springs, and leaching out from rocks, production of nitrates by volcanic action, and nitrate formation through the action of radioactive substances on recent fossil organic matter. The second is concentration from salt pans that takes place by capillary transport in areas on the North Chilean desert with a yearly precipitation of less than 10 millimeters.

The world fixation of nitrogen was estimated in 1974 as 237 million tons. The mechanisms by which this was fixed were 63% by natural processes on agricultural, forested, and unused land, 2% by industrial fixation, 9% by combustion, and 4% by lightning. Oceanic fixation accounted for less than 1% of the total, but this is admittedly not a reliable estimate.

With the public apprehension about the toxicity of nitrates, it is well to remember that nitrates are the primary source of fixed nitrogen for green plants, to which nitrites are toxic. The production of nitrates takes place to reach high concentration in muck or peat soils by breakdown of vegetable matter. The second source of fixed nitrogen is ammonia in the soil, either from natural or synthetic sources.

Nitrate and ammonium ions present in the soil are absorbed by the roots of plants. The source may be either chemical fertilizers, decayed plants, or decayed animal residues, breakdown products of bacteria containing nitrogen compounds fixed from the atmosphere, or nitrates from thunderstorms carried down by rainwater. Absorption of nitrates is followed by reduction and incorporation into organic nitrogen compounds such as amino acids, compounds containing pyrrole rings, nucleotides, and co-enzymes. Prior to reduction, nitrate may accumulate in plants at high levels especially if the soils are rich in nitrates. The first step in utilization of nitrates by plants

is reduction to nitrites. This is catalyzed by an enzyme system containing molybdenum. Nitrites are then reduced to ammonia by the nitrite reductase system in which ferredoxin and a protein-containing iron-porphyrin are involved. The ammonia produced by the reduction forms glutamic acid by reaction with alpha keto-glutarate. Fresh plant materials, such as vegetables, contain substantial quantities of nitrates but only very small quantities of nitrites.

Dietary sources of nitrates

According to White (1975) the estimated average daily ingestion of nitrate per capita in the U.S.A. is 86 milligrams, principally from an average daily intake of 306 grams of vegetables. The amount must vary enormously according to the type of vegetable eaten, and the nitrate content of the vegetable. Lettuce, beets, celery, and spinach supply about 45 milligrams of nitrates at a consumption of 33 grams daily, about half of the amount supplied by all vegetables. Fruits, milk, bread, and water make minor contributions. The nitrate taken in the form of food is recycled through the saliva. During this procedure, it is partially reduced to nitrite by bacteria in the mouth, so that saliva supplies an average of 9 milligrams of nitrites daily compared with 2.4 milligrams supplied by cured meats. This was shown by Tannenbaum (1974) who has also demonstrated the formation of nitrosamines in saliva. The other ingredients of the diet make minor contributions to nitrite intake.

Nitrates are more toxic to human beings than they are to dogs or rats. A fatal dose for an adult human being is in the range of 8 grams to 15 grams. However, no toxic effects are produced by a dose of 1 to 1.5 grams. The "no effect" level for dogs is about 500 mg per kilo of body weight, corresponding to 35 grams for an adult human being weighing 70 kg. No effect was produced by feeding dogs a diet containing 2% of sodium nitrate for more than 100 days (Fassett, 1973). Rats are even more resistant: 5% of nitrates in the diet produced only slight growth depression in one experiment. This level is 100 times the amount allowed in meat.

The effect of nitrate on ruminants was reported in a classic experiment by Mayo and co-workers in 1895. The animals showed tremors, diuresis, and collapse, and their blood was dark in color. The cattle had been feeding on cornstalks that contained 25% of potassium nitrate by dry weight. The corn had been grown on soil containing large amounts of nitrates because of heavy application of manure. Similar symptoms were produced by administering potassium nitrate to cattle at about 1.3 grams per kilograms of body weight. The toxicity was actually caused by nitrites which had been formed by reduction of nitrates, in the rumen by bacteria. Ruminant animals are therefore particularly susceptible to nitrates which cause poisoning by the formation of nitrites after ingestion.

The main hazard from nitrates is to infants, and most of

the deaths and injuries have come from nitrates in well water. Because of the absence of hydrochloric acid in the stomach of infants, bacterial reduction of nitrates to nitrites readily takes place. Reduction of nitrates to nitrites may also take place in vegetables that are allowed to stand at room temperature after they have been harvested. The principal offender is nitrate-rich unprocessed spinach. The changes do not take place in frozen or canned spinach.

The public is justifiably apprehensive over carcinogenic hazards from nitrosamines. These are inextricably linked with nitrates and nitrites, because nitrates are reduced to nitrites in the digestive tract, and nitrites can react with secondary amines *in vivo* to form nitrosamines. In addition to their role in forming nitrosamines, nitrites are also pharmacodynamically active as vasodilators and hence they can produce death in a dosage as low as 1 gram. Nitrites also react with hemoglobin to produce methemoglobinemia. Keating and co-workers (1973) reported a case of methemoglobinemia in an infant who had been fed nothing but carrot juice, containing 525 parts per million (ppm) nitrate and 775 ppm of nitrite. These are approximately the same proportions as found present in Florida carrots grown in a peat muck area of the Everglades that had received no nitrogen-containing fertilizer. No coloring or preservatives were applied to these carrots. Presumably nitrite was formed from nitrate in the carrots after harvesting. Some of their findings are summarized in Table 2. The investigators found that California carrots purchased at the same time from the same bin contained only 22 ppm of nitrate and 0.2 ppm of nitrite. They also found that so-called "organic" carrots contained an average of 320 ppm of nitrates as compared with 72 ppm of nitrates in conventionally produced carrots that had received varying amounts of nitrate fertilization. The "organic" car-

rots therefore contained 60% more nitrates than the average of cured meats. The infant recovered following intravenous injection with methylene blue. The control in this case was a twin brother who had received commercial milk formula and who was asymptomatic.

Hill and co-workers (1973) studied the death rate from gastric cancer in an English city in which the public water supply contained high concentrations of nitrate, about 93 ppm as compared with 15 ppm of nitrate in control towns. The daily intake of nitrate from drinking water in this city was estimated as 92 milligrams. You will recall that the average daily intake in the U.S.A. from vegetables is estimated at about the same amount, namely 86 milligrams. Stomach cancer deaths in females were 60% higher than expected, but there was no significant difference in males. However, deaths from all forms of cancer were lower in the city under study, Workshop, than in the other communities. The sample is a small one, since only 43 cases of stomach cancer in females were recorded during the nine-year period.

Correa and co-workers (1975) have proposed an hypothesis that drinking water containing high levels of nitrate may give rise to stomach cancer because of conversion to nitrite which in turn produces nitroso compounds. The mutagenic effects of these, according to this proposal, eventually give rise to cancer. There is no evidence that the nitrate content of vegetables has increased in recent years; the levels present in various vegetables vary greatly. Beets may contain up to 3,000 ppm, about 15 times as much as in cured meats, which contain about 200 ppm. Nitrate in drinking water is probably easier to control than nitrate in vegetables, and a level of less than 45 ppm in drinking water is recommended.

The main source of nitrite is saliva. When vegetables and vegetable juices that are high in nitrates are consumed, the salivary nitrite concentration may increase. Tannenbaum reported levels of more than 400 ppm in the saliva of volunteers who had consumed one portion of "organic" celery juice containing 240 milligrams of nitrates (1976). This is several times as high as the maximum level, 125 ppm, that has recently been proposed for nitrites in cured meats. Most samples, about 93%, of cured meats contain less than 50 ppm of nitrite, and only 0.1% of such samples were found to contain more than 200 ppm.

Nitrites in bacon give rise to nitrosopyrrolidine on frying at 340°F. The approximate content is in the neighborhood of 10 parts per billion. This is one-fortieth the level of another carcinogenic nitrosamine, nitrosornicotine, in unsmoked tobacco.

Can we reduce dietary nitrates?

No quantitative information is available on the roles played by environmental factors, including air, water, and food, as sources of nitrosamines. There is no obvious way of eliminating nitrates from the diet. Nitrates form nitrites in the digestive tract, and these nitrites are potential sources of

TABLE 2
Nitrate and nitrite content of family and locally purchased materials

(in parts per million)

Material	Nitrate	Nitrite
Carrot juice fed to infant	525	775
Similac (made with tap water 1:1)	2.0	0.2
Carrots purchased 3 days later (same shelf):		
Florida	265	270
California	22	0.2
Carrots:		
Conventional growth	71.7	0.2
(Range)	(39-108)	
Organic growth	320	0.2
(Range)	(220-405)	

Source: G. Mueller, 1968, *Nature*, 219:1131.

nitrosamines. The addition of antibiotics to the diet could be one way of attempting to stop the formation of nitrites from nitrates in the digestive tract. Laboratory animals receiving high levels of antibiotics in experimental diets tend to live longer than controls. However, the prejudice against adding antibiotics to foods is so great that this procedure will never be tried as a way of reducing the formation of nitrites. Reduction of the nitrite content of bacon and addition of erythorbate, seem to be desirable procedures, but there is no way of predicting that these steps will markedly reduce the net supply of nitrites.

Food labeling regulations present a very serious problem because they list only the additives, not the "natural" ingredients of foods, that may be far more toxic than additives.

Is there any way of reducing the nitrate content of vegetables? The nitrate content of plants is increased by high temperature, drought, shading or cloudiness, deficiencies of phosphorus, potassium, or calcium and excessive amounts of ammonia in the soil as supplied by manure, chemical fertilizers, and legumes. One study showed that the nitrate content of vegetables was about the same in 1964 as it had been in 1907. Excessive use of liquid ammonia as a fertilizer has brought about increased nitrate content in forage crops that are consumed by animals. The same thing has happened from overuse of barnyard manure. The Dow Chemical Company has produced chlorinated pyridine compounds that are active against nitrifying bacteria. The substances inhibit the growth of *Nitrosomonas* bacteria that normally oxidize ammonia to nitrite. Since nitrate ions are easily lost from the soil by leaching, or are often converted to atmospheric nitrogen, the addition of the chlorinated pyridine compounds help to conserve ammonia-nitrogen in the soil by preventing its conversion to nitrates.

The simplest way to reduce dietary nitrate intake is to eat less lettuce, celery, spinach, and beets. These four vegetables account for about one-half of the supply of nitrates of vegetable origin per capita in the United States and about 42% of the nitrates from all food sources. During cooking, nitrates in vegetables are so soluble and diffusible that they readily pass into cooking water. The practice of draining cooked vegetables and throwing away the cooking water is often criticized because it leads to loss of some of the vitamin and

mineral content. However, this practice is an excellent way of getting rid of a major part of the nitrate content of spinach. Tannenbaum has pointed out that several studies have shown that eating vegetables has a negative effect upon the risk of gastric cancer.

Nitrous acid in high concentrations has a mutagenic effect on tobacco mosaic virus particles. However, no mutagenic effect of nitrous acids on intact organisms has been detected.

Present trends in enforcement and public pressures keep the food industry continually on the defensive, especially as regards the use of intentional food additives. For some reason, this seems to spill over on contaminants such as aflatoxins, and the food industry and the Food and Drug Administration (FDA) frequently are criticized for the presence of aflatoxins in peanut butter. When we point out that many toxicants occur in natural foods, a customary reply is that this circumstance makes it all the more necessary not to "add to the burden" of harmful substances to which consumers are exposed. In my opinion, this attitude is illogical. It is far more important to evaluate the relative impact of all potentially injurious substances according to their relative effects. In this respect, food labeling regulations present a very serious problem because they list only the additives, not the "natural" ingredients of foods, that may be far more toxic than additives.

Summary

Nitrates are inseparable from human diets because of their universal occurrence in foods of plant origin.

Nitrates are reduced to nitrites by bacteria that occur in the mouth. For this reason, human saliva always contains nitrites.

Nitrites can react with secondary amines and other compounds in foods to form nitrosamines. These substances are mutagenic and carcinogenic. Nitrosamines are also formed during the frying of bacons.

Nothing is known of the extent to which nitrosamines formed in the body from salivary nitrites may be mutagenic or carcinogenic.

References

1. G. G. C. Claridge and I. B. Campbell, 1968 *Nature* 217:428.
2. P. Correa, W. Haenszel, C. Cuello, S. Tannenbaum, and M. Archer, 1975 *Lancet*, July 12, p. 58.
3. D. W. Fassett, 1973, in *Toxicants Occurring Naturally in Foods*; Comm. on Food Protection, National Academy of Sciences/National Research Council, Washington, D.C.
4. M. F. Hill, G. Hawksworth, and G. Tattersall, 1973. *Br. J. Can.* 23:562.
5. N. Horowitz, Personal Communication.
6. J. P. Keating, M. E. Less, and A. W. Strauss, 1973, *New England Journal of Medicine* 288:824.
7. N. S. Mayo, 1895, *Kansas Agricultural Experimental Station Bulletin* 49.
8. G. Mueller, 1968, *Nature* 219:1131.
9. S. R. Tannenbaum, 1976. Presented at the 12th Mean Industry Res. Conf. Chicago, Ill.
10. S. R. Tannenbaum, A. J. Sinskey, M. Weisman, and W. Bishop, 1974, *J. Nat. Can. Inst.* 53:79-84.
11. J. W. White, Jr., 1975, *J. Agric. Fd. Chem.* 23:886.

Pre-war dynamic accompanies Soviet breakdown crisis

by Konstantin George

If one were to believe U.S. President Bush and his administration, the Soviet threat has somehow miraculously “vanished” during 1989. On Sept. 27, the Pentagon released, after long delay, its annual report, *Soviet Military Power*. The delay was deliberate; it was first released only after Soviet Foreign Minister Eduard Shevardnadze’s meeting with President Bush and the Sept. 22-23 Wyoming talks with Secretary of State James Baker III, and its release was timed with a Pentagon invitation for Soviet Defense Minister Dmitri Yazov to visit the United States.

The Wyoming talks produced an array of agreements and understandings, which if not reversed, will effect irreparable damage to European security. The United States and the U.S.S.R. agreed to rush into signing an agreement on big reductions in European-based conventional forces by mid-1990, with the prospect of even deeper cuts to follow. In short, the post-INF conventional American decoupling from Europe is on in force. The talks also produced an understanding, trumpeted by Radio Moscow, that Washington would do nothing concerning Eastern Europe or the national freedom movements in the U.S.S.R.

These talks were followed by the ongoing Yazov visit to America, which was upgraded at the last minute to include a White House meeting with President Bush, National Security Adviser Brent Scowcroft, and Secretary of State Baker. The main agenda item, again according to Radio Moscow, was American and Soviet force reductions in Europe, with Bush declaring to Yazov that the talks with Shevardnadze were “extremely fruitful.”

The 1989 edition of *Soviet Military Power*, reflecting the worse-than-Neville-Chamberlain appeasement syndrome of the Bush administration, stated that “the Soviet threat . . . is now perhaps the lowest it has ever been since the postwar period began.”

The Soviet Union has done everything, beginning with the October 1986 Reykjavik meeting between Reagan and Gorbachov, through a multi-faceted



Stuart Lewis

Soviet Defense Minister Gen. Dmitri Yazov at an Oct. 6 Pentagon press conference with U.S. Secretary of Defense Richard Cheney. The Pentagon's annual Soviet Military Power was released during Yazov's visit, desperately downplaying the threat of Soviet military expansion.

“arms control” and propaganda offensive to convey such an image. Moscow has gone out of its way since 1988 to convince the West that it has adopted a new “defensive” military doctrine. This campaign hit a climactic phase around Gorbachov’s December 1988 United Nations “troop reduction” address, proclaiming a unilateral reduction of 500,000 troops, and the specification that six tank divisions would be withdrawn from the so-called German Democratic Republic and Eastern Europe.

The entire Soviet package of “troop reductions,” both unilateral, and reciprocal ones via agreements with NATO, is worse than a fraud. It is a crucial component of a crash plan by the Soviet Military Command to bring the entire Soviet armed forces to full war readiness in the next two years, and part and parcel of Moscow’s real new doctrine, a deadly new *offensive* doctrine. This is the reality, and not the comforting and consciously false assertions appearing in *Soviet Military Power*. This crash plan is itself a crucial war readiness component of the unfolding decisive phase of what knowledgeable Western military experts refer to as the “Ogarkov War Plan.”

The Ogarkov War Plan

The Ogarkov War Plan is named after recently retired (April) 72-year-old Marshal of the Soviet Union Nikolai Ogarkov. Ogarkov functioned as Chief of the General Staff, January 1977-September 1984, and from September 1984 till early 1989 as Commander-in-Chief of the “Western Strategic

Direction,” the Soviet term for the wartime High Command responsible for military operations against NATO. In those years he became the architect and most prestigious exponent for new policies and doctrines that would produce by the early 1990s a decisive margin of military superiority for the U.S.S.R.; a military superiority it could then use to dictate surrender terms to its Western adversaries. Ogarkov, in short, had the foresight to see that the only capability Moscow could develop to overcome its systemic crisis, was the development of sufficient military superiority to expand the economic zone of looting available to the Russian Empire to include the high technology and industry of Western Europe, and oil-rich resource regions in the Near East.

The basic tenets, the content and new doctrines associated with the Ogarkov War Plan, can be summarized as follows:

1) Enforcing the principle of “maximal technological attrition” on the Soviet military. This means the continual development and introduction of newer technology weaponry, logistics, and communications equipment, at a in rapid turnover rate, replacing lower technology at the fastest rates possible. From this flows the next principle.

2) Highest priority in terms of scientific manpower, funding, and production facilities is accorded to research, development, testing, and finally serial production of the most modern military technologies. The priority is always on the “next generation” of new weapons technology that will “revolutionize the battlefield.” Examples of this include:

a) A crash military space program to gain control of outer space, and achieve a true "three-dimensional" offensive war-fighting capability, or, better stated, war-winning capability. The Ogarkovian Soviet High Command envisages, correctly, any future as being "three dimensional in full," with control of space being key. The future war would break the confinements of what the Soviet military privately terms the present "two-and-a-half dimensions" (land, sea, air). The program includes the Soviet drive to develop and deploy a space-based laser anti-ballistic missile system and anti-satellite weapons to knock out in a lightning strike U.S. military and military-communications' satellite capabilities. The "logistical" basis for this has already been created through the Mir giant space platform, and the Mir-servicing Buran space shuttle, and Energiya giant rocket booster programs. Moscow already has the first operational ground-based laser ABM facility in the world, and has never, unlike the United States, scrapped its conventional ABM missile sites that protect Moscow.

b) A crash program to develop and deploy "post-nuclear" radio-frequency and microwave weapons of mass destruction. According to Western intelligence sources, the Soviet Union has already begun with the deployment of first-generation, area radio-frequency weapons. The "revolution in firepower" created by this new generation of weapons, which will be realized as soon as compact, portable versions are available, brings us to the next tenet, the new doctrine, developed in the Ogarkov War Plan.

3) A new offensive doctrine, featuring a priority assigned to elite *spetsnaz* (commando) and airborne units and teams, with the mission of eliminating key NATO targets, such as key bases, headquarters, logistical facilities. Ogarkov understood that the new generation of portable radio-frequency weapons entailed the capability to assign a decisive role to elite commando units in a future war on the European battlefield. With portable radio-frequency weapons, a nine-man *spetsnaz* team could, equipped with a weapon giving these nine men the firepower of a regiment, hit and knock out a NATO complex.

4) A streamlined, strictly wartime military command and control system, based on the U.S.S.R. Defense Council, the General Staff, and subordinated to the General Staff, wartime Theater Commands. The Theater Commands, West, Southwest, and South (a Far East High Command had been formed in 1978) were created by Ogarkov in September 1984. In a transitional phase, September 1984-January 1989, they co-existed alongside a traditional peacetime structure of Military Districts and the Soviet "Groups of Forces," as the Soviet forces based in Eastern Europe are called.

Now, in 1989, the Soviet command structure has been reorganized into a solely wartime mode, centered on the Theater Commands. Each Theater Commander has total and sole control over all military forces within his geographical

theater; land, sea, air, air defense, missile, and artillery.

The wartime command streamlining is also being implemented with the front-line, or first echelon Soviet forces facing NATO, above all facing West Germany. The end of June, when the "Group of Soviet Forces in Germany" was renamed "Western Group of Forces," signaled the future merger of three Soviet Groups of Forces (those in the German Democratic Republic, the "Northern Group" in Poland, and the "Central Group" in Czechoslovakia) into one Western Group of Forces. That means all first echelon Soviet forces facing West Germany will soon be, as Ogarkov had advocated since the 1981 Zapad-'81 exercises (the first Western Theater-wide Soviet military exercises, personally commanded by Ogarkov) under one unified command, directly subordinate to the Western Theater Commander.

New weaponry and the war economy

Beyond the cardinal premises we have just outlined, no description of the Ogarkov War Plan would be complete without featuring Ogarkov's always repeated stress that military power is, in the final analysis, a function of a country's overall industrial and technological economic strength. Thus, his principle of maximum technological attrition rates was, and is, meant as necessary not only for military technology, but for the overall industrial economy of the U.S.S.R. *Perestroika* ("restructuring"), at least from the standpoint of intention and plan, with its stated priority of restructuring through modernizing as rapidly as possible the U.S.S.R.'s industrial base, was nothing more than the adoption of the economic tenets of the Ogarkov War Plan for the Soviet economy as a whole.

Similarly, under *perestroika*, the direction of the U.S.S.R. economy has passed, quietly but definitively, under the control of leaders of the Soviet military-industrial complex. This trend has been emphatically escalated since February 1988, with:

1) The promotion of war economy specialist Yuri Maslyukov, till then First Deputy Chairman of the State Planning Committee (Gosplan) in charge of U.S.S.R. defense industry, to become Gosplan chairman, with jurisdiction over the entire economy. Maslyukov was also then made a candidate member of the Politburo.

2) The simultaneous promotion of Oleg Baklanov, who had headed the U.S.S.R. high-technology missile and military space production programs, to Central Committee Secretary, responsible for all military industry.

The latest consolidation of this pattern occurred at the Sept. 19-20 Central Committee Plenum of the Communist Party, where Maslyukov was elevated to full membership in the Politburo, the top executive body of the ruling party.

In between, as can be documented from periodic statements by Gorbachov and others, issued in the Soviet parliament, the country's most powerful institution, the Defense Council, has been vastly upgraded to include a permanently

functioning sub-leadership, including Maslyukov and Baklanov, responsible for military industry and indeed for U.S.S.R. industrial economic policy.

This brings us to a current phenomenon in the U.S.S.R.—which has historical parallels, most notably from the early 1930s—that, despite a veritable breakdown occurring within the overall economy, defense production in every priority and important field not only proceeds uninterrupted, but accelerates.

In the 1930s, the Tukhachevsky War Plan buildup went ahead, alongside a physical breakdown of food production and distribution caused by forced collectivization and the mass revolts it engendered, which reached civil war dimensions in some regions, notably in the Ukraine and Kazakhstan. In that period, which Soviet figures themselves have often referred to as “the Second Civil War,” collectivization caused the loss of more than half of the Soviet Union’s total livestock. The human cost was staggering: 8 million Ukrainians and 2 million Kazakhs starved to death or were butchered in brutal repressions, to name but the two most barbarous cases.

Today, again, the Russian Empire is in the grip of a momentous systemic crisis, featuring a growing physical breakdown of the civilian economy, a proto-civil war situation building in various republics, and the beginning of a mass strike wave, of a scale unknown since the last decades of Czarist Russia. Yet, there is occurring the across-the-board introduction of new equipment and weapons systems in the armed forces, on a scale and at a rate not even equaled in the similar period in the 1930s.

In 1989, more new models of aircraft have entered serial production than in any year since the war. These include the Su-27 “Flanker” modern fighter-interceptor; the giant An-225 air transport, capable of carrying 300 tons, and of transporting the Buran space shuttle; several new medium-sized air transports; and new attack and transport helicopters. Alongside this, production of MiG-31 and MiG-29 interceptors has been heavily stepped up (the latter one also for export).

For the Strategic Rocket Forces, full production rates have been realized for the SS-25 and giant SS-24 rail-mounted mobile ICBMs. Every year, another Typhoon-class giant nuclear missile submarine is launched and enters service; a second production line has been opened for modern Akula-class nuclear attack/cruise missile submarines. Two wholly new tank models, the FST-1 and FST-2 are being produced for the Army (starting in 1989, the FST-1 production rate is 1,500 per annum).

These are only a few of many examples, and many of these details can be found in the 1989 *Soviet Military Power*. What these details mean, however, is turned upside down, with the report’s absurd, and consciously false, conclusions.

Spetsnaz-centered offensive doctrine

Given that the 1989 edition of *Soviet Military Power* omitted, for the first time, even a passing reference to Soviet

spetsnaz forces and Soviet development of radio-frequency and other “post-nuclear” weapons of mass destruction, it would be appropriate to conclude with a more detailed exposition of the new “high-technology” *spetsnaz*-centered offensive doctrine.

To summarize the matter: The highly publicized new Soviet “defensive military doctrine” is a cover for the refinement and improvement of the traditional Soviet military offensive doctrine, featuring the use of *spetsnaz* and airborne forces at the center of the new offensive posture, based on post-nuclear, emerging technologies weapons. The new offensive doctrine is designed to secure by means of full-scale deployment of these elite forces and post-nuclear new technology weapons, the destruction of the enemy’s rear area nuclear forces, aircraft, and logistics, to score decisive victory at the outset of war.

The existence of the new offensive doctrine was confirmed publicly in a Radio Moscow interview on July 29, 1988 with Gen. G. V. Batenin, a military adviser to the Central Committee, on loan from the General Staff. In the interview, Batenin revealed that during the past two years “most of our military exercises [have] involve[d] repelling submarine, airborne, and commando attacks.”

Batenin specified that such exercises have been most heavily concentrated in the Leningrad Military District, which includes the Kola Peninsula and the Northern Fleet, and in the Far Eastern Military District, which includes the Pacific Fleet.

Batenin’s revelation is important on two counts. First, it marks a clear admission that since 1986 the main weight of Soviet military exercises has shifted to a vast increase in military exercises involving offensive operations by elite *spetsnaz* and airborne units staging “airborne and commando attacks” which “defenders” have tried to repel. Beyond the Leningrad and Far East Military Districts named as where such exercises have been most heavily concentrated, the same pattern has been in evidence among all the Soviet “Groups of Forces” stationed in Eastern Europe, and in the Odessa and Baltic Military Districts as well.

Second, all such exercises are, by their airborne and commando nature, numerically relatively small, and thus are below the 13,500 threshold of troop numbers requiring that Western observers be present, and also requiring public announcement. This feature of Soviet military exercises continues. This autumn, for example, all major Soviet military exercises being conducted in East Germany, Poland, Czechoslovakia, and the Baltic republics, have been deliberately scaled down to below the 13,500 threshold.

The new Soviet airborne and *spetsnaz* centered offensive doctrine forms the “secret” behind what has appeared to the West as the “stunning” military personnel shifts during 1987-89. During this two-year time frame, those generals who have been most extensively involved in reshaping the Soviet armed forces in conformity with the dictates of the new doc-

trine, have been the ones propelled and in some cases catapulted into the highest command positions of the military.

Batenin's revelations concerning the crucial role the Far East Military District has played in rehearsing "airborne and commando attacks," explain why a 49-year old general, Mikhail Moiseyev, who has spent the last five years in the Far East Military District, at the center of the airborne and commando "experiments" consolidating the new doctrine, has been suddenly elevated from Far East Military District commander to Chief of the Soviet General Staff. The same principle holds true for the rapid rise of Gen. Dmitri Yazov, 18 months earlier, from Far East commander, to deputy defense minister, to defense minister on May 30, 1987.

The new Soviet airborne and spetsnaz centered offensive doctrine forms the "secret" behind what has appeared to the West as the "stunning" military personnel shifts during 1987-89. Those generals who have been reshaping the Soviet armed forces in conformity with the dictates of the new doctrine, have been propelled and in some cases catapulted into the highest command positions.

The new airborne-centered offensive doctrine is also the reason why within a month of Yazov becoming defense minister, three generals who had been at the center of developing and expanding Soviet airborne-*spetsnaz* capabilities since the 1960s, M.I. Sorokin, D.S. Sukhorukov, and I.M. Tretyak, became deputy defense ministers.

The Leningrad Military District, also correctly singled out by Batenin, produced a crop of generals, expert in conducting airborne *spetsnaz* operations, who have become, together with Afghanistan War veterans, the new command team for the Soviet forces stationed in Eastern Europe. These include General of the Army Boris Snetkov, commander-in-chief of the Western Group of Forces in East Germany; General Colonel Ivan Fuzhenko, commander of the Turkestan Military District, bordering on Iran; General Colonel Ivan Korbutin, now at the Western Theater Command; and last but not least, General Lieutenant Vyacheslav Achalov, the Leningrad Military District

chief of staff in 1988, who in January, at the age of 42 became commander of Soviet Airborne Forces.

The new doctrine

The new Soviet offensive doctrine was evaluated in a presentation at an *EIR* seminar on electromagnetic weapons in London, June 24, 1988 as follows by Lt. Gen. Gerard C. Berkhof (ret.) Royal Netherlands Land Army:

"The doctrine is aimed at:

- "achieving surprise by the manipulation of political tension and other *maskirovka* [deception] measures;
- "conducting deep operations by air assault brigades, *spetsnaz* companies of the armies . . . and assisting the operations of the ground forces by amphibious landings;
- "conducting the operational/strategic air operation by attacking important military targets in NATO's rear area using missiles, the *spetsnaz* brigades of the fronts, and the naval *spetsnaz* brigades of the fleets, and aircraft attacking through air corridors.

"By simultaneous operations at the front and the rear, the Soviet military hoped that the military and political integrity of NATO would be destroyed before nuclear weapons were used. The air operation, subsequent attacks with non-nuclear missiles, *spetsnaz* brigades, and aircraft against NATO's nuclear forces, command and control systems, and air defenses, figured prominently in this concept."

The new doctrine is linked to Moscow's ongoing crash efforts to develop and deploy new technology weapons, referred to by Marshal Sergei Akhromeyev and other Soviet military leaders as "conventional weapons" which "approximate nuclear weapons in power, range, and accuracy."

With the firepower revolution effected by such weapons and the offensive "mobility revolution" attained by the extraordinary emphasis on airborne *spetsnaz* operations, numerical reductions in the armed forces, as Gorbachov has now announced, are not only possible, but actually necessary to bring the entire armed forces to the level of total war readiness required to score victory in the crucial outset of war.

Is there a foreseeable "outset of war" in the fairly near future? For the answer we can turn to Marshal Ogarkov himself, the father of the Soviet War Plan. Ogarkov resurfaced after his retirement, for an interview with the early June edition of the military bi-monthly *Kommunist of the Armed Forces*. Ogarkov compared the present period to that of 1939-41, and urged the Soviet leadership not to repeat any of the "errors" that were made in 1939-41, while Russia was preparing for war. The comparison of 1989 with 1939 by Ogarkov, provides the definitive refutation of the Bush administration's Big Lie that the Soviet threat "is at perhaps the lowest level" ever. The myth of the "vanished" Soviet threat will rank in infamy with Neville Chamberlain's 1938 proclamation of "Peace in Our Time."

'Soviet Military Power': another wishful coverup

by Leo F. Scanlon

The 1989 edition of *Soviet Military Power*, published annually by the U.S. Department of Defense, is a ludicrous attempt by the administration of President George Bush to cover a growling Russian bear with a tattered, and all too small sheep's costume. The attempted illusionist's trick begins on the cover of the publication: on the front, a color picture of Soviet armored troops crossing a bridge during their "withdrawal" from Afghanistan; on the back, the same picture, reversed, with the color washed out, and the soldiers and tanks fading into the background. The pages in between obscure the dramatic and fast-paced revolution in technology and tactics which is now under way within the Soviet military machine.

Since the accession of the Bush administration, the U.S. military and intelligence community has operated under the constraints of a gag order which has declared the most elementary facts regarding the Soviet military threat to be classified material. The few illuminating facts about the state of Soviet military art which somehow managed to slip by the book's political editors, are buried within paragraphs upon paragraphs of political science jargon, equivocal analysis, and outright prevarications, which culminate in an outrageous exercise wherein the economies of the allied nations in Europe and Asia are evaluated as a threat equal to Soviet research and development programs.

Soviet military does disappearing act

One of the more remarkable features of *SMP 1989* is the amount of material coverage of Soviet military capabilities which has simply disappeared from the pages. *SMP 1987* contained a discussion of the training and doctrine which shapes the deployment of Soviet *spetsnaz* forces—the special forces which would be deployed behind enemy lines before the major offensive, in order to paralyze the key logistical centers with bombs, radio-frequency, and biological weapons. But the current edition does not even show the word *spetsnaz* in its index.

Similarly, previous editions contained elaborate presentations on the military doctrine shaping Soviet theater deployments, complete with appropriate maps and charts. The current edition begins this section, much reduced as well,

with a long introduction cataloging the "reductions" announced by Gorbachov in December 1988, and then offers speculation on Gorbachov's reasons for undertaking such a plan. The reasoning implies that Soviet budget calculations are constrained in the manner of the Pentagon's programs, that theater force reorganizations are being calculated on the basis of "resource availability," and so on.

The story is very plausibly told, and if enough copies of *SMP 1989* are translated into Russian, the theory may even catch on there. But despite this, a few bare facts presented in *SMP 1989* demonstrate that the apparatus to support and sustain the Ogarkov war plans are largely in place in Europe today.

Theater forces

The Pentagon analysts state a simple fact: "Currently, the Soviets are initiating changes designed to produce a Soviet force significantly reduced in size but with its combat capability maintained or even improved. They hope to achieve this capability through continuous equipment modernization, qualitative improvements in training, leadership, morale, and discipline, and enhancement of command and control capabilities."

The changed capabilities of the Soviet strike forces will be backed up by "increasingly capable logistics transport means, mobile repair shops, pipeline-laying vehicles, materiel-handling equipment, and other specialized rear service items. The Soviets also have restructured their logistic support units . . . to improve mobility and control. The Soviets also upgraded their transport base with high-capacity motor vehicles, . . . combined supply resources and transport assets under a single commander," and have stockpiled large amounts of supplies and material to supplement the prepositioned stocks in each theater. "The ammunition stockpile which the [Warsaw] Pact has augmented over the past decade comprises over three million tons in the Western TVD [Theater of Military Operations] alone and is still growing." Recent apparent slackening in the rate of growth of these stockpiles "has more to do with the Soviets attaining their stockpile objectives than with any decision by Gorbachov. These levels will likely remain, since Gorbachov's an-

nounced troop reductions did not address cuts in Soviet operational-strategic logistical stocks.”

Ground forces

The logistical apparatus is designed to supply highly mobile ground forces which are mechanized and armored with the latest model Soviet equipment. This includes the formidable T-80 main battle tank. U.S. Representative Les Aspin (D-Wisc.), who led a delegation to the Soviet Union last summer, reported that the T-80 was sighted wearing three layers of reactive armor, a development which military experts claim will make the tank immune to all NATO anti-tank weapons. The modernization has also “included the introduction of late-model tanks, self-propelled artillery, multiple rocket launchers, and infantry fighting vehicles.” According to *SMP 1989*, “The emphasis on mobility continued with self-propelled artillery, and heavy mortars replacing older but still capable towed systems.”

The mobile units are well-equipped on the air defense front, having received a “new self-propelled gun (probably the 30mm 2S6) replacing the ZSU 23-4, and with the SA-16 replacing or supplementing the SA-7 and SA-14 systems. At the army level, SA-11 and SA-X-12B Giant” surface-to-air missile (SAM) systems supplement the SA-4 system, “while improved versions of the divisional SA-6 and SA-8 systems were fielded. The . . . Giant variant has some capability against certain types of ballistic missiles.”

Soviet Defense Minister Dmitri Yazov, addressing a Pentagon press conference during his recent U.S. tour, laughed at a reporter who asked what threat the B-2 Stealth bomber posed to Soviet forces. Yazov boasted that his air defense forces can handle any threat—and the boast is not idle. The Soviet air defense apparatus is the most lethal ever developed.

The front-line fighter-interceptors (pictured in mass production on the cover) stunned observers when their capabilities were displayed at the recent Paris air show. The Soviet air forces are organized around a frequent rotation system designed to keep one fully prepared plane in reserve, and one plane in the maintenance shop for every fighter on the line. This system is often said to indicate shoddy workmanship or poor reliability in Soviet production lines; in fact, it is designed to support intense, sustained blitzkrieg strikes by the ground forces.

Gorbachov has offered reductions in these air capabilities, but *SMP 1989* is forced to admit that, “If only excess or older aircraft are eliminated, the effect will be minimal.” The publication goes on to point out: “There have been no indications of reductions in the prestocked air logistics assets such as aviation fuel, ammunition, and spare parts. In fact, during the past decade aviation fuel stocks have been substantially increased and runways lengthened at the Western Group of Forces airfields. Ammunition stocks have also increased.”

These preparatory capabilities should be compared with the situation facing NATO tactical air forces. U.S. Air Force and defense industry officials admit that Soviet air defense capabilities—especially the look-down/shoot-down systems installed on the latest fighters—have stripped the cover off NATO deep-penetration tactics. Air attacks behind Warsaw Pact lines can be accomplished only by flying “on the deck” below radar. Highly effective propaganda campaigns have so restricted practice for such missions that many fighter pilots consider the tactical air mission virtually impossible for NATO. An article in *Air Force* magazine, published by the U.S. Air Force Association, reports that Soviet developments in the field of electronic warfare measures have outflanked a full decade of research by U.S. specialists.

And it is not only the fighters which are being stripped of defenses by Soviet developments: The bases from which they fly are so poorly defended that any fighter fortunate enough to scramble in the face of a Pact attack will not likely have a place to land at the end of its mission. The U.S. Air Force has scheduled tests which are expected to prove that no air base in Western Europe could survive actual combat for any meaningful length of time.

Theater nuclear forces and the INF hoax

According to Soviet war plans, Soviet ground forces and their accompanying air cover will be preceded by barrages unleashed by the rocket forces. *SMP 1989* explains that “the Soviets’ intermediate-range nuclear systems—the road-transportable SS-4 Sandal MRBM and road-mobile SS-20 Saber IRBM—are currently integral components of the Soviet strategic nuclear forces. These systems have the capability to attack all European soft point or area targets.”

As for the hoax known as the Intermediate Nuclear Forces (INF) treaty, *SMP 1989* shamefacedly admits that, “Based on Soviet targeting goals and nuclear strike force missions in Eurasia, it is likely that the Soviets determined they could compensate for the elimination of INF forces by retargeting other strategic and tactical nuclear delivery systems. Many of the SS-20’s targets can be covered by ICBMs and SLBMs supplemented by aviation assets. The SS-11 and SS-19 ICBMs, as well as all SLBMs deployed in Soviet-protected bastions, will provide target coverage through the mid-1990s, with SS-24s and SS-25s potentially available as well. Even after INF and START treaty reductions, the Soviets will likely be able to satisfy their critical tactical, theater, and intercontinental targeting requirements as effectively as with their current arsenal due to the ongoing modernization of their strategic forces.” The report adds the ridiculous understatement: “The Soviets also recognize that the INF treaty has caused some dissension within the NATO Alliance.”

The fraud of START negotiations

It has been mentioned that anti-ballistic missile (ABM)-capable mobile missiles are deployed at the Army level of

Soviet ground forces. It is also well known that the battle management radar system for the Moscow ABM installation (the only one in the world) is being expanded, and the latest intelligence reports indicate that the final links in that system have been powered up and tested. Passive defense preparations (shelters and civil defense planning) are integrated into the structure of Soviet industry and political command systems. Consequently, as *SMP 1989* points out, "The Soviet Union has a target base approximately twice as large as the

The current edition of the Pentagon's "Soviet Military Power" does not even show the word "spetsnaz" in its index.

U.S. base Soviet nuclear planners have to cover. This means that the Soviets can, by having roughly the same number of warheads as the United States, plan on having more warheads than the United States after a nuclear exchange."

The talks on a Strategic Arms Limitation Treaty (START) are designed by the Soviets to produce just such a result, thereby securing their overwhelming military superiority in Europe. By relieving the burden on their intercontinental targeting, the remaining rocket capability can emphasize the European priority.

The Soviets have doggedly pressed for the elimination of the U.S. Navy's cruise missile capability, a strategy which also aims at protecting the Eurasian land mass from any U.S.-based threat. The recent assignment of additional AKULA-class submarines to the North Atlantic theater is only one illustration of the Soviet commitment to defending the European choke points with the most advanced capabilities. On all fronts, the "reductions" of Soviet forces—trumpeted by the U.S. news media as signs of peace—are each components of war-winning strategy for Soviet forces in Europe.

This superiority extends out into space as well. U.S. Air Force Gen. John Piotrowski has made speech after speech—all unpublicized in the mass media—warning in no uncertain terms that the Soviets have achieved control of space in military terms. Not only do they command weapons that could knock out vital command and communication satellites within minutes of the start of hostilities, but they have stockpiled replacements for each of their military satellites at multiple launch sites throughout Russia. This capability is unmatched by the West.

Gen. George Monahan, director of what remains of the U.S. Strategic Defense Initiative program, has announced that congressional budget cuts have placed the directed ener-

gy systems in limbo, and will limit the United States to deployment of strategically insignificant kinetic-kill systems. The sabotage of U.S. space efforts by budget cuts is providing the ultimate in breathing room for the Soviet command.

Disappearing radio frequency weapons

The most significant omissions from *SMP 1989* are in the critical area of Soviet research and deployment of directed energy weapons. Previous editions showed photographs and renderings of strategic and tactical laser systems, and discussed research efforts in the area of electromagnetic effect weapons, along with the power sources and propulsion technologies that define the cutting edge of Soviet military research. The entire subject is reduced to a general discussion of radio electronic combat.

When asked about this at the press conference where *SMP 1989* was released, Secretary of Defense Richard Cheney said, "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. I wouldn't read any special significance into it other than that we've got to cram as much as we can into a small amount of space."

But perhaps most ominous is the elimination of any significant discussion of Soviet technological developments in the military and civilian fields. "I'm not sure how much of this is classified, and that's why I have to be a little cautious in terms of how I proceed," said Cheney, when asked about this omission. His remark underlines complaints voiced by military organizations, that the administration is actively suppressing the most elementary facts about the Soviet threat, in order to win support for its arms-reduction negotiating policy.

U.S. forces to disappear as well

Such omissions, in conjunction with repeated mis-reporting of the intent and effect of Soviet restructuring measures, open the issue of whether the United States intends to maintain any significant military presence in the European theater. Secretary Cheney indicated that the question is under study: "Let's assume we're successful in negotiating a conventional force reduction agreement with the Warsaw Pact. Then what are our requirements going to be after that? What additional steps might we want to take? . . . So, yes, there is work going forward to look at where we would be in that post-CFE [Conventional Forces Europe] environment."

American strategists admit that the military budget crisis is only a reflection of a disastrous collapse of the real U.S. economy. They console themselves by pointing to horror stories about the similar crisis racking the Russian Empire. Behind the equivocations and diplomatic dissimulations, *Soviet Military Power 1989* shows that the Russian command has a military strategy to meet their crisis in the time-honored Russian tradition—through conquest.

Panama names Noriega 'conductor of new republic'

by Carlos Wesley

General Manuel Noriega was declared the "conductor of the process of national liberation" and coordinator of the "new republic" on Oct. 11 by Panama's National Assembly of Representatives. Noriega's largely symbolic appointment by the 510 representatives, also known as the Assembly of People's Power, took place on the 21st anniversary of the nationalist revolution led by his mentor and predecessor as commander of Panama's Defense Forces (PDF), Gen. Omar Torrijos. The move took place as the Panamanian government continued to consolidate a nationalist resistance front in the wake of the failed U.S. effort to kidnap or assassinate Noriega on Oct. 3.

Noriega told the assembly that Panama's 2 million inhabitants are waging a war of liberation, "and I want to tell you that we have to be prepared, because they cannot catch us again by surprise: even if this commander falls, this people will never fall." In the event he fell, he said, "the people must take to the streets and seize all defense installations so that the government does not fall."

A return to Torrijos

The meeting of Panama's Assembly of Representatives was the first in seven years. Created by the late Omar Torrijos, the Assembly of "Corregimientos" system not only served as a legislative body providing the widest democratic participation at the level of the smallest community unit, the "corregimiento," similar to a U.S. county, but each representative was also given a budget to meet the necessities and improvements of his area.

But the representatives' power to undertake community projects was curtailed and their legislative function abolished under the constitutional reforms instituted in 1982 by Henry Kissinger's protégé, Gen. Rubén Paredes. Instead of the

community representation of the "corregimiento" system, Paredes's reforms established that representation would be for political parties.

Paredes, who preceded Noriega as commander of Panama's armed forces, was the one who cut the deals with the Medellín cocaine cartel, allowing them to get a foothold in Panama. Under an arrangement blessed by Kissinger, Paredes was supposed to become President of Panama in 1982, but General Noriega said no, and took steps against the cocaine trafficking apparatus allied with Paredes.

As U.S. Deputy Secretary of State (and former president of Kissinger Associates, Inc.) Lawrence Eagleburger admitted on Aug. 31, it was this move by Noriega against Paredes and his drug allies that caused the U.S. to launch its campaign to oust Noriega.

The restoration of the system established by Torrijos, Noriega told the representatives, "is true democracy, where each man represents his community and each is judged by his own neighbors." Speaking about the emergency war measures, including the firing of public employees engaged in sedition, Noriega explained that the laws "are in no way a call for the establishment of execution squads. . . . They are laws to maintain order at a time . . . when Panama, in truth, finds itself the victim of war, a psychological war, a shooting war, an economic war, a diplomatic war." Noriega said the only ones who have reason to fear the new laws are the local oligarchs in the U.S.-financed opposition, "who tremble everytime the people organize themselves."

Noriega warned the rest of Ibero-America that he is not the only target of the U.S. "This fight," he said, "is because they want the geographic space of the Republic of Panama to carry out aggression against other nations and to establish control over the geopolitics of Latin America."

In his address to the Assembly, Panama's provisional President Francisco Rodríguez said that his nation was defending itself "from a powerful and merciless adversary that is pursuing great strategic objectives at the expense of destroying Panama's sovereignty and independence." This was a reference to the power-sharing condominium arrangements between the U.S. and the Soviet Union.

The President said that his government has embarked on a national project "that goes beyond merely resisting aggression," and takes into account "the framework of the continental economic crisis." Rodríguez said that "unlike what happens in other countries, where the people are burdened by the concessions granted to foreign creditors, this provisional government is proposing a legislative package to defend national sovereignty and take care of the people's needs."

The economic measures proposed by the Panamanian President are intended to insure a secure income for all workers, and "at the same time to preserve the existent infrastructure, which is in danger of deterioration, and to provide investments for new public works that have been postponed because of lack of resources."

Dealing with the fallout

While the Panamanian government was preparing its defenses, the Bush White House was still trying to deal with the fallout from the coup fiasco. On Oct. 13, President Bush held a surprise news conference, and charged that those who are saying that he failed to provide enough support to the Panamanian plotters are "instant hawks appearing from where there used to be feathers of a dove." While he does advocate the use of force "in a prudent manner" against Noriega, Bush said, "I think this rather sophisticated argument that if you say you'd like to see Noriega out, that implies a blanket, open carte blanche on the use of American military force . . . to me that's a stupid argument that some erudite people make."

Bush explained that he limited the U.S. military deployment in support of the plotters because otherwise there would have been an engagement with PDF units leading to heavy losses of American lives. "I have at stake the lives of American kids and I am not going to easily thrust them into a battle unless I feel comfortable with it and unless those general officers in whom I have total confidence, feel comfortable." The White House announced that new guidelines are being issued to the U.S. military in Panama so that they can react more quickly in the event of another coup.

At the same time there were almost daily revelations about U.S. involvement in the coup, which Mr. Bush at first tried to pretend the U.S. was not involved in, when he said on Oct. 3, "the U.S. has nothing to do with this." The latest revelation came from Noriega, who charged that the U.S. did not just lend support to a plot initiated by the rebels, but that it was the originator of the conspiracy. "The U.S. was involved before, during, and after the coup," he said in an

interview published by the *Washington Post* Oct. 13. "They had to make the contacts, woo them, convince them," he said. He added that investigators had found that the U.S. gave at least \$1 million to one of the plotters, Captain Erick Murrillo. White House spokesman Marlin Fitzwater denied the charges.

The administration has set itself up for yet another potential catastrophe by giving the Federal Bureau of Investigation (FBI) authorization to apprehend fugitives of U.S. law in foreign countries, and to return them to the U.S. without first obtaining the the foreign state's consent, according to leaks in the *Los Angeles Times* which the administration admitted to on Oct. 13. This fascist "snatch authority," enacted in unusual secrecy by the Justice Department, is aimed at kidnaping Noriega, whom the U.S. falsely accuses of being a drug trafficker. Commenting on this blatant violation of international law and the sovereign rights of nations, a Middle Eastern diplomat told Reuters news agency on Oct. 13, "What would you say if the KGB for example, sought to take all their fugitives from the United States?"

In an interview published by Mexico's *Excelsior* on Oct. 5, Noriega dismissed the U.S. charges that he is involved in drug trafficking. "If I had agreed to accept their orders, to give them back the canal, to extend for another 99 years the presence in Panama of the U.S. military Southern Command, would I be their number 1 enemy, the devil, the drug trafficker? Or would I be the United States' favorite democrat?"

Ibero-America says no

In yet another setback to U.S. efforts to topple Noriega, the Presidents of the Ibero-American Group of 8 nations, meeting in Ica, Peru, refused on Oct. 12 to grant the demand of U.S. anti-Noriega ally, Venezuelan social democratic President Carlos Andrés Pérez—who participated in the failed U.S. plot—to expel Panama from the organization, because of alleged human rights abuses. Although the leaders did agree to continue Panama's suspension from the group, its expulsion was rejected because, as Argentina's President Carlos Menem said, "Panama's problems are an internal affair to be solved by Panamanians."

Pérez, whose own human rights record includes the killing under his government of hundreds of Venezuelan citizens last February for protesting economic austerity, was so thoroughly repudiated in his anti-Panama stance by his colleagues, that even Peruvian President Alan García sought to distance himself from the Venezuelan. Having initially backed Pérez's call to expel Panama, an embarrassed García tried to deny that Panama's expulsion had even been discussed. "No people or country can be expelled, because that can offend the citizenry," he said. Pressed by reporters, García finally admitted that the expulsion was proposed, "but I cannot recall by whom." Later he recovered his memory, but said he was "not going to be disloyal and say who proposed it. I prefer to forget who made the proposal."

Transcaucasus goes into civil war phase

by Luba George

On Oct. 11, Soviet troops fired on a crowd of Armenian protesters in Stepanakert, the capital of Azerbaijan's Armenian-inhabited region of Nagorno-Karabakh. One person was killed and many injured. The action came 48 hours after a Soviet government ultimatum expired which called for an end to Armenian-Azerbaijani armed ethnic clashes, and for an end to the two-month-old Azerbaijan rail and road blockade of Armenia and Karabakh. The blockade had crippled Armenia's and Karabakh's economy, halted industry and transport, and caused extreme food shortages, bordering on starvation in some remote areas.

One day before the Stepanakert bloodbath, Radio Moscow had announced that Azerbaijan had ended the blockade, and that trains and truck convoys under military escort were beginning to roll into Armenia and Karabakh. Such announcements had been made twice before in the preceding two weeks, and each time were proven to be false. On Oct. 12, U.S.S.R. Railways Minister Konarev announced that the Azerbaijanis not only had *not* ended the blockade of Armenia but had extended the rail blockade to include all goods moving through Azerbaijan bound for the republic of Georgia. He said that the Azerbaijanis were angry because some of the supplies shipped to Georgia were being transshipped to Armenia to circumvent Azerbaijan's blockade.

Even should the blockade in the near future be lifted, this will only have occurred through the massive use of troops to keep the rail lines and roads open. The combination of Soviet Interior and Railway Troops—placed under Gorbachov's personal control—is what is being employed to break the rail blockade. Ending the blockade, even assuming it happens, will by no means end the Transcaucasian crisis, which has reached a civil war-like dimension—between two non-Russian, non-Slavic peoples.

The Soviet leadership both foresees and intends to have the region experience a protracted civil war between Armenia and Azerbaijan, to channel extremely strong nationalist movements in both republics into a suicidal collision against each other, instead of directing their energies against the imperial center.

KGB-instigated

The civil war dynamic was unleashed as the result of the February 1988 pogroms against Armenians in the city of

Sumgait, Azerbaijan. These waves of persecution were sponsored by the Soviet secret police, the KGB. In three days of pogroms, as the KGB and militia failed to intervene, Azeri mobs murdered and raped hundreds of Armenians. The official death toll was given at 32. Since then, Azeri pogroms against Armenians and inter-ethnic clashes have claimed up to 1,000 lives—much higher than the official accounts of 100 deaths, according to *EIR's* sources.

For the Armenians, the massacre by Turkish Azeris evoked the fear of a repeat of the 1915 genocide against the Armenian nation by the Ottoman Empire. The Sumgait massacre was the first peak in a KGB-run Azeri intimidation campaign against the Armenian-inhabited region of Karabakh, a part of Armenia until 1923, when Lenin and Stalin detached it and gave it to Azerbaijan.

The two forms of the approaching slaughter in the Transcaucasus are already evident. The first will be continually growing clashes between armed bands of Armenians and Azerbaijanis. As TASS began to report on Oct. 6, "daily bloody clashes" have been occurring between "armed bands" of these two national groups. These clashes have been centered in Karabakh, the Azeri district of Agdam, bordering on Armenia, the Azeri enclave of Nakhichevan, separated from the rest of Azerbaijan by Armenian territory, and the "finger" of Armenian territory that separates Azerbaijan from Nakhichevan.

According to the Oct. 3 weekly *Moscow News*, Soviet pilots airlifting supplies to Nagorno-Karabakh had spotted "secret encampments" in the hilly terrain on the territory's western borders. It said there was a "firm basis" to believe they were used to train insurgents. "Not a single day and night passes without shots, explosions, mines, arsons, and pogroms" said Valeri Sidorov, a member of the Kremlin committee governing the region, in an interview with the newspaper *Argumenti i Fakty*.

The second form of conflict, which has also already begun, will be massacres of both Armenians and Azerbaijanis, carried out by the tens of thousands of Soviet troops from elite airborne and special units, which have poured into these regions since Sept. 23.

In the days leading up to the Oct. 9 expiration of Gorbachov's ultimatum for an end to the Azerbaijan rail blockade of Armenia, an entire elite division of MVD (Interior Ministry) Troops, composed of "special units," recruited from ex-Army Airborne and Spetsnaz Afghan War veterans (*Afgantsi*), were flown into Azerbaijan's Armenian-inhabited Karabakh region from the Fergana Valley in Uzbekistan, where they had been deployed in June to quell the pogrom against Meshketian Turks in the region. The troops come under the command of Gen. Maj. Vladislav Safonov, of the Interior Troops, who since late spring has been the new military commandant of Nagorno-Karabakh.

Sidorov in *Argumenti i Fakty* hinted of things to come: "If we don't bridle these forces we will have a home-made

Lebanon in the Caucasus.” Even before casualties were claimed in Stepanakert Oct. 11, on Oct. 7, as Gorbachov was reviewing the German Democratic Republic’s 40th anniversary military parade in East Berlin, and the G. D. R. security organs were mercilessly beating thousands of protesters, Soviet Interior Ministry elite troops opened fire on “an armed band” of Armenians in Karabakh, who were in the process of attacking an Azerbaijani-inhabited village. TASS reported, “there were wounded.”

Armenia’s growing dependency on military

Armenia depends on rail lines that run through Azerbaijan for 87% of its supplies, and the blockade, which ended shipments of fuel, food, raw materials, and construction materials, had brought all of Armenia’s transport and car traffic, as well as ambulance service, to a halt, shut down most industry, and stopped all post-earthquake reconstruction work. The main railroad freight line runs from the Azerbaijani capital, Baku; and all but one of the main roads into the republic pass through Azerbaijan. Most important of all, Armenia is totally dependent on Azerbaijan for fuel. According to Radio Moscow, in August and September alone, 32,000 freight trains carrying food, fuel, and construction materials did not make it to Armenia as a result of sabotage by the Azeri nationalists.

Following Gorbachov’s ultimatum, in Karabakh troops took control of (and still continue to patrol) the water reservoir, and all stocks of gasoline and other fuels. The troops, acting as “escorting convoys,” continue to bring supplies into the region, and airlift food and other essential supplies by military planes and helicopters.

The two-month-long economic blockade has forced the Armenians into an almost total dependency on the Soviet military rations and handouts of daily necessities. Proud Armenia, one of the world’s oldest nations, is being turned into a “welfare republic.”

Near starvation and civil war

The neglect of Armenia did not start with Moscow’s tolerance of a two-month blockade. In October, nearly a year after the earthquake, more than 500,000 Armenians are still homeless. Many face the prospect of a second winter in tents and huts. The Moscow leadership has done almost nothing to rebuild Armenia after the earthquake—despite hundreds of millions of dollars of foreign relief funds and hundreds of millions of rubles allocated for the purpose. TASS Oct. 6 reported that the cut-off of medical supplies had produced “the danger of a hepatitis epidemic” in Armenia and Karabakh, where “ties to the outside world” were still cut. The situation is the worst in remote areas, where “only through an airlift” has food arrived, and “starvation” avoided.

The picture of coming starvation and civil war was painted by the Soviet weekly *New Times* (no. 39) in

interviews with Arkady Volsky, chairman of the Special Administration Committee of the Nagorno-Karabakh Autonomous Region and KGB Maj. Gen. Sergei Kupreyev, member of the Committee:

“. . . This year Nagorno-Karabakh has been hit by a drought. More than 90% of the grain crops have perished, the mountain pastures have dried out and the water reservoirs and canals have grown shallow. The population of cattle, pigs, and poultry is declining. . . . Armenia, which is itself short of vegetables, supplies tomatoes, while tomato crops are perishing on the farms in the NKAR. It is only under pressure from the Special Administration Committee that a small part of the crop has been delivered to be sold in the regional center,” said KGB Major General Kupreyev.

According to Arkady Volsky, the situation will have a spillover effect: “There were rumors of hunger in the NKAR. . . . In Azerbaijan, too, there were rumors that Azerbaijanis were starving in the NKAR. . . . This created a new apple of discord between the two nations. In general, 15 million people are involved in the Karabakh conflict. Many are surprised at the figure. Azerbaijan has a population of 7 million, and Armenia of 3.5 million. That already makes 10.5 million. Many Armenians and Azerbaijanis live in Georgia. To these one should add the Armenians living in neighboring areas of Russia—Rostov, Stavropol, Krasnodar and in Moscow. There are many mixed Armenian-Azerbaijani communities.”

On top of the drought, there are periodic interruptions of Karabakh’s drinking water supplies, most of which are piped in from Azerbaijani-inhabited areas. As *New Times* emphasized: “There is a ‘quiet war’ for water whose supplies were erratic even in peacetime in Stepanakert. Now there are constant interruptions in the supply of drinking water because the main sources are in the Azerbaijan areas. Sometimes water is on only a couple of hours a day. Electric energy is also distributed from a center in Agdam outside Nagorno-Karabakh. During a blackout one could not help thinking of how a similar situation is handled on Cyprus where there is a long-running feud between the Greek and Turkish communities.”

The Soviet media, following the Sept. 19-20 Central Committee plenum, compared the conflict to the years-long Christian-Muslim civil war in Lebanon and the protracted Turkish-Greek ethnic conflict on Cyprus. A protracted conflict is on the agenda. This was underscored by Arkady Volsky, speaking to *New Times*: “The short-term outlook is very bleak. . . . There are dead end situations in the world. Take, for instance, Lebanon, Beirut. For 20 years considerable intelligence has gone into attempts to resolve this problem. Everything has been tried—the introduction of American forces, French forces, the Syrian contingent, the Green Line. The quest for a way out continues, but the situation is still at an impasse.”

E. Germany 'celebrates' its 40th anniversary with bloody crackdown

The German Democratic Republic celebrated its 40th anniversary the weekend of Oct. 6 by imposing virtual martial law on the country—sealing the borders, deploying soldiers and police on every street corner, and beating and jailing citizens who dared to demonstrate for freedom. Said one weeping demonstrator, “I speak for the youth of East Germany. I have never seen anything like this—water cannons and clubs used against our own people! But I feel that people have to know how bad it actually is here.”

One West German observer described the audience listening to the “festive speeches” by Communist leaders Erich Honecker and Mikhail Gorbachov: “I have seldom seen such sad faces at a birthday party.” Even the liberal *Washington Post* was prompted to headline its coverage of the weekend’s developments with the warning that a new “Tiananmen Square”-style massacre may be in the offing.

Thus does the mask of *glasnost* begin to fall, exposing the true face of Soviet communism. For contrary to the “expert analyses” in the U.S. press, there is no fundamental clash here between Honecker and Gorbachov. The Soviets would prefer that East Berlin handle the growing unrest with its own tanks; but failing that, the Red Army is ready to intervene. As a leading Central European military expert told *EIR*, “Gorbachov and Honecker are closer together in most ways than they are apart. Gorbachov has no intention whatsoever to challenge the leading role of the Communist Party in the Soviet Union. He may accept changes in personnel and in party statutes, but not in fundamentals. Also, the Soviets have no intention of compromising with their ‘Elbe Line’ view of the absolute strategic significance of the G.D.R.”

Flamboyant display of military force

The official festivities in East Berlin led off with a massive military parade, at whose head marched the elite East German airborne troops. A featured event was the parachute drop by naval *spetsnaz* frogmen, roughly the G.D.R. equivalent of U.S. Navy Seals. This was the first time that such a display of special commando forces had been staged at East Berlin’s annual Oct. 7 military parade, and was a clear, provocative message of the doctrinal emphasis Moscow and its stooges have placed on airborne *spetsnaz* units.

Compare that to the coverage on ABC television in the United States, which showed smiling young faces in the official torchlight parade as evidence that “not everybody wants to leave East Germany”!

The Soviets, acting through their East German puppets, closed all the border crossings from West to East Berlin, including “Checkpoint Charlie” at Friedrichstrasse. Only official Allied personnel and accredited journalists were admitted through. On the night of Oct. 6, barricades of concrete and steel were erected in front of Checkpoint Charlie. The action to seal the border by the East Germans, who would not have dared to do so without Russian orders, is a flagrant violation of the 1971 Four-Power Agreement on Berlin. Yet there has been no protest against this outrage from the Western powers (the United States, Britain, and France).

At the same time, East Germany’s borders with Poland and Czechoslovakia were fortified by troops and paramilitary construction battalions, to stop the hemorrhage of refugees. Barbed wire fences are under construction on the border with Poland. On the border with Czechoslovakia, patrols by border guards on both sides have been intensified, and Czech guards have the order to shoot anyone trying to cross. According to Prague government sources, some 400 East Germans were caught trying to cross the border in the past five days preceding the start of East Berlin’s “celebrations.”

In sum, East Germany, with a population of 16.8 million, is being systematically locked up in a barbed wire cage.

Despite the police-state moves, demonstrations for freedom were held all over the country, including a 70,000-person rally in Leipzig—the largest demonstration since the 1953 uprising which was crushed by Soviet tanks (see *Report from Bonn*, page 49). In Dresden, 2,000 rallied on Oct. 6, and the “People’s Police” and *Kampfgruppen* militia swooped in to beat and arrest protesters. The same thing happened in Magdeburg, where 54 out of 500 marchers were arrested and face prison sentences of up to two years. Similar events occurred in Potsdam, Halle, and other cities. On Oct. 7, several marches of 5-7,000 people in East Berlin itself were forcibly disbanded by crack units of the Stasi secret police. This occurred only after Western journalists had been chased away, beaten, or arrested.

The correspondent of the West German daily *Süddeutsche Zeitung* filed a shocking eyewitness report of the brutality in the police “detention” cellars. Albrecht Hinze was arrested on Oct. 7 along with numerous young East Germans. They were brought to the infamous Rummelsburg prison, then transferred to the new police barracks in the Berlin suburb of Marzahn, where they were put in a huge cellar, hands against the wall, and beaten with sticks. Hinze, who had not revealed his real identity, then had to show his passport, showing him to be a West German journalist. Police separated him from the others, and he was interrogated for several hours. Upon his release at 5:00 the next morning, he was told, “Have a nice day in our city!”

Argentine military pardoned by Menem

by Cynthia Rush

As anticipated, Argentine President Carlos Menem issued a decree Oct. 6 pardoning military officers accused of human rights violations and of involvement in military uprisings carried out under the previous regime of Raúl Alfonsín. Covered under the decree are 39 officers charged with violating human rights in the late 1970s “dirty war” against subversion; 164 officers who revolted against Alfonsín’s anti-military policies; and 64 leftists who were jailed for subversive activities during the 1970s. The three officers who led the military junta in 1982, and who were responsible for the decision to retake the Malvinas Islands from Great Britain, are also included in the pardon.

Since he took office on July 8, Menem had mooted that he would pardon most of the military officers jailed for these offenses, despite the controversy surrounding the act. The “dirty war” of the 1970s left profound scars on Argentine society. Designed by some of Henry Kissinger’s banker friends as a vehicle to enforce the monetarist economic policy imposed by the 1976-83 military junta, the left-right terror of the “dirty war,” including mass bombings, kidnappings, unauthorized jailings, and disappearances of thousands of citizens, tore families and the country apart. The discrediting of the Armed Forces, an intended result of the policy, was such that social democrat Raúl Alfonsín was swept into office in December 1983 on an openly anti-military platform.

As a major policy objective, Alfonsín’s backers in the U.S. “secret government” apparatus expected him to further emasculate the institution of the Armed Forces, under the guise of “democratizing” it, to render it incapable of resisting plans for the U.S.-Soviet condominium in which the Armed Forces of Ibero-America are slated to be dismantled. A particular target of the Kissinger crowd is Col. Mohamed Alí Seineldín, a hero of the Malvinas War, and leader of the Army’s nationalist wing. Seineldín had been jailed following the uprising he led in December 1988 in which he demanded that Alfonsín make fundamental changes in military policy and begin to restore dignity to the Armed Forces.

U.S. demands: Crush the military

Through several intermediaries, the Bush administration had put enormous pressure on Menem not to pardon the ac-

cused military officers—especially not Seineldín and other jailed nationalists. The *New York Times* editorialized hysterically on Oct. 10 that Menem’s action represents a “cruel, if expected, blow” to Argentine democracy, and threatened that international financial assistance to the country could be jeopardized by Menem’s failure to rein in the “violent” military. The *Times* lied that the Armed Forces—not the International Monetary Fund’s austerity policies so willingly imposed by Alfonsín—have “most threatened Argentina’s democracy in the six years since the military abandoned power.”

Menem argues, however, that the pardon is a crucial vehicle to achieve national reconciliation, and to heal the wounds of the past. In a Sept. 30 speech in Buenos Aires, he insisted that the country must say “no to revenge, to division and sectarianism . . . no to intolerance reviving old mistakes. And when they say no, the Argentine people are saying yes: yes to the courage of forgiving past offenses, of pacifying spirits, of burying hatreds. . . . [We say] yes to the possibility of putting a better Argentina into motion.”

On Oct. 7, Colonel Seineldín and his family dined with Menem at the presidential residence in Olivos. He was the first military officer to meet with the President following the Oct. 6 decree. On Oct. 11, the government’s Legal and Technical Secretary, Raul Granillo Ocampo, told Reuters news service that the President intends to grant more pardons within a week.

The pardon does not guarantee that all the officers will remain on active duty. Army Chief of Staff Gen. Isidro Cáceres must now review each individual case. A small number of the total group is expected to be passed into retirement, and the rest reassigned.

Menem’s action addresses a number of sensitive issues which have been a source of unrest among the Armed Forces. One is that Army officers tried for human rights abuses contended that they were being unjustly prosecuted for having been ordered to fight a war against Marxist subversion in the 1970s. Except for the officers who ran the military junta after 1976, and individuals such as former Buenos Aires Police chief Ramon Campos and Army Gen. Carlos Suárez Mason—deemed to be the architects of the worst repression—most of the officers who were scheduled to go on trial are now free. Mario Firmenich, former leader of the left-wing Montoneros group, responsible for numerous killings, bombings, and kidnappings, was not included in the pardon, and remains jailed.

The release of Gen. Leopoldo Galtieri, Adm. Jorge Anaya, and Air Force Brig. Basilio Lami Dozo, is also significant. The three had been sentenced for their handling of the 1982 Malvinas War, in effect telling the Argentine people that the nation’s effort to regain sovereignty over the South Atlantic islands should never have been attempted. Argentina’s retaking of the Malvinas set off a wave of nationalism throughout Ibero-America, and threatened to detonate the debt bomb in the faces of international bankers.

Drug legalizers assail Colombian President

by José Restrepo

The latest effort by the forces of Dope, Inc. to sabotage the Colombian government's anti-drug offensive and force the legalization of drugs, is an ongoing effort to force the government of President Virgilio Barco from office. Forces associated with Conservative Party chieftain and former President Misael Pastrana are accusing the Barco administration of having conducted secret negotiations with the cocaine cartel for more than a year.

The charges were denounced as "deliberate misinformation" by the government, which firmly stated that it "has not, is not, and will not hold dialogue with the drug mafia." Just one week earlier, President Barco's National Security Council had issued a statement warning that the mafia would combine terrorism with slander "to saturate public opinion so as to cause exhaustion and intolerance, to force society to react against the government and demand a different strategy."

A striking aspect of this newest attempt, labeled "Barcogate" by the pro-drug elements of the Colombian press, to topple President Barco, is the surfacing of Henry Kissinger's name in the affair. It appears that the spokesman for the cocaine traffickers' Medellín Cartel in the alleged negotiations is one Joaquín Vallejo Arbaláez, a former government minister who claims to have urged the cocaine cartel to hire Henry Kissinger to lobby inside the United States on its behalf. Vallejo has been touted in the press as "The Godfather's Godfather," a reference to the fact that the respectable Vallejo is the legal godfather to Medellín Cartel chieftain Pablo Escobar Gaviria.

While Kissinger Associates has responded to inquiries on the matter with a nervous "no comment," there certainly is a precedent for such a business relationship. On Oct. 2, the *Washington Post* revealed that U.S. lawyer Michael Abbell, a former high-level official in the U.S. Department of Justice, has been working on behalf of the Cali-based cocaine cartel of Gilberto Rodríguez Orejuela since at least 1986. According to that article, Abbell considers his clients "business people" with whom one can make a deal, a recommendation that coheres precisely with Vallejo's attempts to smooth a deal.

Conservative Party treason

The scandal was launched Oct. 7 when Conservative Party presidential candidate and Pastrana intimate Alvaro Leyva

Durán leaked documents to the daily *La Prensa*. Run by ex-President Pastrana's eldest son, *La Prensa* has been the leading mouthpiece for the pro-drug, anti-extradition forces in the country. Those documents purport that Germán Montoya, the secretary general to the presidency, had been holding meetings with cartel spokesman Vallejo Arbaláez since at least September 1988, for the purpose of negotiating a deal with the cocaine cartels to "end the violence." *La Prensa*, which claims that it has authenticated the documents, asserts that the government-cartel contact meetings continued up through the mafia assassination of anti-drug presidential candidate Luis Carlos Galán on Aug. 18 of this year.

Vallejo himself then took to the pages of *La Prensa* on Oct. 10 to confirm the "authenticity" of the newspaper's revelations. Claiming to lament the leaking of the documents, Vallejo nonetheless went into great detail elaborating the cartel's offer to dismantle its drug-trafficking machinery and bring home its drug dollars in exchange for an end to the government's war on drugs, specifically the extraditions to the United States, the raids, and the arrests—and an amnesty for themselves and their assets.

The cartel's proposal to legalize its operations is contained in a document hand-written by Vallejo himself and published in facsimile form by *La Prensa*. The document concludes with a cartel offer to "facilitate" a deal whereby the United States legalizes cocaine consumption, and the Colombian government gets the monopoly on export of the drug. Vallejo's comment on the entire cartel proposal: "Ethical considerations aside, they have reached practical solutions."

In his interview to *La Prensa*, Vallejo says that he explained to his cartel buddies that any deal between the Barco government and the cartels to suspend the extraditions must necessarily include the United States government, and that he therefore urged them to contract a high-level U.S. intermediary to do their lobbying in Washington for them. "Even Kissinger's name was thought of," said Vallejo. "They knew what Kissinger costs. However, they said they were ready to take on those costs for the purpose of convincing the American government of the appropriateness" of such a deal.

The anti-drug daily *El Espectador*, which has been given an ultimatum by the drug cartels to shut its doors or "face the consequences," immediately responded to the Pastrana-inspired scandal. In an Oct. 12 editorial, *El Espectador* suggested that *La Prensa*'s exposé was designed "deliberately and against the national interest to pressure in favor of a deal with the drug traffickers." The editorial questions the motivations of the Conservative Party in "inflating the emerging scandal" and those of Vallejo in proposing that the mafia's blood money should be accepted and their crimes forgotten, just so that "they don't keep killing us." The editorial then demands an intervention by President Barco, concluding, "Border treaties against the drug trade are worth little if our own house is eroded from within."

Anti-drug? or anti-military?

Adapted from EIR's Spanish-language biweekly, Alerta al Narcoterrorismo, Vol. II, No. 19.

Gen. Miguel Maza Márquez, head of Colombia's political police, the Administrative Security Department (DAS), has been painted as the "star" of the Colombian government's anti-drug war, internationally as well as within Colombia. His actions and his allies, however, beg the question: Is fighting drugs the general's actual commitment, or does he have another agenda in mind for the anti-drug war, one that does not include the final defeat and eradication of the drug trade?

General Maza Márquez has long been the favorite law enforcement official of the legalization lobby in Colombia, and his affinity for the political ambitions of the founder of that lobby, Ernesto Samper Pizano, is well-known. The Communist Party also lauds him as an ally against the military. Gen. Maza Márquez has adopted the Communist Party's ultimatum that the Armed Forces be purged of all anti-Communists who oppose the "peace process."

Rather than pressing forward the battle against the drug cartels, Maza is busy stirring up inter-agency fights between the institutions which should be coordinating efforts to combat drugs. For months, Maza's only line of investigation has been to try to find links between the traffickers and the Armed Forces of Colombia. More than once the general has sought to overthrow those who oppose this single-minded focus, and grab greater power for himself in the Barco government.

The question has been now raised in Colombia, of just how good was the security protection provided by the DAS to Luis Carlos Galán, the presidential candidate most hated by the legalization lobby, and murdered by mafiosi on Aug. 18?

For more than a year, the Colombian Communist Party—whose armed wing, the FARC, has set up its own cocaine cartel headquartered in La Uribe—has attempted to divert public demands for a war on drugs, with a saturation propaganda campaign that violence in Colombia is not caused by the drug trade, nor by left-wing narco-terrorists, but only by "Nazi" anti-Communists within the military who have made an alliance with the drug-runners.

In April 1989, with the release of a "special report" on "paramilitary groups" prepared by the DAS, Maza Márquez

took up the Communists' cause. The report, based primarily on the testimony of a "former" member of the terrorist M-19 movement, one Diego Viafara Salinas, charges that *all* the self-defense squads in the country, and especially those in the department Magdalena Medio, are nothing but armies of fascist assassins, created and financed by the drug traffickers, with the aid of the Army. That the mob has formed paramilitary forces to enforce their rule in certain areas is indisputable, but to charge, as Maza Márquez has done, that *any* anti-Communist who forms self-defense groups against the terrorists, is a de facto drug trafficker is an absurd lie.

Maza has stubbornly upheld this thesis. In June, when a car bomb exploded just seconds after his car had passed, he blamed the narco-paramilitary forces for the attack. But instead of demanding that elected officials back a political-military offensive against the traffickers, Maza trained his fire on the Armed Forces and the police, charging that those institutions had not joined in investigations into the self-defense network in Colombia.

After the murder of Galán on Aug. 18, the Communist Party escalated its attacks on the government—by citing Maza Márquez and his exposure of *narcoparamilitarismo* as the real cause of violence in the country. In its Aug. 31 issue, the Communist paper, *Voz Proletaria*, cited the DAS reports, and demanded that the Congress hold hearings.

Maza Márquez obliged. In testimony before Congress on Sept. 20, Maza implicated President Virgilio Barco himself in the alleged coverup of the "narco-paramilitaries." "The new escalation of violence is largely due to the instruction given by mercenaries to our nationals, which has resulted in indiscriminate terrorism" he stated, thus reducing the drug mobsters' all-out war against the nation of Colombia to a problem of a few "mercenaries." He testified that "more than two years ago," Barco had been informed by him of the presence of mercenaries in Colombia, training paramilitary groups.

"Barcogate Erupts," read the triumphant headline over the Maza Márquez story on Sept. 21 in *La Prensa*, one of the most fanatic of the newspapers in opposing President Barco's war on drugs. Maza now publicly insists that he opposes legalization of drugs, for moral reasons. But like the drug-legalization lobby, Maza says the drug problem cannot be wiped out frontally. "Time and patience is the key. This problem cannot be resolved from one day to the next because society's acceptance of it has made the matter complex," he told a seminar at the Police Cadet School at the end of September.

The legalization lobby still cheers him on. On Oct. 2, journalist Antonio Caballero, a fervent champion of legalization, published a diatribe against the Colombian Army, charging that the Army is responsible for the deaths of thousands of Communists. General Maza is the brave man who has exposed the network of military men implicated in drug trafficking, Caballero wrote, and "perhaps the attempted assassination [of him] was due to this charge."

Why Tavistock brainwashers hate Lyndon LaRouche

by Jeffrey Steinberg

Part I of this series appeared in Vol. 16, No. 40, Oct. 6, 1989, page 34.

On a snowy early January evening in 1974, an extraordinary event took place at the old Statler Hilton Hotel in midtown Manhattan. Lyndon H. LaRouche, Jr., the American political economist and then head of a small but influential philosophical association, the International Caucus of Labor Committees (ICLC), presented an audience of several hundred journalists, researchers, and political activists with evidence that the American Central Intelligence Agency, British MI-5, and the East German Stasi (State Security Service) had conspired to kidnap and drug two of his West European-based collaborators.

LaRouche charged that the incidents were part of a much bigger plot in which major intelligence agencies—both East and West—were using psychedelic drugs and brainwashing techniques on a massive covert scale.

In the aftermath of the two drugging/kidnaping incidents (one in East Berlin in August 1973 and the other in London at Christmas), LaRouche commissioned a team of researchers associated with the New Solidarity International Press Service (NSIPS) to conduct an exhaustive investigation into the agencies responsible for the revival of mind control and menticide experiments that had been outlawed and exposed during the “Nazi doctor” trials at Nuremberg. Rapidly, that inquiry converged on the London-based Tavistock Institute, a psychiatric research clinic that had been at the center of British Army psychiatric and psychological warfare efforts during World War II. Among the leading figures associated with the institute during the war and in the postwar period were: Brigadier General Dr. John Rawlings Rees, Dr. William Sargent, Dr. H. V. Dicks, and Dr. Eric Trist.

The April and May 1974 issues of the LaRouche-associated *The Campaigner* magazine were both devoted exclusively to the exposé of this mind warfare, directed against the American people in particular. In a prescient article leading off the series, LaRouche spelled out the broad parameters of the Tavistock plot and identified the specific subsumed role of the Central Intelligence Agency and a number of

“private” CIA-linked foundations and psychiatric research centers in establishing a nationwide infrastructure of community-based “psychiatric shock troops” deployed to impose, top down, a new form of universal fascism.

LaRouche recounted that in response to the first of the two kidnaping/drugging incidents, “we immediately undertook a substantial investigation of Soviet and ‘Western’ modes of brainwashing and, parallel to this, studies of CIA, NATO, and KGB operations generally.”

On the role of the CIA in these efforts, LaRouche elaborated:

“The U.S. war in Vietnam, initiated and essentially directed for most of its term by the CIA, will turn out to be more of a preparation for fascism in the U.S.A. than any objective in Southeast Asia. The Peace Corps and the Office of Economic Opportunity were also essentially preparations for creating the infrastructure for fascist organization [i.e. the Reesian fascist principle of ‘local community control’]. The 1966 birth of the Gestapo-like force legalized later as the Law Enforcement Assistance Administration, through Rockefeller agent and leading CIA operative McGeorge Bundy, was similarly an essential preparation of the nation for fascist police state rule.

“The organization of the ‘ecology movement’ and ‘quality of life’ campaigns as conditioning for John D. Rockefeller III’s genocidal Zero Growth project are also fascist preparations. The spreading of the ‘rock-drug counterculture’ and the spread of marijuana and LSD-25 in particular as ‘radical’ causes were well-designed preparations for fascist movements (as well as an easier cover for introducing significant use of brainwashing).”

LaRouche went on to identify the “real CIA” as a vast octopus extending far beyond the compound at Langley, Virginia and penetrating many agencies of government, as well as most think tanks on behalf of private financier interests rather than any elected agency of government. LaRouche focused special attention on the American universities:

“Most major universities are either entirely or substantially a branch of the CIA. At the University of Michigan, we have the most notorious example of the Institute for

Social Research (ISR), which is merely the focus for general CIA infiltration and control of many departments of the university at large. Harvard's 'Russian' institute is obviously CIA, like Columbia's, but also Harvard's so-called psychology department is a nest of such overt CIA operatives as the pigeon-brained B.F. Skinner and Reesian racist Richard Herrnstein, while the Harvard Sociology Department counterinsurgency work merely updates overt fascist traditions dating back to the 1920s.

"Massachusetts Institute of Technology continues its flourishing CIA activities as an extension of its earlier role as a base of OSS activities. . . . Its RLE division has been a meeting place for specialized counterinsurgency studies since the late 1940s, while also including those studies in so-called 'artificial intelligence' which are nothing but the development of the use of computers for brainwashing.

"The University of Pennsylvania's Wharton School houses Eric Trist, a veteran Rockefeller-sponsored Reesian fascist, who directs a vast network of fascist social work projects [and actual brainwashing activities] from his offices at that location. Cornell, Berkeley, Stanford are notorious CIA conduits."

While slamming the "real CIA" for running this vast social engineering operation against the American public, LaRouche at the same time underscored that the center of the scheme was to be found in London, specifically in locales like the Tavistock Institute of Brig. Gen. Dr. John Rawlings Rees:

"The Anglo-American (including Canadian) intelligence establishment was, from its inception, the merging of U.S. material resources and talent for engineering gimmickry with British counterinsurgency conceptual leadership."

In addition to identifying some of the key players in the Reesian plot, the LaRouche report also went into painstaking detail on the nature of brainwashing:

"Brainwashing is a state of induced psychosis, resembling paranoid schizophrenic psychosis, brought about through procedures of so-called programmed behavioral modification. In addition to being merely an induced psychotic state, brainwashing is also what the layman usually assumes it to be, a modification of the victim's state of mind to the effect that the brainwashee is under the effective control of an agency on whose behalf he was conditioned. . . . Essentially, the victim is first reduced to a state of infantilism (e.g., as recommended by the strange Doctor Janow of the 'primal scream' cult) and is then induced to form a psychotic pseudo-personality on the basis of modified, mother-image centered 'ego ideals.' "

Within two weeks of the LaRouche briefing at the Statler Hilton, the Liberal Establishment's "newspaper of record," the *New York Times*, responded to the charges of CIA, British, and East German collusion in the drugging-brainwashing plot with a 3,000-word front-page smear job against LaRouche in a Sunday edition. The wildly out-of-proportion freakout by the *Times*, accusing LaRouche of running a "bizarre cult," was the best indication that the CIA-MI-5-Stasi story was not

only true, but a very embarrassing scandal, even in the halcyon days of Henry Kissinger's *Détente* I.

It would not be until nearly two years later, that, ironically, the Rockefeller Commission on U.S. intelligence operations (chaired by Nelson Rockefeller) revealed for the first time that the CIA had conducted extensive experiments in mind control using LSD-25, liquid marijuana, and other exotic drugs, as well as such behavior modification techniques as electro-convulsive shock, sleep therapy, psychic driving, etc. from the 1950s through the 1970s. And it would be nearly three years after the Statler Hilton event, that the Church Committee would provide even more damning details, including the involvement of over 80 American universities in the experimentation with LSD.

Whether the January-May 1974 LaRouche-directed exposé of the CIA's involvement in mind control on a mass social scale provoked the later revaluations is hard to say for certain. Although hundreds of newspaper and magazine exposés and a half dozen book-length studies of such exotic CIA and Pentagon experiments as MK-Ultra, MK-Search, Artichoke, and Bluebird would be published beginning in 1976, all those studies focused almost exclusively upon the CIA per se. In nearly every case, the overall objective of creating a "Clockwork Orange" society, which LaRouche later labeled "fascism with a democratic face," was covered up.

The only real exception to that pattern underscores the point even more dramatically. This year, Harvey Weinstein, a professional psychiatrist, wrote an autobiographical account of his own father's victimization by Dr. Ewen Cameron, a wartime collaborator of Dr. John Rawlings Rees, who was one of the most brutal of the "doctors" hired by the CIA to conduct mind control experiments under MK-Ultra. That book, *A Father, A Son and the CIA*, included several chapters in which Weinstein reviewed scores of books and articles by Cameron in which the Scottish-born, Montreal-based psychiatrist, who for years ran the Allen Memorial Institute, spelled out in gory detail his dream of controlling society top down through the administering of drugs, electro-shock, and performing lobotomies to those people deemed to be a "menace" to society.

A private admission

The most damning confirmation of the original LaRouche charges of CIA involvement with friendly as well as hostile foreign services in drug experimentation and brainwashing would come in a private meeting in 1978 between LaRouche and a former director of the CIA, William Colby, who ran the agency during the period in which the East Berlin and London incidents occurred. In response to a question by LaRouche, Colby more or less acknowledged that an unwholesome collusion had been arranged between the CIA and the KGB. In effect, since the KGB knew that the LaRouche group was not an asset of theirs and suspected LaRouche-CIA links; and the CIA knew that LaRouche's politi-

cal association was not CIA and therefore suspected possible LaRouche-KGB ties; both sides agreed to conduct drug-interrogations to find out more about "what made LaRouche tick." Hence, East Berlin and London.

By the time that the Rockefeller and Church Committee revelations about the CIA's drug and brainwashing experimentation hit the light of day, many of the key players in the postwar human guinea pig programs had been quietly removed from the pad of one set of CIA funding fronts and set up in a series of community-based "anti-cult" fronts. During the mid-1970s, these groups proliferated as a loose federation of regional and local parents groups, ostensibly combatting groups like the Unification Church and the Scientologists. In a recent autobiography, longtime CIA "occult bureau" figure Miles Copeland candidly admitted that U.S. and British intelligence agencies had thoroughly penetrated and virtually taken over Scientology, as well as the Moral Rearmament Movement of Frank Buckman. The Church Committee, among other investigative bodies, detailed the intelligence community links of Reverend Moon's group. So who was kidding whom?

The anti-cult networks vintage mid-1970s centered around MK-Ultra stalwarts like Dr. Louis Jolyon West, Rabbi Maurice Davis and Dr. John Clark. They set up shop in groups like Rabbi Davis's Citizens Engaged in Reuniting Families

(CERF) and the Citizens Freedom Foundation.

Other senior "occult bureau" figures like the little-known Cleve Backster, a onetime head of both the OSS and CIA drug interrogation units, maintained an intimate relationship with Scientology guru L. Ron Hubbard (himself rumored to have been a victim of one too many doses of LSD-25 either during or right after World War II).

When one of Maurice Davis's protégés, Rev. Jim Jones, oversaw the suicide/murder of nearly 900 followers in Guyana in late 1978, the loose federation of MK-Ultra community fronts consolidated into two national organizations, the American Family Foundation (AFF), a collection of psychiatrists, and the Cult Awareness Network (CAN).

At the same time that these "off the reservation" MK-Ultra fronts were springing up around the country, it appears that the FBI, through its Quantico, Virginia training academy behavioral science unit, assumed the role of "lead agency" in the official government interface. This continued official link, shifted from the covert world of CIA's Technical Services Staff to the law enforcement function of the FBI, was crucial for the Reesian "gang versus countergang" program about to play out.

Attached to each of the so-called anti-cult groupings was a small army of professional kidnapers claiming expertise in the previously unheard of field of "deprogramming." Ac-

Who Killed Olof Palme?

A Classical KGB

Disinformation Campaign:

NBC-TV and the Soviet military daily *Krasnaya Zvezda* both blame LaRouche. . . .

Swedish Police Chief Hans Holmér suppresses major lines of inquiry, becomes a laughingstock. . . .

Twelve Stockholm investigators resign from the case, in protest against Holmér's cover-up. . . .

The British press breaks the story of Emma Rothschild's love affair with Palme—and the possibility that her father is a Soviet spy. . . .

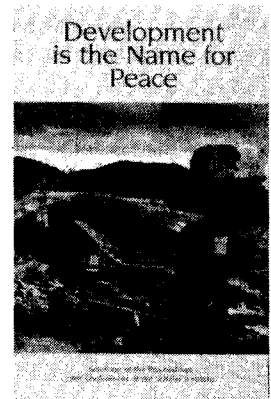
What's the real story?

Read *EIR's* Special Report,
available for \$100 from EIR News Service,
P.O. Box 17390, Washington, D.C. 20041-0390.

The old monetary system is dead. Put it in the closet, and open the closet to horrify children on Halloween. The question is, how do we build the new monetary system?

The Schiller Institute's **DEVELOPMENT IS THE NAME FOR PEACE**

Leaders from around the world gathered twice in 1988 to debate that question; this book records the proceedings of the two historic conferences. Includes "The Tasks of Establishing an Equitable New World Economic Order," by the first economist to forecast the Bretton Woods system's demise and lay out the program for a new monetary system—Lyndon H. LaRouche, Jr.



216 pages.

\$10.00

Make checks payable to:
Ben Franklin Booksellers, Inc.

27 S. King Street, Leesburg, VA 22075

Shipping: \$1.50 for first book, \$.50 for each additional book.

ording to several former “deprogrammers” interviewed for this series, these individuals, often trained in the military or intelligence community, were given a literal “license to kidnap.” Unbeknownst to many honest anti-Satanist police professionals, the AFF-CAN networks were also using these maneuvers to establish penetration into local law enforcement agencies to blind them to the real nature of the cult-Satanic threat—including the preeminent role of the Reesian psychiatric “consultants.”

MK-Ultra strikes at LaRouche

It was this network, beginning within months of the LaRouche exposé of the Tavistock brainwashing and drugging scheme, that was deployed to continue the kidnaping/drugging operations against LaRouche collaborators—this time on American soil.

- In the spring of 1974, Gail Roeschman, a Philadelphia-based supporter of LaRouche, was kidnaped by a San Diego-based black businessman turned “deprogrammer” named Ted Patrick. She was held for days against her will and then taken under the watchful eyes of her father, Ben Roeschman, who had been recruited as a national figure in the so-called anti-cult movement.

- In 1981, Roger Maduro, a member of the ICLC, was kidnaped in a New York City hotel while visiting with his father, a prominent Panamanian businessman. With the father’s full complicity, kidnaper Kevin Connor forced Maduro to travel from New York to southern Virginia, where he was held in a safehouse, and subjected to what MK-Ultra psychiatrists would describe as “aversive conditioning” for over one week. Connor was apparently in contact throughout the kidnaping with a psychiatry professor at the University of Virginia who was at the time and still today remains a consultant to the FBI. That psychiatrist, Dr. Park Elliot Dietz, had been an intimate of Dr. John Clark, an MK-Ultra veteran and the director of AFF, based at Massachusetts General Hospital. After nearly two weeks, Maduro managed to escape from his kidnapers just as he was about to be boarded on a plane and flown out of the country back to Panama. Despite criminal complaints, none of the players in the kidnaping operation was charged with any crimes.

- In 1985, Lewis du Pont Smith, an heir to the du Pont industrial family and a member of the ICLC, was declared incompetent by a Pennsylvania state court judge and stripped of control of his personal finances on the basis of wildly false and perjured testimony by an “expert witness,” AFF’s Dr. David Halperin.

Government-blessed kidnapings, druggings, attempted brainwashings. Psychological warfare teams deployed under the cover of parents groups running guerrilla warfare maneuvers on the streets of America. This continuing legacy of MK-Ultra continues to enjoy the protection of government agencies and the witting complicity of major national news outlets.

Anglo-Soviet occultists to meet in London

by Mark Burdman

Organizers of a conference on parapsychology in London Oct. 21-22 might take pause from the fate of the unfortunate E. Frenkel of the Soviet Union. Frenkel was a psychic healer, or what the Soviets call a “mentalist.” According to recent Soviet press accounts, Frenkel decided that he could use his mind waves to stop a train. So, he went onto the tracks, and, lo and behold, the train stopped him. He is now dead.

Cynics might claim that the Soviet press articles were using the episode to assure Soviet readers that some trains still run on the U.S.S.R.’s destroyed railroad system. Conversely, Frenkel might have thought that standing on train tracks emitting brain waves could be quite safe, since Soviet trains don’t run too often these days. Or perhaps Frenkel was counting on a train strike. This is indeed what happened: The train struck him.

In the U.S.S.R., there is certainly a connection between the collapse of the physical economy and the eruption of weird psychic phenomena. The past year has seen a spectacular increase in government-sponsored occultism. On Soviet television each morning, media personality Alan Chumak exhibits what he calls his “healing energy” to hundreds of thousands of viewers. The viewers, according to an account in the U.S. Army daily *Stars and Stripes* Oct. 7, “put bottles of water and open tubes of cold cream in front of his televised image, worshipping this Good Samaritan version of the czarist mystic Rasputin.” His “remarkable success,” the paper notes, has been helped by a combination of “glasnost, miserable medical care, and a certain naive belief in extrasensory perception.”

By the week of Oct. 9, the Soviet news agency TASS was reporting that aliens from outer space had arrived in a village near Moscow.

‘The Great White Brotherhood’

The case of E. Frenkel hopefully will be registering on the brain waves of those attending the Oct. 21-22 conference at Regent’s College, London, which is actually an Anglo-Russian event. In Britain too, the collapse of the economy has had a lot to do with the dramatic increase in ecologism

and occultism. In fact, given the condition of the British rail system, many participants would do better to travel to the conference by their brain waves than by British Rail.

The conference is sponsored by the Wrekin Trust and the London-based College of Psychic Studies. The Wrekin Trust is one of the central coordinating institutions in Britain for "New Age"/"Age of Aquarius" cult projects. Its activities often overlap those of the satanic Lucis Trust and the Scotland-based Findhorn Foundation. The founder and guru of the Wrekin Trust is Britain's Sir George Trevelyan. A graduate of Trinity College, Cambridge University, Sir George was the author of the book *A Vision of the Aquarian Age*, published in 1972. The Wrekin Trust offers an occult delicatessen of New Age obsessions, including the cabala; the devil-worshipping ninth-century Bulgarian cult of Bogomilism; the Holy Grail; alchemy; astrology; shamanism; reincarnation; ecology; *ad nauseam*.

A featured speaker at the Oct. 21-22 event is Russia's Barbara Ivanova. Born in the early days of the Bolshevik Revolution, she is billed as an expert in "bio-information, psychic healing, parapsychology, reincarnation, interspecies communication, and protection of animals." Ivanova is a promoter of the ideas of the Russian mystical artist Nicholas Roerich, who became quite a cult figure earlier in this century, and whose ideas are today used to bridge the "New Age"

movements in the East and West. Coincidence or not, Radio Moscow announced on Oct. 11 that a first-ever "Nicholas Roerich Conference" is taking place in the U.S.S.R., with delegations sent from Bulgaria, Mexico, the United States, France, India, and elsewhere. She has also written articles calling for the rehabilitation of Madame Blavatsky, founder of the Theosophy movement and a guru of the "New Age." Because of her efforts, articles praising Blavatsky have, for the first time, appeared in the Soviet press.

On the night of Sept. 27, Barbara Ivanova gave a seminar at the Institute for Complementary Medicine in the U.K. The head of that institute is David Lorimer, one of whose own areas of work is study of the Bogomils and the writings of Peter Deunov, a Bulgarian mystic (1864-1944). According to the book *The Occult Establishment*, by James Webb, Deunov was a slavic messianist and mystic who believed that Bulgaria was the "new Byzantium," that the "culture of the Anglo-Saxon branch of the white race" was passing, and that his followers would be "inheritors of the Bogomils." According to Webb, Deunov believed himself to be a key philosopher of the New Age, which he saw astologically as the Age of Aquarius. Deunov announced in 1914, before a meeting of the "Brotherhood of Bulgaria," that the New Age had begun, with a "new type of man." His ideas, following his death, have been disseminated by an outfit calling itself "The Great White Brotherhood."

All of this would be arcane enough, were it not for the fact that "reputable" personalities from the Anglo-American scientific establishments will be participating, side by side with Madame Ivanova. One of these is Prof. Arthur Ellison, a prominent scientist and professor in electrical engineering in Britain, who also happens to be a specialist in such fields as "bio-electricity in its relationship to altered states of consciousness." Ellison is past president of the British Society for Psychical Research, and past chairman of the blavatskyite Theosophical Research Centre. The Society for Psychical Research is one of the organizing agencies for making the occult "respectable" in Establishment circles, and numbers many leading personalities in its ranks.

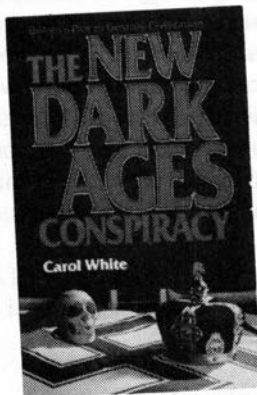
Another speaker is Dr. Robert Morris of the United States, President of the International Parapsychological Association, and the first person to hold the Koestler Chair of Parapsychology at Edinburgh University in Scotland. Morris is part of the "mainstream" of what passes for science these days in the United States, having served in recent years on the Council of the American Association for the Advancement of Science.

That Ellison and Morris are honored personalities is symptomatic of the state of mind of the Anglo-American Establishment these days. Isn't the case of E. Frenkel a good metaphor for those Washington paranoids, who believe that the imminent financial crash can be headed off by "perception management," and who won't accept reality until it crashes down on their own heads?

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

—Bertrand Russell

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



The New Dark Ages Conspiracy

by Carol White

Order from: **Ben Franklin Booksellers, Inc.**
27 S. King St. Leesburg, Va. 22075 (703) 777-3661

\$4.95 plus \$1.50 shipping (\$0.50 for each additional book)
Bulk rates available MC, Visa, Diners, Carte Blanche, and American Express accepted.

Report from Bonn by Rainer Apel

Labor scares East German Communists

The current protest wave signals more to come, as unrest is building in factories.

A political transformation process has begun in East Germany. An exodus of 50,000 refugees to the West in the four weeks before the SED regime's 40th anniversary on Oct. 7, a building mass protest movement taking to the streets of the big cities, and growing unrest among factory workers are the handwriting on the wall for the regime and its masters in Moscow.

Gorbachov's visit to East Germany and his talks with the SED Politburo Oct. 6-7 stressed one crucial point: The Soviet Union and its military machine depend on the functioning of the East German workforce. The industrial labor potential of East Germany is strategic for the Kremlin; the need to keep it under control is, after all, one of the main reasons why 20 Red Army divisions are stationed on East German territory.

This is also why Gorbachov harped on upgrading economic cooperation between the Soviet Union and East Germany and applying scientific innovations to high-technology production sectors. While the Western media seemed not to notice, Gorbachov made a point of this in an interview with Soviet television Oct. 7 after meeting with the SED party Politburo.

So, behind the 40th anniversary glamor, the posture of martial law, the presence of riot police, paramilitary *Kampfgruppen* militia, and regular NVA army units all over East Germany during the week of Oct. 1-7, the police intervention against protest marches in 123 cities and arrest of far more than 1,000 protesters, something else was afoot. The SED leadership convened for a series of emergency crisis sessions.

News about rapidly growing unrest among workers was reviewed. The party membership status review, which had all 2.3 million SED party members report on their political views and activities these weeks, provided the evidence of deep discontent. Signals mainly from the heavily industrialized south, from cities like Dresden, Leipzig, Erfurt, and Chemnitz, are truly alarming. The SED's "espionage" apparatus in the factories has gathered intelligence on a threatening strike potential. Targeted strikes in the industrial south could have a crippling impact on the much-hated SED party regime.

The party is caught between a rock and a hard place: Gorbachov's reminder on the strategic role of the East German industry for the Soviet military modernization from one side, the strike potential from the other. Especially because of the upgraded emphasis on the military sector and the collapse of investments and supplies in the civilian sectors, the economy has entered a critical state.

About 10 of the 12 million East German workers are experiencing a rapid erosion of living standards, while a social upper caste of 2 million East Germans has privileges over the rest, because they happen to be part of the administration, the military-security apparatus, and the military sector of industry.

The widespread hatred of the regime, and the pressure on the military and civilian sectors of the economy, all come together in the southern regions of East Germany, where the heavy industry is concentrated. This is why there is massive support for the thousands of youth who have taken to

the streets in Leipzig, Dresden, Chemnitz, Halle, Erfurt, Jena, and Plauen. This is why the traditional Monday night mass at the St. Nicholas Church (Lutheran) in Leipzig has developed, over the past four weeks, into a starting point for mass protest marches: first 5,000 participating, then 12,000, then 25,000, and on Oct. 9, some 70,000.

The protest march of 70,000 in Leipzig, which ended without police intervention, represented a certain turning point for the opposition in East Germany. Consulting with the district party committees of Leipzig, the party heads in East Berlin decided not to have the security forces crack down on the protest march, as they did over the weekend Oct. 6-8, when over 1,000 protesters were arrested in simultaneous police operations in 12 cities. Using the churches as arbiters, the regime made an offer for "dialogue" with the opposition in Leipzig and in Dresden.

But there is no reason to trust in this "anti-climax" tactic. During the Leipzig march, the entire inner city district was put on a semi-emergency status, with police and *Kampfgruppen* posted massively, was a warning to the opposition not to cross certain limits. The SED insists that the "dialogue" proceed within the existing system of political control; this is to win time to defuse the potential for strike and opposition. A police intervention to crack a protest march of 70,000 would have had disastrous consequences: It would have triggered the big labor strike the party wants to avoid.

The situation is very tense, and will be for the next weeks, until the mid-November plenum of the SED party central committee. The SED wants to postpone all changes until after the next party congress in the spring of 1990. But can they?

Socialists out in Norway

Now that Prime Minister Brundtland is gone, does the new conservative coalition have a functioning alternative?

The government shift in Norway after its national elections on Sept. 11 means that the Socialist International will lose one of its few remaining strongholds. This is a crucial development, especially considering that outgoing Prime Minister Gro Harlem Brundtland has functioned as a radical international spokesman for the ecological fascism promoted and enforced by the International Monetary Fund and the World Bank. Her possibilities on that front will now be emphatically diminished, similar to the way that the loss of the prime minister's office in Sweden paralyzed Olof Palme, when he was forced to resign in 1976.

For Gro Harlem Brundtland and the Socialist International it never rains, but it pours. The decision by the Norwegian Nobel Peace Prize Committee to award the Peace Prize to Dalai Lama of Tibet, was a well directed kick against the bloody regime in Beijing, whose barbarian population-reduction policy has been supported by Mrs. Brundtland.

An added benefit of the government change, is the possibility of strengthening Norway's collaboration within NATO.

How does the conservative coalition alternative look? The party leader of the conservative Høyre party, Mr. Syse, will be a central personality, not only in his function of keeping the coalition together as the new prime minister, but also because he will have to handle the leader of the protest Progress party, Carl I. Hagen, with a more

diplomatic touch than his predecessor Kaare Willock did. Hagen was the real winner of the elections. His party increased its parliamentary seats from 2 to 22.

The three non-socialist coalition parties are thus dependent upon the votes by the Progress party in the parliament, but at the same time, Hagen and his crew are not considered by conservatives to be "clean." Thus the Progress party has not been allowed to participate in the new government, in spite of its clear non-socialist profile.

Hagen has responded by not giving the new government his general support. He has stated that his faction in the parliament will vote according to policy content rather than according to political color. However, the party will still keep its election promise to topple the Brundtland government by supporting the vote of no confidence against the Social Democratic government.

The test of fire for the non-socialist parties has been the question of the "Europe 1992" single European market push. Norway is not a member of the European Community—a complicating factor—and the three coalition parties seem to keep an open mind on all forms of collaboration with the EC.

Within the coalition it is the Center party which shows a healthy skepticism about the supranational power which the Europe 1992 plan puts into the hands of the international cartels. One should hope that the Center party is strong enough to lead a fight for a

Europe of the producers. This is a live possibility, since Norwegian farmers, the base of the Center party, show strong resistance against deregulation of the agricultural market.

Northern Norway's crucial fishing industry was badly damaged by the radical environmentalist "save the seals" policy of Gro Harlem Brundtland. Now, hopefully, the resulting over-population of seals can be stopped, and the fishing industry can get back to working normally.

Hagen of the Progress party has suggested that infrastructure projects, like roads, bridges, communications, and other state projects, should be started earlier than scheduled in order to solve the unemployment crisis in Norway. What Hagen still does not seem to understand, is how to protect the Norwegian real economy in a world in which the whole financial system already has collapsed.

The Progress party is a necessary ingredient to secure the needed non-socialist coalition against its "green" opposition, since the coalition will not be able to obtain a majority vote against the Social Democrats without the Progress party's support. This is all the more urgent, since the current array of forces could potentially precipitate a total deadlock in the parliament, because the Norwegian constitution prohibits any form of early elections.

So, since Hagen's practical understanding of economics is far better than his theoretical, the coalition should not miss the chance to put forth concrete proposals in which the earning of money, rather than the making of money, is the focus. Sound development projects for the Norwegian economy could potentially even split the Social Democrat; not everyone is aspiring to become a darling of the World Bank and the IMF, like Mrs. Brundtland.

The price of populism

The Rajiv Gandhi administration is embarrassed by soaring food prices—a major issue in the coming elections.

With less than three months left before the next general election, the Indian economic scene has created a good bit of concern around the country. The most immediate problem is the steep rise in basic food prices.

On Oct. 9, the governor of the Reserve Bank of India (RBI), India's central bank, announced that in view of the strong inflationary pressures in the first half of the fiscal year, the bank has advised the nationalized commercial banks to tighten up non-food credit. Gov. R.N. Malhotra was speaking to a meeting of his chief executives on the eve of the busy banking session which starts in November and continues through April.

Malhotra also pointed out that money growth in the first six months of the fiscal year 1989-90 (April-September) had been almost three times that of the previous year during the same period.

The response to the RBI's move to tighten credit was unanimous: As the major news dailies rightly pointed out, the present spurt in food prices has little to do with private-sector lending from the banks. The chief borrower from the banks, by far, is the government itself, and the latter has done very little to curb inflation.

Government deficit financing in the first six months of this year has already exceeded the amount projected in the last budget for the entire fiscal year. With the election just around the corner, it is most unlikely that an end will be brought to the government policy to hand out cash and

goodies to the poor, a measure which establishes the "socialistic" credentials of the administration as well as helping to woo voters, critics say.

There are plenty of indications that it is precisely such doles to the poor that brought about the recent steep rise in prices of essential food commodities. In the first place, the prices of these basic items have all shot up, in spite of bumper crops of wheat, rice, pulses, oilseeds, and sugarcane, among others, this year.

In the case of sugar, despite a bumper harvest, the price doubled during the eight-week period from July to September, and, in spite of active efforts of the administration, has not shown any signs of coming down.

Minister of State for Food and Civil Supplies Sukh Ram, who has taken most of the flak for the price debacle, has said that bringing the prices down and stabilizing them is "one of the greatest challenges" that he has met so far in his political career. The government opted for importing sugar from abroad, with the purpose of "softening" the market, but so far there has been no tangible result.

Ruling party politicians are increasingly uneasy over the situation. N.K.P. Salve, former minister and a Congress (I) Member of Parliament, admits that "inflation will be a major election issue." Prime Minister Rajiv Gandhi has already had a series of meetings with administration officials as well as his own party bosses to discuss the matter.

According to some critics, the

character of price rises this year is quite different from other years. In the 1960s and 1970s, when the Indian economy experienced high inflation, the cause was invariably failure of crops and large-scale hoarding by traders. In those days, a sudden drop in output allowed the traders to reap windfall profits by selling the commodities at a premium price.

By contrast, the present price inflation is not the end-product of a crop failure. Instead, handing out billions of dollars to the poor under various poverty alleviation schemes has created a large amount of cash which is not supported by productive assets. This cash has gone into the hands of those who earlier had little means to consume anything; their first impulse has naturally been to increase consumption of such relatively luxurious items as sugar. Neither the agricultural sector nor the import mechanism has, meanwhile, been geared up to handle this demand.

According to others, timely measures could have prevented the administration the embarrassment. Cooking oil prices, for instance, went up despite a record output of oilseeds last year. But the Union Ministry of Food and Civil Supplies reportedly did not formulate plans for support pricing correctly, and imports were drastically reduced even before the transition to the new "surplus" situation could be completed.

In the case of sugar, critics point out, faulty calculations exacerbated the problem. At the early stages of sugarcane harvesting, it was mooted that India would have surplus sugar, and as the sugar began to arrive in the market, about half a million tons were diverted for export. Later, sugar arrival in the market slowed down, and the latest estimate indicates that there will be a shortfall of about half a million tons this year after all.

International Intelligence

Soviet general demands NATO military cuts

Speaking to parliamentarians meeting in Washington, D.C. on Oct. 7, from a podium shared with NATO Supreme Commander Gen. John Galvin, Soviet Gen. Vladimir Lobov, commander of the Warsaw Pact, demanded cuts in NATO military capability.

"I reaffirm eye to eye that we're not just talking about things. We're doing them and we expect something from you," he told parliamentarians from the North Atlantic Assembly. Soviet cuts in weaponry and soldiers were proof that Moscow "wanted to exclude war from the lives of people," he said. The speech marked the first time that the military commanders of the two blocs have shared a stage.

Lobov continued, "We don't kill people, we don't capture territory. We destroy military technology. This is an achievement of human thought. But you, tell us how you're doing that. Nothing yet."

General Galvin pointed out that unilateral cuts are not binding on anyone, and added that "although our expectations have been high, we see little decrease yet in the level of combat power available to the East."

Lobov snapped back, "Maybe he would like nobody to stand against the bloc at all. Maybe he would like just one bloc, NATO. . . . I understand these concerns . . . but we cannot all the time act unilaterally. We need some sort of move on your side."

Hungarian communists change party name

The ruling Hungarian Social Workers Party voted itself out of existence on Oct. 7 and created a socialist party that says it supports Western-style democracy.

The delegates voted with an overwhelming majority to rename the party the Hungarian Socialist Party, with a program for a "gradual transition" to "democratic socialism." The new program announces the goal

of a "market economy" with "mixed property ownership," and the elimination of state subsidies to enterprises—a major condition for the nearly 1.5 billion deutschmarks in credits Hungary has received in September alone, via West Germany.

The program also declares Hungary an "independent . . . sovereign state," but specifies that "the basic element of foreign policy" is Hungary's relationship to the Soviet Union, which is defined as Hungary's "most important ally and partner." Hungary will remain in the Warsaw Pact.

Delegates voted to abolish the Central Committee and the Politburo, but will have a broad executive of 21 members, and a top executive of 4, chaired by Rezso Nyers. These measures prompted the first formal split, as the party's orthodox wing, led by former Politburo member and ideology secretary Janos Berecz, and former General Secretary Karoly Grosz, have refused to join the new party, and have declared that the old party still exists.

The "radical reformist wing," grouped around President Imre Pozsgay, Prime Minister Miklos Nemeth, and Foreign Minister Gyula Horn, lost a key vote on permitting party organizations in the economic enterprises.

Dalai Lama charges P.R.C. with genocide

The Tibetan Dalai Lama, upon winning the Nobel Peace Prize, charged the People's Republic of China with practicing a form of "genocide" by relocating millions of Chinese settlers to Tibet.

"Tibetans today are facing the real possibility of elimination as a people and a nation," said the exiled spiritual leader in his acceptance speech in California on Oct. 10. Communist China denounced the Nobel decision as "interference in China's internal affairs."

The Oct. 10 *People's Daily* said that the Nobel Peace Prize had become "a tool for certain people in Western countries to achieve their secret purpose. The West's scheme . . . is to whip up and support the

Dalai Lama clique in their plot to destroy China's unity of nationalities and split the motherland."

Liberia resumes relations with Taiwan

The Republic of China formally resumed full diplomatic relations with Liberia on Oct. 2, Taiwanese Foreign Minister Lien Chan announced on Oct. 2.

The Communist government in Beijing reacted on Oct. 10 by breaking diplomatic relations with Liberia. The official New China News Agency quoted a Foreign Ministry spokesman as saying that Liberian Ambassador Christopher Ricks was called into the ministry and told that diplomatic relations were suspended.

A Liberian embassy official said Liberia wanted relations with both the People's Republic of China and the Republic of China on Taiwan. The R.O.C. recently agreed to provide more than \$200 million in aid to Liberia for education and road construction.

Members of the pro-democracy movement, writing from Hong Kong, described the news as a significant diplomatic victory for the R.O.C. and predicted that many more will follow. "Liberia is an African country and the P.R.C. is supposed to be the leader of Third World countries. No doubt this is made possible because of the economic aid promised by the R.O.C.; no such aid can be afforded by the P.R.C. The P.R.C. will have to face the problem of 'dual recognition' or diplomatic retreat [as] this severance will only encourage other Third World countries which are in need of money to follow suit."

Pope demands religious freedom for Ukraine

Pope John Paul II called on the Kremlin to legalize the Ukrainian Catholic Church, while speaking to a synod of exiled Ukrainian bishops at the Vatican Oct. 5, prior to leaving for a visit to South Korea.

Briefly

The Soviet authorities should "resolve the problem which they have ignored for decades. . . . The campaign of hostility and accusations carried out against [the Church] and its pastors does not help the outcome of reforms, it hinders them. Without the legalization of the Ukrainian community," the Pope said, "the process of democratization will never be complete."

At a mass for 750,000 people in Seoul on Oct. 8, the Pope said he wanted to visit the People's Republic of China, where millions of Catholics are believed to belong to an underground Church, Reuters reports.

The Pope expressed "deep affection, hope and sorrow" for the people of Communist North Korea. Vatican officials said there had been no response to an invitation by the Vatican and the South Korean government to North Korean Catholics to attend the mass.

The mass ended the 44th Eucharistic Congress in Seoul, attended by more than 100,000 foreign delegates and gave the Pope the chance to meet for the first time bishops from Vietnam and Burma where the Catholic Church survives with difficulty.

Holocaust prepared against Soviet Jews

Soviet Jewish refusenik Ida Nudel warned that a holocaust is being prepared against Jews in the Soviet Union, in an interview with the *Sunday Telegraph* of London Oct. 8. "The situation in the Soviet Union now is exactly like before Kristallnacht," the murderous November 1938 Nazi attack on Jews, she said.

Nudel said the situation is made worse by the Western attitude toward Mikhail Gorbachov, whose reforms she regards as a brilliant ruse that has been completely swallowed in the West. Asked whether emigrés from the U.S.S.R. feel homesick, she replied, "Sure people feel homesick. But one trip back and they are cured forever."

Soviet Jews panicked when the U.S. decision to restrict Soviet Jewish emigration went into effect on Oct. 1. U.S. embassy officials in Moscow handed out 30,500 visa

applications in two hours, and expected to print up to a million more, but only about 70-80,000 applicants will be accepted. "The Jews of the Soviet Union are in a panic," declared Micah Naftalin, Washington director of the U.S. Council for Soviet Jewry.

The new system favors people with close relatives already in the United States, and those who belong to groups that the U.S. government considers persecuted. But the Bush administration is reclassifying certain groups as "non-persecuted." The French daily *Le Figaro* reported Oct. 4 that Soviet Foreign Minister Eduard Shevardnadze told U.S. Secretary of State James Baker III that since Soviet Jews now have the right to emigrate, they were no longer classifiable as "refugees."

A political obituary for Britain's Thatcher

The British interest rate increase was barely in effect, when the Oct. 7 London *Economist* wrote a political obituary for Prime Minister Margaret Thatcher as its cover story, entitled, "Go? Did Someone Say Go?" with a picture of an inquisitive-looking Mrs. Thatcher holding an earphone to her ear.

The editorial sarcastically comments that Friday, Oct. 13 will be Mrs. Thatcher's 64th birthday. Conservative Party stalwarts gathered that day for the party's annual conference "will wave their Union Jacks and sway to the strains of Happy Birthday.

"If the faithful still think that age has not withered her, the rest of the British electorate thinks it detects more than a few wrinkles, more than a little greying at the temples. . . . What has long been her government's strongest hand—an air of competence in its management of the economy—is now short of winning cards." Noting that inflation is rising, the current account deficit is becoming alarmingly large, and unemployment is on the rise, the *Economist* says, "If a miracle has been achieved, it is currently well hidden."

The *Economist* says that "Mrs. Thatcher's departure might be good for Britain," but, "She should not go yet."

● **DMITRI YAZOV**, the Soviet defense minister, spent his first free morning in the U.S. at the Civil War battleground in Gettysburg, Pennsylvania. Was he thinking about an upcoming civil war in the Soviet Union? was the question posed by the *Times* of London Oct. 4.

● **BRONISLAW GEREMEK**, chairman of the Solidarnosc caucus in the Polish Parliament, announced Oct. 10 that he is confident that Poland "will regain its freedom and independence, like Finland." He called on Poles to recall the period of 1918, when the nation was reconstituted after nearly 150 years of partition and occupation by Russia, Austria, and Prussia.

● **THE INTERNATIONAL** Institute of Strategic Studies contends in a new report that if Mikhail Gorbachov carries out the cuts in conventional military forces he has promised, "The unilateral reductions will . . . virtually eliminate the surprise-attack threat which has so long concerned NATO planners."

● **BLACK SABBATH**, the Satanic heavy metal rock group, canceled a scheduled appearance in Bangkok on Oct. 11, due to lack of political and financial support. The Thai government had issued a restraining order to the rock-pop press not to carry any news on the group, and it could not find a company sponsor.

● **A U.S. CIVILIAN** seaman, Jeffrey Rogers, was killed at his home near the Subic Bay Naval base in the Philippines on Oct. 10.

● **THE ELN GUERRILLAS** in Colombia assassinated Msgr. Jesús Emilio Jaramillo Monsalve, the first time a high Church official has been killed by the terrorists. The guerrillas said he was a traitor to the revolutionary cause and defender of the oil multinationals.

Supreme Court backs RICO use against political groups

by Leo Scanlon

On Oct. 9, the U.S. Supreme Court opened its new term by upholding the use of the the infamous Racketeering Influenced and Corrupt Organizations (RICO) statute against an anti-abortion group, for conducting a political protest against an abortion clinic. This law, which was supposedly originally passed in order to combat organized crime, has now, like Dr. Frankenstein's monster, been set loose to destroy the Constitution's First and Fourth Amendment guarantees of free speech and political association.

The decision of the court to deny *à certiorari* (review) of the case of *McMonagle et al. v. Northeast Women's Center, Inc.*, lets stand a lower court ruling that federalized an entire category of political protest activity by allowing a sit-in to be considered an act of extortion, and prosecuted under the provisions of RICO. The immediate victims of the ruling will be the anti-abortion protesters associated with Operation Rescue and related organizations, who face multiple suits of a similar nature. The ultimate victim will be constitutional freedoms of association, the exercise of which will be treated as acts of civil or criminal fraud or extortion.

Ironically, it was the author of the RICO statute himself, Notre Dame's Prof. Robert Blakey, who submitted the appeal on behalf of the protesters, explaining to the court the chilling effect that the lower court ruling will have on free speech. Despite his protests, the court has decided to allow the statute to do its work.

Background of the case

The case involves a RICO suit filed by an abortion clinic in Pennsylvania, which alleged that a group of protesters had committed Hobbs Act (extortion) violations during a series of sit-ins organized over a several-year period. The plaintiffs

argued that the sit-ins had disrupted the business of the clinic and frightened away patients, employees, and vendors, thus causing them to break contracts relating to employment or delivery of services. Since these actions resulted from the "intimidation" caused by the protesters, the loss of business represented an interference with interstate commerce (the clinic is a franchise of an abortuary chain) and thus meets the test for extortion.

The suit argued that the multiple acts of "extortion" conducted by the "enterprise" justified the award of monetary damages, under RICO, of three times the amount of lost business suffered by the clinic. The "enterprise" was defined as the organizers of the protests, participants in the sit-ins, the newsletter which reported on the movement's progress, and even an editorialist from a local paper who wrote in support of (thus "encouraging") the actions. The jury in the local court found the defendants guilty and awarded damages which will break the back of the organization, exactly as the initiators of the suit intended.

The Appeals Court upheld the jury ruling and the charge, thus interpreting the statute in a way that conflicts with legal precedent on several fundamental points, particularly the use of a criminal statute, the Hobbs Act, by a private plaintiff, and the broader matter of the use of a lawsuit to suppress conduct that is clearly defined as a protected form of free speech.

RICO devours the Constitution

A review of the RICO statute helps clarify the magnitude of the decision. RICO punishes a person who commits a "pattern" of violations of a specified list of crimes, in furtherance of a scheme to take over or operate an "enterprise" (any

association, in fact). Some of the predicate crimes are civil (mail fraud and wire fraud); others, such as murder or extortion, can only be alleged by a government prosecutor. In either case, the remedies provided include triple damages, and are awarded if the “preponderance of the evidence” (civil standard of proof) leads to a guilty verdict.

The courts heretofore have been careful to allow private plaintiffs to use only the civil powers of RICO. The case here was unique, in that the Hobbs Act violations were cited as the predicate crimes in the civil RICO pleading. Thus, this case establishes the right of private plaintiffs to usurp the authority of the prosecutor in a criminal case—one of the many constitutional flaws of the RICO theory.

The decision also sets precedent by ignoring previous rulings which have said that an “enterprise” must have a profit-making purpose to meet the test of RICO. The Operation Rescue movement clearly had no commercial purpose, and neither does any other political or religious institution. This distinction is the essence of the protections established by the Constitution. The court has ruled that Operation Rescue is an “enterprise” as defined by RICO, since it was the vehicle for denying the “freedom of commerce” of the abortion clinic. From this point on, if this precedent is allowed to stand, the First and Fourth Amendments have no meaningful existence.

The trial itself was characterized by many of the horrors which have become commonplace in American courts. The judge ruled *in limine* (a “limiting” ruling in advance of trial) that the protesters could not present a political explanation of their actions; the plaintiffs alleged, but never had to prove, exactly what constituted their business losses. They claimed that they lost their lease because of the protests, for example, but the landlord was not required to testify, and the protesters have been assessed for a wide variety of “damages” which were never proven to have actually occurred. “Interested” witnesses were allowed to present unsubstantiated statements as proven facts, and inflammatory hearsay allegations accusing the protesters of “anti-Semitism” were allowed into the record. The jury indicated confusion on several points of the charge, and there is legitimate dispute over the instructions given to them by the trial judge.

It was, in short, a railroad.

More prosecutions to come

This ruling will now unleash a flood of similar suits which have been filed by abortion clinics and municipalities around the country. In the most outrageous instance of these suits, the town of West Hartford, Connecticut deployed its police against peaceful protesters, arrested, tortured, and brutalized them, and then filed a RICO suit demanding damage awards three times the amount it cost the city to administer the beatings. Other suits are pending in North Carolina, Tennessee, Illinois, Alabama, and numerous locations on the West Coast, and are being contemplated in other jurisdictions.

RICO reaches out to every “conspirator” involved in the “enterprise” and holds him or her liable for the damages awarded in the settlement. Ed Tiryak, the architect of the nationwide barrage of lawsuits filed by the abortion clinics, has stated that the specific purpose of the suit is to frighten “fringe elements” away from the leaders of the protest, by threatening them with draconian sanctions. He argues that this is necessary in this case because the leaders of the protests are unafraid of jail sentences, and must be punished in a way that will hurt not only them, but their followers and supporters.

This is the logical extension of the thinking expressed by Blakey and other fanatic defenders of the RICO statute. The heavy penalties and unusual legal techniques associated with the statute are justified on the grounds that “group crime” is a phenomenon which can only be controlled with legal mechanisms that have the capability to strike at the structure of the targeted group. When the government begins prosecuting a trade union or political group on fraud or racketeering charges, the *coup de grace* is the use of RICO provisions which mandate the forfeiture of the assets of the tainted “enterprise.” This allows the prosecutors to either reorganize or destroy the entity, as has been done in the cases of the Teamsters Union or the Fulton Fish Market in New York City.

The Supreme Court has implicitly accepted this logic, and this is exactly what RICO was designed to do. In designing the statute, Dr. Blakey and his assistants aimed at undermining freedom of association in precisely the way the court has approved. They also attempted to breach the divide between civil and criminal law by the trick of allowing criminal actions to be prosecuted under the more liberal rules governing civil procedures. The court has granted his wish. Blakey’s protest that this was supposed to apply to “economic crimes” and not First Amendment activity, is merely an attempt to put the genie back in the bottle.

RICO ‘reform’ a dead letter

Only one Justice on the Supreme Court dissented from the majority decision and argued that the case should be heard. Justice Byron White acknowledged that there are conflicting rulings among the courts on the question of whether RICO liability may be imposed where neither the “enterprise” nor the “pattern of racketeering activity” had any profit-making element. He would grant *certiorari* to resolve the conflict, but makes no mention of how it would be resolved.

As for Blakey’s arguments on behalf of the wronged protesters, they are motivated primarily by a desire to protect the integrity of his statute. He had no compunction about subverting the Constitution when it suited his purpose. The court has ruled, perversely, that he thus has no valid complaint now. Blakey’s concern is that the RICO law will now be seen for what it is, an unreformable abomination which must be destroyed—the sooner, the better.

President Bush called on to release facts that would exonerate LaRouche

The following is the full text of a letter that was sent by certified mail on Oct. 11, 1989 from Warren J. Hamerman, the chairman of the National Democratic Policy Committee, to President George Bush. Mr. Hamerman has also made copies of the letter available to the Commission to Investigate Human Rights Violations:

Dear Mr. President:

While the entire world awaits the outcome of the appeal of the case of Lyndon H. LaRouche, Jr., there is no escape from the fact that it is within your constitutional power, legal obligation and duty as President, to declassify and cause to be released to the general public *now* all documents, material and evidence exculpatory to Mr. LaRouche and his associated movement.

Contrary to any impression previously received, Mr. LaRouche is entirely innocent. I call attention to your erroneous public statement at a campaign event in Sheldon, Iowa on July 31, 1987 when you said in response to a question: "I don't like the things LaRouche does. . . . He's bilked people out of lots of money and misrepresented what causes the money was going to. LaRouche is in a lot of trouble and deserves to be in a lot of trouble." This statement demonstrated that you were grossly misinformed.

Your administration has been sitting on exculpatory evidence which is in the possession of the Department of Justice, White House, National Security Council, Central Intelligence Agency, Federal Bureau of Investigation, State Department and other federal agencies and inter-agency task forces, and which proves the validity of the allegations made in a still-pending federal Civil Rights law suit initiated by LaRouche against the FBI (*LaRouche v. Webster*, Southern District of New York) for its participation in a massive government campaign of overt and covert operations against him and the movement associated with him.

Not only is there no escape from the fact that you are constitutionally and legally required to make *full admission and disclosure at this time* of all evidence exculpatory to Mr. LaRouche, but as you are personally aware, Mr. President, the LaRouche case is now seen by a large and increasing

number of prominent persons in all strata of society and walks of life around the nation and around the world as the test for whether or not the United States has rebuked its constitutional safeguards and crossed the line to join those states which maintain their order only through the denial of fundamental liberties.

Therefore, it is incumbent on you to set the record straight and end the coverup of the two decades of government Coin-telpro and analogous "shutdown" operations against LaRouche and the movement associated with him.

Evidence in the possession of the federal government will show that there was never any crime by Mr. LaRouche and his associates. Those innocent victims who did lose money did so as a result of the government overt and covert actions.

Before, during, and after his summary trial in Alexandria [Virginia], the Federal Government successfully stonewalled every attempt by Lyndon LaRouche and his fellow victims to receive exculpatory documents which proved their innocence—exculpatory evidence to which he was entitled by law and which the government acknowledged it had.

One small piece of the Government's stockpile of such exculpatory documents has been precisely quantified and acknowledged by the Government. In response to one Freedom of Information Act (FOIA) request, the FBI, alone, confessed before Mr. LaRouche's trial that it possessed 4,700 pages of documents! Yet, the FBI refused to release over 92% of those documents hiding behind alleged exemptions of "national security," "domestic security," and "foreign counterintelligence."

On the eve of LaRouche's Alexandria trial on November 10, 1988 Judge Bryan summarily dismissed two critical defense motions which you are, nonetheless, still today constitutionally and legally empowered and obliged to address.

The first defense request was a "Notice Pursuant to the Classified Information Procedures Act" demanding that the Reagan Administration of which you were a part, declassify documents under the Classified Information Procedures Act (CIPA) because they contained information on:

The existence and operational details of U.S. Gov-

ernment counterintelligence, counterterrorism or domestic security activities directed at the finances and political activities of persons and organizations associated with Defendant LaRouche in the United States and in other countries. This investigation is evidenced in part by approximately 4,700 pages of documents in possession of the FBI requested under the Freedom of Information Act. . . . The FBI to date has denied release of all but 350 pages of this material claiming the national security FOIA exemption, among other exemptions. Defendants believe that the government is in possession of information which may be classified which shows that beginning in 1983 the U.S. Government began activities to disrupt the financial and organizational support of LaRouche political causes and activities.

Attached to the motion were three documents which proved that the 4,350 documents which the FBI was sitting on contained exculpatory material. These three "proofs" were:

(1) A declassified synopsis prepared by the Department of Justice of a previously classified document involving an apparent CIA and FBI infiltration of an organization associated with Mr. LaRouche.

(2) A declassified transmission from Richard Secord to Oliver North while he was in his official position at the NSC from the files of North discussing the same subject matter.

(3) An FBI document then recently released which revealed the existence of yet additional FBI "files" involving Lyndon LaRouche which had not previously been identified by the Government.

Judge Albert V. Bryan, who denied Mr. LaRouche's discovery of these documents, was no neutral in the matter of protecting classified government operations since he sat on the highly secret Foreign Intelligence Surveillance Court (FISC) from its founding in 1979 through 1986, a period roughly coincident with much of your tenure as Vice President under President Reagan. The FISC court is mandated to approve domestic security, national security and foreign counterintelligence use of wiretaps, searches and seizures and other surveillance and infiltration tactics in matters of national security. Therefore, Judge Bryan could well have participated in approving the very matters of covert operations against LaRouche which he subsequently denied discovery of.

Whatever Judge Bryan's motivations may or may not have been in denying the motion, and whatever the Appeals Court may ultimately decide on the judicial process, the Executive Branch has a clear, independent responsibility.

The Executive Branch, while in possession of the exculpatory evidence nonetheless brought the prosecution against LaRouche and his associates. You are empowered to cause to be released *at this time* the 4,350 documents housed by the FBI as well as the uncounted tens of thousands of docu-

ments and tapes housed by the CIA, NSC, State Department and other Government agencies as part of this de facto governmental strike force operating against LaRouche and his associates.

The second motion which Judge Bryan denied on November 10, 1988 was a request for disclosure of the extensive operations of the "Get LaRouche Task Force," in the form of a "Motion for Disclosure of Exculpatory Material" containing 181 separate requests for information of illegal Government operations against Lyndon LaRouche and the movement associated with him.

Lyndon LaRouche and his associates were convicted and imprisoned for failing to repay loans made to companies which the Government shut down in an unprecedented involuntary bankruptcy action.

Yet, Mr. President, the fact remains that the Federal Government to this day is concealing from the public, with the witting complicity of Chief Judge Bryan, the fact that not only had the Government sanctioned the above-described types of covert "neutralization" operations against the LaRouche political movement. It also singlehandedly via the involuntary bankruptcy action, shut down the business firms which in fact had the outstanding and continuing obligations to repay the very loans which LaRouche and his co-defendants now sit in jail for having not repaid. It was your Government's actions which have prevented the repayment of those loans.

The documents still in possession of the U.S. Government prove that Lyndon LaRouche and his associates had good cause to believe that they were being subjected to "extortion" and "threats" by a private effort and "secret government" apparatus—like that which came to public light in the Iran-Contra affair—designed to financially annihilate them.

The Government engaged in a massive disinformation campaign against Mr. LaRouche together with private agencies such as the NBC-TV, the ADL, banks, and the office of the chairman of the Democratic Party aimed at ceasing the financial support of the defendants and turning their supporters against them.

The Government knowingly participated in a coordinated campaign of derogatory media coverage concerning the financial status and practices of defendants directed at supporters and contributors. Among the media "disinformation" campaigns, was the dissemination throughout the world of the false and derogatory allegation that LaRouche was involved in the assassination of Swedish Prime Minister Olof Palme during and after March 1986.

In the course of litigation NBC-TV has sworn that it received "non-public" information from the CIA, FBI, IRS and FEC [Federal Election Commission] in preparation of its negative coverage of LaRouche.

The Government aided and abetted the actions of banks and other private agencies in conducting "financial warfare" against defendants by seizing funds or closing down accounts

and intervening to prevent further contributions and other financial support.

The Government sent agents of the FBI, Secret Service, and other Government agencies to comb the country to induce supporters and contributors to the LaRouche movement to "turn" and become witnesses against them. In one instance a major contributor, Barbara Newington, who also was a major contributor to Oliver North's fundraising operations, was harassed away from the defendants directly by members of the White House and National Security Council staffs.

The Government, beginning in 1983, participated in the dissemination of disinformation and related actions nationally and internationally in an effort to diminish the policy influence of Mr. LaRouche. The proponents of these allegations included Henry A. Kissinger, John C. Train, Daniel P. Moynihan, John Rees, Herbert Romerstein, Walter Raymond, Oliver "Buck" Revell and Roy Godson. FBI files and civil discovery already released to LaRouche and his associates, document such activities. The President's Foreign Intelligence Advisory Board (PFIAB) Memorandum and a memorandum authored by the ex-head of counterintelligence of the FBI, James Nolan, demonstrate that as of early 1983 these allegations had achieved wide circulation in government.

Under the Reagan administration's Executive Orders 12333, 12334, and other specific related orders, agencies of the Government-launched counterintelligence investigations and repressive covert operations against LaRouche and his associates which were aimed at "neutralizing" his political influence abroad and domestically.

For all of the reasons stated above, the Executive Branch is morally obliged to declassify and make full disclosure.

Fact Sheet

Declassify the 'Get LaRouche' file!

President Bush can disclose the truth about the frameup and railroading of Lyndon LaRouche. All that the President needs to do is to order declassification of the secret files of the "Get LaRouche" task force. This task force operates under the authority of Executive Order 12333. E.O. 12333 created

the "secret government" which was partially exposed in the notorious Iran-Contra affair.

This E.O., utilized against LaRouche and the political movement identified with him, deals with covert foreign intelligence operations, the 1983 "Smith Guidelines" or domestic FBI operations, Presidential Directive 75, and National Security Decision Directive 77, which created "Project Democracy" in January 1983.

This task force is a multi-agency body, whose records will be found principally in the FBI, the Department of Justice, the National Security Council, the President's Foreign Intelligence Advisory Board, and the CIA.

LaRouche and his co-defendants were denied access to the vast majority of these files in both the Boston and Alexandria cases against them. During the Boston trial (September 1987-May 1988) a few but very significant documents from the FBI, CIA, and NSC were released as part of a Freedom of Information (FOIA) action brought by LaRouche's co-defendant Paul Goldstein.

In response to the Goldstein FOIA request, the Federal Bureau of Investigation stated that it had over 4,700 pages of documents "responsive" to the request—which asked for all post-1981 files concerning LaRouche and associated organizations compiled under E.O. 12333 or for counterintelligence or other national security investigations. The FBI refused then, and has still refused, to release over 4,000 of these 4,700 pages.

The FBI has recently disclosed that it is withholding one file which is so secret that even the file's caption and file number are classified. After repeated denials, in July of this year the FBI admitted that this file was compiled under the authority of Executive Order 12333!

During the Alexandria trial, the LaRouche defense team attempted twice to subpoena these FBI files. The subpoena was summarily quashed on both occasions by Judge Albert V. Bryan, Jr.

Exculpatory evidence denied

The LaRouche defense also submitted a detailed pre-trial motion for disclosure of exculpatory information. This motion was extremely specific as to categories and types of documents sought which would be in the sole possession of the government. Documents were sought showing:

- government interference with fundraising efforts by associates of LaRouche, including attempts to harass and intimidate contributors;
- government contacts with banks and other financial institutions for purposes of interfering with fundraising and financial affairs of organizations identified with LaRouche;
- efforts by political enemies of LaRouche to discredit him within the Reagan administration and the intelligence community; and
- the role of government agencies in coordinating or aiding news media attacks on LaRouche, including the insti-

gation of slanderous news coverage and illegal leaks of false and derogatory information to the news media.

This motion for disclosure of exculpatory information was also summarily denied by Judge Bryan.

The full "Get LaRouche" file would prove conclusively that LaRouche and his associates were innocent of any wrong-doing. Full disclosure will show that, on the contrary, LaRouche and his associates are the victims of illegal operations by the "secret government"—operations designed to 1) discredit them in the eyes of the public, 2) destroy the financial base of the LaRouche political movement and associated publications, and 3) railroad them to prison.

From investigations conducted to date, and from those documents already released, certain "footprints" of the "Get LaRouche" operation have been identified. These include the following, which are only the proverbial "tip of the iceberg."

- In June 1982, CIA veteran Walter Raymond was detailed to the National Security Council to oversee Project Democracy covert operations, particularly "black propaganda" operations. Raymond began circulating documents within the NSC denouncing LaRouche as a foreign intelligence asset.

- In August-November 1982, Henry Kissinger and his lawyers wrote a series of letters to FBI Director William Webster, demanding that the FBI investigate LaRouche and determine who funds LaRouche's organizations and publications.

- At the same time, efforts intensified in the intelligence community to discredit LaRouche and associates as agents of "Soviet disinformation"—as shown in a declassified September 1982 FBI memorandum.

- On Jan. 12, 1983, Kissinger's friends on the President's Foreign Intelligence Advisory Board (PFIAB) demanded an investigation of LaRouche's finances under the pretext that he may be "funded by hostile intelligence agencies."

- In the spring and summer of 1983, an interagency Special Planning Group (SPG) was created to implement Project Democracy. A "private donors group" was also created to coordinate private sector funding of Project Democracy; this group was run by two long-time enemies of LaRouche, Leo Cherne and Roy Godson. This group included some of the CIA's "private" foundations such as the Smith Richardson, Olin, and Scaife Foundations—all three active against LaRouche. (Smith Richardson funded Dennis King's book-length diatribe against LaRouche published last spring.)

- Using press outlets such as NBC and the *New Republic*, the "Get LaRouche" task force created the climate for the opening of a federal grand jury investigation against LaRouche in October 1984, and the seizure of bank accounts of his campaign committees and other publishing companies.

- In February 1986, then-U.S. Attorney in Boston, William Weld, convened a "Get LaRouche" conference in Boston for federal and local officials. Weld's complaint was that, despite all his efforts, "the fundraising continues."

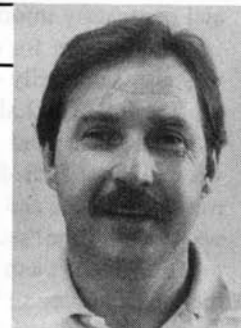
- In March 1986, the Soviets began accusing LaRouche of having masterminded the assassination of Sweden's Prime Minister Olof Palme. The accusations were repeated in the U.S. news media. On March 19, the CIA denounced allegations of a "CIA-LaRouche" connection as "blatant disinformation," but did nothing to refute allegations that LaRouche killed Palme. (In August 1989, it was disclosed that the CIA was aware of Swedish wiretaps showing that the Soviets knew in advance of the Palme assassination.) After the October 1986 raid on offices of LaRouche's associates, the Justice Department leaked information to NBC trying to tie LaRouche to the Palme assassination.

- On May 6, 1986, General Richard Secord sends a secret telex message to Oliver North saying, "Our man here claims Lewis has collected info against LaRouche." This document was later obtained from North's safe during the Boston LaRouche trial. An FBI report soon surfaced which said that a trio of free-lance spooks—Fredrick Lewis, Ron Tucker, and Garry Howard—"claimed that they had been previously requested by the FBI and CIA to penetrate the LaRouche organization." A March 1988 *Washington Post* article states that during the time Lewis, Howard, and Tucker were attempting to illegally infiltrate and plant false information in government files of the FBI and CIA against LaRouche and his colleagues, they were reporting to Mr. C. Boyden Gray in his capacity as General Counsel to the Office of the Vice President.

- In April 1987, the U.S. government initiated an involuntary bankruptcy proceeding against three publishing companies operated by associates of LaRouche. The offices of these companies were seized, their newspapers and magazines shut down, and they were forbidden by court order from raising any revenues or paying any debts. Eighteen months later, LaRouche and six associates were indicted for conspiracy to commit mail fraud—for not repaying the loans of the companies which the government shut down!

These are but a few of the tracks left by the "Get LaRouche" task force. From these scattered items, it is clear that there was a concerted multi-million dollar effort within agencies of the United States government to discredit LaRouche, and destroy and bankrupt organizations and the political movement identified with him.

President Bush must order the full declassification of the "Get LaRouche" file. The truth about how the LaRouche frameup was planned and carried out must now be revealed. This will also show the dirty deal between the "secret government" in the U.S. and the Soviet leadership to silence LaRouche, and will begin to bring to a conclusion one of the most shameful chapters in our nation's history.



Pittston's confrontation tactics doomed to fail in today's world

by Suzanne Klebe

The United Mine Workers waited 14 months without a contract to finally walk out on the Pittston Coal Group in April 1989. Pittston, with headquarters in Greenwich, Connecticut, operates in Virginia, Kentucky, and West Virginia. The company mines high-grade metallurgical coal, mostly for export—47% goes out in exports; 57% of that goes to Japan for steel production. It is the largest coal producer in Virginia, and one of the major U.S. exporters.

Union articles document a company in trouble, noting the fall of Pittston's fortunes from 1984-87 as it diversified out of coal into air freight, home security, and transportation of precious metals (Pittston owns Brinks Armored Cars). The company took \$133 million loss in 1987, and reduced working capital by 97%. It has denied a dividend to shareholders in each of the last five years. Coal still generated 32% of the company's sales revenues and 53% of its operating profits in 1988. Additionally, during the same period, labor productivity rose, reporting a 72% rise from 1984-87, and a 27% rise in 1987 alone.

Still, by 1986, the company had evidently decided to "diversify" out of its union. In that year, the company set up a non-union division called the Pyxis Resources Company, and began shifting its coal operations into this division. The union reports that "in 1986 alone, its union operations lost over 52 million tons of coal reserves, while its non-union arm gained more than 44 million tons of new reserves. In some instances, rich coal reserves have been sold by union mining divisions to the parent company for token sums—\$10—then deeded back to the non-union division for the same amount."

In January 1988, the industry-wide Bituminous Coal Operators Association contract came up for negotiations. The contract promised a 15% reduction in Pittston's labor costs, in exchange for increased job security. In particular, the union called for protection for workers whose mines were shut down, or cut back in production, by allowing them to carry their pensions and other benefits to other mines with them. They also demanded that these workers be given first priority when a new mine opened.

Pittston refused to sign, citing its need for "operational

flexibility" in international trade negotiations. They demanded a separate contract, and proposed, among other points, that pension benefits be made "non-portable," i.e., not transferable from company to company, thus limiting a miner's coverage to the existence of a certain mine. Pittston called for a cut in health care benefits, in a change from full coverage to an 80-20 plan. The company is questioning the constitutionality of proposed legislation that would require them to continue to pay into the industry-wide trust that provides pension benefits for retired miners and their dependents; approximately 118,000 miners and their dependents are currently covered. The company also contends that health benefits have been misused by the miners, pointing to a higher number of prescriptions per family than the national average for blue collar workers. At a meeting in Connecticut, one company officer complained that the miners were buying too much Valium!

In February 1988, contending that no contract existed at that time, Pittston cut off health insurance for 1,500 retirees, widows, and disabled miners, and stopped pension contributions on currently employed union members. The company also eliminated mandatory arbitration of grievances and the union's dues checkoff. In November 1988, the company presented the UMW with a "take it or leave it" proposal, and refused to participate in further bargaining. In April of 1989, the UMW went on strike.

From the beginning, this strike had a new element as the Commonwealth of Virginia under Gov. Gerald Baliles deluged the area with state police, purportedly to enforce the state's "right to work" laws. The state now has 25-40% of its troopers stationed throughout southwest Virginia, together with the Vance Asset Protection Service, hired as security by the company. A letter written by Dickenson County Sheriff Avery Phipps to Governor Baliles recently characterized their activities as "martial law being imposed under the pretext of enforcement of the right to work law." The courts, both state and federal, simultaneously entered the strike, limiting the union's demonstrations with court orders, and exacting extraordinary fines.

John Cox is vice president of Local 1058, District 31, of

the United Mine Workers in West Virginia, and an international representative of the UMW.

EIR: There was a ruling against Pittston for unfair labor practices. Were there any measures taken against Pittston for that?

Cox: None whatsoever.

EIR: Wasn't there a congressional committee that questioned the way the courts were being used in Virginia?

Cox: They chastised them, for what they did. Basically, it said in that report, that management did have unfair labor practices, that management did have unethical forms of behavior and a manner in which they promoted the strike instead of trying to negotiate a settlement. Their security was key to inducing a lot of the violence down there. Either they self-induced it, or they created it.

EIR: Provocateurs?

Cox: Oh, sure. Vance International's asset protection teams are paid professionals for this purpose. When you see a window blown out of a building by a couple sticks of dynamite, with 20 sticks lying close by, that's not done by our people. If our people wanted to blow up that building, they would have used every stick of dynamite there. They showed a car that had a stick of dynamite that blew out one of the fender wells. Grant you, I'm not going to say there is no violence, in regard to what they call the jack rock that's thrown out to flatten a tire, or the people that sit in the road—they have pictures of people throwing rocks. But we're talking about people that want to work, people are frustrated. We worked 14 months without a contract, uncharacteristic of the history of the United Mine Workers. In the guidelines of the United Mine Workers, it says if you have no contract, you have no work. This time, we showed the Labor Department beyond a shadow of doubt, good faith. We showed them that we wanted to work, and continued to work. They didn't even want to listen to us. . . .

EIR: So, there were statements from the federal government, but basically there has been no move against Pittston, and there is massive support for Pittston coming from the banks, from the governor's office.

Cox: Oh my goodness yes, sure. The governor made a statement on Sept. 21 that he was thankful that the coalminers walked out of the preparation plant at Moss No. 3, but said he wouldn't talk to the coal miners because we were basically endorsing the violence and the breaking of the law. It's like having a debate with yourself, because the other side won't talk to you.

EIR: When you're trying to get a meeting with Baliles, what do you want to say to Baliles?

Cox: I want to ask Governor Baliles, first of all, why do you

need 400 state policemen, because that's showing us, that the state is not for us. We have not done anything violent, with regard to the Moss No. 3 preparation plant. If we wanted to, the guys in there could have sabotaged that whole plant. They didn't. They can check it out. That plant was not touched. . . . I'm still saying the system does work, but this politician, Gov. Gerald Baliles, does not work with us. We're the people of southwest Virginia, but we are ostracized from the rest of Virginia, because we're union, in an anti-union state.

EIR: They're out to bust the union, and maybe they think that if they can break the contract with Pittston, they can break the national contract.

Cox: Exactly. First of all, we missed a grand opportunity to show the United States government that the labor movement was alive, when President Reagan put down the air traffic controllers. I don't know the complete circumstances, or their contract, or their oath for working, whether or not they were justified in what they did. But they walked out in a labor dispute. And the government said, if you don't go back to work tomorrow, you're fired, and got away with it. Ultimately, PATCO [air traffic controllers union] filed for bankruptcy and no longer is a union. . . .

We lost a grand opportunity to show the United States government, we're not going to let this happen. That's when we should have massed the AFL-CIO, the Teamsters, the United Mine Workers, the Sheet Metal Workers, every union in this country should have shut this country down for one day. That would have given the U.S. government a sign. . . .

I believe that Mike Trumka is in the forefront of the labor movement, not only because he is the president of the union of which I am a member, but also because I believe he has the ideals and thoughts of the intelligent youth of today. We were the ignorant workers of yesteryear. I'm not putting down my father and grandfather, but we weren't educated like they are today. And that scares management, and scares government. . . .

Obviously, Lyndon LaRouche is behind bars because the government believes he is wrong. Allegations brought against him put him in jail, and the conservative news media and the government tried and convicted him before his court date.

EIR: In the case of one of LaRouche's associates, Michael Billington, now on trial in Virginia, they are saying that anyone with firmly held principles, should be judged psychiatrically incompetent.

Cox: Well, see, the competency of the labor movement, I don't think they can question that. They can take someone who thinks different from them and say, "Well, they have to be crazy. Because anybody who would think different from our way of thinking is either communist, anti-American, or a flag-burner, and we won't tolerate that." . . . Many, many unions see [the Pittston strike] a catalyst for

either their success or their failure. This will ultimately be resolved not only by the Congress of the United States, but by the American people. Not by Virginia people alone, because they still believe that the old South still lives. They support right to work. And I say, define the right to work law, and 90% of the people cannot explain to me what the right to work law is. They think the right to work is going to create X amount of new jobs. You're going to work all right, you're going to work two or three jobs without any benefits. If you're a black or you're a woman, you're going to get a secretarial job, and be a Kelly Girl for the rest of your life. Or you're going to work at McDonald's for the rest of your life. They don't want you to be middle America. We call it the right to work for less. . . . In every state the right to work law has been passed, the income for that state is \$10-12,000 less per family than in the North.

EIR: With Pittston diversifying into gold, gems, Brinks, plus in the case of Eastern Airlines, the whole junk bond phenomenon, what you have is massive speculation, and they want the workforce to pay for it, through wage cuts.
Cox: With the hopes that if one goes bad, one subsidizes the other, to keep them afloat.

EIR: Given the fact we are in a crash, the junk bonds are going broke, the leveraged buy-outs are going broke, then what's on the agenda on the labor side, is something different, which is how do you rebuild the productive economy.
Cox: The companies that have been the most productive (both union and non-union) are the ones in which labor and management cooperate with one another and each person is cared about as an individual and not as just another social security number. Confrontational techniques that are employed by companies such as Pittston worked in the 1920s and do not work at all today. The *smart* companies don't treat their workforce in these dehumanizing ways, which should tell you a little something about Pittston and what really put them in the financial shape they're in today. American companies have traditionally treated their workers as tools, to be used and then discarded, instead of human beings. That is one reason why Japanese companies and their management techniques are so successful and productive.

Again, to answer your question: That's down the road, and it scares me to think about that now. My objective, without getting into speculative bond markets, or what management's going to do in regards to diversifying or subsidizing one company with the other, my concern is to keep our people union, and sit down with [Pittston's] Paul Douglas, and negotiate a contract so we can make this man some money. We are proud people, proud workers, we take pride in our jobs, and we do it better than anyone else in the world. They have replacement workers now who are getting hurt in astronomical numbers. In fact, the Mine Safety and Health Administration, the enforcement agency for the mines, shut

down the McClure No. 1 mine, which several years ago blew up and killed seven people, and they were only fined \$47,500 for the deaths of those people. And we're fined millions of dollars for civil disobedience.

EIR: What are the fines so far?

Cox: To be exact, I don't know, because every day there's another million—\$25.4 million before Moss No. 3 takeover.

EIR: So as these fines accumulate, they're enough to wipe out the national debt.

Cox: Oh yes, yes. We were just fined an additional \$13 million by Judge McGlothlin last week. I'm sure that because of the takeover at the Moss No. 3 preparation plant, the fines will be in excess of \$600,000 a day. These are new fines on top of the old fines. If they can go ahead and break our union, financially, we'll be like the PATCO union. We'll be unable to survive as an entity within the labor movement. We'll be no more than a memory.

EIR: Are you appealing the fines?

Cox: Oh yes. Well, I can't speak for the union, but as far as I know, everything is being appealed. . . . Their sole goal is to bankrupt the United Mine Workers union. I don't know what the financial situation of the international union is. But if it's \$10 and they're asking for \$20, they are going to take that \$10.

I would like to conclude just by saying, that we have to understand one thing. We are American citizens, the Constitution gives us the rights that our forefathers handed down to us. And it told us that with common sense, and moral hearts, we should continue to make the United States of America the strongest nation in the world. And we are slowly but surely forgetting the words of our forefathers. And we are not remembering why we revolted to make this country. Tyranny, taxation without representation. The newspapers take away the right of the First Amendment. If I want to give an interview, it will be put under the obituaries under John Doe. But if Paul Douglas makes a statement, he gets front page. We have to do something like taking over the Capitol grounds. Will the United Mine Workers be taken down by the militia? Will the National Guard be called in? We call a press conference to talk, like we are here, the media is not around. The media only wants to see the vultures picking our bones.

We're not going to let it happen. We are a smarter, more intelligent worker. We love this country, we love the ideals of this country, and we are appalled at the leaders of this country. And some say we can't do anything. . . . We can do something. One person can make a difference. If the majority of this country, the people who sit at home with a lackadaisical attitude, and says, to hell with it, I'm not going to vote, if those people would exercise their God-given right under the Constitution and vote, then the politicians would say, we have awakened a sleeping giant, and we have to listen to them. . . .

Even Shamir now putting distance between Israel and the ADL

by Jeffrey Steinberg

The outrageous activities of the Anti-Defamation League of B'nai B'rith—shenanigans which have nothing to do with that organization's supposed mandate to defend American Jews—have become such an embarrassment to Jewish leaders around the world, that even Israeli Prime Minister Yitzhak Shamir felt compelled to distance his government from the ADL's behavior.

And no wonder. In this article, we document some of the ADL's more extravagant operations in support of the Soviet intelligence services, the international pro-drug lobby, and organized crime.

The Palme assassination

On Oct. 12, a Swedish appellate court reversed the conviction of Christer Petersson for the Feb. 28, 1986 assassination of Prime Minister Olof Palme, ruling that there was insufficient evidence to convict him. Thus the question of who killed Palme and why, has been completely reopened—to the dismay of those many intelligence operatives inside and outside Sweden who have fought desperately for three-and-a-half years to keep a lid on the investigation.

In particularly hot water now is ADL Fact Finding Division director Irwin Suall, who, just days after the murder, lined the ADL up publicly with the Soviet KGB in one of the most flagrant disinformation and coverup campaigns in history. That campaign aimed at pinning the Palme assassination on Swedish colleagues of the American statesman Lyndon H. LaRouche, Jr. Suall and Soviet Ambassador to Sweden Boris Pankin, known to U.S. and European intelligence agencies as a senior KGB official in charge of disinformation, had practically embraced one another in their zeal to sink LaRouche for the Palme murder.

In August of this year, the coverup began to unravel when the Swedish daily newspaper *Expressen* revealed that a senior Soviet embassy official in Stockholm had advance knowledge of Palme's assassination, and may have even been a witting player in the murder plot (see *EIR*, Sept. 8, 1989, "Moscow role in Palme hit may rock New Yalta deal.") This backed up *EIR*'s longstanding charges that it was the Soviets who were behind the murder—and also confirmed the view of most Swedes that Petersson was merely the "fall guy," whose conviction was intended to take the heat off the prolonged, unsuccessful investigation.

With Petersson freed, and with the *Expressen* story out on both sides of the Atlantic, the ADL-KGB disinformation campaign becomes one of the most important leads in the assassination itself.

The ADL's involvement in the Palme coverup may spill over into the role of Palme's mistress Emma Rothschild. She is the daughter of Lord Victor Rothschild, a behind-the-scenes controlling figure over the ADL and a major figure peddling an Anglo-American/Soviet condominium.

Shamir's disclaimer

While this is not the first time that the ADL has been caught boarding a Soviet bandwagon, it comes at a time when Prime Minister Shamir gave an interview to the *Jerusalem Post* (Sept. 8) in which he differentiated the policy of the State of Israel from that of international Jewish organizations like the ADL. The ADL, along with Edgar Bronfman's World Jewish Congress, had jumped into the dispute over a Catholic convent at Auschwitz, and turned it into a barrage of slanders against the Polish Church, a blatant interference in the internal political affairs of Poland at a time that Solidarnosc had formed the first non-Communist government in 45 years. Shamir repudiated the interference, and called for a continuing dialogue with the Catholic Church.

In the particular case of the ADL, this represents a long overdue realization on the part of the Israeli political establishment that the ADL has no real interest in aiding Israel as a sovereign nation. In fact, from its very founding at the turn of the century, the ADL has been a public relations arm for some of the most brutal organized crime figures in North America, while at the same time serving as an ugly enforcement arm of the Liberal Establishment. The fact that the Trilateral Commission's North American headquarters is located in the ADL's office near the U.N. in New York City speaks for itself, as an indication of the League's position.

Dope, Satanism, organized crime

The ADL's sordid history is outlined in a fact sheet now widely circulating by the National Democratic Policy Committee (NDPC), the political action committee of the LaRouche wing of the Democratic Party. In addition to exposing the ADL's role in the Palme assassination coverup, the

fact sheet also documents:

● *The ADL's support for permissive policies toward drug trafficking and drug usage.* For the past decade, the ADL has been a covert backer of the main organ of the drug lobby, *High Times* magazine, through its sponsorship of a number of that publication's leading writers and editors. Dennis King, a *High Times* writer, was supported by the ADL in the penning of a book-length smear against Lyndon LaRouche. One of King's closest collaborators in that effort, Chip Berlet, was the Washington bureau chief of *High Times* and a major public advocate of marijuana legalization.

The ADL's own former executive director, Wall Street attorney Kenneth Bialkin, was implicated in a \$130 million larceny by fugitive con man Robert Vesco. Among the things that Vesco did with the money that he and Bialkin stole from investors was to sponsor the career of now-jailed cocaine trafficker Carlos Lehder Rivas, one of the founders of Colombia's Medellín Cartel.

During his tenure as ADL director, Bialkin also orchestrated the merger of American Express Corp. with the Shearson-Lehman and Kuhn Loeb investment banking houses, thereby establishing one of the world's largest money-laundering capabilities. Among the partners brought in on this mega-financial empire at Bialkin's initiative was Edmond Safra, the Syrian-born Jewish banker who is now under scrutiny by the Drug Enforcement Administration for his suspected involvement with a Bulgarian-Colombian money-laundering network responsible for washing billions of dollars in cocaine and heroin profits annually. Early this year, DEA and U.S. Customs documents were leaked to several American newspapers which detailed Safra's involvement in the laundering scheme.

The ADL's organized crime ties long pre-date Bialkin's tenure as director. Mythologies aside, the ADL was first founded to defend Jewish mob elements who were under attack from then New York City Police Commissioner Thomas Bingham. The ADL blasted Bingham as an "anti-Semite" in order to force the shutdown of his probe. After this successful maneuver, Meyer Lansky emerged as a kingpin of organized crime in America.

● *The ADL's rallying in defense of Satanism.* Even after the nation was shocked to learn of the Satanic murders in Matamoros, Mexico earlier this year, when legislators in Texas and Illinois introduced bills aimed at giving police greater powers to investigate cases of Satanic ritualistic abuses, the ADL's regional offices launched major lobbying efforts to defeat the bills. Stretching the limits of absurdity, the ADL argued that the legislation technically outlawed circumcisions as a form of ritualistic child abuse, and therefore they opposed the idea on the grounds that rabbis could be arrested for upholding Jewish ceremonial laws. The ADL couldn't even get any rabbis to endorse their efforts; however, their own in-house attorneys continued to press right up to the point that the legislation was passed.

● *The ADL's support for radical pro-abortion groups and for the police brutalization of Operation Rescue protesters.* In three separate cases now pending before the U.S. Supreme Court, the ADL has filed *amicus* briefs opposing any restrictions on abortions. In one case, the ADL brief opposes the setting of minimal public health standards on abortion clinics. In another filing, the ADL opposes forcing girls under the age of 18 to obtain parental consent before getting abortions. The third brief opposes a law that would force doctors to inform parents when their minor daughters are seeking abortion.

Such policies represent the essence of the ADL's character from its very beginning.

The ADL and the U.S. Establishment

The ADL operates as a political strongarm capability at the service of the radical wing of the Liberal Establishment in the United States and Britain. By performing "services"—not the least of which is campaign financing—the ADL has built up a considerable network of congressmen, bought and paid for.

Among the most well-placed ADL assets inside the Bush administration is Mark Richard, a senior career Department of Justice official who is currently the special assistant to Attorney General Richard Thornburgh. Richard, along with Henry Kissinger and former Rep. Elizabeth Holtzman, pioneered the Office of Special Investigation, the DoJ's so-called "Nazi-hunting" unit, which in truth has been used as a joint U.S.-Soviet tool for political prosecution on trumped-up charges of such *non*-Nazis as aerospace and defense scientist Arthur Rudolph.

In March of this year, in one of his first big post-inauguration public appearances, President George Bush keynoted the ADL's convention in Washington, D.C., in clear recognition of the ADL's power status in the nation's capital. In that speech, he said of ADL national chairman Abraham Foxman, "We might as well be going steady"—a reference to the fact that earlier in the same week he had had a meeting with the ADL chief.

Despite its still enormous clout, the ADL may be falling on harder times, as its past history of thuggery begins increasingly to catch up with it. New revelations in the Palme assassination could be very damaging, as could certain revelations in the upcoming prosecution of Saudi billionaire Adnan Khashoggi. Khashoggi is one of the pivotal figures in the Reagan-era Irangate scandal, and his lawyer during that period was none other than the ADL's Ken Bialkin.

And when over 800 American attorneys signed an *amicus* brief submitted to the Fourth Circuit Court of Appeals, protesting the unconstitutional nature of the railroading of the ADL's enemy Lyndon LaRouche, it was read as a warning signal at ADL headquarters that the League's longstanding mafia-like control over the entire liberal legal establishment was coming loose.

Dangerous forensic psychiatry kooks run FBI criminologists

by Herbert Quinde

The FBI's popularly perceived incompetence as a law enforcement agency has long been grist for the humor mill. But the recent contributions by FBI staff "behavioral scientists" to the field of criminology are no longer a joke, but rather a threat to U.S. national security.

Under the dominating influence of the Institute for Law, Psychiatry and Public Policy (ILP) at the University of Virginia in Charlottesville, the FBI's Behavioral Sciences Unit, over the last several years, has gone from laughable kookery to a form of systemic criminal negligence that has infected not only national law enforcement but also its interface with the intelligence community of the Western alliance. The strange chemistry of FBI agents working in laboratories with forensic psychiatrists and clinical psychologists has created a Frankenstein monster which also threatens fundamental constitutional guarantees and civil liberties.

A case in point is the much-ridiculed final verdict on the cause of the April 19 explosion aboard the battleship *U.S.S. Iowa* which left 48 sailors dead. As far as most Americans were concerned, some homosexual sailor, in despair, decided to commit suicide taking his buddies with him. Although the Naval Investigative Services were blamed for developing the analysis and leaking the story to the media, it was the FBI's behavioral scientists that came up with the "psycho-profile" based on an artificial intelligence computer model. Even though intelligence existed beforehand that the *U.S.S. Iowa* was a potential target for *spetsnaz*-style (Soviet special forces) sabotage, the issue of terrorism seems never to have been part of the investigation (see *EIR*, Sept. 21, 1989). The case is reminiscent of FBI methodology, in its early days, when the size of a man's skull was an empirical element in establishing whether or not he was a criminal.

The ILP is an interdisciplinary program in mental health, forensic psychiatry, and forensic psychology, which runs "academic programs, clinical evaluations, professional training, empirical and theoretical research and public policy consultation and review," according to its annual report. "During 1987, Police Fellows from the FBI Academy's National Center for the Analysis of Violent Crime . . . audited the Law School's Psychiatry and Criminal Law course. . . . The Police Fellows, who are outstanding homicide detectives from major police agencies throughout the United States (and in 1987 included the former head of the Intelligence Division of the U. S. Secret Service), spend a year at the FBI Academy

receiving specialized training in the relationship between the behavioral sciences and the investigation of violent crime." The Department of Justice funds numerous joint ILP/FBI programs for profiling serial killers, celebrity stalkers (e.g., the obsession of would-be presidential assassin John Hinckley with film actress Jodie Foster), child abusers, etc.

I was a pothead for the FBI

The director of ILP is Richard J. Bonnie, LL.B. Bonnie has been a major figure in the effort to make marijuana legal. He has been involved in this campaign, by his own written statements, since 1969. One must wonder what President Bush and Nancy Reagan would think if they knew that a leading instructor of the nation's War on Drugs troops, partially financed by the federal government, is a supporter of "potheads."

On May 8, 1987, Bonnie gave the keynote address, "Marijuana Use and Social Policy," to the conference of the National Organization for Reform of the Marijuana Laws, in Washington, D.C. His books advocating marijuana decriminalization include: *The Marijuana Conviction*, University of Virginia Press, 1974; *Legal Aspects of Drug Dependence*, CRC Press, 1975; *Marijuana Use and Criminal Sanctions*, Mitchie Co., 1980; *Hemp in America*, Van der Marck Editions, 1988. He has also written numerous articles on the same theme. Bonnie has served on several federal commissions, where he has advocated marijuana decriminalization or lowered penalties. He is a consultant to Virginia Attorney General Mary Sue Terry, who hypocritically has puffed up her anti-drug credentials in her re-election bid.

Bonnie summarized his efforts on behalf of decriminalization in the preface to his 1980 book *Marijuana and Criminal Sanctions*, as follows:

"From 1972 through 1977, I was actively involved in the effort to win legislative support for reforming the marijuana laws. . . . In December of 1971, possession of marijuana for personal use was a crime in every state in the United States. In most of the states, the offense was a misdemeanor, but three jurisdictions still retained mandatory felony penalties and four others permitted prosecution as a misdemeanor or felony in the discretion of the prosecutor. In March of 1972, the National Commission of Marijuana and Drug Abuse, of which I was Associate Director, unanimously recommended that consumption-related offenses involving marijuana be

'decriminalized'. . . .

"Together with the Marijuana Commission's Executive Director, Michael Sonnenreich, I was centrally involved in the effort to forge the consensus which emerged among the 13 members of that body, and I also had primary drafting responsibility for the 'policy' chapters of the Commission's two reports. . . .

"Soon after the Commission's marijuana report was issued in March 1972, it won significant and immediate endorsement from the National Council of Churches, the National Education Association, the American Public Health Association and the American Bar Association. The legislative process responded a bit more slowly, although the Oregon legislature invited Mike Sonnenreich and me to testify as early as the summer of 1972. . . .

"After I had resumed my academic duties at the University of Virginia Law School in September 1973, I continued to pull an oar in the reform effort for the next four years. At the federal level, I was appointed to the National Advisory Council on Drug Abuse in 1975 and reappointed to another four-year term in 1976; I also participated in drafting several of the Federal Strategies on Drug Abuse Prevention as well as President Ford's White Paper on Drug Abuse, issued in September 1975. During this period, I served as a special assistant to the U.S. Attorney General. On the legislative side, I testified before Senator Hughes's subcommittee on Alcoholism and Narcotics in November of 1974 and Senator Bayh's subcommittee on Juvenile Delinquency in May of 1975.

"At the state level, I testified before some 15 state legislative bodies, and during the winter of 1976-77, I assisted the National Governors Conference in the preparation of its study on State Marijuana Penalties and Policies.

"In the spring of 1977, I became acquainted with the international dimensions of the reform effort when I visited several European countries under the auspices of the U.S. government. One of my missions at the time was to try to prevent any misinterpretations of the Carter administration's recent endorsement of decriminalization which was much welcomed by reformers after the overt hostility of Richard Nixon and the benign silence of Gerald Ford."

In his 1980 book *Marijuana Use and Criminal Sanctions*, Bonnie summarizes his views as to why marijuana should be decriminalized in his concluding chapter, "The Case for Decriminalization":

"To summarize, then, marijuana, as currently used, does not represent a public health problem in the United States. Indeed, it is a matter of exceedingly minor social impact. On the other hand the marijuana laws—which in effect respond to a fly with a baseball bat—are generating disastrous social effects and merit immediate and substantial reform.

"The marijuana laws are unjust because they make criminal a morally neutral behavior with no measurable adverse

social effect. . . ."

Ouija board law enforcement

Dr. Ian Stevenson, former head of the Psychiatry Department of the University of Virginia and current director of the Division of Personality Studies at the medical school, is one of the most influential intellectual forces in the psychiatry and psychology field at the university. This is a real problem, since Dr. Stevenson does work with ILP and is one of the world's experts in paranormal research (the occult) giving credence to the idea of reincarnation. On sabbatical last year at Cambridge University's Darwin College, he headed the London chapter of the British Society for Psychical Research. Dr. Stevenson's recent book, *Children Who Remember Previous Lives, a Question of Reincarnation*, researches such themes as the possibility that young children who have sex identity confusion were a different sex in their previous life.

It is no surprise that Supervisory Special Agent Kenneth Lanning of the FBI's Behavioral Science Unit works with the ILP and has lectured there. Special Agent Lanning, an expert on criminal child abusers, has recently become a specialist for the media pooh-pooing the idea that there is such a thing as Satanism. He is of the same school as Virginia State Police investigator T.S. Svard, who says, "Satan-worshippers have the same constitutional protections as any other religion in this country."

The Virginia Attorney General's Office intimately collaborates with ILP, sending many of its investigators and attorneys for training there.

Believe in the Second Amendment? You must be crazy!

Until a year ago, Dr. Park Elliot Dietz was the most famous forensic psychiatrist at ILP. Dr. Dietz, the FBI's top forensic psychiatry consultant, has spent the last two years attempting to prove that people who think they need a gun must be mentally unbalanced, at least. So much for constitutional rights.

According to the 1987 Annual Report of the ILP, "Dr. Dietz is now studying various factions among American gun owners, from paranoid subcultures and organized criminal groups to the larger number of conventional Americans who maintain firearms for personal defense and sporting purposes."

He has been involved in an ongoing project of monitoring the LaRouche political movement. He served on Alexandria, Virginia U.S. Attorney Henry Hudson's Presidential Commission on Pornography, certified John Hinckley as a "lone assassin," and is the recognized expert on autoerotic asphyxia (mas-turbating while hanging yourself).

Over the last couple of years, with Department of Justice funding, Dr. Dietz has worked on several projects with the FBI to build up the data base for the Bureau's "artificial intelligence" computer, for example, developing a composite of the "typical" person who would use a bomb.

Kissinger Watch

by M.T. Upharsin

Kissinger's teflon gets scratched

Long before there was the teflon President, there was teflon Secretary of State Henry Kissinger, whom the liberal press all protected. Now, it seems that almost every day someone discovers the secret of "The Emperor's New Clothes," and Kissinger stands more and more naked and exposed.

Thus, on Oct. 7, Colombian politician Joaquín Vallejo Arbalaz appeared on Radio Caracol to announce that the Medellín cocaine cartel had approached Henry Kissinger to negotiate a deal, whereby the cartel would stop shipping drugs to the U.S., if the U.S. would lift such pressure points as demands for the drug barons' extradition. This bombshell was subsequently reported in the Ibero-American dailies *La Prensa* and *El Tiempo*, before National Public Radio picked up the story that the firm of Kissinger Associates may have been consulted by the drug barons for the additional purpose of seeking to get narcotics trafficking legalized in the United States.

This story of Kissinger's involvement in dope has previously been told by *EIR*, which showed that when Kissinger was national security adviser to President Richard Nixon, he not only covered up the role of Red China as the world's number-one producer of opium/heroin, but that his numerous clients at Kissinger Associates—e.g. Midland Bank PLC—have been linked to indictments stemming from

the multi-billion profits involved in drug-money laundering from the "Golden Triangle" in Asia.

Kissinger takes the stand

An Oct. 2 article in the *Washington Post*, entitled "Kissinger's Day in Court: He Objects" which concerned Henry's attempt to dodge being a witness for the plaintiff in the case of former Indian Prime Minister Morarji Desai versus author Seymour Hersh, continues the exposure of Kissinger for public condemnation.

The article reads:

"In more refined quarters, Henry A. Kissinger is an international celebrity, a friend of the powerful and an adviser to Presidents and foreign governments. But a no-nonsense judge here [in Chicago] has decided to the shock of some and delight of others, to treat the former secretary of state just like an ordinary citizen and has ordered him to appear in his courtroom today."

Judge Norgle had threatened to issue a bench warrant for Kissinger, if he did not appear to testify. In 1983, Kissinger fled Italian justice, when the U.S. Embassy in Rome helped him sneak out of the country, after Judge Imposimato had issued a warrant for Kissinger to testify in the case of slain Italian former Prime Minister Aldo Moro.

Yet this past August, a New York judge kowtowed to Kissinger, when he refused to call him as a defense witness in a case against several associates of Lyndon LaRouche, despite the fact that documents released under the Freedom of Information Act had shown that Kissinger repeatedly asked his friend, then-FBI director William Webster, to mount a witchhunt against LaRouche.

Opponents of Kissinger in the

U.S. intelligence community have reported to *EIR* investigators that Kissinger may have committed perjury in his Chicago testimony. At issue in that case was whether or not Morarji Desai had been paid \$20,000 per year by the CIA and had been a "star performer," who leaked Indian state secrets to Kissinger, when Kissinger was Nixon's national security adviser. These allegations were made by Hersh in his biography of Kissinger, *The Price of Power*.

Although the payments were stopped in 1971, according to Hersh, the editors of *EIR* noted in the book *Derivative Assassination: Who Killed Indira Gandhi?* that the 1977 coup against Indian Prime Minister Indira Gandhi, which brought Desai in for two years to rule that country, had been partially orchestrated by Kissinger. Kissinger had sought to drive India into the Soviet orbit, as a geopolitical *quid pro quo* in his "China card" strategy.

Even though it is widely known that Desai's coalition against Gandhi included the fascist Jan Sangh and terrorist Naxalites, who openly called for a coup by the military against Gandhi, while several of her closest friends were assassinated, Kissinger said in his testimony: "My impression is that Mr. Desai is a man of great integrity." Kissinger also testified that he "doubted" Desai had been on the CIA payroll, but, added that he could not conclusively deny it, since he did not know the names of the "excellent sources" U.S. intelligence had developed in India during this period. This denial, the sources say, could constitute perjury.

A few days later, a jury found that Kissinger was not credible in his denial, when it acquitted Seymour Hersh of all charges of libel for claiming Desai had been Kissinger's CIA-paid informant.

Gramm-Rudman ax poised as budget hits impasse

On Oct. 16, the Office of Management and Budget will implement a Gramm-Rudman sequestration, barring a last-minute resolution of the budget disagreements between Congress and the administration. The cuts are estimated to be about \$16 billion, to be evenly divided between defense and domestic programs.

The deficit reduction package has become intermeshed in the fight between the administration and the Congress over the capital gains tax. The White House has insisted that the hotly contested capital gains measure be included in the deficit reduction package. Senate Majority Leader George Mitchell (D-Me.) accused the White House on Oct. 10 of trying to torpedo congressional agreements on the deficit reduction. Mitchell was reacting to a statement from White House press spokesman Marlin Fitzwater earlier in the day, that the President still wanted the capital gains tax reduction included in the reconciliation bill. "It's been part of the deliberations from the beginning," said Fitzwater, "and we urge that it be included."

Mitchell disagreed. "He [Fitzwater] is completely wrong. . . . Capital gains was never included as part of the budget summit agreement." House Speaker Thomas Foley (D-Wash.) offered to strip the extraneous measures from the reconciliation bill in the House the week before. House Minority Leader Robert Michel (R-Ill.) agreed, but the White House objected. Foley said that the President was pursuing a capital gains tax cut "like a mad dog after a bone," a slip of the tongue which Foley later denied uttering.

The House had approved a capital gains tax cut in its version of the deficit

reduction package, but the Senate Finance Committee refused to do so. The child-care tax credit proposal and the catastrophic health care plan are also points of contention.

Recriminations fly as Panama ops backfire

The White House, stung by accusations by yahoos on Capitol Hill of indecisiveness in recent attempts to oust Panamanian Defense Forces commander Gen. Manuel Noriega, claimed that the Senate Select Committee on Intelligence would not approve additional money for their attempts to overthrow Noriega.

The *Washington Post* reported on Oct. 11 that administration officials are saying that the negative response they received from Congress with regard to the additional funds, influenced their decision to react cautiously during the coup attempt against Noriega on Oct. 3. An Executive Order bars the Central Intelligence Agency from political assassinations. Administration officials cited by the *New York Times* on Oct. 9 claimed that they have interpreted the Senate's view on assassinations to bar intelligence officers from providing guidance or help to any coup that might include the death of its target.

National Security Adviser Brent Scowcroft said that "micromanagement of the executive branch going clear back as far as the Executive Order prohibiting assassinations, which was forced by the Congress, has, by its actions and its demeanor, certainly leaned us against the kinds of things now they're saying we should have done."

Select Committee on Intelligence chairman David Boren (D-Okla.) said

that his committee had approved "every single penny." The administration was then faced with heavy criticism from Congress for wimpishness. President Bush is reported to have been "enraged" by the criticism and ordered his top advisers to put a stop to internal criticism of the administration's handling of the coup attempt, according to unnamed administration officials.

Congress retreats on catastrophic insurance

The Medicare Catastrophic Coverage Act is now a thing of the past, as frightened congressmen scrambled to roll back this once-popular social welfare measure.

"We're not confused," said Senate Minority Whip Alan Simpson (R-Wyo.), during Senate debate on the measure on Sept. 29, "we're terrorized." Passed only last year, congressional offices have been swamped by protests from elderly citizens, many of whom would not benefit from the program, who objected to paying the surtax that was to help finance the program.

The House voted to repeal the law, while the Senate kept the program intact, but sharply reduced the benefits. Rarely has Congress misjudged constituency reaction to a program so thoroughly. Increased medical care, where average medical costs are onerous and sometimes inhibit people from seeking care, is needed. But with the economy in such an advanced state of collapse, such New Deal programs can only be financed by squeezing more out of the dwindling income of the individual recipient of medical care—in this case, pensioners living on a fixed income.

The bill is now in conference committee to iron out the differences between the two versions. But the net result will be increased costs for the 21 million elderly Americans as the expenses of their private health care insurers rise and costs are passed on to policy holders. The taxpayers, including the elderly, will end up paying about \$10 billion in doctor, nursing-home, and hospital bills through various state and federal programs other than expanded Medicare. Employers who provide group medical coverage for retired workers will pay an estimated \$750 million to \$1 billion additionally each year in their share of increased premiums.

Committee revolts against clean air bill

Rep. John Dingell (D-Mich.), chairman of the House Committee on Energy and Commerce, and Rep. Norman Lent (R-N.Y.), the two chief sponsors of President Bush's clean air bill, are now leading a committee revolt against a key provision calling for 1 million alternative-fuel cars by 1997.

Administration officials have characterized the alternative-fuels provision as critical, if cities are to clear the skies of smog by early in the next century.

The opposition of the leading sponsors of the bill is creating the unusual situation of a slim majority of Republicans and conservative Democrats opposing the President's bill, while liberal Democrats and environmentalists are lobbying for the measure. The President's supporters feel that the White House has not done enough to rally Republican support behind the bill.

The Bush proposal would man-

date there be 1 million cars by 1997 capable of running on a non-gasoline alternative which burns as cleanly as pure methanol, in the most polluted cities. A less draconian alternative has been presented in the way of an amendment by two oil-state congressmen, Ralph Hall (D-Tex.) and Jack Fields (R-Tex.), which would require a performance standard equal to a gasoline blend containing 85% methanol. Oil companies would be able to reformulate conventional gasoline to burn as cleanly as M-85. Auto makers also prefer an M-85 blend because they would have to do less to retool engines. The Environmental Protection Agency claims, however, that M-85 is a poor substitute for pure methanol, since it releases 30% more of the ingredients of smog. The Hall-Fields amendment is now undergoing final drafting by Dingell and Lent's staff for inclusion in the bill.

Bill introduced to restructure Fed

Reps. Lee Hamilton (D-Ind.) and Bryon Dorgan (D-N.D.) have introduced a bill to "reform" the Federal Reserve Board that would put the Secretary of the Treasury on its Board of Governors and compel its Open Market Committee to immediately disclose its decisions, instead of waiting six weeks as it now does.

Despite its appearance of being a "hostile bill," both Hamilton and Dorgan told the *New York Times* that they think Fed chairman Alan Greenspan is doing a "fine job." According to the *Times*, some Democrats believe that Secretary Brady does not want to be on the Fed's board, since the Bush administration would prefer to use the Fed as a scapegoat as the economy unravels. On the other hand, the Fed,

in spite of *pro forma* protests, would actually like the Treasury Secretary to be on the board so that blame for the ongoing financial blowout can be shifted to the administration.

Aircraft shutdown defeated in Senate

An anti-drug amendment introduced by Sen. Mitch McConnell (R-Ky.) to allow federal drug interdiction agencies to shoot down aircraft that do not respond when instructed to identify themselves, was tabled on Oct. 5 by a 52 to 48 vote.

Opponents of the proposal voiced concern that this legislation would lead to disasters, with amateur pilots not understanding law enforcement signals, and paying for their confusion with their lives. Sen. Dale Bumpers (D-Ark.) called the proposal "a disaster waiting to happen."

House relaxes Medicaid abortion rule

In a major shift in sentiment, the House voted 216-206 on Oct. 11, to accept Senate language that would permit federally funded abortions for victims of rape or incest. Previously the House had only allowed federally funded Medicaid abortions when they were needed to save the woman's life.

The heated debate over abortion in the aftermath of the Supreme Court's recent abortion ruling has forced some pro-life congressmen concerned with their careers, to shift to a pro-abortion stance. Rep. Barbara Boxer (D-Calif.), who introduced the motion to liberalize abortions, was greatly surprised by the victory, believing that she would not be able to mobilize more than 209 votes.

National News

Army scale-down already under way

Indications are mounting that plans for major force restructuring of the U.S. Army are already under way.

Brig. Gen. E.H. Simmons (USMC, ret.) states that force planning in the military is oriented toward a vast reduction of commitment of troops to traditional U.S. positions in Europe, in an article in the Oct. 8 *Washington Post*. He reports that the Army is planning on such reductions, and is already reorganizing itself into formations which parallel the role of the Marines—light expeditionary forces. He argues that this is an improper role for the Army, as it would simply duplicate the Marine functions.

Simmons reports, nonetheless, that there is no rebuttal of the premises of the Army planning—that the likelihood of confrontation in Europe is mitigated by the crisis in the Soviet Empire.

EPA files pollution suits against cities

Suits against 61 cities were filed by the Environmental Protection Agency and the Department of Justice on Oct. 3, for failing to properly enforce the Clean Water Act.

Penalties against the cities are being sought, in the range of \$30,000. The purpose of the suit is to establish the precedent that any state, city, or municipal body and its officials who fail to fully enforce environmental regulations, can be held responsible for any pollution, with the official facing personal bankruptcy and a jail term. The suit does not accuse any of the 61 cities of being polluters themselves, but of failing to forcefully monitor and prosecute "industrial polluters."

Attorney George Mannina, Jr. warned in the August 1989 issue of *Petroleum Independent* journal that any corporate officer can be put in jail for the mistakes of subordinates, even if the company is ignorant of

any violations of the complex environmental regulations. "In an ominous development for individual businessmen and women, the courts have ruled that civil liability for violating environmental regulations may be imposed on a corporate officer personally just because of that officer's position in the corporation. Thus, a corporation's president without direct responsibility for hazardous waste management can be personally liable for environmental violations because the president had the ultimate authority to prevent the violations."

Mannina warns, "Criminal conviction does not require proof that you intended to break the law, or even that you knew what the law required. In one case under the Resource Conservation and Recovery Act, the defendant argued that if he did not know what the regulations required, he could not possibly have had a criminal intent to violate them. The court dismissed the defendant's argument, holding instead that it is completely reasonable to charge those who choose to operate in a regulated area with complete knowledge of all the regulatory requirements."

AIDS pandemic is finally mooted by press

The possibility that the AIDS virus could break out in pandemic form once it reaches a certain threshold in the population was discussed by the *Washington Post* on Oct. 8. The article by Rick Weiss covers in diluted form the threat described in an *EIR* Special Report on AIDS and presented to the broader public in a nationally televised presidential campaign broadcast by Lyndon LaRouche in 1988.

"Some virologists fear that a simple mutation in the AIDS virus itself could leave it armed with an ability to infect as the flu virus does now—via respiratory droplets spread by coughing or sneezing. If such a virus retained its current lethality, scientists and public health officials would have little chance to contain the disease before immense numbers of individuals become fatally infected," Weiss wrote.

William H. McNeill, a University of Chicago historian, warns that an AIDS virus might mutate into a version which gains the ability to directly infect the human respiratory tract. The frequency of mutation of the AIDS virus is compared to other virus "timebombs" that could replicate the process seen in animal populations. The retrovirus infection of the Australian rabbit population, and its 80% lethality rate, is cited as a model of the danger.

"The idea that the medical profession could stand as an effective obstacle to the propagation of such an infection seems to be optimistic to say the least," McNeill said, since in previous conflagrations, it has been the case that "The doctors would be the first to go."

Soviets said to be in ABM breakout

The Soviet Union is in a breakout mode from the Anti-Ballistic Missile Treaty, according to the information on Soviet radars reported by former Senate Armed Services Committee staff member Angelo Codevilla in the *Wall Street Journal* Oct. 6.

This is probably the beginning of a barrage of leaks by military and intelligence figures worried about the downgrading of official U.S. assessments of the Soviet threat, in the latest issue of the Pentagon's *Soviet Military Power*.

Codevilla writes that the U.S. government chose to single out the Krasnoyarsk ABM battle-management radar, and declare it a violation of the 1972 ABM Treaty, although eight other similar radars—at Pechora, Lyaki, Mischelevka, Olenegorsk, Sary-Shagan, Mukachevko, Baranovichi, and Skrunnda—taken together, constituted a far more serious violation of the treaty.

Codevilla blasted top U.S. policymakers, saying, "Clearly, the underlying problem is not Krasnoyarsk, nor Soviet compliance or non-compliance with the language of arms control treaties, but the determination of American policymakers to behave according to their own vision of the ABM Treaty."

"If Krasnoyarsk disappears, the loss to the Soviet ABM system will be marginal. By no stretch of the imagination will the Soviet Union be as defenseless against ballistic missiles as the U.S. is. In no way will the development and production of Soviet anti-missile devices be slowed. On the contrary, American reactions to the dismantling of Krasnoyarsk are sure to raise the marginal effectiveness of every piece of Soviet ABM equipment."

Codevilla calculates that the acceptance of the START treaty numbers by the United States would shrink U.S. "aim points" from 2,000 to 400, and raise the ratio of Soviet counterforce warheads to American targets from the present 3.5 to 1 to perhaps as many as 10 to 1.

The *Washington Times* warned against the threat to the Strategic Defense Initiative on Oct. 6, in an editorial entitled "The President and SDI." The editorial asks whether Bush and the Congress let the SDI "just fade away," so "Bush can get a START treaty and earn some photo-ops with world hero Michael Gorbachov?"

Judge upholds ban on animal sacrifice

A ban on animal sacrifices in Florida ordinances has been upheld by Miami Federal Judge Eugene P. Spellman on Oct. 9.

Spellman upheld the city of Hialeah's prohibition on animal sacrifice passed, in 1987, after a Santería "priest" announced that he would open a church which would include in its rituals the sacrificing of chickens, goats, and other animals. The judge said that the Constitution protects only a religion's beliefs, not its practices.

Spellman said that regulating animal sacrifice had valid purposes, like safeguarding public health and animal welfare. The ordinance, he wrote, was not meant to persecute Santería followers, but "to prohibit all animal sacrifice, whether it be practiced by an individual or a religion or a cult." The Santería priest, Ernesto Pichardo, says he intends to take his case all the way to the U.S. Supreme Court.

Federal judges balk at death penalty

Fourteen federal judges have written a letter challenging Supreme Court Chief Justice William Rehnquist's right to speak as an authority for the federal judiciary on the death penalty, it was revealed Oct. 10.

The unusual letter was sent to the Senate and House Judiciary Committees by 14 of the 27-member Judicial Conference of the United States, chaired by Rehnquist. Despite the opposition of the majority of the members, Rehnquist sent a proposal to Congress in the group's name, calling for legislation to speed the judicial review of death sentences.

Schiller Institute hosts C=256 concert

The Schiller Institute boosted its campaign to return musical tuning to a scientific basis of middle C set at 256 Hertz (A=432), by hosting a concert performed at that tuning at Rice University in Houston, Texas on Oct. 7.

Attended by 230 people, the concert included several demonstrations of works performed at both the higher tuning of A=440 Hz, and A=432. Baritone Doug Yates, now touring with the National Opera Company, demonstrated the aria "Ah! Per sempre io ti perdei" from Bellini's *I Puritani* at both tunings. Yates explained that at the lower tuning, the vowels can be more open, less squeezed, and allow a more beautiful sound. This set the stage for an enthusiastically received concert by two tenors, baritones, and mezzo-sopranos, and three sopranos.

The concert involved virtually the entire vocal music community in Houston. The *Houston Chronicle*, in its preview of the concert, said the Schiller Institute was tied to Lyndon LaRouche, which sparked more interest in the concert.

Briefly

● **SOVIET EXPERTS** are expected to visit SDI facilities at Los Alamos National Laboratory in New Mexico and the TRW company's test facility in California, at the invitation of Secretary of State Baker.

● **OREGON STATE** Sen. Frank Roberts (D-Portland) announced in early October that he will introduce a bill calling for physician-assisted suicide, in which a doctor would be able to give lethal doses or injections to those sick and elderly who allegedly ask for it.

● **FOOD FOR PEACE** farmers intervened in 40 North Dakota "town hall" meetings exposing the Stanford Research Institute's plans for shutting down agriculture as a program for genocide. The Bismarck press reported Oct. 7 that a group of farmers demanded a parity price as the only way to improve the state's economy.

● **FLORA LEWIS** and Bill Keller, liberal *New York Times* columnists, encouraged a Soviet bloodbath by saying that the West should not be alarmed by the brutality of the crack-down going on, and coming, in the East bloc. "Even Gorbachov's Friends Want a Little Order," their headline apologizes.

● **THE FBI** is seeking information about the KGB from the ranks of the Russian emigré community by placing ads in the largest Russian-language U.S. newspaper, *Novoye Russkoye Slovo*, calling on readers to share information on KGB operations. "We'll be very alert to the KGB trying to send in ringers and plants," said the FBI's James Fox.

● **THE ABORTION DEBATE** began in a special session of the Florida legislature Oct. 10 which was called by Gov. Bob Martinez to consider proposals on restricting abortion. None of the proposed bills, however, made it to the floor of the legislature.

Editorial

LaRouche, 'hands on'

Our bet is that a lot of people wished that Lyndon LaRouche were President on Oct. 13, 1989. Instead, LaRouche is imprisoned in Rochester, Minnesota, the victim of an outrageous judicial frameup run by the very forces who opposed his economic policies—the forces who have once again been exposed as having been totally wrong, while LaRouche is again shown to have been right.

To quote LaRouche's own comments, "On Friday the 13th of October, the delusion that the stock market would be stabilized, was broken. A mere approximate 200 points on the Dow, of course, is a significant development, but not the biggest.

"The point is, the delusion is broken. Now in some people's eyes, I am going to look like one of the greatest forecasters in the 20th century. Back in May of 1987, I forecast a blowout on the New York stock markets for about October 10th of that year. I was pretty close in 1987, and I didn't make any other specific forecasts of this type until again this past spring, when I said, again, about October 10th we could expect, with at least an 80% chance, another major blowout.

"Well the blowout occurred actually beginning September, with the Campeau problems that built up steam toward this particular week. And by the 13th—by the end of the week—of course, the blowout occurred," LaRouche observed, referring to Sept. 15, when Canadian financial front-man Robert Campeau defaulted on \$450 million of interest payments due the investment house First Boston, and brought down the junk bond market.

"Now the practical point is this," he continued. "We are in the deepest depression of the 20th century, and there is no bottom to what is in progress, until we reach the point that the United States puts into effect the kind of emergency recovery programs that I have been proposing for years, but which the leaderships of both the Republican and Democratic parties have rejected in both the executive branch and in the houses of Congress.

"Now until my proposals for recovery *are* accepted, there is no bottom to what is unleashed now," La-

Rouche warned. "So you good folks have a choice. You either force the present administration and the Congress to support my economic recovery program, or, by failing to do that, you are responsible yourselves for whatever suffering you experience in this deepening depression.

"I'll say this: Every policy that the United States has adopted in economics, in finance, in monetary affairs, since the death of John F. Kennedy, has been a mistake." The measures adopted under Kennedy—his aerospace program (the Moon landing program), and his investment tax program—combined with a flood of government and other credit into investments in scientific and technological progress, gave the U.S. during the early 1960s the highest rate of growth of economy in our modern history.

LaRouche stressed: "We must uproot those policies, which include the so-called post-industrial or services economy orientation. We must uproot the terrible decisions which were made under Nixon, particularly in 1970-72. We must uproot and reverse the Volcker policy. We must reverse the policies of Reagan, and of Bush so far, in economic, monetary, and financial matters.

"We must go back to an emphasis on scientific and technological progress. We must go back to a Hamiltonian treasury, national banking policy, to generate new lines of credit. We must go to investment tax credit programs to stimulate investment in manufacturing, in farming, and in basic economic infrastructure. If we do those things, we will recover just nicely.

"If we don't do those things—if we don't dump the present policy—there is no bottom to the present depression," he concluded.

But these things can only be done if LaRouche has "hands on" direction of the economy in this emergency. That is why the smartest thing George Bush could do, would be to come clean and release the facts on the filthy, illegal "Get LaRouche" task force, as Warren Hamerman's letter in this issue demands. Those truths could free LaRouche—and put the country on the road to recovery. It won't happen otherwise.

ARE YOUR ELECTED OFFICIALS STILL FOOT-DRAGGING ON THE AIDS EPIDEMIC?

THROW THE BOOK AT THEM!

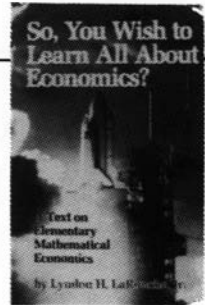


The Power of Reason: 1988

An Autobiography by Lyndon H. LaRouche, Jr.

Published by Executive Intelligence Review

Order from Ben Franklin Booksellers, 27 South King St., Leesburg, VA 22075. \$10 plus shipping (\$1.50 for first copy, .50 for each additional). Bulk rates available.



So, You Wish to Learn All About Economics?

by Lyndon H. LaRouche, Jr.

A text on elementary mathematical economics, by the world's leading economist. Find out why *EIR* was right, when everyone else was wrong.

Order from:
Ben Franklin Booksellers, Inc.
 27 South King Street
 Leesburg, Va. 22075

\$9.95 plus shipping (\$1.50 for first book, \$.50 for each additional book). Information on bulk rates and videotape available on request.

Executive Intelligence Review

U.S., Canada and Mexico only

1 year \$396
 6 months \$225
 3 months \$125

Foreign Rates

Central America, West Indies, Venezuela and Colombia: 1 yr. \$450, 6 mo. \$245, 3 mo. \$135

South America: 1 yr. \$470, 6 mo. \$255, 3 mo. \$140.

Europe, Middle East, Africa: 1 yr. DM 1400, 6 mo. DM 750, 3 mo. DM 420. Payable in deutschemarks or other European currencies.

All other countries: 1 yr. \$490, 6 mo. \$265, 3 mo. \$145

I would like to subscribe to Executive Intelligence Review for

1 year 6 months 3 months

I enclose \$ _____ check or money order

Please charge my MasterCard Visa

Card No. _____ Exp. date _____

Signature _____

Name _____

Company _____

Phone () _____

Address _____

City _____

State _____ Zip _____

Make checks payable to EIR News Service Inc., P.O. Box 17390, Washington, D.C. 20041-0390. In Europe: EIR Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 166, 62 Wiesbaden, Federal Republic of Germany, telephone (06121) 8840.

On March 28, **1986** Executive Intelligence Review had the following headline about the Feb. 28 assassination of Swedish Prime Minister Olof Palme: **"KGB killed Palme, attempts cover-up."**

On August 29, **1989** the Frankfurter Allgemeine Zeitung had the following headline: **"Was the Assassination of Palme Instigated by the Soviets? Did Moscow Know In Advance?"**

Isn't it worth reading the news when it happens?

EIR



I would like to subscribe to Executive Intelligence Review for

1 year, \$396 6 months, \$225 3 months, \$125

I enclose \$_____ check or money order

Name _____

Please charge my
 MasterCard Visa

Address _____

Card no. _____

City _____ State _____ Zip _____

Exp. date _____

Phone () _____

Signature _____

Make checks payable to EIR New Service Inc., P.O. Box 17390, Washington, D.C. 20041-0390.