

EIR

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LaRouche celebrates demise of Adam Smith
U.S. torpedos Colombian war on drugs
FBI covers up child abuse, murder in Nebraska

**Kohl and Gorbachov rebuff
Bush 'flea market' policy**



The Anti-Defamation League's top "fact finder" says she worked for CIA—but her credentials stretch all the way to Moscow.

Court revelations prove that Mira Lansky Boland, a key private player in the U.S. government's "Get LaRouche" task force, is part of the U.S. intelligence network which will do anything for Mikhail Gorbachov—a network which was first exposed by *EIR*.

EIR

SPECIAL

REPORT

The Kalmanowitch Report:

Moscow's Moles in the Reagan-Bush Administration

with a preface by Lyndon H. LaRouche, Jr.

On December 23, 1987, some were shocked at the news that Israeli playboy and arms trafficker Shabtai Kalmanowitch had been caught working as a top agent for the Soviet KGB. But it was no shock to Vice President George Bush's "secret government," which had just finished brainwashing President Reagan into swallowing Moscow's phony "peace" treaties.

For more than 20 years Moscow has been using the Israeli intelligence services as a conveyor-belt to place its agents high within the U.S. government. Jonathan Jay Pollard, who was caught passing U.S. secrets to Israel—secrets which ended up in Moscow—is only notable because he got caught: The man who recruited him, Uri Ra'anani, is still walking free, along with another of Ra'anani's students, Mira Lansky Boland of the ADL.

The Kalmanowitch Report tears the mask off this network, which has been involved in virtually every

dirty deal coming out of the White House, the State Department, the CIA, and the Justice Department during the Reagan-Bush tenure—from Oliver North's Iran-Contra guns-for-drugs deals, to the spreading of Soviet disinformation throughout the U.S. news media, to forcing Soviet Jews to become cannon-fodder for a genocidal war in the Middle East, to framing up the author of the Strategic Defense Initiative, Lyndon LaRouche.

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From the Editor

In the United States press recently, there has been some echoing of the rather barbaric and silly statements issuing from the government of Britain's Prime Minister Margaret Thatcher, on the so-called Germany danger. The British ought to button their lips: Britain did more than any other nation to ensure that we have had two world wars in this century, including the support of many powerful people in Britain for the foisting of Adolf Hitler upon Germany—and the refusal to back those patriots of Germany who tried to overthrow Hitler, such as the movement of July 20, 1944.

Some glimmers of reality on this subject have appeared even in Britain. On p. 6, Lyndon LaRouche considers the implications of a major British outlet, *The Guardian*, recently taking the side of the great "American System" economist, Friedrich List, the father of the German railway system, against slavery and opium apologist Adam Smith, the bicentenary of whose demise is currently being marked. The ouster of British Minister Ridley, who took the point for the "Germany danger" mongers, is another setback for the Anglo-Saxon Establishment. And of course, the path chosen by Bonn Chancellor Helmut Kohl, who turned his back on the "free trade" nonsense of the Houston summit in his negotiations with the Soviet leadership in mid-July.

Our *Feature* juxtaposes the news from the Kohl-Gorbachov meeting with a background picture of the troubled Soviet Union, showing how a great a threat to world peace it will become if there is not a "Listian" solution to its economic disarray. The lead articles in *Economics* and *National* indicate that such a solution will no more come out of the United States under its current policies, than rabbits out of a hat.

Lyndon LaRouche stressed in a July 20 statement, if we are going to have a recovery, "We rely absolutely upon the reunification of Germany, and the development of integration of the economies of continental Western Europe, with this new development in Czechoslovakia, and East Germany. On that basis, we can address the Soviet problems." In the next few issues, *EIR* will present selected excerpts of a new German-language Special Report showing how the "European Productive Triangle" LaRouche has been proposing since 1988, will work to transform the world economy.

Nora Hamerman

EIR Contents

Interviews

14 Fred Wojtalik

The project manager for the Space Telescope Project says it's too early to tell exactly why the telescope's mirror is distorted.

44 Msgr. Sofron Dmyterko

A bishop of the Ukrainian Catholic Church tells of his 23 years in prison in the Soviet Union, and the just-concluded Ukrainian meeting with the Pope in Rome.

Book Reviews

8 Economics as soap opera won't wash

The Politics of Rich and Poor: Wealth and the American Electorate in the Reagan Aftermath, by Kevin Phillips.

Corrections: In our June 22 issue (Vol. 17, No. 26), the last paragraph of the article, "Gorbachov, Yeltsin move toward 'Third Rome' model," contained an editorial interpolation, to wit: "If Moscow follows the same course as Poland and adopts free market 'shock therapy' à la Adam Smith—and there are many indications that this is precisely what the Soviet leadership has in mind—it is doomed." This sentence did not express the judgment of author, Konstantin George. In the July 20 issue, the Table of Contents inadvertently omitted to list one article, "U.S. threatens to invade South America," on p. 39.

Departments

17 Andean Report

Venezuela pumps strategic oil reserve.

51 Report from Rio

Collor surrenders sovereignty.

72 Editorial

The real criminals behind the S&L crisis.

Science & Technology

20 Water development projects can keep California green

Thanks to the current reign of environmentalism and eco-terrorism, parts of California are on the verge of turning back into desert, despite the fact that most Californians consider it urgent to build more dams, canals, and reservoirs—many of which have been on the drawing boards for decades.

23 Water is life itself to California agriculture

24 Water projects can solve the crisis

26 No legal right to water means no right to life

How the courts are wrecking economic infrastructure.

27 Conservation Foundation stopped water projects

Economics

4 U.S. regime 'in despair' as depression looms

It's getting harder to fake the statistics, now that tens of thousands are being thrown out of work.

6 LaRouche: 'American System' is the only hope for U.S. and Britain

Documentation: *The Guardian*: List refutes Adam Smith

10 High-speed rail system would mean a renaissance for Africa

A Guinean transportation engineer argues that if France, West Germany, and Japan could build up their national economies, African nations can unite to do it too, if they massively expand the continent's rail network.

15 Currency Rates

16 Agriculture

Farmers must be allowed to produce.

18 Business Briefs

Feature



West German Foreign Ministry

West German Chancellor Kohl and Soviet party chief Gorbachov toasting the signing of agreements at an earlier meeting, in Bonn in 1989. To Kohl's right are his ministers Hans Dietrich Genscher and Norbert Blüm, while to Gorbachov's left is Foreign Minister Shevardnadze.

24 Kohl, Gorbachov rebuff Bush 'flea market'

There was much rug-chewing in Washington and London as Germany and the Soviet Union discussed massive increases in trade relations, bypassing the bankrupt international financial institutions such as the International Monetary Fund. But Kohl and Gorbachov will fail unless the West's economic collapse is reversed.

Documentation: The eight points agreed upon on July 16 by West German Chancellor Kohl and Soviet President Gorbachov.

30 The new political parties in Russia

What are they like? What do they want? Rachel Douglas reports.

34 'Time of Troubles' haunts Russia again

Chaotic times reminiscent of the 1918-21 Civil War are inevitable, with hunger rampant and millions on the move.

37 Fuel shortage strands crops in the field

International

38 'Ridley affair' is fiasco for British Establishment

Far from being the ravings of an isolated crank, British Trade Minister Nicholas Ridley's comparison of West German Chancellor Helmut Kohl to Adolf Hitler was a signal that Britain's decadent Establishment has slipped into a "Falklands war mode," driving it to do anything it thinks might stop continental Europe from breaking with the London and New York banks.

41 Bush cripples Colombia's drug war

42 ADL, no friend of Israel, peddles war

43 Saudi role in Asia a concern for India

45 Ukraine declares national sovereignty

47 Peru's García accused of helping terrorists

48 U.K. chief rabbi rips animal rights as Nazi

49 'Animal rights' promotes starvation

Part III of a series on this neo-Hitlerian movement.

52 International Intelligence

National

54 Budget summit hits a snag in its drive for austerity

After nine years of "prosperity," not to mention "peace" breaking out all over the place, now the bad news about the economy is being used to force bipartisan agreement on fascist austerity. The main monkey wrench is that Lyndon LaRouche's congressional campaign is so visible, and audible, especially around Washington.

56 FBI covers up child abuse, murder in Nebraska

Few have dared break the wall of silence surrounding a nationwide child abuse network reaching high into state and federal agencies.

59 Outcry builds over CIA role in drugs

60 Scandals worsen around Thornburgh

61 Mayor Barry associates acquitted; government prosecution stung

62 Political solicitation is now a crime?

63 How a KKK Supreme Court judge and the ADL ushered in the "New Age"

The second in a series by various *EIR* investigators, looks behind the myth around Justice Hugo Black.

66 Ted Turner: the Goebbels of the zero-growth movement

Official Washington has CNN tuned on all day long; you should be very worried by that.

68 Congressional Closeup

70 National News

U.S. regime 'in despair' as depression looms

by Anthony K. Wikrent

The latest "news" from the lying scoundrels who determine U.S. economic policy, is that a great boom is occurring in the Pacific Northwest, where Boeing has amassed an \$80 billion-plus backlog of new orders for commercial aircraft. This new fabrication is intended to conceal the reality that the United States is in a depression. From the homeless people panhandling on almost every downtown street corner in the cities, to the horrendous figures being released for second-quarter corporate earnings, the signs of collapse are everywhere.

Housing starts dropped for the fifth consecutive month in June, to an annually adjusted rate of 1.18 million units—15.7% below what they were a year ago. New home sales are at about half the construction rate, at an annual rate of 546,000 units—21% below last year. "We're worse off today than we were in the early '80s when we had those incredibly high interest rates," a home builder in Bricktown, New Jersey told the *New York Times*.

Construction contracting for large projects showed a 6% increase in May, according to the F.W. Dodge Division of McGraw-Hill—only because the Army Corps of Engineers began three new waterway projects in Oregon, West Virginia, and Pennsylvania. George A. Christie, chief economist at F.W. Dodge, otherwise noted that construction contracting appears to be settling in at a level 10% below that of 1989.

Auto production posted some very weak gains—only because automakers are stocking up in anticipation of labor disputes, as contract talks with the United Auto Workers begin. Total year-to-date production at the end of June was 19% below last year. Industry analysts expect that the automakers will post very dismal earnings—if any at all—since sales in the spring, traditionally the best quarter, fizzled.

Heavy truck sales collapsed 26% in June. Sales of Class

8 trucks (33,000 pounds or over) for the first half of the year were down 18.1% from last year, and down 8.5% from May, reversing a seasonal trend of prior years, indicating how badly damaged the trucking industry now is.

Total U.S. oil imports of reached an all-time high of 52.3% during June, because U.S. crude production has collapsed to the lowest level in 29 years, 7.3 million barrels per day. Total imports for the first half of the year also reached a record high of 49.9% of deliveries, surpassing the first half of 1977 record of 48.8%. Domestic production fell in the lower 48 states to 5.5 million bpd, the lowest level in nearly 40 years.

Defense and aerospace hit hard

But the worst news comes from the aerospace industry. By the beginning of June, the Aerospace Industries Association had tracked 16,000 layoffs among its 54 member companies, 28% more than it had forecast; Lockheed had announced that it was shutting down all its operations in Burbank, California, and parceling them out to remaining facilities in Palmdale, Calif. and Georgia; Northrop had announced that it was planning big layoffs in the B-2 Stealth bomber program; General Dynamics had admitted it will have to lay off about 7,000 of its 32,000 workers in Fort Worth, Texas; and executives at the McDonnell Douglas civil aircraft facility in Long Beach, Calif. had issued an internal warning that "the company is in big trouble . . . [the Long Beach facility] could be history."

On June 9, Texas Instruments announced 1,000 layoffs at its Defense Systems and Electronics group in Fort Worth, Texas. On June 23, Grumman Corp. announced that it was offering early retirement to 6,000 employees—one-fifth of its work force.

One week later, McDonnell Douglas announced it was laying off 2-4,000 workers at its Southern California plants. On July 16, the *Journal of Commerce* reported that "a well-placed industry source" who supplies parts to McDonnell Douglas, which is the nation's largest defense contractor and second-largest aircraft manufacturer, was told by several managers at the Douglas commercial aircraft facility in Long Beach, Calif., that the commercial aircraft operations are for sale, and the most likely buyer is Mitsubishi Heavy Industries. Just a few days later, McDonnell Douglas announced that it is terminating 17,000 employees, or about 13% of its work force.

On July 9, Boeing said it expects to cut its work force in Washington State by another 2,700 jobs in the second half of this year, bringing the total jobs cut in 1990 to about 5,600, or 5% of its 103,800 workers there. Boeing explained that its 747-400 jumbo jet program is past the start-up stage, and is unable to absorb workers cut from defense programs.

Four days later, Northrop tripled the number of workers, to 1,400, it was terminating from the B-2 program in Pico Rivera, Calif. and said that it will transfer production of the center fuselage section of the B-2 from Pico Rivera to its facility in Palmdale. Northrop is now considering closing some of its facilities in Hawthorne, Calif. as well.

At this rate, the defense industry will be shredded before any of next year's intended budget cuts go into effect.

Deficit and corporate debt out of control

On July 16, the Bushmen announced, once more, an increase in the FY 1991 budget deficit, to \$168.8 billion—\$104 billion over the Gramm-Rudman ceiling, \$69 billion over last January's estimate, and \$10 billion over the projection given just one month before. Meanwhile, the Treasury is seeking a record 12.3% increase in the national debt ceiling, to \$3.5 trillion by mid-August—or the U.S. government will have no alternative but to default on \$20 billion in notes maturing on Aug. 15 and \$21 billion in interest payments due the same day. And on July 18, House Democrats warned that the Resolution Trust Corp., charged with bailing out the savings and loans, will run out of money in three months.

U.S. corporate bond defaults increased 150% in the first half of 1990, according to the Bond Investors Association. In April through June, there were 26 companies that defaulted on their bonds, totaling \$5.7 billion, bringing the year-to-date total of corporate defaults to \$11.4 billion. Moody's Investor Service reported that the creditworthiness of U.S. corporations declined at a record rate in the same period. Downgrades of corporate debt issues were 4.2 times upgrades, far worse than during the 1982 "recession" year, when downgrades led upgrades by 2.8 to 1.

Administration plans more austerity

Bush and his minions are not ignorant of this mess. "A real sense of despair now permeates the White House and

upper echelons of the administration on the economic and financial state of the U.S.A." an unnamed U.S. senator who attended the Bush-Congress budget summit of June 26 wrote. "The deterioration in the economy has apparently come as a great surprise—how much longer did they feel they could walk on water?"

What, then, is Bush going to do?

The underlying assumptions of the President's policy were the subject of comment in the July 15 London *Sunday Times*, by Economics Editor David Smith. The Fed's easing, Smith wrote, "confirmed that deep-seated worries about the banking system are now guiding economic policy in Washington. . . . Richard Darman, President Bush's budget director, is said to have told congressmen at a private meeting that the administration was becoming alarmed about the fragility of the American financial system. Bush's willingness to compromise over raising taxes, reflected such concerns. [Federal Reserve chairman Alan] Greenspan . . . is known to be concerned about the banking system's ability to withstand a recession."

But the banking and financial system cannot possibly be saved without resurrecting the real productive basis of the economy—the nation's farms, factories, utilities, and transportation systems that produce and distribute the physical goods and services of human economic activity. Financial considerations are merely secondary to considerations of physical production. Even certain factions in Britain are beginning to recognize this truth (see article, page 6).

In point of fact, the political rulers of the U.S. know that—but they are committed to saving the banking and financial system, while the real economy plunges into its final death agonies, taking living standards with it. Can it be any mistake that a new study, published July 14 in the *Journal of the American Medical Association*, found that in New York and New Jersey, AIDS is the number-one cause of death for black women aged 15 to 44? Or that Budget Director Richard Darman told the Congress that the effects of \$100 billion in automatic budget cuts would include the cessation of meat inspection for five months, and an end to vaccinations for 1 million children?

Can it be any mistake that the U.S. Senate passed, by a 94-6 vote, an Omnibus Crime Bill that expands from 23 to 34 the number of federal crimes that would warrant the death penalty, including crimes against property, and crimes of intent, such as threatening a government official? Perhaps the senators are aware that their actions will trigger an explosion of rage against them by their constituents.

Bush heads a bipartisan political regime that is rapidly preparing to deal with the social consequences of the physical destruction of the U.S. economy, wrought by the past 30 years' evil financial and economic policies, by imposing draconian austerity. It won't work, and that is exactly why the present political and financial leadership of the U.S. must be driven from power as quickly as possible.

LaRouche: ‘American System’ is the only hope for U.S. and Britain

The London *Guardian* newspaper on July 17 published a most unusual feature article, on the occasion of the bicentenary of the death of Adam Smith. Author Will Hutton pointed to the criticism of Smith’s liberal free-trade ideology by the German mercantilist economist Friedrich List (1789-1846), whose ideas about the role of the state in fostering and protecting economic development, in partnership with the private sector, made for the rapid industrialization of Germany.

As *EIR* has emphasized, it was the American System of political economy, the school of Alexander Hamilton and Friedrich List, that guided the industrial development of the United States, too—not Smith and the Opium War economics of the British East India Company (see, for example, *EIR*, Dec. 1, 1989, “Friedrich List’s ‘American’ economics back on the agenda”).

With the reunification of Germany, the accelerating collapse of Anglo-American financial power, and the potential for a European “Productive Triangle” to be the center of a worldwide industrial recovery, it has never been so urgent that the United States and Britain throw out the baggage of Adam Smith and his minions, and revive the American System.

Hutton summarized the issue as follows:

“Capital, says List, is a much more complex idea than Smith’s concept of accumulated profits through buying and selling well; he has taken the word to mean, says List accusingly, the sense in which it is necessarily taken by rentiers and merchants in their bookkeeping and balance sheets, namely, as the grand total of their values of exchange.

“But capital embodies mental as well as material attributes; and to assume that capital is something that is acquired through exchange is to ignore the fundamental and qualitative difference of manufacturing from other forms of activity.”

Lyndon LaRouche, who embodies the tradition of List in the United States today, commented on the *Guardian* article on July 17, in oral remarks which we summarize here.

Infrastructure development is the key

The rise of England to world power was accomplished chiefly by military and related means, LaRouche said. We go back to the period of the Tudor Henry VII, and also his immediate Tudor successors of the 16th century, and we note the concentration on the development of naval power, specifically cannons and gunnery, navigation and ship construction, and things that go with maritime military power, and we see that principle continued in England’s rise to power over the succeeding centuries, whether under those of what

we would call republican inclinations, such as Thomas More and his associates, or the other fellows, the so-called liberals, including the Stuart Restoration, the pre-Restoration people, and the pre-Cromwell people, who were essentially liberals. Nietzsche would recognize them as proponents of *alles ist erlaubt* (all is permitted)—except, of course, that which displeased the Stuarts.

There would have been no England to speak of, and certainly no British Empire, but for the British government’s emphasis on military power, especially naval supremacy, and the development of infrastructure, industries, and so forth, to support that naval power and the associated maritime power and its imperial functions.

“Apart from this silly feature of Smith,” LaRouche said, “which became so popular in England and among the admirers of Smith in the United States—this ‘buy cheap and sell dear’ capital as the accumulated profits of merchant and rentier exchange—the history of the development of modern economy in Europe, North America, and elsewhere, is the development of basic economic infrastructure—water management, shipping, other forms of general commerce, general transportation, the generation and fostering of sources of power, centralized power in particular, the development of schools to foster mental development, development of the mental potentialities of the population both as households and as prospective employees, and the development of sanitation and medical care.”

In the case of England, we note, particularly from the Tudor period on, three things: the fostering of technology for military power; the fostering of infrastructure to a limited degree—canals, sanitation, and so forth; and, more particularly, the use of the royal power to create circumscribed domains of monopoly for inventors of useful devices, for patents and monopoly which became, in the English-speaking world and elsewhere, the basis for the notion of the modern industrial and related corporation.

The essential feature here, is the notion that the development of scientific and technological progress should be incorporated with a certain degree of sovereignty to exert a certain degree of monopoly, in setting prices, protective prices, for a limited period of time, and only to realize for the benefit of the kingdom, as well as the partners, the benefits of the spread of this new technology.

If we look at the history of Europe and America, LaRouche said, we see the development of infrastructure as a major component of the development of wealth and capital in total and per capita, such that, in those nations in which

The Guardian: List refutes Adam Smith

Here are excerpts from Will Hutton's article in the London Guardian of July 17.

Many reviewers have focused on Smith's happy characterization of the market as an invisible hand, felicitously and invisibly guiding and integrating the self-interested actions of lots of individuals. They may not know it, but in their quest to buy cheap and sell dear, they are combining together to form an economic unity that is the greater social good; profit, in this scheme of things, is the fuel in the system. Without the drive for self-betterment and self-interest that profit represents, the invisible hand cannot work.

This is all well and good, but some German reviewers, notably Friedrich List, have drawn attention to the very limited notion of profit that Smith has in mind; and the misguided theory of industrialization that is associated

with it.

Capital, says List, is a much more complex idea than Smith's concept of accumulated profits through buying and selling well; he has taken the word to mean, says List accusingly, the sense in which it is necessarily taken by rentiers and merchants in their bookkeeping and balance sheets, namely as the grand total of their values of exchange.

But capital embodies mental as well as material attributes; and to assume that capital is something that is acquired through exchange is to ignore the fundamental and qualitative difference of manufacturing from other forms of activity.

"The power of producing wealth is infinitely more important than wealth itself," wrote List. "It ensures not only the possession of and increase of what has been gained, but also the replacement of what has been lost." . . .

The British state had been determinedly behind Britain's industrialization, he argued—stimulating manufacture, for example, at every opportunity—and, he urges, Germany should do the same. And it did; and it has; and it is.

the infrastructural investment is not made in that relative degree, the total and per capita wealth produced tends to be less than that in which a higher ratio of commitment is made to state and public utilities and investment and maintenance of infrastructure.

Now, in the case of England, we have an exception. England prospered, in the British Empire, as a parasite nation. It prospered on the basis not only of what it produced domestically, but of what it stole from other nations. We see that pattern in the rise of colonialism and imperialism in the 18th and 19th centuries.

Adam Smith's pagan origins

The conflict within Western civilization, LaRouche stressed, has been a conflict between republican ideas, such as those which the Athenian and Ionian Greeks defended against the Persian Empire or the Persian form of the Babylonian or Chaldean Empire, and the ideas which for 2,000 years have been primarily associated with loving memory of the pagan imperial Roman Empire.

The British liberals, among others, like Napoleon Bonaparte in France, were essentially advocates of the cause of revival of the culture of pagan imperial Rome, in opposition to the republicanism of the Greek tradition, the tradition of Solon, of Socrates, for example, which Christianity produced in Western Europe in particular, and in the Americas. That is the essential conflict.

The ideas of Adam Smith are a reflection of anti-Christian, pagan tendencies, which often, for reason of political opportunism, were cloaked as a deviant or heretical form of Christianity, which is generically described among theologians as gnosticism. So actually, Adam Smith was an anti-Christian who found it discreet to profess to be some kind of an aberrant Christian or an advocate of an aberrant variety of radical Calvinism, as his *Theory of the Moral Sentiments* and *Wealth of Nations* exemplify this feature of Smith. He was more a pagan than an economist. He was more a follower of Tiberius, Nero, and Diocletian or of Julian the Apostate, than he was of Western civilization's rise under Christianity.

The point that we come to by bringing together the two lines of argument developed thus far, LaRouche said, is that the rise of imperialism was fostered by those Romantics, such as Voltaire and Montesquieu, who hated Christianity because they admired pagan imperial Rome—as did Hitler; to the extent that they prevailed, they tended to produce a modern form of imperialist state which aspired to become the capital of a new worldwide or quasi-worldwide pagan, imperial Roman Empire.

"Such was the case with liberal-dominated Britain; such was the case with Napoleon Bonaparte; such was the case with Dostoevsky and his followers in Russia; such was the case with the pagan anti-Christian gnostic President Theodore Roosevelt and his 'New Age' movement associates and followers from then to the present day, under President

George Bush's administration—or, shall we say, President George Bush's implicitly collapsing administration.”

American power, under the ideas of Teddy Roosevelt and Bush, like liberal Britain, achieved great wealth in two ways, LaRouche argued. First, it used up the investments which had been made by the Christians whom the Theodore Roosevelts and the like in Britain hated and sought to destroy. That was its domestic power. Its essential world power, beyond that, was the use of that domestic power to support a foreign power which would have two bases: 1) the projection of imperial military power for the subjugation of nations outside its own borders, like the British Empire with its colonies and agents of influence; 2) the looting in various degrees, by various forms of usury, of those nations which were compelled to be its colonies or to pay tribute to it in other forms, such as through the mediation of International Monetary Fund (IMF) conditionalities today.

The decline of Anglo-American power

Now we come to the irony, said LaRouche. Since the 1982 submission of KGB defector Oleg Gordievsky's 50-page Anglo-Soviet hoax—which claimed that the Soviets were preparing for war if the United States developed a strategic ballistic missile defense system—there has been a drift toward general disarmament of the Anglo-American and other Western powers, the Western alliance.

Whenever imperial Rome, for reasons of the collapse of its domestic power, its productive power, its economic power, seeks to cut the military power, the military supremacy upon which its imperial strength depends, that is the end of Rome. Who will serve Rome, who does not fear it? How can Rome be feared, if it abandons the only means by which its power was maintained? When “peace broke out,” the Anglo-American supremacy in this world, in the imperial Theodore Roosevelt-Churchillian form, was doomed to come to an early end.

“The only basis upon which the calamity seizing the English-speaking nations might be reversed,” LaRouche stressed, “is either to resume a policy of military supremacy—which the U.S. and Britain lack the means to undertake, because they collapsed their economies and ruined them—or, eschewing that, to go to the anti-British, anti-Adam Smith economic policies expressed in Germany by Friedrich List, upon which the young American federal republic, under the leadership of George Washington, Alexander Hamilton, and Abraham Lincoln, among others, came to be a great world power, with—next to Germany of the 19th century and 20th century—the highest rate of productivity on this planet.

“In other words, going to the American System as I have advocated, in opposition to my rivals and adversaries in the leadership of the United States and Britain, in particular, is the only hope for the U.S. and Britain today, and is the only policy which continental Europe and the developing nations could rightly admire or even endure.”

Book Review

Economics as soap opera won't wash

by Chris White

The Politics of Rich And Poor: Wealth and the American Electorate in the Reagan Aftermath

by Kevin Phillips

Random House, New York, 1990

262 pages, hardbound, \$19.50

Kevin Phillips's new book certainly seems to have stirred up a certain amount of controversy around and about the place. According to some reports, the author is being denounced as a “Marxist” by some of the Bush-leaguers who seem to resent his thesis that economics is going to be the number one political issue in the country in the period ahead. Phillips is anticipating the development of a political backlash against the untrammelled greed and speculation of the Reagan years.

Phillips's basic thesis is really quite straightforward. During the Reagan years, the power of government was used in such away that the rich got much richer, and the poor got much poorer. The rich, Phillips documents in some detail, means about one-half of one percent of the total population. Tax policy, budget policy, deregulation, money, and debt were the means by which the shift was brought about in favor of yuppie greed and speculative excess and against the vast majority, whose standard of living collapsed, and whose future prospects evaporated.

No one in their right mind could disagree, could they? It did happen. Phillips, though, happens to be a Republican, not just any old Republican, but a political analyst for Richard Nixon's 1968 presidential campaign, whose first book *The Emerging Republican Majority* was described by *Newsweek* as “the political bible of the Nixon era.” He is also an impeccably credentialed, officially labeled conservative. So, it is not perhaps surprising that his prognosis, that the Republicans will be swept away in a possible 1990s political “correction,” as the Democrats were in 1968, could evoke such ire, especially from those who still insist that we are all still enjoying the fruits of eight years of unprecedented prosperity.

Soap opera is a part of the popular culture about which Phillips does not have so much to report. In the reactions, and in the author's thesis itself, we are however, thrown head first into exactly that soap-opera-typified frame of mind which is symptomatic of so much of the sickness of contemporary America.

It comes out in what he argues for, and it comes out in what he chooses to ignore. Phillips asserts that American politics is governed by a series of relatively long-wave cycles, ordered through the presidential election process. "From the formation of the Republican party in the mid-1850s down to the 1990s, the United States has experienced successive presidential party supremacies or waves, each lasting a long generation. As profiled by political scientists, three have been Republican and one Democratic." The four are the Civil War Republican Era (1860-96), the industrial Republican era (1896-1932), the Democratic New Deal Era (1932-68) and the post-civil disturbances Republican era (1968 and thereafter). The Republican eras are associated with concentration of wealth, "the Democratic Era was, of course, the principal period of downward income redistribution, first in the 1930s, then again in the 1960s through Lyndon Johnson and his Great Society." The long cycles are in turn subdivided into different phases, as Republicans shift from "broad middle-class 'nationalism' into 'capitalist overdrive.'" In "capitalist overdrive" is unleashed the greed which in turn brings about leveling counterreaction, of anti-greed. "Populist outsidership and reform" then target the incumbent plutocratic elite.

Phillips may very well be right, there is a backlash coming against decades of abuse. A wave of assertion of values, which were America's own, surfaced in Beijing's Tiananmen Square one year ago, and erupted anew in East Germany last October. The music of Beethoven, and the principles of the U.S. Declaration of Independence, which united both, point to an area of human activity, and aspiration, with which the author seems singularly unfamiliar. The cycles go like the soap operas: Watch who is up and see who is falling down; look at who is in and who is out. History doesn't work like that. There is more to mankind than money-grubbing, and reacting against the money-grubbers.

Take Phillips's view of recent history. "This book is the portrait of what the 1988 debate largely ignored . . . the Democrats shunned the issue in the election of 1988." These assertions are wholly untrue. The 1988 election campaign, as in 1984, featured a joint effort by the leadership of both parties, to keep out the faction associated with Lyndon LaRouche, the leader of a faction in the Democratic Party which garnered between 20 and 40% of the votes, consistently, at all levels of the electoral process. LaRouche campaigned in 1988 and 1984, to say nothing about 1980, for an economic reorganization like those associated with FDR's 1940-43 war mobilization, and JFK's Moon-shot driven investment policies of 1960-1963. National television time was

bought to put such ideas into circulation. Honesty would insist, "Well it looks now like LaRouche was right, after all. It looks like they were wrong to frame him up and put him in the jail." That isn't what Phillips does. Though he should know that is the case. He does write, "A new plutocracy—some critics were even using the word 'oligarchy'—had created a new target for populist reaction," and everyone knows where that one comes from. So, if both parties, "seem rudderless on a sea of compromise, caution and confusion," and LaRouche is left out of the picture, one is left to wonder what he and his employers do have in mind for the 1990s. Phillips, the conservative, contributes to the *New York Times*, *Washington Post*, *Los Angeles Times*, and is a member of the political strategists' panel of the *Wall Street Journal*.

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—Lyndon H. LaRouche, Jr.

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High-speed rail system would mean a renaissance for Africa

by A.A.A. Sakho

Mr. A.A.A. Sakho, originally from Guinea, is currently an architect in Paris. He has been doing research on high-speed transportation for Africa since 1972, and has developed a plan for high-speed rail systems, known as the TGVA (train à grande vitesse africain), published in book form in French. We publish a translation of Sakho's speech to the Schiller Institute conference held at the Sorbonne on June 19, on the theme "A Renaissance for Africa."

How is it that some countries are highly developed and others little or not at all? Several answers are possible, depending on whether the country in question is African or not.

From any standpoint, building an economically and politically viable state is no easy task, be it in Africa or elsewhere. Indeed, 160 nations are members of the United Nations Organization, but only one-tenth of them are considered highly developed. It is precisely that one-tenth that dominates and controls international trade.

There are many reasons for Africa's economic backwardness. The price of raw materials is not the one and only cause. In Europe as well, certain products or economic sectors are often subject to the ups and downs of the international market, that is both African and non-African products are. . . . In fact, we Africans should begin by recognizing our shortcomings and making up for them. Let us limit ourselves to the following observations which are patently obvious: Until now, we have failed to grasp the African *fact* and its immense economic possibilities; there is an almost total absence of organization of our whole society.

Every African state is rather open to the outside world and often closed to neighboring countries. This situation has led us to witness conflicts that would have been unimaginable some decades ago—I mean Africans expelling other Africans from their country. So our efforts, our wealth, our experiences are not added up together, but are subtracted from one another. In such conditions, we have nothing but poverty to share! This is true from north to south and from east to west, even though the first and foremost precondition should have been to organize a vast, continent-wide solidarity, in order to raise the population's living standard. On the whole continent, the living standard is in a spiraling decline.

The situation is so dramatic that one wonders where our dear continent will end up. Our pride is deeply wounded

when we see our youth flee the continent, to immigrate to developed countries in the hope of finding a future there, but a future which can only be hypothetical. These days, developed countries are supersaturated in every sector and their problems are as great as their overdevelopment. In Paris, this is obvious in the immense housing problem. It is therefore more than urgent to bring Africa into a true economic renaissance, affording prosperity for the largest number. This is possible.

In short, we are faced with another question today. Are we or are we not going to recognize the failure of 30 years of independence and national management? Should we continue to blame only others, that is outside countries, for our collective errors? One needs a great deal of political courage to recognize one's own mistakes and to draw the obvious conclusions. It is time the Africans began respecting Africa, if Africa is to be respected by others. After all, what good is it to put on a blindfold in order to not face up to reality?

How other nations developed

Taking a good look at the world around us, who could deny the following truths:

- It is the French who built up France. Over centuries, they have made it into a country that attracts so many people. This does not, of course, mean that everything is perfect. But for many serious people, the French way of life, of culture, etc. is to be respected.

- Starting from a more than dramatic national situation, in every sector of its economy, Germany got back on its feet and rebuilt its economy, to such an extent as to become, within a few decades, one of the three greatest economic powers of the world. Germany is a model of industrial efficiency. . . .

- In the mid-1950s, Japan was an integral part of those countries considered underdeveloped. The yen was basically unknown throughout the world. In 30 years' time, the Japanese have become recognized throughout the world for the quality of their products and the stability of the yen. It is no exaggeration to say that Japan is one of the most prosperous countries in the world. Her prosperity is due to the quality of the work and the seriousness of the Japanese people.

During the same three decades, what have we Africans done? We have satisfied ourselves with consuming what is

consumable, but never creating anything ourselves! In spite of our fabulous natural resources, we remain a continent of the future, failing to see that whoever does not control his present cannot control his future. . . .

It was in order to control their respective futures that France, Germany, Japan, and other countries began, from the outset, to give themselves an infrastructure on a par with their present and future ambitions. We forgot to do that at the same time as they did. Therefore, African trade worthy of the name cannot exist. Without solid infrastructure in several complementary sectors, the economic miracle will remain wishful thinking.

For example, France plans to extend its high-speed train network to 400 kilometers between now and the end of the century. That's quite a lot, and only includes infrastructure; the economic repercussions will also be great. In the United States, for two centuries, the Port of New York created prosperity for the city and the entire New York region. That's right—for two centuries. The port is an element of infrastructure.

This type of vision of economic buildup over the medium and long terms is what has been so cruelly lacking in Africa. One of the reasons for the lack of long-term vision is the internal organization of African society. The organization is too dispersed, with no big urban centers comparable to large European metropolises. Even though progress has always come out of the big cities! Such a situation did exist before the colonial conquests. Lacking such massive population centers, we were not able to keep up and to master, at the same tempo as our European neighbors, the successive changes in modern science and technology that completely changed the economic values of the world. This is especially true in the transportation field.

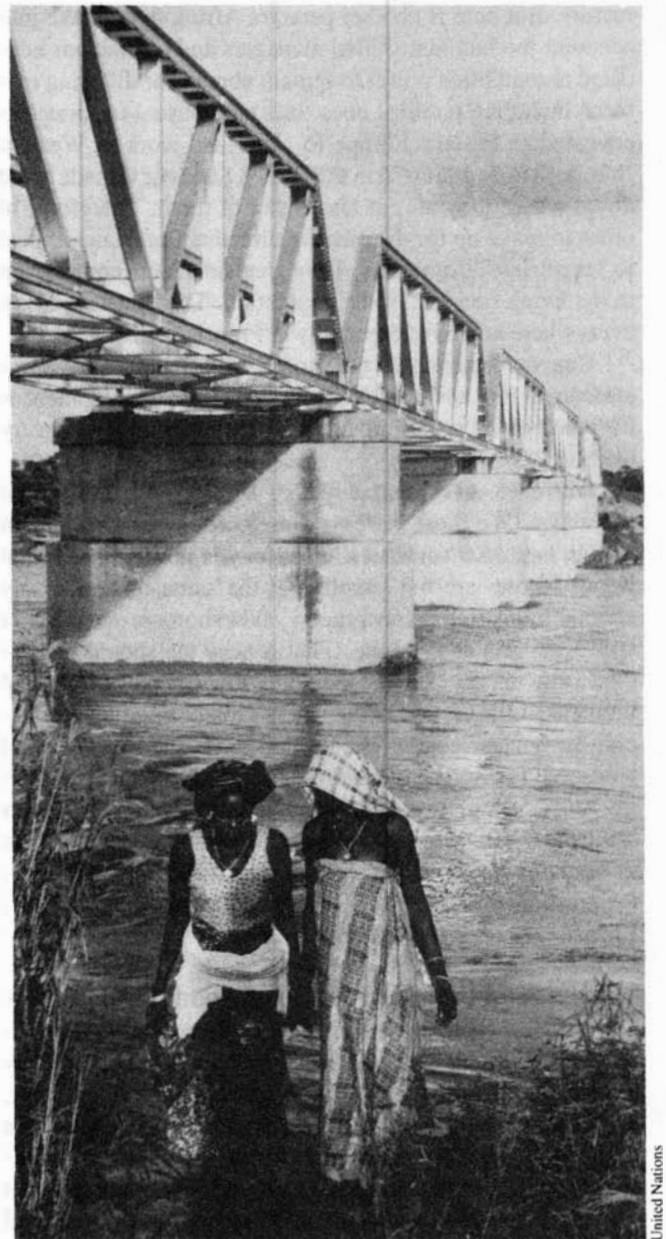
In this final decade of our century, we are experiencing the birth of new transportation technologies. They are nearly providential for such a vast continent as ours. This time, it is absolutely necessary for Africa to be a pioneer of those new technologies.

Once and for all, let us stop turning away from progress. Wherever it may come from, we should also strive to master this progress for the sake of the masses. . . .

Priorities for infrastructure

Since 1960, important plant and equipment have been built in Africa. But the result is that, 30 years later, these have nowhere allowed a lasting profitable economic takeoff. Otherwise, we would not be in a situation of such general bankruptcy. In many cases, unproductive and overvalued equipment has increased indebtedness. Some significant examples:

- A railway line whose construction should have cost \$140 million, was invoiced for about \$600 million—an overpricing of more than 400%.
- A hydraulic dam project was estimated at \$4 billion



A railroad bridge under construction in 1961 in Nigeria. Today, 30 years later, distances are still measured in "walking days."

although the real cost was not more than \$400 million—a whopping increase of 1,000%. This dam was never built.

● A 25-km urban transportation project was estimated at 7 billion francs (close to 300 million francs per km), although 700 million would have been more than enough. In such circumstances, infrastructure for Africa seem indeed prohibitive. That's not true. It is the method that must be changed, to make them less speculative.

Once the key is handed over, the plant still has to run and to pay back investments. This involves management, requiring highly competent managers, technicians, and di-

rectors. But here is another paradox Africa should take into account: the fact that skilled managers and technicians educated abroad often prefer to remain abroad for differing reasons, including political ones. It is not unusual for directors educated in Eastern Europe to come and work in Western Europe. Those educated in the United States or Canada settle down where they are, at least most of them. Therefore, in order to make up for the missing directors, our states appeal to “expatriate” Europeans. They are paid a lot in comparison to the living standard of the population. This situation exists everywhere and most especially in French-speaking Africa.

Can we establish an order of priority in choosing infrastructure? Yes and no. Coherent economic development is the result of the sum of many activities, from heavy industry to shopkeepers.

However, all economic sectors use electricity as a source of energy. We must increase our electricity production. In certain large African cities, electricity is now rationed; that is, all sectors are not supplied at the same time. For any serious industrialization process, this shortage would be a real economic catastrophe. That is why we should not exclude any energy source, including nuclear power. For the moment, Africa is one of the world’s major uranium producers. So nuclear energy should not be rejected as the West tends to do now. The technology for producing nuclear energy can develop, just as the security or ecology problems linked to it can. What is in any case clear in the present stage of our knowledge, is that without plentiful cheap electricity, there can be no TGV, no TGVA, no Transrapid, no maglev. Electrical energy is primary.

High-speed transportation of goods and people

With respect to passenger and goods transportation, Africa is incomparably behind. This deficiency is unquestionably the cause of the economic backwardness on our continent. The drama is that African leaders do not necessarily make a direct link between transportation and economic development. It is true that inter-African trade does not account for more than 2% of total African trade, although the total population is over 650 million, twice that of the European Community.

In developed countries, land, sea, and air transportation covers all economic sectors. Their complementary nature allows these countries to get their supplies from all over the world. European states took an interest in modes of transportation very early (before the rest of the world), especially because of the geographical disposition of Europe, the proximity of the sea. For example, as the crow flies, no point in Great Britain or on the Italian peninsula is more than 120 km from the sea. In Africa, it is more than 1,800 km. The development of the merchant marine came several centuries before surface and air transport.

If, per chance, all means of transportation in the developing sector were to suddenly stop functioning, these countries

would be totally ruined. In France, suffice it to consider what happened during May 1968! A general strike brought all transportation to a halt. The country was paralyzed for weeks. People were stocking food. It became impossible to find certain perishables. The shops, cut off from supplies, were sold out. If these events had lasted for one year, France would have been on the edge of famine. As with other services, gas stations were not supplied and cars and trucks were forced to stand still: The rare cars still moving were using gas bought on the black market at high prices. In that way, some clever folks became millionaires overnight. In May 1968, the “layman,” rich or poor, understood perfectly well the importance of transportation, in a country as advanced as France where all internal and external activities are linked like a chain.

But back to Africa. Even in our times, “deepest Africa” continues to reckon distances in terms of walking days, rather than in miles or kilometers. We say that City A is five walking days’ distance from City B, which means approximately 200 km. With the TGVA-Intercity running at 400 km per hour, those five days will be reduced to half an hour! So the TGVA compresses distances enormously, and that can create an unmistakable impulse for economic activity.

A state like Guinea, for example, which covers 250,000 square kilometers, because of the gain in time, would seem to cover only 25,000—that is, less than Belgium. This theoretical reduction of distances will be felt in human relations between Guineans themselves, as well as with neighboring countries; in the volume of national and international commerce; and in the ease and speed of distribution generally, and of food products in particular. On our continent (with the possible exception of South Africa), people living more than 50 km from the coast almost never consume fresh fish (excluding freshwater fish) at home. . . .

Conversely, for a great majority of countries bordering the Atlantic, the coastal area dwellers cannot consume fresh milk nationally produced.

In other words, all food which cannot be preserved over a long period of time is consumed where it is produced. In the hinterlands (except Nigeria), the population density is relatively low, which corresponds to the lack of ability for commercialization. We can see here one of the reasons for the lack of incentives for African agricultural producers.

Burying tons of rotting fruit

In Guinea, the production of oranges is very important, reaching several hundred thousand tons. But due to a lack of commercial circulation, nearly 90% of production is buried each year in great pits. This is to prevent the cattle from eating them and from having them rot on the ground. This “first class burial” is also used for mangoes, avocados, lemons, etc. If we Africans want to finally enter into the world of prosperity, we must be very critical of ourselves and recognize our lack of creative imagination. This lack of creative

imagination, centuries old, is largely responsible for our poverty, for the fruit we bury every year, since time immemorial, could be worth hundreds of millions of dollars on the international markets. Imagine what that would represent after 10, 20, 50 years of commercialization. This helps to understand why it is so urgent to develop the TGVA.

The TGVA will also allow a better organization of the educational system, which today touches only 20 to 30% of African youth. The pupil or student living 400 km from his school or university would only have one hour commuting time one way or the other. During his studies, this young person could live with his family.

With the TGVA, the medical sector is better developed. Doctors, specialists, professors will be able to travel rapidly to the rural areas. The patients will no longer have to go to the capital. Now, in many countries, only the capital has modern and sufficiently well-equipped hospital facilities. In general, specialists and professors stay in the capital. Indeed, traveling into the hinterland becomes a real adventure, because of the lack of appropriate means of transportation.

But if I had to cite all the advantages of the TGVA, the list would be far too long.

Overcoming isolation

I will conclude with the tremendous possibilities of overcoming isolation the TGVA affords. Take three examples: hinterland cities of a given country; border areas with neighboring states; totally landlocked countries, that is, those with no sea coast or short sea coasts, such as Zaire.

Africa has about 15 countries in this category, which cover more than 10 million square kilometers.

By contrast, Europe, excluding the U.S.S.R., has only four landlocked nations, of relatively small geographic size: Switzerland, Austria, Hungary and Czechoslovakia.

The TGVA will bring the states farthest from the coast to within five hours' traveling time to the nearest coast. At present, these states only use air travel for intercontinental relations.

Overcoming this isolation will allow those states to make full use of their numerous raw materials and to become importing and exporting countries. After freeing a majority of cities, regions, and nations from isolation, state-to-state and continentwide trade worthy of the name can be developed. The consumers are already there. The African population is currently estimated at 650 million people. In 20 to 25 years, there will be more than 1 billion souls to feed, educate, dress, care for, transport, house, etc. This is no small challenge for development.

I thank the Schiller Institute and [its French spokesman] Jacques Cheminade for the interest they have taken in our continent at a time when those who owe their prosperity to Africa are fleeing there. They took what was good and easy to get. Now they tell us to manage by ourselves! It is a challenge. We must answer it.

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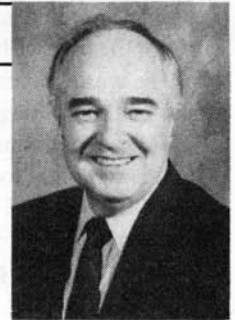
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Problem with Space Telescope's mirrors remains a mystery

As EIR reported last week in our Science & Technology section, the media and some politicians have gone way out on a limb, in their pronouncements about the flaws in the mirror system of the Hubble Space Telescope. Space scientists are still sorting through voluminous data to find out what went wrong, and most are confident that, despite the setback that the malfunction represents, the Hubble can still be made to function adequately, and will yield much valuable scientific information.

Fred Wojtalik is Space Telescope Project Manager at the Marshall Space Flight Center in Huntsville, Alabama. He was reached at the Hubble Control Center, Goddard Space Flight Center, Greenbelt, Maryland on July 3, by David Cherry of 21st Century Science & Technology.

Q: Is it true that the exact amount of spherical aberration in the mirror system is not yet known?

Wojtalik: Yes. We are working on determining that right now, but we also have other aberrations—a little bit of coma and astigmatism—that we are also working to correct.

Q: To get rid of coma and astigmatism, do you change the tilt of the secondary mirror, to make it more perfectly parallel to the primary?

Wojtalik: Yes. We can move on two axes and any angle to those axes. We have actuators on the secondary mirror. So you are tilting the mirror, not moving it forward or backward as you do for focus.

Q: When do you expect to have the final measure of how much spherical aberration there is?

Wojtalik: We are currently generating data in that regard, but we expect that we will be done with correcting the other two aberrations by the middle of July. Sometimes we are not completely successful in the uplinking of commands, and so this estimate is based on the assumption of a relatively successful overall operation. Our current estimate is that we should be done with all of the secondary mirror motions by the middle of July.

Q: Do you have any experience as a manager in the business

of designing a mirror and seeing it go from specs to construction?

Wojtalik: No, I don't. I am an electrical engineer by trade, and I have been in the management field for 15 years or so. I know enough about optical manufacturing to ask good questions, but I am not an optical engineer.

Q: Do you know how many people would be involved in arriving at specs?

Wojtalik: Marshall Space Flight Center identified the overall specifications for that particular mirror system. It had to be a certain size to fit into the Space Shuttle. It was going to be a Ritchey-Chretien optical system, and there are other requirements such as reflectivity. Once those requirements are established, an optical engineer can then design the curvature of the mirrors—the prescription. There were probably about five people who were very intimately involved in it.

In the production phase, I am told NASA had at peak about 50 people at Perkin-Elmer [former name of Hughes Danbury Optical Systems—ed.]. There are machines designed to rough-grind to the prescription, and then there is fine-grinding and polishing. All along you are doing metrology, a measurement technique to determine precisely the figure of the mirror. When you decide that you've got the figure right, the mirror goes into the coating process to put a reflective coating on it, and an overcoat of magnesium fluoride.

While those steps need to be done by people who know what they are doing—and we believed and still believe we had such people—these are all rather straightforward steps. Everything in this program was pretty much wide open to a lot of people, and I believe everybody who looked at how things were done did not see any fault at that time in what was done.

We currently do not, and I need to stress this, do not understand where the fault actually lies. Our indications are that it is in the Optical Telescope Assembly, but as far as precisely the source of it, we haven't got that nailed down yet.

Q: Let's come back to the formulation of the prescription. The numerical values that were necessary to specify curvature for each of the Space Telescope's mirrors—were they

formulated by Perkin-Elmer people, or by Marshall people? **Wojtalik:** Marshall gave the requirements in the contract, and they were then converted by Perkin-Elmer, but were cross-checked by several different organizations including Marshall. Those equations still exist. They are going to be looked at again now—several times, I am sure. But I personally do not think they are in error. They were done meticulously by good people.

Q: Let's think for a moment about the hypotheses that might arise if it turns out that those mirrors was specified correctly and ground to specs. Is there any way in which the large primary mirror, if correct, could have changed shape while waiting eight years on the ground?

Wojtalik: You've got me into the realm of speculation. I really don't want to get in there. I personally don't think that would have happened in that amount of time. We have a very uniform spherical aberration, and I would have a hard time believing that any such process would be all that uniform.

Q: But gravity is uniform. Do you happen to know whether, during storage—all the time the primary mirror had to wait—was it sitting in the Optical Telescope Assembly or was it sitting fully supported on the ground?

Wojtalik: When I got into the program, it had been in various positions at Perkin-Elmer waiting to be put into the Optical Telescope Assembly. When it was delivered to Lockheed, and started to get integrated into the vehicle, about 1984, it mostly sat in one orientation—the vertical. That would be from 1984 until we moved it out of there in late 1989. By vertical, I mean the shiny surface is up—the axis is vertical.

The only times that it wasn't in that position were when we were taking it to acoustic testing, thermal vacuum testing, and prior to shipment. Maybe three-quarters of a year all told it was in the horizontal position.

Q: Once the mirror is mounted in the Optical Telescope Assembly, it is no longer everywhere supported, but only supported at certain points on its periphery, is that correct?

Wojtalik: That's correct.

Q: And when did it get mounted?

Wojtalik: It got mounted, I would suspect, sometime in 1983. It was delivered to Lockheed in 1984.

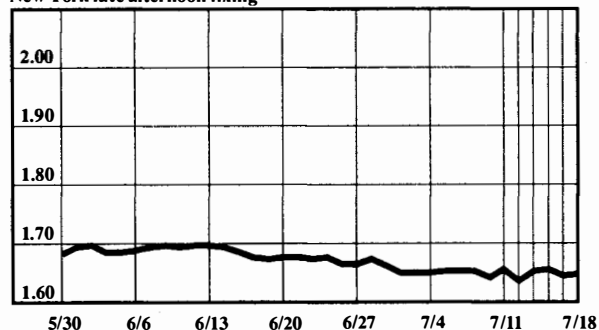
Q: Once it is mounted, and hence not everywhere supported, you cannot expect a uniform deformation from gravity?

Wojtalik: That would be my assumption. It's my personal opinion that it is not deformed from being on the ground for some length of time. And I am not sure either mirror is deformed, let me make that clear. So we have a mystery on our hands. But we do know we have some spherical aberration, the exact amount is not known yet.

Currency Rates

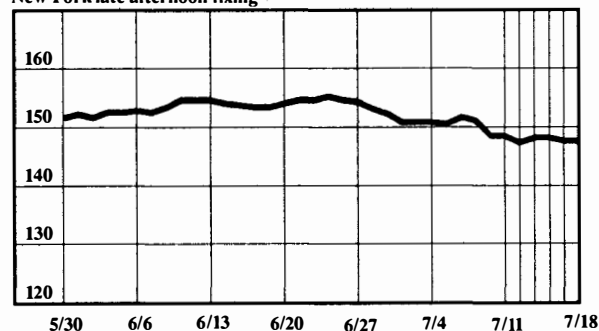
The dollar in deutschemarks

New York late afternoon fixing



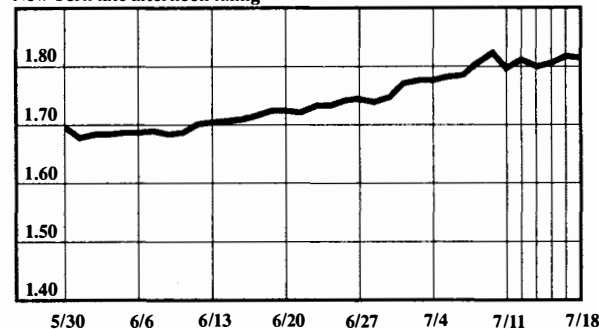
The dollar in yen

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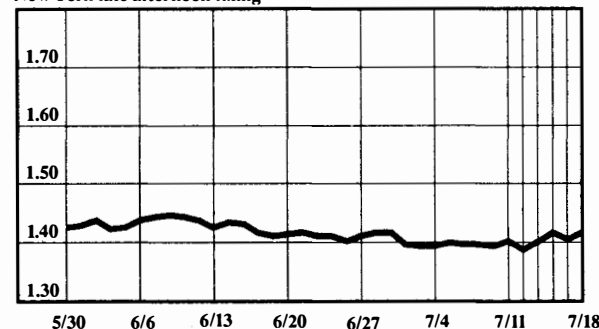
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Farmers must be allowed to produce

Moscow expects huge food shipments; Yeutter expects you to eat soyburgers and drink soy milk to help out.

The Soviet need for food aid and assistance to its agricultural sector were among the highlights of German Chancellor Helmut Kohl's trip to Moscow in mid-July. At his concluding press conference to his visit on July 16, Kohl said that the "farm issue" is highly important. Kohl made commitments of German aid, and, in turn, received Soviet acquiescence for a reunited Germany to join NATO and make other national decisions.

President Bush has repeatedly pledged food aid to Gorbachov, though with no concessions received in return.

But regardless of the politics involved, one strategic question posed by these food aid promises is: What is the capacity to produce enough food in the world so that millions won't go hungry and food will not be a political weapon?

There is tremendous political pressure from farmers in Western Europe who refuse to take continued low prices, to be allowed to produce more to meet domestic, East European, and Soviet needs.

But as the 1990 global harvest season approaches its midpoint, the picture is grim. The U.N. Food and Agriculture Organization June *Food Outlook* report stated, "The world cereal stock situation is unlikely to improve in 1990/91, despite the favorable harvest outlook."

The first harvests of the year—in Argentina and Brazil—are below average, mostly because of hardships on farmers.

The wheat harvest in the United States is bountiful—probably the third-largest on record—at 7.3 mil-

lion tons (2.7 billion bushels). But one good harvest will not make up for the last three years of world shortfalls in wheat that have drawn stocks down below the danger levels.

The Soviet wheat crop—favored with decent growing weather—will likely end up with a 30% harvest loss, because of the decrepitude of the combines, trucks, and storage facilities. In early July, Moscow oil authorities confirmed they were holding back petroleum exports in order to send emergency fuel to the harvest machinery, also stalled for lack of spare parts.

All this year, the U.S. Department of Agriculture has been encouraging U.S. farmers to produce more grain, and has been advancing the Soviets millions of tons of grain at subsidized prices. Even so, as of early 1990, the Soviets reneged on paying for the discount grain. Many of the cartel grain companies privately stalled on making more deals. Archer Daniels Midland (ADM) offered to send grain in exchange for cast-off Soviet ships that could be sold or used in the West.

In the face of low grain stocks, Washington has prioritized grain shipments to the Soviet Union, above food aid to Africa, and commercial shipments to other areas.

Annual donations of grain by the United States to all points in need, have declined from 7.5 million tons in 1985, down to 5.2 million tons last year. However, last year, over 20 million tons of U.S. grain went to the Soviet Union.

Protecting the option to keep sending scarce grain to the Soviets, the USDA has forecast commercial exports of U.S. wheat will be down this

year to 32 million tons, less than the 38 million ton level of a few years ago.

Over the last four years, U.S. wheat stocks have dropped from 34 million tons to an expected 12 million tons by year end. Total world stocks of cereals of all types have dropped from 455 million tons in 1987, down to 290 million projected for this year, despite the bountiful U.S. wheat harvest.

U.S. Agriculture Secretary Clayton Yeutter urged U.S. farmers to plant more last fall, in order to produce more. However, he has made no provision for easing the financial strain now putting thousands of family farms out of operation because the giant food cartel trade companies are underpaying farmers and giving the Soviets sweetheart deals. The price of wheat to U.S. farmers has fallen from \$4.72 to \$3.23 a bushel in the last year.

The plight of farmers could be reversed, and plenty more food produced, but the orientation of the USDA and the food cartel lobby is that the U.S. should alter its diet. Richard Harwood, an official of the Winrock Institute (named for Winthrop Rockefeller) in Arkansas, a food policy think tank influential in Washington, said at a September 1989 press conference that the U.S. domestic diet should be altered in order to meet food export commitments to the Soviet Union.

ADM is heavily promoting soyburgers on NBC television ads. ADM is also gearing up to provide soybean milk for popular consumption, as dairy products get scarce. Monsanto Chemical Co. is marketing a "fake fat." There are dozens more ersatz food products in the works, popularized as "health foods," but to be used as replacements for the livestock food chain to free up grain to be used on the world market as a "political weapon."

Venezuela pumps strategic oil reserve

Mexico's oil production is collapsing while Venezuela schemes to become top producer in a hemispheric reserve.

The Venezuelan government is negotiating with the Bush administration to create a Western Hemisphere strategic oil reserve, as proposed by former U.S. Secretary of State Henry Kissinger. In this scheme, President Carlos Andrés Pérez is going it alone, ignoring quota agreements with OPEC and with the Informal Group of Latin American Oil Producers.

During the group's last meeting in June, Venezuelan Mines and Energy Minister Celestino Armas presented Carlos Andrés Pérez's new oil program, explaining that "negotiations are being planned with Venezuelan businessmen and international financial agencies, for their participation in areas which until now have been reserved exclusively for the state. . . . The Venezuelan government intends to carry out a series of changes in its legislation, to make it the number-one Latin American oil producer."

Officials of Venezuela's state petroleum company PDVSA have indicated that "investments in oil are already being directly negotiated with both national and foreign private capital, a program that is becoming one of the most important within the future mosaic of the international petroleum market."

At the Informal Group's meeting, which was not attended by Francisco Rojas, the president of Mexico's state oil company PEMEX, it was revealed that Mexico is flagging as Ibero-America's leading producer of crude oil.

The new Venezuelan oil program anticipates that 11 billion barrels of oil will be added to current proven reserves of 59 billion barrels, which will

raise its reserves of conventional crude to 70 billion barrels by 1995. The plan anticipates keeping Venezuelan oil exports at 1,714,000 barrels a day, 484,000 more than what Mexico exports. While Venezuela increases its proven reserves, Mexico has reduced its own from 72,000 barrels in 1982 to 66,000 in 1989.

Celestino Armas has declared that "outside of the Middle East, Venezuela is the only certain source of petroleum in the Western Hemisphere." Agreeing with Armas, PDVSA director Andrés Sosa Pietri announced the return of the oil multinationals to Venezuela. He added that association contracts were already being studied, in accordance with Article 5 of the 1976 Oil Nationalization Law. According to Sosa Pietri, "Venezuela will accept the return of the multinationals in high-risk areas and where high technology is required for oil exploration and exploitation."

In the upcoming OPEC meeting, Venezuela will ask that its production quota be raised to 2.4 million barrels a day (mbd). Unidentified officials of PDVSA have leaked that President Pérez already has a study which "affirms that the best thing that could happen to the country is for OPEC to abandon its quota system." Venezuela eventually hopes to raise production from 2.7 mbd to 3.6 mbd by 1995.

On July 13, Venezuelan Energy Minister Armas met in Washington with his counterpart James Watkins. Foreign Minister Reinaldo Figueredo reported that Armas presented Watkins with a proposal to create "a hemispheric petroleum system for emergency cases."

Armas's proposal stems from an earlier proposal made by Pérez to Bush during his visit to Washington last May. Pérez had urged the United States to agree to an increase in Venezuelan oil production to 3.5 mbd, a quantity which could then be used in emergencies by the United States or any Western nation.

While Venezuela's oil future is under negotiation, Mexico's appears to be on the decline. June prices for Mexico's Isthmus, Maya, and Olmeca oil were being quoted at 96¢ below the "budget price" of \$13 per barrel, according to PEMEX. This represents a loss of \$44 million for the month of June, according to income calculations in the 1990 budget. According to PEMEX spokesmen, "the fall in prices is due to the persistent instability of the international oil market, caused by OPEC overproduction."

Mexico is already importing Venezuelan oil for generating electricity, and PEMEX's deputy trade director Javier Jiménez Espriu told the press that "national gasoline consumption is rising between 12 and 14%. . . . Since there is no possibility of increasing production inside the country, this fuel will be brought in from abroad."

One PEMEX official told *EIR* that he didn't understand what was going on in Venezuela. Its new program, he said, goes outside the agreements of both the Informal Group and the Latin American Energy Organization, especially with respect to the sovereign management of the companies involved. Asked if the Mexican government was counting on a war in the Mideast, the official said, "Yes, because only a sharp increase in the international price will save PEMEX and the country. . . . Otherwise, we would have to do what Venezuela is doing."

Business Briefs

Oil

Diesel shortage in Dominican Republic

The Dominican Republic, which gets its oil from Venezuela, awoke to a shortage of diesel fuel on July 16. Observers believe the shortage is due to Venezuelan President Carlos Andrés Pérez's efforts to facilitate the multinationals' resource grab with a proposed hemispheric strategic oil reserve.

The shortage is critical, since the island has been suffering from electricity shortages for the past two years, and industries depend on their own diesel-run generating plants during the frequent power outages. Blackouts now last 20 hours per day, and without the independent generators, now out of commission because of the diesel shortage, the island is in the dark.

During the first half of July, Panama, also dependent on Venezuelan and Mexican oil, has been experiencing a gasoline shortage, a first for Panama, which, even during the 1973-74 fake "Arab oil embargo," never experienced a fuel shortage. The official story is that "a tanker with gasoline" was unable to unload, but Panama has its own refinery and imports crude oil, not gasoline.

Computers

Superconducting chip prototype produced

Conductus, Inc., a small high-tech company in Silicon Valley, California has developed a technique to manufacture computer chips from higher-temperature superconducting materials.

The material, a fragile ceramic, stays energy-loss free at a higher temperature than the conventional superconductors, which must be kept only 4° above absolute zero to maintain their superconducting characteristics.

A company official told the July 13 *Wall Street Journal* that it will concentrate on low-power applications, such as super-fast computers, sensors, and other electronics appli-

cations, rather than large-scale magnet and energy systems. The factory making the semiconductor chips can turn out 25,000 per year and the company expects to be profitable by 1994.

Shipbuilding

Japan christens high-speed seacraft

On July 11, Japan's largest shipbuilder, Mitsubishi Heavy Industries, christened the world's first superconducting propulsion ship, the *Yamata 1*, at the Kobe shipyard. The ship is a prototype for future high-speed seacraft.

Superconducting coils of niobium and titanium in thrusters under the ship create a magnetic field. That field is then repulsed by an electric current circulating in the water medium through the ship's thrusters which propel the vehicle. The water-propelled thrusters are believed to minimize vibration and maintenance problems associated with conventional screw propellers. Sea trials begin next spring.

Environmentalism

Energy conservation kills with indoor air

Indoor air pollution, caused by measures to reduce oil burning through energy conservation, have created the most serious environmental hazard in Sweden today, according to Arto Hamberg, manager of corporate relations for Sweden's ABB Atom.

In a paper submitted to a recent "Info 90" conference in Dallas, Texas, Hamberg reported that both nuclear and conservation "strategies have contributed to the reduction of oil consumption, but from the environmental point of view the conservation strategy has been literally fatal," he said. A government committee charged with studying allergic reactions in Sweden found that 1,300 Swedes died due to asthma in 1985, up from about 700 in 1965. "The primary reason given by the

committee is indoor pollution due to insufficient ventilation of houses which have been made too tight in order to save energy," he said.

Hamberg called the campaign to conserve energy through insulation of buildings "the most severe national environmental crisis in decades."

The allergy committee's chairman has stated publicly that increasing the ventilation in Swedish buildings to a healthful level would require additional generating capacity equivalent to two to three 1,000-megawatt nuclear stations. Hamberg noted that public acceptance of nuclear energy in Sweden has increased every year for the past 10 years.

Recent studies by NASA and the Environmental Protection Agency also reveal that indoor air in modern office buildings is often 100 times more polluted than outdoor air. The Clean Air Act allocates close to \$62 billion a year to control "air toxics" in outdoor air, but this is wasted, since the concentrations are negligible and people spend an average 90% of the time indoors.

AIDS

Leading killer of black women aged 15-44

A new study shows that AIDS is now the leading killer of black women aged 15-44, i.e., of child-bearing age, in New York and New Jersey. The study, performed by researchers at the Atlanta Centers for Disease Control, is being published in the *Journal of the American Medical Association*, according to the July 11 *New York Times*.

The study also revealed that, among all women aged 15-44 in New York and New Jersey, AIDS was the third leading cause of death in 1987, which was the most recent year in which state figures were available. "Preliminary figures for 1988 showed that nationally deaths rose again, and had quadrupled in four years," the *Times* noted. If the trend continues, AIDS will be the fourth leading cause of death nationally among this age group by 1991, after cancer, heart attacks, and accidents.

Researchers pointed out that the figures

here are grossly understated "because some deaths caused by the AIDS virus do not meet technical AIDS case definitions, some AIDS deaths are undiagnosed and some are not reported."

Africa

'Democracy' code for austerity, Times admits

The World Bank campaign for "better governance" and "democracy" in Africa has the aim of bringing regimes into power that can better impose austerity on the populations of Africa, the July 14 *Times* of London admitted.

In an article entitled, "The turbulent year that turned the tide for autocrats," Gregory Kronsten exults that "the one-party monopoly" system of the past is "being discarded," and that Britain is using its "influence behind the scenes to push for liberalization.

"The World Bank introduced the element of 'better governments' in its report issued in November, 'Sub-Saharan Africa: From Crisis to Sustainable Growth.' This suggested that greater accountability tended to motivate institutions and individuals and to make austerity measures that the bank is advocating widely in Africa more palatable."

Labor

NAACP head Hooks slams service economy

National Association for the Advancement of Colored People (NAACP) executive director Benjamin Hooks attacked the so-called service economy and blamed the deindustrialization of the United States for the worsening economic conditions of the black community, in an interview in the July 8 *Los Angeles Times*.

"There has been a definite retrogression—a lack of progress among those who are the poorest among us," Hooks said. "But many black folk have not seen that one of the major problems is that this country's undergone a

structural transformation, and none of us—white or black—are prepared for it. . . . There was a time when we were making steel and tires and rubber and cars, and poor people, without benefit of a great deal of education, were able to make decent salaries."

But now, Hooks said, "We're becoming, for what it's worth, a service-oriented society. Now this is a vast transformation, and [people] don't understand that the kid on the block who, 40 years ago, could go over to Ford and make out an application and have a reasonable chance for getting wages that were twice, three times, what minimum wage was, can't do that any more. They were very good jobs. They are now, but there's no growth. The whole industrial concept is dying right in front of us. We have a real problem of where our young people go."

Technology

FRA finds maglev feasible for U.S.

Operational magnetically levitated (maglev) transport systems are economically and technologically feasible for the U.S., the Federal Railroad Administration announced July 16.

FRA administrator Gil Carmichael stated, "Most major industrialized nations are engaged in a race for leadership in high-speed ground transportation technology. A major policy issue facing us today is whether we should join this race or be content with being a consumer for transportation technology developed and manufactured overseas."

An FRA report found that there "appear to be opportunities for the U.S. to assert leadership in this technology and its applications." Some cities and regions interested in maglev have stated they will buy less technologically advanced systems from the West Germans or Japanese during the 1990s if the U.S. does not develop its own.

The study notes that "private industry is not prepared at this time to commit its own resources to the significant funding necessary" to develop maglev technology. Carmichael recommends that further study be done to decide the government's role.

Briefly

● **COFFEE PRODUCING** nations, most of them poor and some waging a costly war on drugs, have lost \$4 billion in the past year since the international coffee pact expired, the *Journal of Commerce* reported July 16. The retail price of coffee has not been reduced in proportion, meaning that the multinationals are making billions.

● **NEW TUBERCULOSIS** cases in the U.S. rose 5% in 1989 to 23,495, some 9,000 cases higher than the Atlanta Centers for Disease Control had projected, the *New York Times* reported July 15. "We're seeing some really disturbing patterns," said Dr. Dixie Snider, director of CDC's TB control.

● **NASA** scientists will try to save the Japanese lunar mission, which suffered a transmitter failure upon entering lunar orbit, preventing it from sending back data. Experts are planning an attempt to get the mother ship, now in Earth orbit, back into lunar orbit.

● **INDIA'S** external debt position is deteriorating, according to the *World Debt Tables* for 1989-90 computed by the World Bank. The report projects India's total external debt in 1990, excluding that owed to the International Monetary Fund, at \$69.78 billion, up from \$54.94 billion in 1988, and forecasts a rise to \$77.43 billion in 1991.

● **THE SOVIETS** agreed to buy a 20-mile, \$607 million magnetically levitated train from Japan to connect Moscow with Sheremetyovo International Airport, the July 12 *Wall Street Journal* reported. Construction is to be completed by 1996.

● **THE RED CHINESE** launched the first of its Long March 2E cluster carrier rockets, which carried Pakistani and Australian satellites into orbit, according to the July 17 *NASA News*.

Water development projects can keep California green

The drought could have been avoided, and can still be reversed. But it's the "Greenies" who turned the state brown by blocking water projects. Brian Lantz and Marcia Merry report.

In 1960, California voters approved a water development program that, if implemented, would have prevented the water supply crisis now hitting the state. The plans were only partially carried out over the past 30 years. As with the nation's infrastructure generally, the California projects were obstructed both because the national and state economy declined and funding dried up, and because the "green" conservationist lobby obstructed and prevented water supply development, for the ultimate purpose of ending growth in California.

Now that the fourth year of drought is parching the state, the issue is posed clearly for California residents: Resume a commitment to technology and infrastructure improvements, or suffer the disintegration of the economy, and the police-state measures that are in the works to "administer" the impoverishment.

A recent poll of the state's citizens showed that they want dams, canals, and reservoirs built. The statewide poll, conducted by the Field Institute of San Francisco, found that 71% of Californians surveyed said that ensuring an adequate water supply was a "critical" problem. Only recognition of the drug epidemic surpassed the water crisis as a "critical" issue. Eighty-five percent said it was "urgent" or "very urgent" to build major water supply facilities now. In state elections June 5, voters voted to tax themselves to save at least portions of the state's crumbling transportation grid.

However, saving the "Golden State" will take more than such outpourings of public opinion.

Drought is devastating agriculture

The catastrophic drought is now in its fourth year, and projected to carry over into at least a fifth. Agriculture has

suffered severely, and represents a full 10% of shrinking U.S. farm production. Rationing of water use has been implemented in more than 400 water districts, affecting millions of people.

This year's precipitation to date has been only 55% of average, on top of three dry years. The central coast is being devastated, because the runoff upon which it depends has been only 20% of average for the past three years, and this year, is only 10% of average.

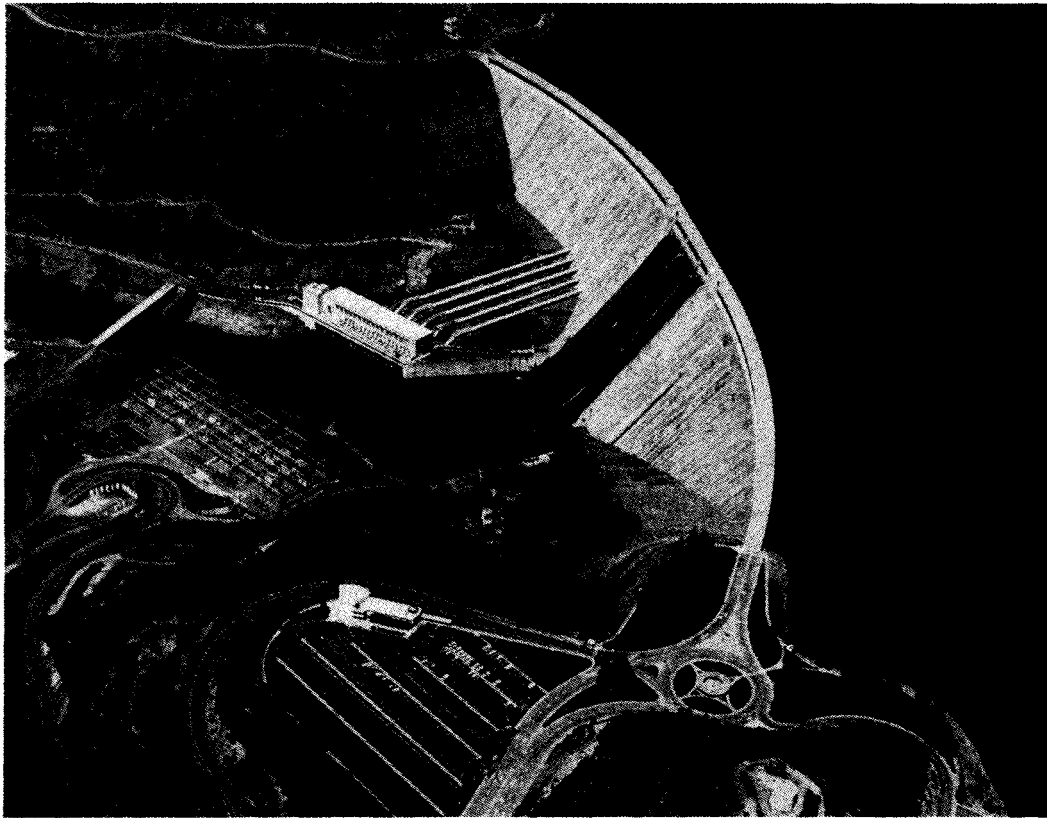
However, the problem is not "Mother Nature." Human beings just reneged on their duty to improve nature. No significant water supply capability has been added to the state since 1976. The plans approved in 1960, of which then-state legislator Caspar Weinberger was a leading sponsor, were designed for the State Water System to deliver 4.2 million acre-feet of water by the present time. Today, uncompleted projects limit deliveries to half that amount.

Big money behind 'Big Green'

Over the last 25 years, California has been the target of "conservationist" campaigns, conducted by the Conservation Foundation, the Natural Resources Defense Council, the Rockefeller Foundation, and others, to abandon the prospect of technological development and to knuckle under to austerity in the name of "saving the environment" from dams, canals, human population, etc. The backers of these agencies are the monetarist banking interests such as the Mellons and the Rockefellers.

Officials of the Washington, D.C.-based Conservation Foundation have described water projects as "boondoggles for civil engineers," which must be stopped.

The "Big Green" referendum that will be on the ballot



U.S. Department of Agriculture

The Shasta Dam, on the Sacramento River north of Redding, California—part of the Bureau of Reclamation’s Central Valley Project. Water development projects in California mean the difference between scrubland and one of the most productive agricultural regions in the world, yet no significant new capability has been added since 1976, thanks to the ecologists and the budget-cutters.

in California this fall embodies this anti-technology, anti-human perspective. Its sponsors include Jerry Brown, the former governor who is now the chairman of the California Democratic Party; and Tom Hayden, the longtime agent for radical environmentalist causes.

“Big Green” is a mammoth ballot initiative, the “Environmental Protection Act of 1990,” that sets up an eco-fascist superstructure, to drastically reduce living standards and productivity. A new bureaucracy called “Environmental Advocate” is to be created, one of whose tasks will be to police who gets to use water, and who does not. On Feb. 7, Tom Hayden issued a memorandum supporting Big Green, in which he said, “More jobs will be generated in environmental cleanup than from the status quo of capital- and energy-intensive industries.” California is the world’s shining example of successful capital- and energy-intensive agriculture. Without water, the state will turn brown, just as Jerry Brown demands.

However, long before the voters are to decide on a ballot referendum, there are actions under way to change legal precedents, business practices, and government procedures, to demoralize and force people into accepting the ruination of the state.

In turn, a movement to defeat Big Green, and to mobilize to restore government policy based on technology and growth will be a resounding defeat to the “green” movement everywhere.

The following material presents a summary of the physical geography of California, the scope of the current water crisis in the state, and the roster of water project designs that are “on the shelf,” waiting for the go-ahead.

Not a drop to drink

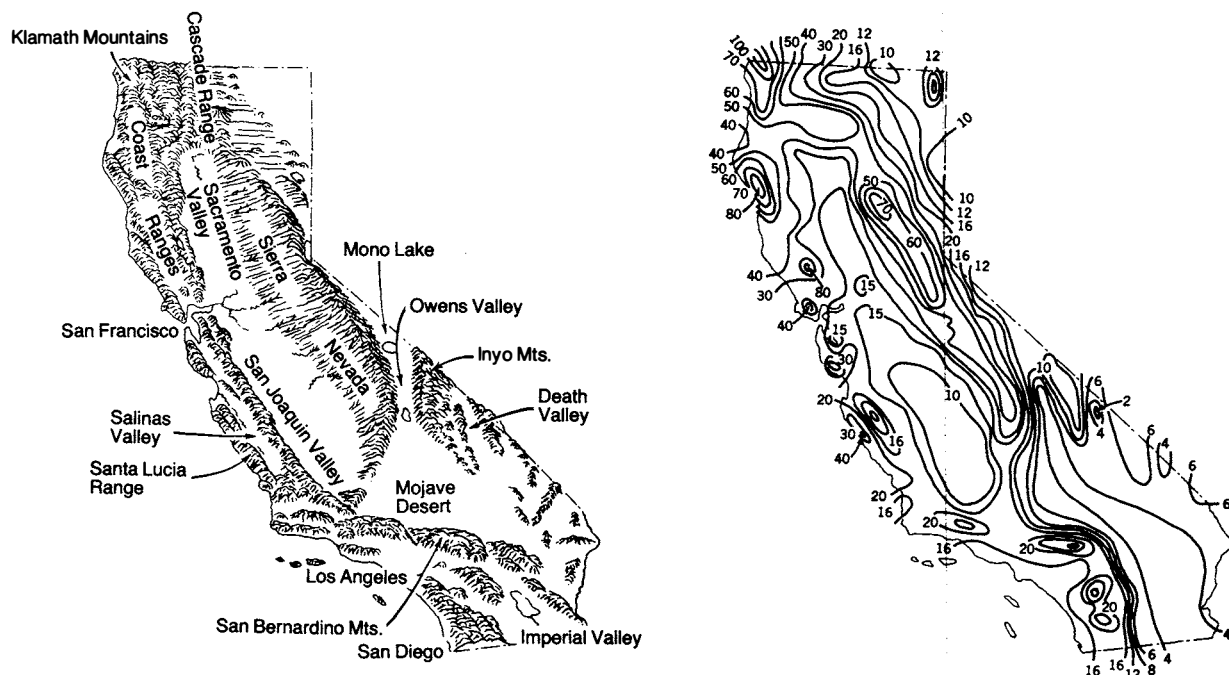
If you drive the length of California’s magnificent 1,100-mile coastline, you will see “water everywhere” in the Pacific Ocean, but inland, the 60-year record drought may mean, “not a drop to drink.”

California is a textbook example of how mountain topography can influence rainfall in an otherwise severely dry region. If you compare the two maps of the state, you see that the isolines of highest rainfall coincide with the highest reaches of the mountains (**Figure 1**). Proceeding from north to south: Klamath Mountains, there is a pocket of 100 inches a year of precipitation in the western range; Coastal Ranges, pockets of 70 to 80 inches a year; Sierra Nevada, areas of 60 to 70 inches. In contrast, the Mojave Desert averages 4 inches of rainfall a year.

The history of California is a history of the development of water—capturing it from the mountain runoff, and channeling it where and when required. Wells and rainfall also figure in the state’s water resource base, but the runoff from the slopes, and the network of aqueducts, reservoirs, canals, and channels are the basis for existence in the state. Because

FIGURE 1

California's mountain topography and rainfall



The maps show California's major mountains and water runoff basins, demonstrating how increased elevation can bring an increase in precipitation. Rainfall can result when air masses coming in from the Pacific are forced to ascend the slopes, then cool off. This process, known as the orographic type of precipitation, slackens above elevations of 6-7,000 feet, because the cooler air here is unable to hold or release much water. Precipitation in the state varies from less than 4 inches in Death Valley, to over 70 inches on the western slopes of the Klamath and Sierra Nevada Mountains. The high ranges serve as snow storage areas, keeping back the precipitation until spring or early summer, when the snowmelt feeds the rivers. Due to the drought, the snowpack in the Sierra Nevada, for example, is only 30% of normal.

water was made available in this favorable climate, California is a garden spot of the world, accounting for 50% of U.S. fruits and vegetables.

However, the state's productivity is now in jeopardy, as a result of the drought and the cessation of maintenance and expansion of water projects in the state. The last major water project was the core of the California Aqueduct, completed in 1976, but then funding was cut and other improvements abandoned.

The situation is worsening by the week. As of June, the end of the rainy season, the state has received only 65% of average precipitation. This makes 1990 the driest of the four consecutive drought years. This spring, the snowpack in the Sierra Nevada Mountains is the lowest in living memory. The last major drought persisted from 1760 to 1820—60 years! So there is no use, in this climate, of hoping for more rain "next month."

In the national western water supply report from the U.S. Department of Agriculture (May 21, 1990), which is the final report of the season, streamflows were well below average

in most of the western states, which depend on snowmelt for about 75% of their water supply.

The USDA service gave this summary of the crisis in California: "The California drought continues to intensify. Streamflow volumes are expected to be 36% of average statewide. April precipitation was well below normal—only 50% of average. The driest areas were the San Francisco Bay and the Central Coast, where April precipitation was 20% of average. This season's precipitation to date is 55% of average throughout the state. The central coast is by far the hardest hit drought area. Runoff has been only 20% of average during the past three years, and has been only 10% of average this year."

Cuts, rationing imposed

Local government officials have been scurrying to make emergency management arrangements. As of late June, 400 local water agencies had imposed restrictions on water use, and more are expected.

In northern California, the strategic Sacramento River

Basin is expected to have a runoff of less than half of normal. The basin is the heart of the entire state water grid.

In June, the San Francisco Water Department implemented a 25% cut (on an annual basis) in the amount of water it subcontracts to 30 suburban cities in San Mateo, Santa Clara, and Alameda counties. The decrease is based on 1987 water use patterns. Cities that don't cut back will be forced to pay penalties, starting July 20. The cost could be as high as 10 times the current water price rate.

For example, Palo Alto will be required to cut back its water use by 26.7%, compared to 1987 levels. The Palo Alto water system serves about 57,000 people, who were already using 15% less water than in 1987. To make the additional use reductions, city officials released a plan on May 10 that called for a new rationing system, and for strict enforcement. The 14,800 single-family residences will have to cut indoor water use by 15%, and outdoor water use by 50%. Businesses will have to cut water use indoors by 10% and outdoor use by 50%.

The users of the San Jose Water Co. are likewise rationing. On April 1, a plan took effect to cut water use by 20% in the area, including most of San Jose, and all of Los Gatos and Saratoga.

The federal Central Valley Project, along with the State's California Water Project, the backbone of California's water delivery system, has cut water deliveries to many agricultural, municipal and industrial contractors to 50%. Some will get zero.

On the central coast, running from the San Francisco Bay through Santa Barbara, severe rationing is in effect for all citizens. Emergency state supplies of water may be supplied through pipelines normally used to carry oil! Another proposal is to build a multimillion-dollar desalination plant. Salt water intrusion is polluting the aquifers in Monterey County, an official agricultural disaster area as a result of the drought. Santa Barbara's primary reservoirs hold less than 100 acre-feet of water, down from a capacity of 10,000 acre-feet.

Santa Barbara is the site of a recent fire that destroyed 500 homes. The fire was apparently set by arsonists, but it was the drought that created a disaster "waiting to happen."

Environmentalists on the local Santa Barbara government board have refused for years to join in water projects, bringing the full force of the drought down on their constituents.

In Los Angeles, the giant Metropolitan Water District is offering cash rebates to conservers. The MWD supplies 15 million residents.

With varying stringency, such plans are in effect in almost all localities throughout the state. Some people are painting their lawns green. Sales of bottled drinking water have skyrocketed. But no matter what conservation steps are taken, these adaptations to water shortages will not solve the problem of how to supply more.

Water is life itself to California agriculture

Irrigation is not supplemental to farming in California; it is life itself. California irrigates 95% of its 10 million farmed acres; without water, farmland would revert to scrubland. Therefore, the drought, combined with the inadequacy of the State Water System, is wreaking catastrophe.

The state's 5,000 cattle ranchers are sending animals to slaughter early, as food costs have jumped 50-100%. Other farmers are walking away from already planted crops. Unfamiliar disease are spreading, taking hold of drought-stressed trees, vines, and plants. One billion board feet of lumber will be lost to infestations. Dry grasslands and forests also mean loss to fire.

Apart from agriculture being the centerpiece of California's \$800 billion economy, California's agricultural output is the mainstay for millions of tons of U.S. food. The following is just a selection of the foods in which California's output ranks high.

Animal protein. California is the top state in egg production, and the third largest producer of turkeys. California and Wisconsin are the top two milk-producing states, far exceeding any others. California is the sixth largest beef producer, ranking only after "cattle country" plains states of Texas, Oklahoma, Kansas, Iowa, and Nebraska. California and Texas are the leading producers of sheep and lambs.

High quality fruits and vegetables. California produces over 90% of the tomatoes for processing into sauces, prepared foods, and frozen and canned uses. The state produces over 90% of U.S. apricots, and over 90% of commercially utilized grapes. California and Florida account for most of the nation's citrus fruits. The state accounts for half of the commercially utilized production of peaches, and in that, accounts for 90% of the canned peaches, and all of the dried peaches.

Basic grains. The state produces 20% of the rice in the country.

Nuts and specialty foods. California produces practically all the almonds in the country, and most of the other nuts, as well as olives, avocados, figs, and other Mediterranean-climate crops, and dozens of spices.

Fiber. California accounts for over 20% of the cotton produced in the nation.

Water projects can solve the crisis

by Marcia Merry and Dave Kilber

Many projects are already on the drawing boards that could solve California's water crisis. The problem is, they were abandoned during the 1970s.

In 1960, California voters approved a water plan sponsored by then-state legislator Caspar Weinberger. Called the State Water Project, the system was designed to deliver 4.2 million acre-feet. Today, 30 years later, uncompleted water projects limit deliveries to half that amount. No capability has been added since 1976, with the completion of the California Aqueduct.

There is a combination of large-scale and lesser projects that would prevent a recurrence of the water crisis in California. The priority project for the continent as a whole should be the North American Water and Power Alliance (NAWAPA) plan, which calls for taking the water now flowing northward to the Arctic from the MacKenzie River system in the Yukon, and diverting it southward along a Rocky Mountain trench, whose flow could be channeled into the Prairie provinces and states, into the dry Southwest and California, and all the way into the state of Sonora and other points in Mexico.

The engineering designs for this project were fully worked out by the Pasadena-based Ralph M. Parsons Co., 30 years ago. Until the New Age environmentalism struck Congress, there was interest and support among Washington lawmakers for the NAWAPA plan.

The map shows the extent of the NAWAPA plan as envisaged by Parsons. It would bring millions of acre-feet of water in the drylands of North America, and recharge many of the diminishing underground systems. The design calls for a giant grid of interconnecting rivers, canals, and reservoirs, that would provide new transportation routes as well as water for agriculture, industry and residence. In the far north, in Alaska, British Columbia, and the Yukon, a series of dams would hold water from flowing northward, and provide power to pump up 400 million acre-feet of water in the Rocky Mountain Trench—a 500-mile long reservoir that is a huge natural holding tank. Water would then flow south, and branch off to the east and west along the way.

This would usher in a golden age of development. There could be 49.6 million *new* irrigated acres—a 96% increase over the 1975 irrigated acreage.

Some areas that would benefit:

- The West and High Plains states. Note the two-branched perimeter canal encircling the Rocky Mountains. The western branch would channel water into the Mt. Whit-

ney area in California, in a reservoir in the Panamint Valley, and from there flow to many points of delivery.

- The eastern perimeter canal would send water into west Texas, and the Plains States Canal would run from Pierre, South Dakota to Houston, Texas. These eastern Rockies channels would help to reverse the depletion of the Ogallala Aquifer, the primary water supply for 11 million acres of farmland.

- Mexico. The 40 million acre-feet of water delivered to Mexico would allow that country to irrigate more than eight times as much new land as the Aswan Dam allows Egypt.

California state projects

But even as NAWAPA is built, there are smaller projects that can make a difference.

To capture and store more water, there are plans for the Auburn Dam, the Kern Water Bank, and Los Banos Grande reservoirs. To channel more water to areas of concentrated use, there is the proposal to add a coastal branch of the California Aqueduct to reach San Luis Obispo and Santa Barbara counties.

More water would be available to the state if the federal "lock up" were broken that now prevents water leaving the Klamath, Eel, Trinity, and Smith River systems in northern California, from linking into the Sacramento River system. These rivers carry off a very significant flow of water right into the Pacific Ocean—totally useless. They were locked up in the 1970s, laying the basis for the water shortages in the 1990s. New reservoirs could be built to accommodate this, but there is a federal stay on making use of the water.

Similarly, the flow of the Tuolumne River system, which could otherwise supply the Central Valley irrigation district, was locked up in the 1980s.

Interstate projects

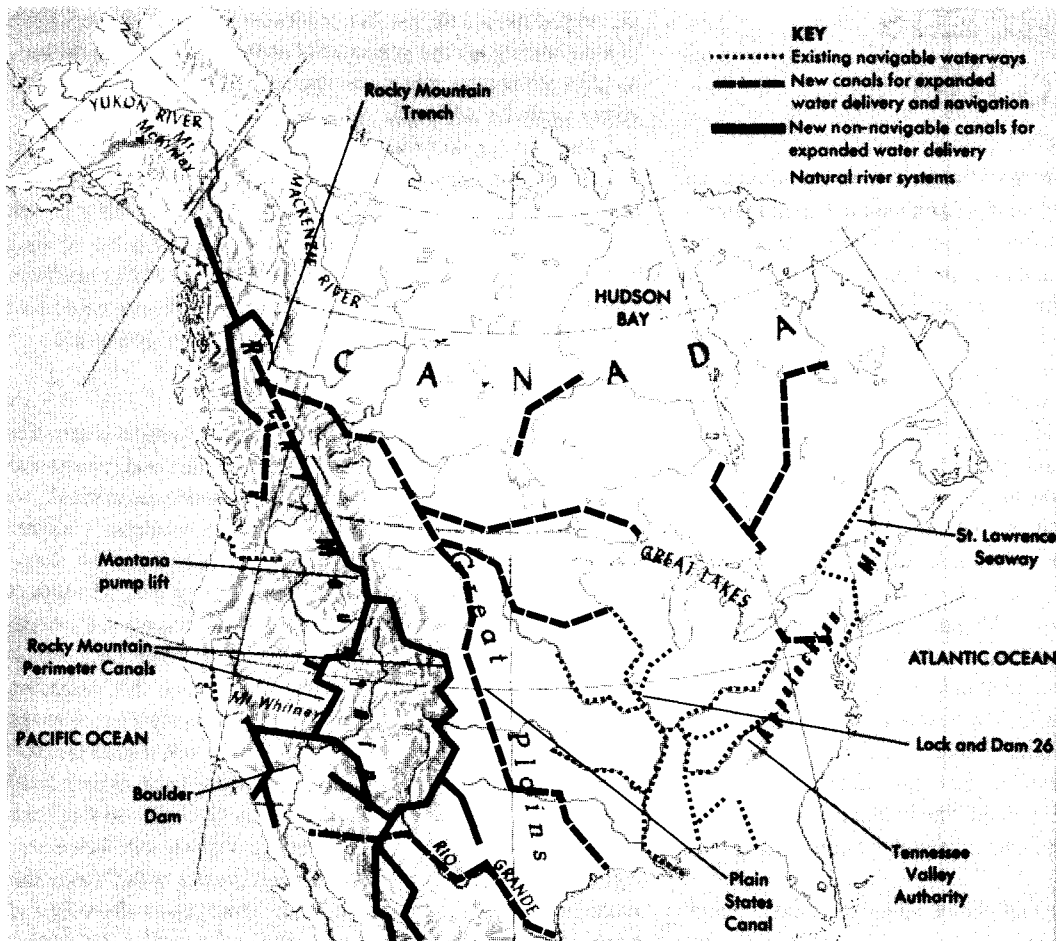
The Columbia River to the north, which flows southward through eastern Washington State, and then west along the Washington/Oregon border, is a possible source of water, without making other areas go short. Various plans to transport some of the Columbia flow south have been designed since the 1960s.

One proposal raised in 1967 would utilize a 400-mile aqueduct, which would be constructed from a point on the Columbia, thence to Shasta Lake in California. At this point, the waters would flow into an existing aqueduct system. The water would have to be diverted at a point beneath the Bonneville Dam, the last hydroelectric plant on the river.

Another proposal, called the "Dunn Plan," after William Dunn, the designer who proposed the project in the early 1960s, calls for a main aqueduct, over a thousand miles long, to run through eastern Oregon, Nevada, and down to Lake Mead in Nevada. The system would begin by pumping water at Pasco, Washington, where the Snake River runs into the

FIGURE 1

NAWAPA river diversion plan



The map shows the key elements of the North American Water and Power Alliance, which was the brainchild of Donald M. Baker, an engineer with the Los Angeles Department of Water and Power. NAWAPA would make available 130 million acre-feet a year of fresh water for agriculture in 23 states. Water now flowing northward into the Arctic Ocean from the MacKenzie and Yukon River systems, would be channeled southward, along a great Rocky Mountain trench, and then through a grid of canals, reservoirs, and rivers.

Columbia, back up the Snake River, about 287 miles upstream to near Lake Brownlee. Fully 15 million acre-feet of water could be provided in the first stage of the Dunn plan.

Offshoots of the main aqueduct system would provide water to Oregon, Idaho, and southern California. This in turn, would aid all the arid western states because more water could be freed up from the Colorado River system for use by Utah, Arizona, and Mexico.

The mighty Columbia River dumps 90 billion gallons of fresh water a day into the Pacific Ocean. At a minimum, "California/Columbia" might take off only 3 billion gallons of that flow. The Columbia River output at its mouth is twice the volume of all the California rivers combined.

Hydrologists and engineers regard the idea of diverting Columbia system waters south as technically feasible, but the governors of the seven Western states must consent to any federal study of diverting water from one river basin to another. Court cases have also placed the Colorado River

off-limits to diversion projects.

The Columbia diversion proposal has a history of acrimony. In the late 1960s, Congress passed a water resources bill that carried a tacked-on amendment forbidding a federal study of the Columbia water diversion project. A new round of controversy is now occurring. In May, the Los Angeles County supervisors voted 3-0 to support a call to the Bush administration to order the Army Corps of Engineers to design and build an aqueduct from the Columbia, utilizing the Snake River concept. The motion was made by County Supervisor Kenneth Hahn. Although scoffed at by political friends and foes in California, who thought that the proposal was hopeless, Hahn's renewal of public attention to the Columbia was enough to rile opposition again.

A river of green bile has flowed from Washington and Oregon. Sen. Brock Adams (D-Wash.) said to Californians, "Let them drink Perrier." Washington Gov. Booth Gardner said, "Solve your own problems; manage your own growth."

No legal right to water means no right to life

Historically, California water rights have been based on who tapped rivers first, and who owned land next to them. Federal and state governments supplied water on a large scale, with implied legal rights to water premised on opening up larger and larger areas to agriculture, manufacturing, and residences. The underlying concept, consistent with natural law, was that the right to life presumes a right to water. Not so today. In the last few decades, control of water policy has shifted away from lawmakers and into the courts, setting a morass of precedents that are based on the idea of limiting rights to water, and limiting the right to life.

Two court decisions in recent years have set up legal concepts and entities that could override traditional water rights.

- The Mono Lake case: This set the “rights” of wilderness above human uses for water. Mono Lake lies in the Sierra Nevada Mountains, northeast of Yosemite National Park. Except for evaporation, water that flows into the lake, stays there. Because the lake is two and a half times more salty than the sea, there are no fish, just brine shrimp and brine flies. The latter are part of the feeding that supports breeding grounds for gulls, and a stopover point for over 79 types of birds.

Since 1941, diversions of water from the Mono Lake Basin have been made for Los Angeles. By the 1980s, the lake level had dropped over 40 feet, although a 1987 study by the National Research Council concluded that the ecology was still sound. A drop of another 30 feet was predicted to be the level at which salinity would be too great to support brine shrimp and flies, and the birds that feed on them.

After the severe drought in 1976-78, Mono Lake dropped enough to expose a land bridge to an island. Environmentalists, including the Sierra Club and National Audubon Society, filed suit against Los Angeles and the state. Ultimately, the courts decided that Los Angeles’ water demands have to be weighed against the objective of maintaining a desired level of Mono Lake.

- The Racanelli decision: In a court action decided by Associate Justice John Racanelli, the state Water Resources Control Board was given broad authority to protect “reasonable water uses,” over and above the rights of farmers and other users. Judge Racanelli said that the board should use a more “global perspective” that is “protective” of the environment, even if certain human activities are curtailed.

These cases are landmarks because they define “reason-

able use” and “public trust uses” to mean that the asserted interests of wildlife, fish, and resources will weigh equally against human needs. The cases set the basis for structures to implement and adjudicate water rationing and water denial, on the model of fascist corporatism. Sale of water rights is also setting up the precedents in commercial law on how to allocate scarce water, on the assumption that water will never again be adequate.

The California drought of 1976 was the wedge for this. Both the state administration of Gov. Jerry Brown and the Carter administration pushed the perspective of “living with scarcity.” The Brown administration included genocidalists such as Huey Johnson, of the Human Resources Department, who proclaimed that the coming state water shortage justified state enforcement of strict population control measures.

The politics of water

To achieve precedents for allocations of scarce water, the national eco-lobby has been pouring in funds and manpower non-stop. Water is now the hottest political issue around.

- The Metropolitan Water District, southern California’s principal water agency, has moved to ease the water shortage for its urban customers by signing a \$220 million conservation agreement with the Imperial Irrigation District. The MWD agreed to finance measures for the farm water system to save water, in exchange for which the Irrigation District will provide to the MWD 106,000 acre-feet of water annually, which is supposed to be the amount that is saved.

- A farmer and real estate developer from Bakersfield offered in 1989 to sell 100,000 acre-feet of water to the State Water Project for \$4 million. George Nickel, who has water rights to the Kern River water, had stored water from the river in a groundwater bank. The offer paves the way for pushing debt-strapped farmers into selling off their water. State Water Project officials are interested in buying the agriculture-designated water. Nickel offered the water use at a time when he was in debt to the federal Farmers Home Administration (FmHA) for \$14.7 million.

The eco-lobby has also been active in inserting their so-called environmental considerations into water contracts. For example, when in 1989, the time came up for Secretary of the Interior Manuel Lujan to renew the first of a series of 40-year contracts for federal water for farmers in the Central Valley, the environmentalists succeeded, through the courts, in getting an environmentalist proviso in the contract. Farmers were told that it was a “compromise.” In the Orange Cove contract, water users will pay \$15 per acre-foot—up from \$3.50 for the previous 40-year contract.

In addition, the Environmental Protection Agency won a court battle to demand environmental clauses in farm water contracts with the federal government. The lawsuit in question was brought against the Interior Department by environmentalist groups, with the backing of the EPA.

Paralleling these court actions and commercial deals, rad-

ical environmentalist bureaucrats are occupying more and more public offices. Los Angeles Mayor Tom Bradley has been conducting a political massacre in order to move out traditional officeholders, and install greenie operatives in key positions, to follow Bradley's own environmentalist agenda. On June 25, Bradley forced the resignation of Department of Water and Power (DWP) commissioner and board member Carol Wheeler, a labor union executive. To replace Wheeler as water commissioner, Bradley appointed environmentalist Mary Nichols, a senior staff attorney for the National Resources Defense Council. On June 26, the mayor forced the resignation of Norm Nichols from his position as the general manager of the DWP.

The voting majority on the Water Board is now in the hands of the environmentalists. The other two recent appointees to the DWP board are Mike Gage, the mayor's former aide and a greenie, and Dorothy Green of "Heal the Bay," a Santa Monica group connected to Tom Hayden.

Previously, the DWP had refused to impose Bradley's demands for water rationing in Los Angeles, stating that the conservation measures of previous years were currently supplying the city with adequate water supplies. The day after Nichols's resignation, the Los Angeles City Council

voted to approve a 10% mandatory cutback of water usage in the city, accompanied by stiff penalties.

Gloating over the takeover of the DWP, the new commissioner raved, "I want our Department of Water and Power to be an environmental trendsetter among the nation's public utilities." She then outlined those "trends," which include "alternative energy sources . . . wind, solar, and geothermal power" and that the DWP would no longer "rape and pollute" desert sites to find new groundwater sources.

One positive development is that in 1988, a "deal was done" to get additional water moving from the northern California river systems to southern California. The effort involved elements of the administration of Gov. George Deukmejian, along with a handful of key state legislators. They succeeded in putting together a package that broke up a mismatched coalition that in 1982 had defeated the proposal for a Peripheral Canal, which would have diverted water from the Sacramento Delta to the Central Valley Project. The Deukmejian water project was dependent on a complex package of state and federal moneys to guarantee adequate dike repair and other work, in exchange for moving water south. However, this deal was set to blow up if the tax revenue stream dried up. It did.

Conservation Foundation stopped water projects

The Conservation Foundation is the "mother" of a swarm of advocacy groups that subvert science and technology for water development, in California and across the nation. In the 1980s, the foundation made water one of its chief action projects, with the goal of preventing water development projects in order to force population reduction. William Reilly, the current head of the Environmental Protection Agency, was president of the foundation from 1973 until 1989.

The foundation produced articles, books, and seminars to convince the public that water shortages were inevitable. As its 1984 Annual Report stated, the public must accept a "shift in U.S. water policy from water development to water management."

The foundation was set up in Washington, D.C. in 1948, as a successor to the pre-war Nature Conservancy Society in Europe, which had fallen into disgrace for its advocacy of master race and population control theories. Behind the foundation were racist British and Swiss oligarchs who wanted to save the eugenics movement, so

badly embarrassed by Hitler. The new terminology was "population control," "conservation," "wilderness preservation." In the Conservation Foundation Annual Report for 1948, it stated baldly, "Increasing population causes a drain on natural resources which is geometric, not arithmetic. . . . Science cannot be expected to supplant the vital processes of nature."

The foundation spun a web of agencies to obstruct the science and technological advances that would enable economic growth and population expansion. For many years, the World Wildlife Fund operated jointly with the Conservation Foundation. In the early 1960s, Resources for the Future and the Environmental Defense Fund were created to spearhead a more activist environmentalism. The 1961 foundation Annual Report stated, "We must have adult indoctrination on an unusually large and well-organized scale."

The story of the obstruction of the western water projects can be traced through the Conservation Foundation's networks. For example, David Brower, in the 1970s, was very active with the Sierra Club and the Environmental Defense Fund, to use the issue of preserving Mono Lake at the expense of water for residents of Los Angeles. In the 1960s, Brower led the fight against the building of Glen Canyon Dam, and was instrumental in other actions preventing any of the planned Central Arizona Project from going ahead.

Kohl, Gorbachov rebuff Bush 'flea market' policy

by Rainer Apel

The July 15-16 talks in Moscow between West German Chancellor Helmut Kohl and Soviet President Mikhail Gorbachov, were an important step toward dumping the "free market" policies which are hurtling the world economy into the worst depression of this century. Much to the chagrin of President George Bush and Britain's "Tin Lady" Margaret Thatcher, Kohl and Gorbachov ignored the call for the imposition of International Monetary Fund "conditionalities" on the Soviet Union—a policy which Bush and Thatcher thought they had wrapped up at the recent Group of Seven economic summit in Houston—and instead moved on a course of intense bilateral economic relations aimed at reviving both the Soviet and the European economies.

The agreements made by Kohl and Gorbachov (see *Documentation*) make rapid reunification of Germany inevitable. However, the key question the future of the U.S.S.R. economy, played only a marginal rôle in the talks. Anglo-American pressure has been massive for the imposition of the "Polish model" of IMF austerity upon the Soviet domains. One leading U.S. economist, Lyndon LaRouche, warned on July 18 that "The United States is determined to impose Bush's policies, that is, 'flea market' policies, intended to wreck the economies of Japan and Western Europe in the fashion Britain has been turned into a basket case, and the United States destroyed by the Reagan-Bush-Carter flea market policies."

Kohl welcomed in cornfield

Having arrived by airplane from Moscow in the afternoon of July 15, Kohl and Gorbachov flew by helicopter for a short tour of the region of Stavropol, Gorbachov's birthplace. The helicopter landed close to a cornfield, the two leaders mounted a Soviet harvester and spoke with farm workers.

Gorbachov broadly hinted at Moscow's desire for substantial German investment in the food sector, saying that Germany has a great potential at hand, with "thousands of well-trained East German specialists who know the language and our economy." Kohl did not indicate any intentions of doing that, but the day after Kohl's return from the Soviet Union, the two East and West German ministries



Russians took trains into Moscow in 1988 to buy sausage. Even the Popov administration in Moscow dares not issue passes to the miserable refugees living in Moscow train stations or camped in the suburbs, because once the door were opened, an unstoppable flood of humanity from the countryside would swamp the capital.

Ogonyok

of agriculture announced that on an emergency basis, East German surpluses of pork and beef will be delivered to the Soviets. One million "surplus" hogs ("surplus" only because West Germany's food industry is sending increasing numbers of hogs into East Germany) and 300,000 tons of beef will be transported to the Soviet Union over the remaining six months of this year.

A number of projects have been under discussion for some months. A team of experts of the German industry toured the Ukraine in late April, looking for investment potential in the field of grain storage and food-processing industries. Another team had a tour of the Kemerovo district in the Kuzbass region, where the Soviets want the Germans to build meat processing factories and refrigerated warehouses. The West German Economics Ministry has commissioned an in-depth analysis in the Ryazan region, 200 kilometers south of Moscow, for pilot projects of integrated food supply chains from the harvesting areas to the department stores where the consumer buys his food.

But West German industry is hesitant to make commitments for long-term investment, so long as the central state bureaucracy is not replaced by regional administrations that are manned by competent people rather than Communist Party officials who know nothing but their party slogans.

Political currents within the newly emerging regional political leaderships throughout the Soviet empire are very sensitive to that problem, and are attempting to remedy it quickly. On the same day that Kohl arrived in Moscow for his talks with Gorbachov, the parliament of the Russian Federative Republic (R.S.F.S.R.) endorsed the creation of special eco-

nomie zones open to Western investors. The three zones indicated for the western part of the R.S.F.S.R. were Vyborg, Leningrad, and Kaliningrad.

The need for a 'grand design'

An immense degree of economic diversification is therefore on the horizon, and infrastructure and farm investment programs will likely develop along specific projects in specific regions of the U.S.S.R. For example, the railroad lines running through Poland which are predominantly used for transport of commodities between East Germany and the westernmost regions of the U.S.S.R., and those around the special zones of economic cooperation, will be the first to be restored or built anew.

This diversification, however, contains a danger: Given the state of increasing disarray in the Soviet economy, these special zones of development may end up like oases in an advancing desert, if not linked with each other in an all-encompassing program. There is an urgent need for a "grand design" that involves many regions at once. This is why many European officials are showing increasing interest in a plan devised by Lyndon LaRouche for a European "Productive Triangle" based on sound principles of physical economy rather than short-sighted pragmatism.

Kohl and Gorbachov announced on July 16 that they want to sign an all-encompassing treaty on mutual economic cooperation within a year. But this treaty must do more than contain the usual statements of general political intent. It must define central, bigger projects of infrastructural improvement that are important for the development of all regions alike.

The eight-point declaration

The historic German-Soviet agreement that will end Soviet military occupation of German territory before the end of 1994 was contained in an eight-point declaration read out by Chancellor Kohl at a joint press conference with Soviet President Gorbachov in Zheleznovodsk on July 16. The eight points are:

1) Unification is confined to the territories of the Federal Republic of Germany, the German Democratic Republic, and Berlin.

2) At the moment German unification is completed, all four Power responsibilities and powers will be completely terminated.

3) A reunited Germany will have full and unlimited sovereignty to freely and independently decide which alliance, if any, it desires to be a member of. Kohl added that united Germany will become a member of NATO; that is the view of his government and of the G.D.R. government of De Maiziere.

4) United Germany will conclude a bilateral treaty with the Soviet Union for the withdrawal of Soviet troops from the territory of the former G.D.R. The Soviet troop withdrawal is to be completed within three to four years.

5) There will be no extension of NATO structures during the time of the Soviet withdrawal onto the territory of the former G.D.R. Territorial units of the German armed forces not under NATO jurisdiction, will be stationed on former G.D.R. territory. After the Soviet withdrawal, Germany may station German units of NATO on formerly East German territory, but no foreign troops. No weaponry that has a nuclear capability, i.e., delivery systems, will be allowed on the former territory of the G.D.R.

6) The troops of the Western Allies and Soviet units may remain in Berlin during the time of the Soviet withdrawal. Force levels could be reduced, but not raised above current levels. After the Soviet withdrawal is completed, Germany will negotiate with the Western Allies for the withdrawal of their Berlin garrisons.

7) The German armed forces will be reduced to a ceiling of 370,000 by the completion of the Soviet withdrawal. Reductions in German troop strength will begin with the signing of a Conventional Forces in Europe (CFE) agreement.

8) United Germany will renounce the manufacture and possession of nuclear, chemical, and biological weapons, and will subscribe to the nuclear non-proliferation treaty.

The new political parties in Russia

by Rachel Douglas

Hardly anybody expressed the political weakness of the no-longer-ruling Communist Party of the Soviet Union better than ideology chief Vadim Medvedev, at its 28th Congress at the beginning of July. Accused from the floor of having surrendered Marxist-Leninist ideological values, Medvedev sniffed, "What kind of ideology was it, if one person managed to ruin it in such a short period of time?"

As the CPSU writhes in its death throes, new political parties have burgeoned, since their creation was legalized earlier this year. The following survey identifies the major new parties and what they stand for, in which the most striking common feature is the utter lack of an economic program apart from confused notions about a "free market" or "privatization." There is a positive aspect to this. In view of the demise of the free market ideologues (see LaRouche's comments, p. 6), this lack of a policy means that Russia is a blank slate where a workable policy, such as that now being introduced through Helmut Kohl as the spokesman for a soon-to-be united Germany, has a real chance of taking hold.

This report concentrates on Russia-based parties. In the other republics, the captive nations that are at various stages of claiming their independence from Moscow, new parties double as powerful independence movements, like Rukh in Ukraine or Lithuania's Sajudis.

Democratic Platform

A draft "Democratic Platform" for the Communist Party of the Soviet Union was printed in *Pravda* this past spring. Its main innovation was to reject the "democratic centralism" that always required Bolsheviks to toe the party line. On April 10, the CPSU Central Committee issued an open letter against Democratic Platform, which asked how those who denounced the CPSU could stay within it. Some of the adherents of Democratic Platform exited the CPSU at that point, others later, during the 28th Congress.

There were indications in *Pravda* that the CPSU apparatus feared huge recruitment by Democratic Platform from the party ranks. Although the apparatus-dominated delegate selec-

tion process led to drastic under-representation of Democratic Platform at the founding conference of the Communist Party of Russia, in June, and again the next month at the 28th Congress of the CPSU, Democratic Platform claims the support of 2.5 million CPSU members, or approximately 10% of the party's rapidly shrinking membership. As the 28th Congress came to the end of its second week, on July 12 and 13 numerous Democratic Platform leaders made their break with the CPSU. They will now be free to join other parties, such as the Democratic Party of Russia, or found new ones.

The Democratic Party

In the March 4 elections in the Russian Republic, Ukraine, and Belorussia, the Democratic Russia slate and related slates triumphed in Moscow (new mayor: Gavriil Popov), Leningrad (new mayor: Anatoli Sobchak), and other cities. As of late April, according to *New Times*, most of the members of the Democratic Russia bloc of deputies in the Russian Congress of People's Deputies, including Popov and Sobchak, were still members of the CPSU. But not for long.

When the Central Committee Open Letter against Democratic Platform appeared on April 10, Igor Chubais declared that a bureaucratic coup had occurred in the CPSU, and he urged the formation of a new party. "We call on all Communists to leave the party, to stop paying dues and join the new party of the Democratic Platform," said Chubais at that time.

During May, Chubais, activists from the Democratic Russia slates, and other ex-CPSU members like chess master Garry Kasparov, formed the new Democratic Party of Russia (DPR). Besides Kasparov, its leading lights include U.S.S.R. People's Deputy Nikolai Travkin, and former adherents of Democratic Platform like Chubais. It has input and support also from those in the Congress of People's Deputies who joined the Interregional Group, founded by the late Academician Andrei Sakharov.

The organizing committee of the DPR was headed by Travkin, who told a May 7 press conference, reported in *Izvestia* two days later, that its goals would be struggle against totalitarianism, the sovereignty of the people in Russia, and creation of "a sovereign, democratic, and economically strong Russian Federation." Travkin said he had held talks with the organizing committee of the Peasant Party, which would join DPR as a *fraktsiya*, or sanctioned faction. Similar talks were being held with Free Labor, a party of the cooperative movement, he added, as well as with independent labor leaders and the writers' group called April.

Georgi Khatsenkov, a CC CPSU staffer who quit the Communist Party and is the DPR's deputy organizing chairman, told Reuters in May, "We think that by October we'll be in a position to rival the Communist Party of the Soviet Union. . . . We want to return Russia to the civilized community of nations with rights for individual freedom and freedom of enterprise. Our first aim is to get rid of the CPSU,

but we don't want a civil war."

Kasparov told the London *Observer* that the party would campaign for "democracy" and a "market economy." He elaborated, "Essentially, we seek political stability through economic freedom. We must privatize the economy and use some of the money to set up a social security system and keep taxes down for those who will suffer from the changes."

Those ideas of social justice, echoing Sakharov, are more pronounced in Kasparov's public statements than is his vague talk about "market economy." All of these political activists are aware of the grim results in Poland, where the IMF's "shock therapy" was applied in the name of a free market. Again, during the founding conference of DPR on May 28, Kasparov warned, "We must soften the economic transition or people won't survive." But the party lacks a concept of economic development that would achieve this goal.

DPR also promptly linked itself to the politicization of Soviet coal miners who struck last summer, calling on them to strike again, as a protest against the large price increases announced by the Soviet government.

The rebel mayors

In Moscow, Popov and the other officials elected on the Democratic Russia slate command widespread and fervent support. Among them are people who were never in the CPSU—activists like the disabled persons' rights advocate Ilya Zaslavsky, and associates of Sakharov. It is in Moscow, that the popular scorn for Communist dictatorship has been trumpeted for the whole world to hear. First there was the landslide election of Boris Yeltsin to the U.S.S.R. Congress of People's Deputies in March 1989, when he was in disgrace within the CPSU. Then came the outpouring of the public to Sakharov's funeral. In February 1990, hundreds of thousands of Muscovites demonstrated for democracy; the Army's Taman Division went on alert in response. On May 1, the CPSU Politburo was booed off the podium in Red Square, by throngs of demonstrators against Communist dictatorship. And as the 28th Congress drew to a close, again more than 100,000 people came out in Red Square under banners like "Down with the Red Fascists."

Zaslavsky, as a member of the Moscow city government, has forced the issue of the CPSU's material property. In his Oktyabrsky Rayon district of Moscow, he recently took possession, in the name of the local government, of a fairly new apartment building built for the Communist Party elite, which will now be inhabited by ordinary families. In Leningrad, where Sobchak's non-communist elected municipal government is at loggerheads with the Communist Party machine headed by Boris Gidasov, the city government froze 50 recent sales of property, including the sale of a big Communist Party country estate to an environmentalist organization nobody had ever heard of before, in order to foil Communist attempts to hide property of which they might be divested. In both cities, battles are raging for control of each

TV channel, each newspaper.

Sobchak told *Moscow News* June 10, "There will be no dual power," i.e. sharing of power between the Communist Party and the elected government. "Even now we can speak about the *soviets*' [councils] absolute power, even if it is seasoned with remnants of the past."

What do the popular mayors stand for? Several bold initiatives, such as Sobchak's offer to barter Leningrad machinery for Lithuanian meat and milk, have challenged Soviet imperial power plays, but where they are weakest is the most important point: the content of the economic reform they advocate. Sobchak is a lawyer, and his economics advisers are orienting to the worst "free market" models. Pyotr Filipov, an economist and member of the Leningrad City Soviet, proudly related to *New York Times* reporter Bill Keller, how he and Sobchak had refused as "socialist slavery," the region's collective farms' demand for forced "volunteers" from the city to weed vegetable crops. But when asked what positive policy he stood for, Filipov replied, "I agree with those who say we must hurry quickly away from Marxism-Leninism, through Socialism, to Reaganism."

Sobchak, in fact, wants to make Leningrad a "free economic zone," a haven for foreign investment. City-run cafeterias, barbershops, hotels, would be sold. Interviewed by the Soviet weekly *New Times* for its May 29 issue, Sobchak said he thought Leningrad businesses could make tons of money if the city became a major tourist attraction.

In his *Moscow News* interview of June 10, Sobchak outlined the goals of his new "Leningrad Revolution" as "new administrative bodies and . . . a concept for renewing every sphere of municipal authority. We suggest securing the status of a free economic zone," modeled on the law passed by the U.S.S.R. Supreme Soviet last year on Baltic states' economic sovereignty. "The key element in it for us is the transfer of enterprises from the embrace of government departments and ministries, onto a citywide, horizontal level." New, "young, industrious and competent people," must be brought in to replace the old guard.

The question of Boris Yeltsin

On July 12, Gavriil Popov and Anatoli Sobchak walked out of the 28th Congress of the CPSU, and resigned their party memberships. So did Boris Nikolayevich Yeltsin, the former CPSU Politburo member, now President of the Russian Republic.

Yeltsin has made his mark as the embodiment of "democratization"—the ousted Communist functionary who came back as a man of the people. He linked up with the Interregional Group, of Sakharov, in the Congress of People's Deputies. Most recently, he picked



up the banner of "sovereignty" for the Russian Republic, which was declared by its Supreme Soviet on June 12, at the same conference that chose Yeltsin President after prolonged battles. (See *EIR* June 15, "Who's afraid of Boris Nikolayevich?" and July 6, "Five non-Russian republics declare their sovereignty".)

Rarely has Yeltsin pinned himself to a political, not to mention an economic, program. But, during the debates at the June conference of the Communist Party of Russia, Yeltsin-supporter and Interregional Group leader Mikhail Bocharov, who was running for chairman of that new party section, outlined what he said was President Yeltsin's 500-day plan for the newly "sovereign" Russian economy. It would comprise four phases: preparation, privatization, introduction of a market, and stabilization. The first would be a 100-day period of publicizing the plan, taking inventory, and warning economic enterprises that their subsidies were about to be terminated. During the five-month second phase, Bocharov said, the equivalent of \$320 billion worth of government-owned industry would be sold off through share issues and other means. In the next period, to create a "market," prices would be decontrolled; heavy industry production would be expected to plummet. The last 100 days would entail targeted government investment to resolve remaining "structural problems," and the reduction of prices on consumer goods.

If this sounds like a fairy tale, it is not the only mythic glow emanating from Boris Yeltsin. He has the earmarks of a classic figure in Russian history—the pretender to the throne, who emerges during a period of turmoil. His antecedents were the False Dmitri of the Time of Troubles (1598-1613), and the Cossack fighter Pugachov, who led a rebellion against Catherine the Great in 1773. Such a person would be politically patronized by powerful interests from inside the empire or abroad, as Dmitri was by Polish interests or Pugachov by the Old Believer sect, but would be seen by the peasant population as czar-savior, champion of the people, and become the rallying point for armed rebellions and wars. So Yeltsin is the candidate of the "democratic" intelligentsia, Sakharov's supporters, but at the same time he is a hero of the people, the *narod*. Soviet newspapers have reported it said among the people, that "in Sverdlovsk," where Yeltsin used to be Communist Party chief, "under Boris Nikolayevich there was meat." The Russian pretender demonstrates his legitimacy by means of marks, signs, and miracles, as with Pugachov's claim that certain scars that he had showed he was Peter III, the murdered husband of Catherine the Great. With Boris Yeltsin, there was his report of electromagnetic anti-cardiac weapon attacks on him, and the incident of his being fished from the Moscow River, as a result, according to one of his accounts, of an attempted murder. Like Yeltsin, the Cossack Pugachov also appeared as the champion of the nationalities (Bashkirs, Kalmyks) against Moscow.

Peasant Party?

There may emerge a single new political party of the Russian peasantry, or several as in Poland, or peasant organizations under the hegemony of other political parties. The DPR, as Travkin revealed, made its attempt in this last direction, as did the CPSU. The agricultural paper *Selskaya Zhizn* reported March 9, that during the Third U.S.S.R. Congress of People's Deputies, representatives from the agrarian sector met separately. In discussion of the government's failure to "deliver the goods" to the sector, "the question was raised: The peasantry should seek an equal position in society." Deputy A.F. Veprev, chairman of the Supreme Soviet Committee for Agrarian Questions and Food, "suggested . . . that they discuss the idea of creating a peasant labor party." Others preferred, instead, "a nonpolitical organization—a peasants' labor union," but Veprev insisted that only in a peasant party's "struggle for power" could peasant interests be upheld.

On June 11-13, the founding conference of a national Peasants Union took place in Moscow. U.S.S.R. People's Deputy I. Kukhar, one of the organizers of this meeting, told *Izvestia* that this was "not a political party, or even the first step toward the formation of one. The creation of a peasant party is regarded by the congress organizers . . . as premature."

CPSU officials, however, stormed the Peasants Union meeting for their own purposes. Then-Politburo member Yegor Ligachov and others took the occasion to stage a rally for socialism, against the "market economy" as an assault on socialism, for collective farms being equal or superior to private and leasehold farming, and so forth. The daily *Izvestia*, which takes a pro-reform posture, reported sourly on the meeting's selection of V. Starodubtsev, a celebrated successful collective farm leader, as chairman of the new organization. A group of farmers who were unable to speak at this conference, *Izvestia* reported, released a statement that the key to agriculture today would be individual and family peasant labor, and that it would be fine for collective farm leaders to go form their own union, only it would not be the peasant union.

Ligachov did not, however, win support for his proposal that the Peasant Union be attached to the CPSU. Especially with the CPSU's weakened condition manifest at its 28th Congress, the political allegiance of the Peasants Union is still up for grabs.

Other parties

The spectrum of other, smaller, new parties embraces many that are really old parties, replicating the political motley of the Duma (Russian parliament) in the early twentieth century. Other parties map themselves onto political categories that are common in Western Europe.

Social Democrats. TASS reported May 4 that 247 delegates attended the inaugural congress of the R.S.F.S.R.'s

Social Democratic Party (SDP), organized by Oleg Rumyantsev and others. Its May 5 declaration of principles states that the Social Democratic Party of Russia is "a parliamentary party," advocating respect for law, individual rights, removing ideology from the state and education, and a plurality of forms of economic ownership. The question of whether local organizations of the SDP would have the right to disagree with central policies and not implement them, or if there would be "strict principles of democratic centralism," was the subject of fierce debate, which mirrored the 1903 split of the Russian Social Democratic Workers Party into Mensheviks and Bolsheviks.

Constitutional Democrats. On May 20, the Soviet TV news show *Vremya* reported on the founding congress of the Party of Constitutional Democrats, continuing the traditions of the Kadet party before the Revolution. Organizing committee member Igor M. Surikov said the new Kadets would advocate "private ownership," "free enterprise," and no censorship.

Christian Democrats. The Russian Christian Democratic Movement held its constituent congress in Moscow in April, according to TASS. This political party aims to convoke an all-Russia council, which would be "called upon to restore 'the interrupted continuity of legal supreme power in Russia.'" One founding member was Vyacheslav Polosin, dean of Borisoglebsk Church in Obninsk, according to whom a Christian Democrats' group was already set up in the new Russian Supreme Soviet.

As *EIR* has reported from a June issue of *Moscow News*, the Russian Christian Democratic Movement defines its principles as "responsible anti-communism, Christian spirituality, and enlightened patriotism." The party counts at least 15,000 members, most of them concentrated in Moscow and Leningrad.

Monarchists. On May 19, *Vremya* reported on the First All-Russian Monarchist Congress, which founded the Orthodox Monarchist Order Union, known by its Russian acronym, PRAMOS. Here, too, there was an Orthodox Church tie-in, as the event was held on the grounds of the Donskoi Monastery. PRAMOS marshal S.V. Yurkov-Engelgardt, believed to be a descendent of the Baltic German Engelhardt family that was powerful under Czar Aleksandr I in the early nineteenth century, told *Vremya* that PRAMOS "calls for the country to return to monarchy as a uniting principle, for land reform whose aim is to hand the working of the land to the peasants as their own property, with the right to hired labor on that land." It also stresses the restoration of abolished military ranks, and the strengthening of the Army and Navy, to protect "a non-socialist state, but [preserving] the integrity and indivisibility of the Orthodox fatherland." Yurkov-Engelgardt said that PRAMOS recognizes Grand Duke Vladimir Kirillovich Romanov as sovereign, and that while "there is nothing national and political [in the party's activity], there is something Orthodox, since the members of our party must be Orthodox believers."

'Time of Troubles' haunts Russia again

by Rachel Douglas

"Leningrad and Moscow are not Russia," sneered more than one Communist Party hack in recent months, meaning that the reform governments of the old and the current capitals would find little resonance in the countryside or provincial towns. The weekly *Ogonyok* recently profiled the electoral districts where Communist Party career officials had to run in order to get elected to the national or Russian *sovets*; they were all rural backwaters inhabited by pathetic old peasant women, what the Russians call *glukhiye mesta*—remote, God-forsaken (literally, "deaf") places. Here there would be little interest in democracy, never mind "market reforms."

But the Soviet crisis extends into all those provinces and towns. Far from being strictly a battlefield of urban-based political parties, contending for the chance to solve severe economic and strategic problems, the Soviet scene is a modern version of Russia's *smutnoye vremya*, the Time of Troubles, 1598-1613. Then, after the death of Tsar Ivan Grozny (the Terrible) and before the election of the Romanov dynasty, political and military battles for the control of state power by princes, foreign-backed pretenders, or the powerful Russian *boyar* families, took place in a setting of profound economic breakdown, which led to surges of violence and desperate actions by masses of hungry peasants.

The symptoms of a Time of Troubles, which recurred in Russia under Catherine the Great (the 1773 Pugachov Rebellion), and during the Civil War (1918-1921), can easily be discerned in the Soviet Union now. Academician V. Ginzburg, writing in *Izvestia* May 17, reflected as much:

"Alarming for the soul. Alarm is the leitmotiv in conversations among acquaintances as well as strangers. . . . The past year was a year rare in its saturation with events: three Congresses of People's Deputies and sessions of the U.S.S.R. Supreme Soviet, the historic events in Eastern Europe, strikes, the growth of crime, inter-ethnic conflicts in the country, the crisis in the CPSU [Soviet Communist Party], the birth of new parties and organizations, the transition to the presidential form of rule, Lithuania. And perhaps the most important—no breakthrough in the economy and dark clouds visible on the horizon. . . . Under conditions of the evident weakening of central power and only the bare estab-

lishment of local *sovets*, on the backdrop of empty shelves and hooligan elements going completely unpunished, the country could easily be diverted into the abyss. I don't even want to be more precise, I think that everyone nonetheless will understand what I am talking about; they know how Soviet people lived and died during the Civil War, and in the periods of collectivization and the Patriotic War [World War II]."

Among the most volatile sections of the Soviet and Russian population are industrial workers, persons displaced by ethnic unrest, and demobilized military men.

The miners

It was telling, that practically the first speaker at the 28th Congress of the CPSU when it opened July 2 was one Vladimir Bludov, from the bleak gold-mining area of Magadan on the Sea of Okhotsk in the Soviet Far East, who demanded the resignation of the entire party leadership, for failure "to fulfill the food program." Eight days later, when Mikhail Gorbachov got reelected as the General Secretary of the moribund CPSU, the last rival candidate was former coal strike leader Teimuraz Avaliani, from the Kuznetsk Basin mines in Siberia.

In the interim, the congress took a break from bickering about who was to blame for the erosion of party power, to pass a resolution, pleading with Soviet coal miners to forgo their pre-announced July 11 strike, which was to protest that government promises after last summer's mine strikes were not being kept. The miners ignored the plea. On July 11 they walked out for one day, in the Kuzbass, in the Donbass mines in eastern Ukraine, and elsewhere, with a demand for the resignation of Prime Minister Nikolai Ryzhkov's government. The strike was more comprehensive, and more political, than the strikes that broke out in the summer of 1989.

New trouble has been brewing among the hundreds of thousands of miners, almost since the end of the last of the 1989 coal strikes, in Vorkuta in the far north.

In *Pravda* of June 4, the Communist Party boss of Kemerovo Oblast, Kuzbass, A.G. Melnikov, termed the situation there "complex and explosive," above all because of shortages. "Outside shipments are proceeding poorly," he complained, admitting failure in every area of policy. "Further meat supplies are possible only as and when it arrives. Krasnodar, Voronezh, Lipetsk, Stavropol, and Tambov, which are better supplied than we are, are disrupting deliveries." In the realm of economic relations, "the reasons for the conflict have not been eliminated, enterprises have not received genuine independence. . . . The omnipotence of the [central government] ministries remains."

Melnikov lied that "the overwhelming majority of working people are against strikes," but he betrayed his fears, by warning that "the most dangerous thing is if young people are drawn into strikes or meetings."

The Communist official attacked the local branch of the

Union of Working People (of Russia)—whose national leader, Venyamin Yarin, was brought by Gorbachov onto his new Presidential Council—as an unregistered organization that “does not enjoy popularity among the workers,” a claim Melnikov himself quickly belied as he worried aloud about its influence. “Deproletarianized elements and people trying to gain political capital most frequently join it. That is why the union’s leaders often operate by incorrect methods with regard to the party and official organs. For the time being they are winning popularity by this means, but I do not think they will be successful.”

In late May and early June, CPSU Central Committee Secretary Oleg Baklanov, a defense industry expert, toured the Kuzbass, after which he made a show of concern about the “serious delay in implementing the government’s decisions on Kuzbass, adopted almost a year ago,” on pension and other benefits, and housing. Baklanov alluded to a political struggle for hegemony among the miners. “Those who plan to drive a wedge between the CPSU and the working class,” *Pravda* quoted him June 11, “are hoping to exploit our mistakes, blunders, and procrastination.”

Behind Melnikov’s talk about “deproletarianization” and Baklanov’s diplomacy of the “too little, too late” variety, lies the fact of a mass exit of Kuzbass Communist Party members. In a June 18 feature, “A hot summer in the Kuzbass,” *Izvestia* described the politicization of the Kuzbass miners as congruent with the demise of the party’s authority. In many Kemerovo towns, the strike activists of 1989 head the newly elected *sovets*. At the first meeting of the *oblast* council, a group of deputies “on the platform of the workers’ committees” walked out, after Communists preemptively tried to ban groups and factions. At the same time, there was formed a Union of Toilers of the Kuzbass. Certain party secretaries immediately proclaimed that anybody who joined it, had to quit the party. But, explained *Izvestia*, everybody was quitting the party anyway. The Kemerovo party organization lost 10,000 people last year, 4,000 more in the first quarter of 1990, and 2,500 in April alone.

The miners’ disgust with the Communist Party came out in a June 2 story by two *Pravda* writers who visited Kuzbass: “How many times we then heard . . . that the country is in bankruptcy, the Baltic is about to secede, things are very bad in the Transcaucasus, the food supply is worse in Kuzbass than it was before—everything came down to this: Who is responsible?” A young miner asked them, “Explain this to me. Last year there were some government representatives here, they promised some kind of concern, which would just about directly sell coal to Japan. In general, total independence. Do you know, how everyone went wild over that? And where is that concern, where is that Japan? The government says nothing. And over [the government], is the party.”

Pravda’s report also exposed a little-discussed ingredient of past and future explosions in Kemerovo Oblast, namely criminal gangs. The area Internal Affairs Directorate chief,

Col. V. V. Shkurat, drew an ominous picture:

“For the uninitiated, the Kuzbass is above all a giant of industry, a working region. But few know that this is also a huge zone of corrective labor institutions. In 1988 alone, 34,000 prisoners were freed from [penal units], 90% of whom settled in the Kuzbass. Partly they have nowhere else to live, and it is hard to find work under conditions of [the economic reform].”

By the time of *Izvestia*’s warning about a hot summer, the Kuzbass Council of Workers’ Committees had appealed to the miners to “renew the activity of the workers’ [strike] committees at the enterprises and in the cities, and to set up new ones where there were none. It is necessary to work out preparatory measures for an all-Kuzbass strike, in order to prevent it from arising spontaneously.” Interviewed in *Rabochaya Tribuna* on May 29, Workers’ Committees leader A. Kutlakhmetov said that in view of poor food supplies, “a spark could flare up at any moment and, just like last year, a chain reaction across the coal regions of the country could take place.”

In mid-June, miners’ delegates from Kuzbass, Vorkuta, and elsewhere convened in Donetsk, Ukraine for a national conference. Each day of the meeting, reported *Komsomolskaya Pravda*, had to begin with a moment of silence, because the first day the delegates honored all the mining dead, then the second day there came news of a gas explosion that killed five young miners in Donetsk. “It is well known,” said the report, “that in the Donbass alone, every million tons of coal takes the lives of two or three miners.”

On June 13, the miners appealed to the Supreme Soviet to make the government resign, for failing to lead the country out of an economic crisis. On June 16, they voted to form a new independent miners’ union. Their resolution said, “We are workers, but we do not consider the CPSU our party. We call for a mass exit from the party.”

The July 11 political strike was supported by solidarity strikes at industrial and construction sites scattered throughout the Soviet Union. The Communist Party’s fear of worker unrest came out in the July 4 letter from the 28th Congress to the miners, begging them not to strike. After all, it said, “the workers *in any branch of the national economy* have no less ground to express their demands and claims in this way.”

The displaced military

Thousands of Soviet servicemen, demobilized due to force reorganization and the pullback of Soviet troops from countries where they were stationed in Eastern Europe, lack proper housing in the Western regions of the U.S.S.R. The lucky ones are living in converted barracks, others in sprawling tent cities that have mushroomed around Soviet military bases in the Western U.S.S.R. Defense Minister Marshal Dmitri Yazov estimates that no fewer than 440,000 apartments would be needed during the next five years, for ser-

vicemen and officers' families redeployed to the western regions of the country, according to *Izvestia* of July 4. In June, former Chief of Staff Marshal Sergei Akhromeyev said that there was a lack of 200,000 apartments for the military already.

The plight of the displaced officers' families has become a point of agitation for the military leadership, blending with the issue of "disrespect" for the Armed Forces. Reporting from the Belorussian Military District, in a June 23 feature called "Where are the officers to live?" the military daily *Krasnaya Zvezda* observed that "the prospect of living with their families in prefabricated panelboard houses does not overjoy officers and warrant officers, who have each served 10-15 years or more, but have not managed to earn decent housing." Consumer goods, medical and other services are in short supply for the "significantly increased" population of these areas. "How are the abovementioned prefabricated houses to be supplied with heat and water, when the city's capacities are already working at the limit?"

Akhromeyev in his speech, delivered June 14 to the Supreme Soviet, located the housing shortages and attendant problems as part of "an emergency situation . . . a crisis within the Armed Forces," and, more broadly, "a crisis of state power." For maximum political mileage, Akhromeyev painted a picture of "officers and members of their families [in the Baltic states] humiliated and put in conditions that are intolerable for life." He read out loud a letter from the wife of a 21-year Navy veteran, retired from the Northern Fleet as part of staff reductions and assigned housing in the military city of Liepaja, Latvia. When the local officials refused to issue a residency permit for the republic, the officer could not draw his pension, the family could not draw food rations and had to subsist on charity from other military families. "Thousands of officers are in an analogous position," Akhromeyev maintained.

The refugees

In the Time of Troubles, and in the Civil War, thousands roamed the Russian countryside, displaced by war and hunger. In the 1920s, wandering *bezprizornyye* (unsupervised) youth were adopted by the Soviet secret police, whose orphanages became schools of brutality for the NKVD executors of the following two decades.

Again today, masses of people are on the move inside the Soviet Union. Jeri Laber of Helsinki Watch reported June 24 in *New York Times*, that the number of homeless in the U.S.S.R. is over 1 million, according to Yelena Bonner, the widow of Academician Andrei Sakharov. Their ranks have swelled in recent months, as Armenians fled Azerbaijan for Armenia or Russia, Azeris fled Armenia, or Meshkhetian Turks fled Central Asia, in the wake of ethnic combat. Others are refugees from villages in parts of Russia or Ukraine, where economic activity has shut down as the old people die, the youth having left long before.

The homeless who come into Soviet cities are in desperate straits, since essential services, including food where rationing is in effect and housing, are dispensed according to the system of residency passes. Bonner's associates explain that even the Popov administration in Moscow dares not issue passes to the miserable refugees living in Moscow train stations or camped in the suburbs, because once the door were opened, an unstoppable flood of humanity from the countryside would swamp the capital.

At the U.S.S.R. State Committee on Labor, Pyotr Rudev has the title, "Chief of the Directorate for Migration and Resettlement of the Population." On May 2, *Izvestia* interviewed him about a government resolution on help for refugees from the Transcaucasus fighting between Armenia and Azerbaijan—or "people who have abandoned under compulsion their regular places of residence," as the government calls them.

According to Rudev, there are 600,000 such people in the Soviet Union, of which 500,000 are from the Transcaucasus, which suffered the 1988 Armenian earthquake as well as ethnic strife. Some 230,000 of the refugees are in Armenia, 200,000 in Azerbaijan, and tens of thousands have left those two republics for Russia, especially Moscow.

In southern Russia, in the agriculturally rich regions just north of the Caucasus Mountains, there are "tens of thousands of refugees from Central Asia and the Transcaucasus," according to Rudev. This makes for "an explosive situation," because "the local infrastructure cannot stand it. Prices have skyrocketed, everything has gotten fabulously expensive—housing, land." Local officials there have banned the influx of more refugees.

In Moscow, there are 41,000 "registered" refugees, not counting the families of demobilized servicemen. About 8,500 of them, according to Rudev, are accounted for as living in hotels, and the rest are "as a rule" staying with relatives or friends.

In Ukraine and Belorussia, another vast category of refugees is that of victims of the Chernobyl atomic power station explosion of April 1986. Only in 1989, was it officially admitted that the initial evacuation zone, a 20-mile radius around the stricken plant, was far too small. More people were moved last year, still others are living in conditions of high radiation contamination, but with nowhere to be transferred to. Talking about the impossibility of housing demobilized troops, reported *Krasnaya Zvezda*, First Deputy Prime Minister V. Yevtukh of Belorussia cited "thousands of families who suffered after the tragedy at Chernobyl," and "are waiting to be moved out of the disaster area." The weekly *Argumenty i Fakty* reported June 23, that more than 110,000 inhabitants of the Russian Republic are living in zones contaminated by Chernobyl, that would be ruled out as uninhabitable by international standards. Yelena Bonner's collaborator, Alla Yaroshinskaya, says that 4 million more people should move, if there were anywhere to go.

Fuel shortage strands crops in the field

by Rachel Douglas

The best crops in a decade are ripening in southern Russia and Ukraine, but the breakdown of infrastructure and, especially, fuel supplies in the Soviet Union threatens to strand the grain in the field. In early June, already, Soviet television reported "extremely serious" fuel shortages in the Crimean Peninsula, and in Krasnodar in southern Russia. Broadcasting from Krasnodar, the *Vremya* TV news program showed that the usually busiest road in the region at this time of year, the road from Kuban to Novorossiisk, was empty, and lined by service stations that displayed the signs, "No gas. No oil." Region-wide, motor-vehicle gasoline supplies were at one-third the level of last year, a year in which fuel shortages had already taken a toll.

On June 27, *Pravda* raised the pitch of the alarm. Warning that gasoline and diesel fuel shortages were threatening the harvest in Ukraine, the report made explicit that not only a decline in production, but the "sovereignty" decisions by republics, first of all the Russian Republic, have begun to be felt. Ukraine, for example, was 80,000 tons of fuel short in deliveries expected from Russia.

The same day, *Izvestia* painted the national picture, in a front-page feature called "The deficit season." From Kuzbass and Ukraine, Rostov and Stavropol, it said, everywhere there are cries about gasoline and oil shortages. This is becoming seasonal. "But we cannot get used to this. After all, the harvest is threatened."

State-planned production of fuel was set for 1990 at 95% of the previous year's level. Another 30 million tons of oil was supposed to be extracted and refined under the reform-promoted "direct contracts" between fuel producers and customers, most of which never materialized. Furthermore, said the state newspaper, oil production is in decline because of equipment obsolescence, lack of the capital investment needed for exploitation of ever more remote wells, and so on. On June 19, the Council of Ministers passed a resolution to guarantee the full third-quarter deliveries of oil to all domestic customers, by cutting exports. Oil remains the Soviets' chief hard currency earner.

No combines

On June 28, *Izvestia* summed up the situation in Kuibyshev Oblast on the middle Volga: "The watchword of this

year's harvest is reports about a rich crop, accompanied by despairing alarm signals. Interruptions of fuel supply, transport, and cadres at harvest time have been customary for a long time," but now "there is an extremely critical situation." In this area, a local official says the harvest could be triple last year's, "but there is nobody to harvest it. Nobody to prepare the machinery for work. Our villages, like others, have drained out of people in recent decades. There are not enough combine drivers, or mechanics. Ninety-four combines, a fifth of our park, are not repaired. And the rye is already ripe. Without help from the city people, we cannot cope." In the province's service center, there are 2,000 combines in need of repair.

Other official press complaints about threats to the harvest expose the chain reactions, firing off throughout the Soviet economy. While old combines are waiting in the repair shop, new ones are not rolling off the lines. The cause is a lack of sheet metal.

In May and June, there were numerous reports of Soviet auto plants having to stop their production lines, because sheet metal was in short supply. On June 28, *Pravda's* front-page story, looming above the draft charter of the CPSU also printed that day, was on the formation of a strike committee at the Krasnoyarsk Association for Production of Grain-harvesting Combines.

A government official urged the strike preparations—First Deputy Minister of Automobile and Agricultural Machine Building E. Kalinin, who told the workers they should go on strike, since the combine production line had been shut down for a week already, after months of receiving "less than the metal they required."

Kalinin attributed the metal shortage to a cessation of imports, while assurances from the State Committee for Supply (Gossnab), that domestic metal production would be fully adequate, turned out to be worthless. In the time since Krasnoyarsk shut down production, 1,500 combines should normally have rolled off the line.

No fresh produce

The same week, *Pravda's* June 26 article, "Vegetables at a dead end," revealed yet another case of food supplies sabotaged by the collapse of other industries. Cabbage and tomato shipments could not be dispatched from Azerbaijan because of a shortage of packing material. Supposedly at fault are northern cities that fail to return the used crates to the producer republic! In Chelyabinsk and Murmansk, for example, officials say there is no point in trying to send the crates back because the railroads work so badly. "It is paradoxical," preached *Pravda*, "but many northern cities, practically deprived of any vitamin-rich produce, fail to reach agreements on mutually beneficial cooperation. Possessing substantial reserves of wood, they refuse to exchange it for vegetables. What are the vegetables supposed to be shipped to the north in?"

'Ridley affair' is fiasco for British Establishment

by Mark Burdman

The forces behind the Thatcher government launched a series of provocations against Germany during the month of July, which have been characterized by one British politician as a "Falklands without the bullets." The provocations, highlighted by an interview given by Minister of Trade and Industry Nicholas Ridley to the Conservative Party-linked *Spectator* magazine and reports in the British press of highly derogatory comments about Germans made at a meeting held at Thatcher's country residence earlier this year, have been so crude and brutal, however, that they have blown up in the faces of the British government. This has produced a crisis within the British political class, the most likely short-term consequence of which will be the dumping of Margaret Thatcher as prime minister over the weeks or months ahead.

It is, of course, a coincidence that all of this has happened in the wake of the English football team's loss to Germany in the World Cup semi-final in Milan on July 4. But a term familiar to soccer fans is useful in summing up what is now happening: The British Establishment has scored an "own goal," against itself.

What the British are learning, is that they simply don't have the clout to take on the Germans in a direct way. The central reason is that the British economy is in a shambles, while West Germany's economy is in much better shape, and a future unified Germany has the potential of experiencing a second postwar "German economic miracle." From this standpoint, it is most instructive that Foreign Secretary Douglas Hurd, the man frequently touted as the Establishment's favorite to succeed Thatcher, or at least to control policy within the Thatcher cabinet, told BBC television July 16 that the challenge the British now face is "the strength of the economy which the Germans have built for themselves, by doing the things we ought to have done and failed." Of potentially greater importance, is a London *Guardian* commentary on July 17, favorably citing the German-American

"mercantilist" economist Friedrich List's criticisms of Thatcher's idol, "free trade" advocate Adam Smith. (See article, p. 7.)

A new "damage-limitation" coalition, representing a post-Thatcher policy consensus, is shaping up, centered around Hurd, Deputy Prime Minister Sir Geoffrey Howe, Chancellor of the Exchequer John Major, and possibly former Defense Secretary Michael Heseltine. The July 15-18 trip of British Labour Party opposition leader Neil Kinnock to the United States, where he was well received by President Bush and senior administration officials, is relevant in this context. What these types think is summed up in Howe's July 16 assertion that "Europe is the most important game in town," and Heseltine's comment on the same day that "Britain's interests lie in Europe. Anything that prejudices our ability to secure those interests is dangerous." Such phrases represent the classical British view of manipulating Europe from the inside through "balance of power" games. But, as long as the British don't completely dump their self-destructive monetarist and "post-industrial" policies, they will persist in launching wild provocations, which will either lead Europe and the world down the path to new wars, or will produce more "own goals" in the future.

A 'Falklands' mode

The decision by London to bash Germany was undoubtedly taken at least as early as the July 9-11 Group of Seven summit in Houston, Texas. This was manifest in the confrontationist behavior of the American and British delegations, backed up to some extent by the Japanese, against the continental Europeans, nominally on such issues as farm subsidies. Beyond the public display of fireworks, the Anglo-Americans were privately prediscussing that their insistence on imposing International Monetary Fund conditionalities on the Soviet economy, as contrasted with the policy of West

German Chancellor Helmut Kohl and French President François Mitterrand for immediate aid without conditions to the U.S.S.R., would massively strengthen the continental Europeans' hand with a Soviet leadership desperately in need of economic help, and unwilling and unable to impose Polish-style "shock therapy" on the Soviet population. For the Anglo-Americans to have agreed with the continental Europeans, would have meant giving up the past two decades' commitment to Adam Smith-modeled monetarist policies. Instead of doing that, they went into a "Falklands" mode against Europe.

On the eve of the summit, the confrontation with Germany was being launched in the British press. On July 8, Dominic Lawson, son of former British Chancellor of the Exchequer Nigel Lawson, wrote a column in the *Sunday Correspondent*, bemoaning the lack of news coverage in the British press of the "German threat" to the finances and currencies of Europe.

In his capacity as editor of the *Spectator*, Dominic Lawson had taped an interview with Nicholas Ridley, the cabinet minister who has been closest in all respects to Thatcher. The interview hit the newsstands on July 12, and caused an international sensation. In it, Ridley characterized moves toward joint European monetary policy as "all a German racket designed to take over the whole of Europe." The French, he said, were "behaving like poodles to the Germans." Asked by Lawson how moves toward European monetary union could be perceived as a German move to take over Europe, Ridley exclaimed. "The deutschemark is always going to be the strongest currency, *because of their habits*" (emphasis in original).

Ridley further ranted, that for Britain to give up its sovereignty to a German-dominated European Community would be out of the question: "I'm not against giving up sovereignty in principle, but not to this lot. You might just as well give it to Adolf Hitler, frankly."

Beyond this, Ridley defined Britain's mission in Europe: "We've always played the balance of power in Europe. It has always been Britain's role to keep these various powers balanced, and never has it been more necessary than now, with Germany so uppity."

The Hollinger-Maxwell connection

The interview and its publication resulted from cold-blooded calculations by the British Establishment. As one London insider pointed out, Ridley is "very much part of the Establishment, he went to Eton and Balliol College, Oxford, the *crème de la crème* of British Establishment institutions. He's the son of a viscount, his brother Matthew is the fourth Lord Ridley. He's very English." As numerous British sources have pointed out, his expressed views echoed Thatcher's own warnings about the imminent emergence of a new German "Fourth Reich."

And, there is the matter of the *Spectator*. The journal

certainly had the option of holding back the interview, or at least refraining from printing accompanying cartoons showing Chancellor Helmut Kohl with a Hitler moustache painted on his face. It chose not to. The *Spectator* is one of several publications in Britain owned by the Hollinger Corp., a Canada-based conglomerate owned by magnate Conrad Black. Members of the board include Henry Kissinger, Peter Bronfman of the Canadian Bronfman family, and Lord Carrington. Hollinger also controls the influential *Daily Telegraph*. In the days leading up to these events, Black had brought several influential individuals onto the *Telegraph* board, including Sir Evelyn Rothschild, former editor of the London *Economist* and nephew of the late Victor Rothschild; Sir James Goldsmith, business partner of the current Lord Jacob Rothschild; and Lord Carrington. It can hardly be an accident that on July 13, one day after the Ridley interview hit the newsstands, Carrington gave the annual lecture at the elite Ditchley Park estate in Oxon, England, on the theme, "Toward a new 'concert of Europe.'" Douglas Hurd attended the event. One senior London financial source told *EIR* that Hollinger board member Carrington had "engineered" the entire Ridley affair.

On July 14, the West German newspaper *Bild Zeitung* attributed the affair to "the *Spectator*, whose publisher Conrad Black is a close friend of Maggie Thatcher."

In a parallel development, West German Social Democratic influential Annmarie Renger, former deputy speaker of the West German parliament, wrote in the daily *Die Welt* July 14, that Ridley's comments recalled the anti-German remarks of British publishing magnate Robert Maxwell, when the latter met East Germany's dictator Erich Honecker in October 1989. Referring to Maxwell as "the former British occupation officer," she noted that Maxwell had told BBC on Oct. 3, 1989, that "a united Germany is a threat to Europe, to the Russians, the Poles, the Germans themselves, and to us. We don't want it. It is no good, neither for us nor for the Germans, and we do wish that there are two separate German states." Maxwell, Renger stressed, went on to praise the "remarkable achievement" of the East German communist state, stated that "we must not do anything that could destabilize this country," and praised Honecker as "a reformer throughout his entire life."

Renger expressed doubts that "the political blindness of this Englishman" was a "singular case," given that Ridley had said the same thing. Such comments, she warned, are a "dramatic sign of political mis-education, which documents a lack of standards in the very motherland of democracy that all Europeans must feel ashamed of."

The identification by these German sources of the Hollinger-Maxwell combination in the context of the Ridley affair is of singular importance. This same combination has been manipulating the Israeli public toward a new war in the Middle East, through its increasing control of the Israeli media. A Middle East war is one of the main options being reserved

by the Anglo-American Establishment for creating a global crisis that would, inclusively, rein in the increasingly ambitious continental Europeans.

'More damage than the Luftwaffe'

The outcry against Ridley, in Britain, in West Germany, at the European Commission headquarters in Brussels, and elsewhere, was so vociferous, that it overrode the xenophobic "Falklands" effect that Thatcher and her friends were counting on. Indicative of the failure of the operation, is the reaction of residents of Coventry, the English town which was massively bombed by the Germans during World War II and which solemnly commemorates each year the bombing of its cathedral. Interviewed by the London *Independent* July 14, Coventry residents, reflecting on the city's collapsed economy and infrastructure, offered such comments as "Maggie Thatcher has caused more damage here than the Luftwaffe," "If the Germans want to take over here, mate, they're bloody welcome," and "Ridley is a bigger threat than the Germans." One person commented: "Both of my parents were in Coventry during the war. That was all about the Nazis. Is Ridley saying the Germans are Nazis again? If you ask around this place, you'll find a lot of people who think Thatcher's more of a danger than the Germans."

Under such pressures, Ridley had to resign, although the fact was not lost on observers that Thatcher refused to fire him. Meanwhile, the "Germany crisis" deepened over the July 14-15 weekend, when the July 15 *Independent on Sunday* and Hamburg's *Der Spiegel* magazine leaked the minutes of a meeting that had occurred in March at Thatcher's Chequers country residence, involving the prime minister, members of her cabinet, and six experts on Germany, four of whom were British. The minutes, compiled by Thatcher's personal secretary Charles Powell, warned darkly of the potential reemergence of an expansionist-chauvinist Germany, and spoke of the ostensible characteristic negative traits of Germans, including, in alphabetical order, "Angst, aggressiveness, bullying, egotism, inferiority complex, and sentimentality."

One Briton quipped on hearing this, "They must have been talking about Margaret Thatcher." Commentator Geoffrey Wheatcroft, writing in the *Daily Telegraph* July 17, wondered who the British were to talk about negative character traits, since they had, at one point or another, attempted to exterminate the Irish, hunted down American Indians and Australian Aborigines, and run a substantial part of the slave trade. "Hypocrisy is certainly one of our national traits," he commented.

This second crude verbal bombardment produced another wave of protests within Britain. By July 17-18, there was speculation in the British press that Thatcher would either face a new challenge to her leadership of the Tory Party in the autumn of this year, or would use the occasion of her 65th birthday in October to resign as prime minister.

Bush cripples Colombia's drug war

by Andrea Olivieri

The governments of Colombia and the United States have locked horns over the question of whether the war on drugs will be waged with the deadly intent a real war effort entails, or whether it will remain forever crippled, a hostage to the free-market obsessions of the Bush administration. As Colombia prepares to inaugurate its new President on Aug. 7, the resolution of that question could well determine whether that country survives as a sovereign nation, or falls into the hands of Dope, Inc.

In the past weeks and months, both outgoing President Virgilio Barco and President-elect César Gaviria Trujillo have admonished the Bush administration that the war against the drug trade can never be won unless the industrialized nations—led by the United States—agree to shoulder the economic and financial burden of such a war. And yet, in the ten months since Colombia has declared all-out war against the cocaine cartels, the Bush government has virtually thumbed its nose at that nation. Instead of economic assistance, the U.S. has slapped discriminatory trade restraints on Colombia's legitimate export products. It has refused Colombia the kind of military technology which could seriously compete with that of the drug cartels, and at least twice during those ten months, Washington has unilaterally plotted an "anti-drug" invasion of Colombia, which would violate every precept of international law and justice.

Cost-effectiveness vs. a war on drugs

On June 9, the London *Financial Times* identified the dilemma facing Colombia's President-elect: "Mr. Gaviria is being driven to shift his thinking away from a military solution to the drug problem by the sheer cost of the current conflict and the limited nature of international financial backing." That is also the position of the drug legalization advocates, whose "cost-effectiveness" arguments were engendered by such free-trade apostles as Milton Friedman.

It is that "limited nature of international financial backing" which Colombia has been desperately trying to reverse. President Barco spent two days in Washington June 4-5, trying to convince the Bush administration to cough up some serious economic concessions. Not only was he sent home

empty-handed, but special trade negotiator Carla Hills reportedly spent that time lobbying to get Colombia placed on a “watch list” of unfair trading partners. The day following Barco’s departure, the United States formally vetoed Colombian efforts to win approval for a special exception on export subsidy prohibitions in the framework of the General Agreement on Tariffs and Trade (GATT).

Responding to these insults, Colombian Foreign Minister Julio Londoño Paredes angrily addressed the Organization of American States on June 5 concerning the criminal vacillation of the advanced sector: “We cannot accept that this dramatic fight in the fields of Colombia should be treated like a game of soccer, in which only one team plays but millions watch.” Special economic assistance must be given to the front-line countries, said Londoño, or the battle will be lost: “It is simply a question of rapidly granting favorable foreign trade conditions which would permit . . . our people to cultivate our fields and work our lands in preference to the lure of easy money.”

In early July, Londoño sent a message to the Houston meeting of the Group of Seven industrialized nations, in which he spoke in the name of all of the Andean countries to urge more concrete collaboration in the anti-drug effort. Londoño summarized his message in a later interview: “Our countries—Bolivia, Colombia, and Peru—agreed that economic and trade cooperation with industrialized nations is key for the solution to the drug problem.” Londoño underlined that they are not asking for handouts, but rather for conditions that would favor legitimate exports from the three Andean nations. Both President Barco and his successor Gaviria sent similar messages reminding President Bush, in particular, of his nice-sounding pledges of assistance at last February’s presidential drug summit in Cartagena, Colombia.

Appeal to Europe

On July 16, Gaviria told journalists upon his return from a three-week tour of Europe and the United States that he had chosen to go to Europe first, because he was not hopeful of serious anti-drug collaboration from the United States. He reviewed the immense sacrifices Colombia has made, including the fact that, despite its minimal resources, it has invested nearly \$1 billion in the war on drugs.

Said Gaviria: “Colombia has incurred an enormous economic cost, and is awaiting the collaboration of the international community which, until now, has been solely rhetorical. We are awaiting real aid. We are not expecting direct economic aid but, fundamentally, favorable trade conditions which do not discriminate against our products entering the international markets.”

On July 19, there was much media fanfare over a trade pact signed between the U.S. and Colombian governments. The pact, described as “opening a free-trade zone between the two countries in the medium term,” prominently included

the lifting of the U.S. veto against Colombian access to the GATT “subsidy code.” Foreign Minister Londoño commented that “the United States has gone from rhetoric to action,” and hailed “the beginning of a new attitude” on the part of the United States. Yet, according to an unnamed but high-level official inside the Barco government, there was no “new attitude” at all—just the same old blackmail. The official told the daily *El Espectador* that Bush’s veto was lifted solely on the condition that “Colombia commit itself to make its economic opening more rapidly and more effective, and to dismantle protectionist barriers still in effect.”

Colombia’s leading export associations were less dazzled than Londoño by the Bush administration’s fancy footwork. The president of the flower-exporting association, Asocolflores, warned that Colombia had lost much more than it had won in its pact with the United States, and asked, “What purpose will the [Subsidy] Code serve? . . . Our problem is not with subsidies, but with the anti-dumping rates they are imposing on us.” The head of the Colombian Exporters Association Ricardo Sala Gaitán pointed to new U.S. Senate proposals for a freeze on Colombian imports of shoes and a first-time quota on imports of Colombian textiles, and questioned the sudden U.S. beneficence. The head of the shoe manufacturers’ association summed it up: “When Colombia proposes an economic opening, the industrialized countries mount protectionist barriers. Isn’t it paradoxical?”

In defense of soybeans?

Colombia isn’t the only country being strangled both by the drug trade and by Bush administration hypocrisy. Even where an attempt was made to implement Washington’s limited crop-substitution strategy for reducing coca production—namely in Bolivia—ideological stupidity sabotaged that effort as well. After offering such “lucrative” yuppie crops as mulberry bushes and silkworms to Bolivian farmers as an alternative to coca growing, someone in Washington finally got serious enough to offer assistance in soybean cultivation. Two such attempts, in 1988 and again in 1989, collapsed, however, when the U.S. Department of Agriculture canceled the aid programs under the pretext of defending American soybean growers from unfair competition.

While the Bolivian aid proposals were technologically and financially limited, perhaps even seriously flawed, there are few who believed they could adversely affect U.S. production. And the U.S. Department of Agriculture has not been exactly enthusiastic about defending the interests of U.S. farmers recently.

Meanwhile, dedicated people inside the Colombian military and police forces have mounted a formidable war effort, and have produced significant results. What Colombia needs now is the concrete international support to drive that war to victory. What Colombians don’t need—the intervention of foreign troops—has been the only consistent offer from the Bush administration.

ADL, no friend of Israel, peddles war

by Jeffrey Steinberg

During the first week in July, top Anti-Defamation League figure Seymour Reich traveled to Israel to confer with leaders of the Labor Party. Reich, the president of B'nai B'rith International, reportedly peddled the line that the American Zionist Lobby overwhelmingly supports the ouster of Shimon Peres as party boss and his replacement by warmonger Yitzhak Rabin. Reich reportedly told the Laborites that Likud hardliners Yitzhak Shamir and Ariel Sharon will have nothing to do with Peres, but would willingly enter into a broad coalition with a Rabin-led Labor Party. Such an arrangement, Reich lied, would "contain" the extremists within Likud.

By this intervention, the ADL has placed itself squarely in the camp of those pushing the Mideast in the direction of war.

Preparations are under way in Israel for the creation of a "national unity" war cabinet preparing a "final solution" to the Arab problem. The war plan centers around preemptively knocking out Iraq's military capabilities, wiping out the Palestine Liberation Organization's bases in southern Lebanon, and expelling Palestinians in the Israeli-occupied territories to the East Bank of the Jordan.

According to one source, Israel has amassed a \$25 billion war chest over the past eight years to finance this attack and has directed a large portion of those funds to building up a chemical and biological weapons capability to augment their already sizeable stockpile of nuclear bombs. Reportedly, Israel is retrofitting some of its submarine-launched intermediate- and short-range missiles to fire these chemical and biological warheads.

In early June, Rabin made a quiet trip to New York City where he met with the entire National Commission of the ADL, to line up their backing for his power play. Immediately after he returned to Israel, he pressed for an emergency meeting of the party's executive, scheduled for late in July, at which he intends to make his move.

Like the period before the Six Day War

Other developments are playing into the war climate.

Syria's President Hafez al-Assad, in meetings in Cairo with Egyptian President Hosni Mubarak, apparently indicated a willingness to enter into a de facto alliance with Israel. According to Egyptian sources, the terms of that deal include the return of the Golan Heights to Syria, and Israeli acceptance of Syrian absorption of Lebanon—in return for Syrian

non-intervention in the event of an Israeli strike against Iraq or Jordan.

And in a move that is certain to derail any prospects of a revival of the U.S.-PLO dialogue, in mid-July, Bush National Security Adviser Brent Scowcroft refused to meet with a top Palestinian official, Khalid al-Hassan, who was carrying a proposal from Yasser Arafat for upgrading negotiations. The proposal reportedly specified how the PLO would discipline Abu Abbas, the author of a recent attempted commando attack against an Israeli beach. The Scowcroft meeting had been arranged by Saudi Ambassador Prince Bandar. The snub prompted Arafat to give an interview in which he denounced the "five appointees of Kissinger" who, he said, are steering Bush administration policy. While not naming the five, Arafat added, "Their policy is clear . . . kill the Palestinian people."

Worried tones are coming from Amman and Baghdad. On July 16, Jordan's King Hussein, in an interview with ABC News, expressed grave concern that the Mideast is careening toward war. He repeated those warnings in an interview in the *Wall Street Journal*. Hussein singled out Bush administration inaction as a contributing cause to the war climate. Senior advisers to the king report that the view in Amman is that the situation in the eastern Mediterranean is almost identical to the 1966 period of buildup to the Six Day War, in which Israel seized the West Bank, the Gaza Strip, the Golan Heights, and East Jerusalem.

Iraq's President Saddam Hussein, the number-one target of any Israeli preemptive military move, is desperately attempting to line up financial backing to prepare for a feared Israeli attack. In preparation for the OPEC meeting in Geneva beginning July 25, Saddam Hussein fired belicose words at Kuwait and the United Arab Emirates, which he accused of violating OPEC production quotas, driving down the price of oil on the world market.

While there has yet been no face-to-face contact between U.S. Secretary of State James Baker III and his Israeli counterpart David Levy (a scheduled meeting in mid-July in Paris was canceled), some high-level military talks have been taking place between American and Israeli officials. Gen. Colin Powell, chairman of the U.S. Joint Chiefs of Staff, spent several days touring the Mideast in early July and issued a statement from Tel Aviv declaring the talk of a war danger "exaggerated." Powell reportedly discussed accelerating U.S. plans to deliver the Patriot missile defense system to Israel, a move that would undercut Israel's justification for a preemptive strike to knock out Iraq's IRBMs and chemical weapons facilities. On July 20, Israeli Defense Minister Moshe Arens arrived in Washington, D.C. for an unplanned "courtesy visit" with Defense Secretary Richard Cheney. Arens was scheduled to go on to private meetings in New York City before flying back to Israel. The outcome of those meetings will offer an important indication whether any serious efforts are being made to reverse the war momentum.

Saudi role in Asia a concern for India

by Ramtanu Maitra

The recent South Asian “fact-finding” tour by U.S. Senate Majority Whip Alan Cranston (D-Calif.) will be remembered for his forthright condemnation of both Iran and Saudi Arabia for helping to foment trouble in the Indian state of Jammu and Kashmir. On return from the subcontinent, Cranston, a member of both the Senate Foreign Relations and Intelligence Committees, held a press conference in Washington where he stated that he had been told by knowledgeable and reliable sources that Iran is sending arms into Kashmir, and that Saudi Arabia is supporting the Kashmiri separatists financially.

Senator Cranston’s statement may have been startling to listeners in Washington; here in Delhi what startled them was only the fact that an influential American said it aloud. For more than a decade, particularly since the petrodollars provided the Saudi Kingdom significant financial muscle, Indian authorities have expressed concern, if not alarm, over the huge inflow of foreign funds from Saudi Arabia to whet the appetite of Islamic fundamentalists in India.

Saudi money finances fundamentalists

Saudi money first became a subject of discussion when a large number of Hindu “untouchables” in Meenakshipuram, Tamil Nadu, embraced Islam in 1984. It was pointed out at the time that oodles of Saudi Arabian money was involved in this mass conversion, and many Indians raised the question whether such a free flow of funds could be allowed in light of the hostility that it engenders between Hindu and Muslim communities.

In the early 1980s, New Delhi had to step in and call off a conference by the Jamaat-i-Islami group scheduled to be held in Srinagar, Jammu and Kashmir, when it became known that the Saudis and Libyans were pouring in huge sums of money to make it an international Jamaat “jambo-ree,” and were planning to use the occasion to set up new assets in Kashmir under the guise of spreading the good word of the Holy Koran. The Jamaat-i-Islami is an orthodox, fundamentalist Sunni organization.

More recently, intelligence reports based on interrogation of the Kashmiri militants who have entered India across

the line of actual control in Kashmir, reveal that Afghan mujahideen leader Gulbuddin Hekmatyar, a well-known Saudi asset within the bickering Afghan freedom-fighter groups, has sent some Afghan guerrillas to fight Indian security forces in the Kashmir Valley. According to one report, Afghan and Kashmiri militants may attempt a “final assault” around Aug. 15, India’s independence day.

Saudis embrace Beijing

These reports, in conjunction with Cranston’s revelations paint a disturbing yet still incomplete picture of the Saudi role in the region. The picture is filled out when the growing military and diplomatic ties between the People’s Republic of China and Saudi Arabia are put under the spotlight. The latest news from Riyadh confirms earlier speculation that Saudi Arabia and China are now ready to establish diplomatic relations, perhaps as early as August.

The courting of Beijing by Riyadh began years ago. In late 1986, a senior-level trade team from Saudi Arabia visited China despite the fact that Riyadh enjoys full diplomatic relations with Taipei, the capital of the Republic of China. The trade team was received by then-Chinese Premier Zhao Ziyang. Since then, a number of high-level trade and economic delegations have exchanged visits, and the Haj pilgrimage to Mecca by Chinese Muslims from Xinjiang and Ningxia provinces has shown a dramatic 600% increase during the last three years or so.

More ominous from India’s standpoint is the growing China-Saudi link-up on military hardware. Following the late-1987 visit of Prince Bandar bin-Sultan to Beijing—one of many such visits by the Saudi ambassador in Washington who is considered a key player in formulating the Saudi-China-U.S. axis—Saudi Arabia clinched the arms deal which brought Chinese intermediate-range ballistic missiles (IRBMs) with a range of 2,000 kilometers into the Saudi arsenal. It has since been revealed that the Saudis had begun negotiating with China for supply of the missiles as far back as September 1985.

Israel blesses China-Saudi ties

Obviously, China, which has close military links with Israel, had to clear the deal with Tel Aviv. In any case, there is precious little in official statements of the Israeli Foreign Office to indicate that Tel Aviv is unduly worried by the presence of the Chinese missiles in Saudi Arabia. Ostensibly, the Saudis are worried about the Iranian threat, especially since the capture of the “kabah” mosque, the sanctum sanctorum of Islam, by Shiite elements in the early 1980s.

It is evident that the relationship between China and Saudi Arabia is not a “one-shot deal.” Prince Bandar’s subsequent trips resulted in improvement of relations between the two countries generally. One such trip resulted in the exchange of resident trade missions. It is no coincidence that the prospect of establishment of full diplomatic relations between

Priest in Ukraine is synonymous with martyr

Legal recognition of the Ukrainian Catholic Church of Byzantine rite (suppressed by Stalin in 1946), religious freedom, the right to open seminaries and to send seminarians abroad to church universities, all in a spirit of fraternal collaboration with the Russian Orthodox Church—these were the key topics discussed at the Vatican during the meeting held on June 25-26 between the Pope, Catholic bishops from Ukraine, and several sector heads of the Roman Curia.

Msgr. Sofron Dmyterko, 73-year-old bishop of the vast Eparchy of Ivano-Frankivsk, was jailed 1944-64 and 1973-75. He was interviewed in Rome by Maria Cristina Fiocchi.

EIR: For the first time after half a century, the Ukrainian bishops have been able to visit the Holy Father. How did you find this encounter?

Dmyterko: It was very moving. The Pope wanted to talk with each of us individually, to know the history of our ordinations, to confirm our consecrations, to hear about the bishops who died in concentration camps, and know where they were buried. He showed fatherly love toward us; I would say he was moved but also happy. The meeting with the Pontiff took about an hour and a half. Then we went into the Synod hall to discuss the problems of our church.

EIR: How many Ukrainian bishops were consecrated clandestinely?

Dmyterko: Beyond the ten who came here to Rome, there may be a few more, but I don't know. There's no reason not to come forward.

EIR: There is talk of constituting a Catholic Patriarchate.

Dmyterko: For the moment we are awaiting the recognition of our church. But there is no doubt that we have the right to a Patriarchate. The Pope is not opposed, but all the conditions have to exist. It may take a few years.

EIR: You have been persecuted, and suffered in silence without ever giving in. What does it mean to live your priesthood in prison? to be a clandestine bishop?

Dmyterko: In 1946 our bishops, priests, and nuns were all sent to Siberia, to prison, or into exile. I, too, was arrested and put in prison, condemned to hard labor.

Then in 1973 I was arrested again. The Communists had found two homilies written for the mass: They judged them as propaganda against the system and put me in jail. I was together with 1,200 prisoners, who were all common criminals, assassins. At first they did not know I was a priest, then they saw me praying. Some of them started to respect me. Others began to hate me and wanted to kill me.

The conditions in jail were terrible, inhuman. The food was wretched, water was lacking, hygiene was terrible. Most of the prisoners were young and hungry. One day one of them got so hungry he stole a piece of bread, and the others discovered it and treated him so harshly that later he was found hanged. His name was Peter Drost, and his only crime was that he was hungry.

Sometimes I could celebrate mass in secret. One believer, a devout Catholic, brought me consecrated bread; they discovered him and accused him of being a clandestine priest, which was not true, and wanted to arrest him. All I could do was pray. I had a rosary, which they allowed me to keep, though every once in a while they threatened to take it away. I prayed for my jailers, and also for those poor brutalized people.

EIR: Are you happy to be going home? What will you tell your people?

Dmyterko: To keep their hopes up. I will say that the Pope is with us, he loves us, and he has confidence in us.

the two countries emerged at the time Prince Bandar was enjoying Chinese hospitality with Prime Minister Li Peng and Foreign Minister Qian Qichen in Beijing.

In August 1989, Tawfig Khalid al-Madar, the first Saudi Arabian commercial representative, took up his post in Beijing. In December, a high-level Chinese delegation led by Zheng Hongye, president of the International Chamber of Commerce of China, visited Riyadh. Its 13 members were officials from the textiles, mineral, construction, chemical, hardware, light industries, and machinery sections of China's foreign trade department. Those aware of China's deceptive

categorization of its various ministries will have no difficulty in recognizing, in the last four sections, euphemisms for military hardware production.

These developments cannot make India feel comfortable. China has long been involved in instigating, training, and financing armed guerrillas within Indian territory for the purpose of creating chaos and destabilization. It has paid scant respect to India's concern about its own security. China's zealous courting of Pakistan, Bangladesh, Nepal, and Sri Lanka, using both the Indian bogeyman and cheap Chinese armaments as bait, is a deliberate provocation of India.

Ukraine declares national sovereignty

by Konstantin George

On July 16, the parliament of Ukraine, the largest non-Russian republic of the U.S.S.R. with 52 million inhabitants, adopted a declaration of sovereignty by a vote of 355-4. The declaration proclaimed the republic's goal of using its declared sovereignty to achieve future total independence: "Ukraine is striving to become in the future an independent national state."

The declaration of sovereignty echoed that adopted by the Russian parliament on June 12, announcing that "the laws of Ukraine in future have precedence over Union [Soviet] laws," that "all resources, industry, and agriculture are the property of the Ukrainian republic," and that Ukraine will conduct its own foreign and economic policy.

But the Ukrainian statement went far beyond that of the Russian Federation, proclaiming the "supremacy, independence, and individuality of the republic's power on its territory, and its independence and equality in external relations." It declared for Ukraine the "right to have its own armed forces, interior security troops, and state security bodies," stipulating that "Ukrainian citizens cannot be conscripted to serve outside the republic without the permission of the Ukrainian parliament." This means a call for the withdrawal of Soviet KGB and Interior Ministry forces, and the limitation on Ukrainians serving in the Soviet Army to a strictly voluntary basis. Left untouched in the declaration, for tactical political reasons, was the question of the Soviet Army and Air Force units, and the Black Sea Fleet, stationed on Ukrainian territory.

The statements contained in the declaration on economic policy were also landmarks. The parliament resolved that Ukraine would create its own national bank, not merely to issue a Ukrainian currency, but as a credit-extending institution to promote Ukrainian economic development. At least in principle, this measure is akin to Alexander Hamilton's creation of the National Bank of the United States, which became, in the early decades of American history, the credit-extending motor which transformed America into a world industrial and agricultural giant. Ukraine will also create its own foreign economic bank, to co-finance and arrange trade deals with Germany and other nations of Western Europe, to secure foreign investment and capital goods imports.

Moscow's fall-back option

The near-unanimous vote for this declaration was all the more striking, in that only one-third of the parliament's depu-

ties are members of the Ukrainian national movement, Rukh, and allied pro-independence parties and organizations. The detested Communist Party still holds a two-thirds majority, yet its members of parliament voted *en bloc* along with Rukh and its allies to grant Ukraine a status of sovereignty falling just short of total independence. Why?

Had the Ukraine Communists not reversed their traditional stance against sovereignty, the rapid growth of a mass Ukrainian movement for total independence would have produced a political explosion in a very short time. Moscow would have been presented with its most heavily populated Captive Nation being totally out of control.

The crisis began to erupt on the weekend of July 7-8, during the Soviet Communist Party Congress in Moscow, when Rukh and its allies demanded an extraordinary session of the Ukrainian parliament to adopt a declaration of independence. Any move to stop a parliamentary session would have led to mass demonstrations. Confronted with this, Gorbachov adopted a new policy toward Ukraine, which could be summarized as: "Give them anything they want, short of leaving the Soviet Union, and short of putting on paper any timetable for full independence."

Ukrainian Communist deputies were hastily sent from Moscow to Kiev to attend the parliamentary session. The vote, technically, reflected a compromise between Rukh and the Communist Party, in that, in exchange for the declaration of sovereignty, no time frame was specified for total independence, and Ukraine will remain loosely affiliated to the Soviet Union's new mix of sovereign, confederated entities. In this sense, Ukraine's declaration went far beyond the June 12 declaration of the Russian Federation, but stopped just short of the Baltic states' demand for total independence.

Politically, however, the vote was a resounding victory for Rukh and Ukrainian patriots. They forced a very reluctant Communist apparatus to do something that that same party would have arrogantly rejected just two months ago. Moscow's extreme sensitivity to what is brewing in Ukraine was also reflected in Gorbachov's decision to appoint Ukraine's President Vladimir Ivashko, deputy general secretary of the Communist Party of the Soviet Union. With that move, Ivashko was kicked upstairs, as he was forced to resign as Ukraine's President. Attesting to the high political volatility in Ukraine, no successor has been named.

It is only ten months since the Ukrainian national movement, Rukh, was founded in September 1989. In that short time, without a shot being fired, this nation has moved from being an outright colony to achieving the beginnings of a loosely confederated status within the empire. The intermediate victory achieved was something unthinkable for the majority of Ukrainians back in September. Confederated sovereignty is, of course, not the goal of true national independence. But that goal is no longer viewed as unattainable.

In Mongolia, too, change is on the way

by Lydia Cherry

The hitherto isolated and backward nation of Mongolia, geographically encircled by the Soviet Union and China, and politically dominated by Moscow, will hold a multi-party election on July 29—the first since it turned into a communist state in 1924. Participating will be the ruling Mongolian People's Revolutionary Party (MPRP) and five new opposition parties.

Even though the opposition parties are merging for electoral purposes into a Coalition of Democratic Forces, it is generally predicted that the refurbished communist party will outpoll the newer parties. One reason is that opposition activists have only recently begun to campaign in rural areas, where half of Mongolia's 2 million people reside. However, in order to be in this position, the communists have been forced to make major changes to keep ahead of the popular cry for change.

Turn away from Moscow

The impact of the initially tiny opposition movement—which, beginning Jan. 21, endured temperatures of -23°C to defy their communist leaders and call for a split from Moscow—is undebatable. Sanjaasurengiyn Dzorign, the 27-year-old university lecturer who led the first protests and hunger strikes, now heads one of the five new parties, the Mongolian Democratic Party. "Our goal is to build a normal society from a sick and deformed one," he said on that first cold day. Mongolia must "rapidly develop relations with other countries."

Opposition leaders were quoted by East German news agency ADN on July 8 saying that "the elections are only a first step toward democracy." "There cannot yet be talk of equality in these elections," they said, "because the administrative election preparations are completely in the hands of the MPRP-controlled state authorities." The opposition leaders, who had considered opposing the electoral process, in early July called on supporters "to return to the election commissions and to fight for every vote."

Constitutional amendments which create a new governmental structure were approved by the national legislature the second week in May. The constitution will now allow a directly elected standing legislature and legalizes political parties. The new MPRP chairman, Gombojavyan Ochirbat, then immediately registered his party in preparation for the July 29 elections. Opposition parties—which include the Mongolian Party of National Progress, the Social Democratic Party, the Mongolian Democratic Party, the Mongolian Green Party,

and the National Progressive Party—also registered.

In recent months, the ruling party has taken steps to distance itself from Moscow and has even criticized the Soviet Union for exploiting Mongolia economically. At the April 10-13 extraordinary party congress held in the wake of demonstrations for democracy, Gombojavyan Ochirbat, previously chairman of the Mongolian Trade Union Council, was named head of state. The congress elected a central committee of 91 members, most of them new.

Mongolia's diplomacy has turned increasingly toward Japan, Thailand, and South Korea. It was announced on June 4 that compulsory learning of the national Mongolian script, in place of the sole language of Russian, will begin following the 1990-91 academic year.

Moscow, meanwhile, has largely turned Mongolia loose, apparently because it didn't need another headache, and because it has already milked it dry.

Economic program the key issue

Even though a significant livestock-producing country, there are acute food shortages in Mongolia, particularly meat shortages, since it exports almost all its meat and livestock to the Soviet Union. In the smaller towns, sources say, no meat has been available for four years. In the cities, Mongolians are not able to use the best-supplied shops, which are only open to Russians and other foreigners. Opposition leader Dzorign pointed out on April 8 that "a number of large factories have been built in Mongolia with the support of the Soviet Union, but all their products have been for export. And now, Mongolians are forced to import even their daily necessities." A total foreign debt of \$15.5 billion was owned by Mongolia to the U.S.S.R. as of Jan. 1, but Soviet officials were told in April that Mongolia did not have the money to pay.

A debate on economic program is the major focus of the campaign now under way. The MPRP's Ochirbat is himself focused on this subject, and the government has set the objective of developing basic branches of industry such as ferrous and non-ferrous metals, engineering, and chemicals, which have big accumulation returns and a greater impact on economic development. The country's economic program, unveiled May 9, aims to raise real per capita incomes by 20% for townspeople and by 30% for the rural population by 1995. It will build the country's first iron and steel complex, to produce 100,000 tons of rolled metal a year.

The Japanese firm C. Itoh and Co. is involved in construction of a copper smelter. Mongolia is seeking to obtain a \$50-60 million credit from Japan for developing the metallurgical industry. Already, 40% of Mongolia's free currency trade per year falls on Japanese companies. A direct air route with Japan will open Aug. 16. After having established diplomatic links with South Korea, Ochirbat said on April 12 that Mongolia was calling on South Korea to promote the development of bilateral economic and trade relations.

Peru's García accused of helping terrorists

by Luis Vásquez

President Alan García and his APRA party used their last weeks in office to set ticking several political "time bombs" which, if not deactivated, will blow up Peru early in the next government, which assumes office on July 28.

First came a spectacular prison "escape" by the narco-terrorist Tupac Amaru Revolutionary Movement (MRTA). On July 10, forty-eight members of the MRTA escaped, without a shot fired, from Lima's maximum-security prison. They somehow had keys to all five doors between the cell of MRTA chief Victor Polay and the fourth-floor compound where 47 of his followers were being held. The terrorists left the prison at 5:00 a.m., without the guards reporting it until at least three hours later.

All the evidence suggests that the "escape" was arranged by President García himself and his fellow Lautaro Masonic lodge brothers in the social democratic APRA party. Not only have APRA leaders cheered the escape; it fits all too closely with the party's plan to institute a "dialogue" with the terrorists, on the model of Colombia's deal with the M-19.

After their escape, the MRTA provided TV Panamericana with films of the prisoners marching out through a 250-yard-long tunnel, complete with lighting and ventilation systems, professionally constructed underneath the jail's walls. Experts calculated that it would have required 400 dump trucks to carry away the dirt and rock excavated from the tunnel, and some two years to build.

During the week before the escape, the head of the prison system had held several hours of private conferences with Polay. He was accompanied some of the time by APRA Sen. Armando Villanueva, who had frequently made visits to his friend Polay's private cell-office to assure that he was being well cared for.

Some in Lima suggest the escape was arranged in exchange for the release of businessman Héctor Delgado Parker, who had been kidnaped by the MRTA five weeks earlier. Delgado Parker is owner of the Panamericana television chain, which broadcast scenes from the MRTA escape to the nation. Earlier this year he served as the personal envoy of García to the Colombian M-19 narco-terrorists.

Two days after the escape, the APRA youth movement

issued a statement hailing the fact that Polay had recovered his liberty. Student leaders bedecked two APRA-run universities with banners celebrating the escape, and called the jailbreak "a legitimate revolutionary defense."

APRA's ties with the MRTA were never any secret. Polay himself had been an APRA militant since his youth; his father was one of the founders of APRA. Polay was Alan García's roommate when they were bohemians studying sociology together at the Sorbonne in Paris.

Lima's *Oiga* magazine suggests that the connection between APRA and the MRTA is maintained through North Korea, as joint delegations of APRA and MRTA youth have been sent there for indoctrination by Kim Il-sung since 1987. APRA's own ideologues assert that there is an affinity between the doctrine of "historical space-time" of APRA founder Victor Raúl Haya de la Torre and the North Korean ayatollah's *zuche* concept. Both involve applying a bastardized Marxism to specific national situations.

The M-19 model

It is apparent that the escape was planned as the first step toward the legalization of the narco-terrorists, following the model of neighboring Colombia and Ecuador. On July 16, Senator Villanueva called for talks with the insurgents, insisting that "in a democracy, there is always dialogue." His call was reported the next day in the daily *La República*, which ran an editorial calling for MRTA to be legalized. "For the first time in many years, the MRTA has none of its members in jail," the paper wrote. "Coinciding with the change of government, this is the best possible opportunity for following the steps of its best friends internationally—the M-19 and the [Ecuadorian] Alfaro Vive, which have changed to political struggle, following agreements with the Colombian and Ecuadorian governments and handing in of weapons."

XX, the magazine of social democrat Ismael Frías, went further, and suggested that the national holiday on July 28—the day President-elect Alberto Fujimori assumes office—was the perfect day to declare an amnesty "for all the armed insurgents, without exception."

Fujimori has already declared that he is willing to consider backroom negotiations with the insurgent groups, and reported that he met with two terrorist leaders during his electoral campaign.

On July 12, just after the MRTA escape, Fujimori reaffirmed that he is willing to conduct a dialogue with terrorists, if they lay down their arms.

The MRTA escape wasn't García's only parting shot. He also called a special session of the APRA-dominated lame duck legislature to ram through a new penal code before leaving office. Mixed into the bill were three population control measures: legalization of euthanasia, approval for "sentimental abortion" for cases of rape (a measure its supporters say is tantamount to abortion on demand), and mid-term abortions for "deformed" babies.

U.K. chief rabbi rips animal rights as Nazi

by Mark Burdman

Lord Jakobovits, the chief rabbi of Great Britain, has delivered a blistering attack on the animal rights movement, warning that its actions are reminiscent of the “perversity” that ruled under the Nazis.

Jakobovits, one of Britain’s most influential personalities, was speaking during a July 13 House of Lords debate on a new bill concerning “slaughter of animals,” which, if passed, would impose tighter controls on the slaughter methods used by both Jews and Muslims. He stated: “Jews need hardly be lectured on the prevention of cruelty to animals. They introduced the whole concept, long before any other civilization or faith or creed. To inflict any suffering on animals is a religious offense to Jews.” However, he insisted, Jews had never deemed animal welfare to be more important than human welfare.

He then stated: “There is something strangely inconsistent in the campaign against the Jewish method of slaughter and the allegation of cruelty. One of the first pieces of legislation introduced by the Nazis in Germany in 1933 was the prohibition of the Jewish method of slaughter, because the Nazis said they cared deeply about animals. That did not prevent them from gassing and incinerating human beings by the million, in history’s supreme orgy of inhumanity. Lately, this perversity has begun to blemish society in our own country. Supporters of animal liberation—as they call themselves—out of concern for animal welfare, now lay bombs to kill human researchers seeking to bring healing to suffering humans by means of carefully controlled experiments on anaesthetized animals.”

This is the second important attack by a Jewish leader in Europe against the animal rights movement. According to a report in West Germany’s *Frankfurter Allgemeine Zeitung* July 3, Orthodox Rabbi Shmuel Trigano gave a speech in Alsace, France, in which he pointed to the dangers to Judaism represented by “the green ideology” and by the “animal protection” campaigns patronized by actress Brigitte Bardot and her friends. Such “attacks on the content of the Jewish religion and culture,” he warned, are much more worrisome than “incidents of anti-Semitism” like the much-publicized desecration of the cemetery in Carpentras, France in early May of this year.

The new ‘March on Rome’

The animal rights movement has launched an all-points assault on the tenets of the “religions of the Book,” Christian-

ity, Judaism, and Islam. Most egregious, leading “animal rights” groups and operatives from the United States, Great Britain, West Germany, and other countries are spending July making what they call a “pilgrimage to Rome,” to petition Pope John Paul II to issue a papal statement on “the souls of animals.”

The “Walk to Rome,” recalling the famous March on Rome of Benito Mussolini in 1922, is being organized by John Stockwell of Berkeley, California. The decision to hold the event had been taken at a March 9-11, 1989 “Summit conference for animals,” which Stockwell organized. In late June-early July, there were preparatory events on the theme, “On the souls of animals,” in Colchester, U.K., and Oberwolfach, Germany. The staging ground for the event in Germany is the Göttingen office of the “Mobilization for Animals” group. Support for the pilgrimage has come from the International Society for Animal Rights, Inc.; U.S. Prof. Tom Regan, president, Culture and Animals Foundation; Rev. Andrew Linzey, Center for the Study of Theology, University of Essex, England, and chief “theologian” of the animal rights movement; two representatives of the Unitarian Universalists from the U.S.; Kim Stallwood, director, People for the Ethical Treatment of Animals (PETA) of the U.S.; Charlotte Garbe, a Green Party member of the West German Parliament; and Ilja Weiss, an official of the Hesse state government in West Germany in charge of “animal protection.” Weiss has recently authored an article denouncing the eating of meat as “criminal.”

Attacks on ‘moral anthropocentrism’

Coincident with the March on Rome, the London *Independent* on July 17 published a review of a new book, *Political Theory and Animal Rights*, one of whose co-editors is Rev. Andrew Linzey. Reviewer Rodney Aitchley quotes Prof. Tom Regan, that an intellectual revolution is required, based on the proposition that “traditional moral anthropocentrism is dead.” Aitchley welcomes the attack of Linzey et al. on the concept of “dominion,” in the Book of Genesis, by which man is given by God responsibility for “every living thing that moveth upon the earth.” Aitchley concludes: “This book raises some pertinent doubts which might help achieve the necessary change of mind.”

Indeed, this attack on “anthropocentrism” and on the fundamental tenet of the Judeo-Christian tradition that man is made in the living image of God, is the real issue, not concern for the welfare and “souls” of animals. The animal rights lunatics are supported, and in fact controlled, from a much higher level, typified by Prince Philip of the U.K., international president of the World Wide Fund for Nature. Vicious attacks on “anthropocentrism” are contained in reports recently put out by the Geneva-based World Council of Churches and by the World Alliance of Reformed Churches, the umbrella association for Calvinist or Calvinist-leaning churches worldwide.

'Animal rights' promotes starvation

Part III of a series shows how this movement, which apes Adolf Hitler's beliefs, also wields the means for mass murder. By Marcia Merry.

In the 5th century, when Saint Augustine did battle against the cults and barbarism threatening civilization at the time, he singled out the animal rights movement and explained how the meaning of God's commandment, Thou Shalt Not Kill, did not prohibit taking animal or plant life.

Again today, civilization is confronted with barbarism and cults. The animal rights movement has, in particular, targeted agriculture and the human diet at a time when millions in the world are going hungry and starving, and farmers are being thrown off the land.

The scope of the threat to food supplies and nutrition posed by the animal rights movement should be viewed on two levels. First, there is a wave of baseless restrictions being imposed on farmers through new laws and executive orders, in the name of "protecting" the rights of animals. Secondly, there is the question of why the general public, and farmers in particular, are so susceptible to tolerating this insanity.

The important thing to understand is that the animal rights movement is no "natural" outcropping of concern for what goes on in the barnyard, or for protection of the beasts in the wild. There are dozens of animal rights groups and campaigns that have sprung up in only the past few years that are funded directly or indirectly by major foundations, food cartel companies, and private financial groupings whose agenda is to impose austerity and depopulation on large parts of the world. These interests want to decide who eats and who starves; and what better way than to use animal rights "issues" against traditional, science-based farming and eating habits.

Farmers targeted

There are a network of groups demanding that various animal husbandry practices be banned or restricted, including animal confinement (instead of freedom to roam), de-horning, castrating, and tail docking. They charge that even the most careful animal husbandry is cruelty. Invariably, the photographs and arguments used by the animal advocates show sick or abused animals that are not typical of proper farming practices, any more than the case of an abused child is typical of normal parents. The animal rights campaign wants police state oversight and penalties on farmers.

In 1988, a group called CEASE put a referendum on the ballot in Massachusetts that would have put an end to about 89% of the livestock business in the state, and would have created a national precedent for making it impossible for

farmers to produce meat. The referendum called for the creation of a board of non-farmer, animal rights advocates to police farmsteads. Under the proposed rules, no farmer could make an alteration in his farm that would cost more than \$10,000 without approval of this board. Normal farming practices would have been prohibited, including such common practices as branding and the use of many veterinary medicines. This referendum was defeated, but there are similar initiatives in the works elsewhere.

There are also increasing restrictions on farmers' responsibilities to protect livestock and people from predators such as wolves, coyotes, and bears. A 1931 federal law allowed for controls and eradication of predators to protect agriculture. Now, the original intent of the law is ignored, and farmers are harassed and fined for protecting their livestock. Farmers must locate a federal official to deal with a "problem" varmint that may be preying on stock. This can take a long time. In a recent well-publicized case in New Mexico, a rancher lost 110 ewes and lambs in 10 days before the federal agent came and killed the 20-pound female coyote responsible. In Montana, a rancher recently lost an appeal in the 9th Circuit Court, which upheld that the rancher had to pay \$2500 for killing a grizzly bear in 1982, after the rancher lost 64 sheep to grizzlies.

The U.S. Department of Agriculture plans to hold public hearings this summer on its new "Animal Damage Control Guidelines." These sessions will offer a platform for the animal rights crowd to further restrict farmers. Jim Fish, of the Public Lands Action Network, says that there should be no predator control. "We feel like predators are part of the natural system and removing predators causes other problems which then require manipulation. . . . You never get out of the cycle."

The web of groups targeting farmers and attempting to sway public opinion against farmers, includes:

Farm Animal Reform Movement. Based in the Washington, D.C. area, the FARM roster of advisers and directors include a list of hoary, old "causeniks" that were against nuclear power and every other form of technology-based advancement for mankind: Cesar Chavez (United Farm Workers), George Wald (biologist, longtime anti-nuclear activist), Peter Singer (guru author of *Animal Liberation*, who advocates infanticide for "defective" humans), and others. FARM's letterhead states: "Unlike an all-out nuclear conflagration, which wreaks wholesale destruction in a blinding

flash, today's intensive animal agriculture does its deadly damage gradually, but just as inexorably and thoroughly."

Humane Farming Association. Based in San Francisco, California, this group incites people's fears that their meat came from animals who suffered, and is contaminated by veterinary medicines and hormones.

People for the Ethical Treatment of Animals. Based in Washington, D.C., PETA claims to be the fastest growing action group in the country, and pushes vegetarianism, veganism (no use of animal products of anykind, including dairy, hides, and wool). PETA has a host of slick sayings attacking "factory farming" (confining animals), and all "animal-based agriculture," and instead tells you to "Choose a Living Earth. Go Vegetarian. When you sit down to eat, are you aware of the effect your food choices have on the earth? The cruelty, suffering and destruction involved in the system of raising animals for food stand in glaring contradiction to our hopes for a better way of life."

Animal rights terrorism

This network of groups are lobbying Congress, state, and local governments to impose control measures on farmers. Simultaneously, there has been a wave of animal rights terrorism against farming and ranching.

In 1987-88, there were repeated acts of vandalism and terrorism against meatpacking plants near San Jose, California. The graffiti included the sign, "Cattlemen Pollute." In the East, there were break-ins, spray-painting, and other incidents at egg farms. The graffiti on the henhouse walls read, "Animal Auschwitz," and "Liberate Animals."

Two groups, Earth First! and Animal Liberation Front (ALF), claim increased "action" against remote farms and ranches in the West. Earth First! spokesman Dale Turner in Tucson, Arizona said they oppose livestock grazing on public lands. ALF spokeswoman Margo Tannenbaum of San Bernardino, California said that ALF's goal is the "elimination of the livestock industry."

Actions have included shooting holes in livestock water tanks and in the oil reservoirs or the gear boxes of farmers' windmills, so the engines burn out. The terrorists have drained the oil out of tractors so the engines seize up and repairs costs thousands of dollars.

In 1988, arson destroyed the \$2.5 million animal research center under construction at the University of California, Davis Campus, which is a premier animal husbandry center of the West. In January 1989, a huge fire did \$250,000 in damage to a livestock pen in Dixon, Solano County, California.

Why are farmers and the public so accepting of these onslaughts against agriculture, and meat and wool production and use?

One factor that makes the general public so gullible is that under the current conditions of economic depression—unemployment, lack of health care, drugs, con-artists, count-

erculture, and New Age kookery—people tend to fall for all kinds of magical and cultish ideas about food, animals, and whatever. And people are encouraged by the "me generation" to fixate on themselves and ignore the world.

There is every variety of propaganda in the animal rights movement to play on fears and ignorance. For example, a PETA flyer called "The Realities of Animal-Based Agriculture," taken from the book *Diet for a New America*, by John Robbins, argues that animals pollute, and should not be raised for food. There is no logic to the argument.

PETA states: "Production of excrement by total U.S. human population: 12,000 pounds per second. Production of excrement by U.S. livestock: 250,000 pounds per second. Sewage system in U.S. cities: Common. Sewage system in U.S. feedlots: None." Conclusion? Animals pollute.

There is constant propaganda that eating meat is bad for you. For the last five years, the FARM group has been pushing the "The Great American Meat-Out," when you are supposed to abstain from eating meat. FARM likes to advertise that celebrities are vegetarians, so you should be too. Doris Day is FARM's figurehead for the Meat Out.

Aging Beatle Paul McCartney is now on a concert tour in the U.S. featuring the PETA group giving out tofu and hotdogs and pushing vegetarianism. At McCartney's Iowa event, a booth pushing legalizing dope adjoined the PETA veggie stand.

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Collor surrenders sovereignty

Brazil's President offers creditors the right to make decisions which belong to a sovereign head of state.

Just as his government negotiating team was preparing to begin definitive talks with creditor banks, President Fernando Collor de Mello indicated in an interview published in the July 16 *New York Times* that he was prepared to hand over to the banks that which any nation, no matter how poor, holds most dear: its national sovereignty.

In his interview with the *New York Times*, granted one day after his lengthy meeting with John Reed, president of Citibank, Brazil's primary creditor, Collor described his nation as "Brazil, Inc., a company gone bankrupt." In describing Brazil this way, Collor accepted the demands of the bankers' cartel to treat nations and state-sector companies merely as businesses going through bankruptcy proceedings.

"The shareholders," Collor said, referring to last December's elections, "fired the old board for incompetence. In 120 days, the new board has taken a series of steps to straighten out Brazil, Inc.'s business. Creditor banks can't view this new board as they did the old one—we want to be good partners, deserving of credit."

Finance Minister Zelia Cardoso de Mello and Infrastructure Minister Oziris Silva have indicated the same willingness to surrender sovereign decision-making to the creditors. In a July 17 statement in which he attacked Brazil's policy of protecting its computer industry, Silva hysterically lied that "in Europe, countries are kicking national sovereignty around in the streets."

While Collor was courting the

bankers, Finance Minister Cardoso explained in a July 15 television interview the purpose of her upcoming trip to Europe where she would be meeting with bankers, governments, and businessmen. "I'm going to sell Brazil," she stated. A few days later, while reporting on the economic achievements of the Collor government before a select audience at the "New Market for Exporters" seminar in England, Cardoso described her "product." Brazil, she said, "has a broad base of natural resources and modern services infrastructure as well as an abundance of manpower, including personnel specialized in key sectors of the economy."

Antonio Kandir, the Finance Ministry's Secretary of Economic Policy, has traveled to Washington, meanwhile, to meet with the International Monetary Fund, taking with him the promise to cut the public deficit from its current level of 9% of GNP down to 1%. This would mean a 39% cut in public sector investments, guaranteeing an economic recession which, during 1990, could collapse 8% of industrial activity, with dangerous social consequences, due to unemployment and wage cuts.

The *New York Times* interview, combined with these ministerial statements, culminates a number of actions and agreements made by the Collor government to establish in Brazil a free-trade economy subject to the fluctuations of the moribund U.S. economy. The July 2 issue of *Relatorio Reservado*, for example, reported that Collor had made a number of se-

cret agreements with John Reed regarding renegotiation of the foreign debt. And, at a July 3 press conference, Collor de Mello admitted that the issue of foreign debt, which had been defined as a priority in his government program, "had lost momentum."

In this context, Brazil's ambassador in Washington, Marcilio Marques Moreira, an enthusiastic attendee of Trilateral Commission meetings and backer of George Bush's recent "Enterprise for the Americas" free-trade proposal, has now taken on the unofficial role of finance minister plenipotentiary in the U.S. capital. In 1987, Marques Moreira was known for his successful organizing activities to overthrow then Finance Minister Dilson Funaro, architect of Brazil's 1987 debt moratorium and defender of the principle that national sovereignty can't be bargained away for a few dollars. An article in the May 5 *O Estado de São Paulo* depicts the Brazilian ambassador as the key figure in future foreign debt negotiations. His initiatives, the article stated, will be decisive for "putting an end to the deterioration" in Brazilian-U.S. relations.

What is questionable here is not the effort to improve relations with the United States, but rather the endorsement of economic liberalism predominant in Washington, which is contrary to the U.S.'s own sovereign interests, as so eloquently expressed by U.S. Founding Father Alexander Hamilton. Hamilton, considered to be the father of U.S. industrial capitalism, wrote in defense of sovereignty in the *Federalist Papers* that "the contracts between a nation and individuals are only binding on the conscience of the sovereign, and have no pretensions to a compulsive force." Hamilton asserted that such contracts "confer no right of action independent of the sovereign will."

International Intelligence

NATO pushes trilateral management of hot spots

The U.S. government and NATO headquarters co-sponsored a conference in Knokke, Belgium in June, at which the idea of trilateral U.S.-European-Japanese responsibility for global crisis spots, including the area of Central Asia that is now part of the Soviet Union, was discussed. Keynote speakers included U.S. Deputy Secretary of State Paul Wolfowitz, Italian strategist Enrico Jacchia, and Japanese Deputy Foreign Minister Ohwada. A 20-strong Japanese delegation was in attendance.

Informed sources view the intention of the organizers of the meeting as to promote a new NATO strategy aimed at reducing the non-white populations of the Third World (see *EIR*, July 20, "Malthusians reshape NATO for out-of-area wars").

Said a senior NATO consultant who attended this meeting: "I believe that the security of the democratic nations includes the U.S., Europe, and Japan, and therefore all potential events in Central and East Asia, like the disruption of the Soviet Union, would have a tremendous impact on world order. The risk in Central and East Asia, including the Muslim Soviet Asiatic republics, with its 60 million population, is, in my opinion, a tripartite responsibility of the U.S., Europe, and Japan."

The source called the meeting in Knokke an "initiative from Washington to give some concrete substance to such a grand design." The plan would entail "U.S.-European-Japanese responsibility in the construction of a new world order," to confront "all the dangers" arising in Europe, the Middle East, Central Asia, and East Asia.

Scottish National Party: Send oil to Lithuania!

The Scottish National Party called on British Secretary of Trade and Industry Nicholas Ridley (before the latter's resignation in a political scandal on July 14), to immediately

ship Scottish petroleum products and coal to Lithuania.

SNP leader Dr. Alan Macartney on July 7 challenged the secretary to take the same liberal view of trading with Lithuania that his department does with the U.S.S.R. and Iraq. "Is it too much to ask that the DTI will extend credit to the industrious Lithuanian Republic to enable her to resume production crippled by Moscow's punitive sanctions? This would allow the Lithuanians—whose only crime was to fall foul of Hitler and Stalin in the 1940s—to get on with their peaceful task . . . after 50 years of oppression. . . ."

"In practical terms, you should note that there is no Soviet blockade of Lithuania, only selective sanctions. The point has been made clear to Norway, that North Sea oil supplies from the Norwegian sector would not be intercepted by the Soviet Navy. A further important consideration is that medicine, notably insulin and antibiotics, are now in short supply in Lithuania, thanks to the Kremlin's sanctions. . . . Will you allow or prevent British medical supplies to Lithuania?"

Dr. Macartney added that an independent Scotland under an SNP government would by now have already sent Scottish oil to democratic Lithuania, and through the Nordic Council would be pressing for similar actions from the Scandinavian countries.

New security structure proposed for Europe

The British American Security Information Council (BASIC) is circulating a proposal for phasing out NATO over the next five years, and replacing it by a new structure under the auspices of the Conference on Security and Cooperation in Europe (CSCE). The new system would operate as a regional defense pact of the United Nations.

This policy was elaborated by BASIC in a report entitled "A new security structure for Europe," written by Frank Blackby, a former director of the Stockholm International Peace Research Institute (SIPRI). The report was released in simultaneous press

conferences on July 3 in Washington, London, and Brussels. Former U.S. Arms Control and Disarmament Agency director Paul Warnke and former CIA director William Colby were among those who briefed the press.

Signatories of the document include a bevy of arms control personalities: Denis Healey, U.K., Member of Parliament and former defense minister; Field Marshall Lord Carver, U.K., former Chief of Defense Staff; Angelika Beer, U.K., MP for the Greens and member of the Subcommittee on Disarmament and Arms Control; Raymond Garthoff, U.S.A., former CIA, former member of the SALT team, now with Brookings Institution; Barnett Danson, Canada, MP, former defense minister and now chairman of the Canadian Center for Arms Control and Disarmament; Lawrence Korb, U.S.A., former assistant secretary of defense; Pierre Harmel, U.S.A., author of the Harmel Report, which launched "Flexible Response" as NATO doctrine in 1967; Ken Coates, U.K., Trotskyite, runs Institute for Workers' Control.

New pagan Mother Russia cult forms in U.S.S.R.

A self-proclaimed "Slavic pagan" and anti-Semitic cult has developed in the Soviet Union over the past two years, according to a recent article in the Soviet publication *Megalopolis Gazette*.

In an article headlined "Pagans," the article reports that "followers of the old Slavic religion have formed a pagan commune in Moscow." Members believe that paganism is uniquely "close to nature and the natural world." They are against the Christian faith, which they see as an emanation of Judaism and Zionism. In the Bible, they say, Jesus Christ talks of himself as representing the "House of Israel." Also, they say, democratic groups in Russia are wont to use the "Jewish star of Solomon" as their symbol.

Members of the commune condemn perestroika as a coverup on the part of "anti-

Russian forces" of the real "tragedy" afflicting the Soviet Union, and as part of a conspiracy to "Zionize" the Soviet Union by "disinforming the people."

Shakeup hits board of London's Daily Telegraph

Since Canada's Conrad Black took over the *Daily Telegraph*, the London newspaper has undergone a thorough reorganization and has become a staunch supporter of Prime Minister Margaret Thatcher.

The following additions were made to the board, while Black was in England during the first week in July: Peter Rupert Lord Carrington, the former British foreign minister and member of Kissinger Associates, Inc.; Evelyn de Rothschild, chairman of N.M. Rothschild in London; Henry Keswick, chairman of the bank Jardine Matheson, infamous for its historical role in the Far Eastern opium trade; Lord King, chairman of British Airways; and Sir James Goldsmith, a takeover artist who recently failed to acquire British American Tobacco.

Black's flagship company, Hollinger, already has Carrington and Henry Kissinger on its board.

Human rights group backs LaRouche case at U.N.

The International Progress Organization, a non-governmental organization accredited at the United Nations, on July 13 officially endorsed a complaint of the Commission to Investigate Human Rights Violations, urging the general secretary of the U.N. to intervene to reverse the human rights violations committed against Lyndon LaRouche and his friends (see *EIR*, April 20-May 11, for the full text of the complaint).

The letter, signed by the president of the group, Prof. Dr. Hans Koechler, was sent to the U.N.'s Human Rights Center in Geneva. It reads in part:

"As a consultative organization of the United Nations, the International Progress Organization is concerned with human rights on a worldwide level. We have made ourselves familiar with the case of Mr. LaRouche and his associates and we consider that the Petition mentioned above refers to a particularly repellent pattern of violation of basic human rights. This is also the view individually expressed by some of our legal experts, such as Prof. Hans R. Klecatsky, former Minister of Justice of Austria.

"We therefore endorse the abovementioned Petition submitted to the Commission on Human Rights of the United Nations, and urge the United Nations to take immediate action to redress this situation.

"With the expression of our highest consideration, Prof. Dr. Hans Koechler, President."

Israelis evicted to make way for Soviet Jews

Israel's homeless population is growing as the result of Soviet immigration, with potentially explosive political consequences. Squalid "tent cities" have been established in several Israeli suburbs, as a result of the immigration of some 50,000 Soviet Jews to Israel since January. The flood of immigration has led to the doubling or tripling of rents for many apartments, simultaneous with increasing layoffs of the Israeli work force.

Soviet families arriving in Israel are guaranteed a year's free rent by the government. Consequently, all the homeless are Israeli nationals who have been evicted to make way for the immigrants.

In June, Housing Minister Ariel Sharon addressed one such tent city, in Rishon el Zion, where he promised that they would all soon receive homes through a crash program of housing construction, some of which, it is said, will be on the occupied West Bank. Through this ruse, the Israeli government could honestly claim that it is not illegally housing the Soviet immigrants in the occupied territories.

● **SOVIET** Deputy Foreign Minister Igor Rogachev, during a visit to Tokyo the first week in July, urged Japan to take the initiative with the Soviet Union in creating a Soviet-Japan-U.S. tripartite leadership forum in the Asia-Pacific region, to be joined by China later. It would discuss "wide-ranging, fundamental problems."

● **MARKUS WOLF** of East Germany and other East bloc spy masters belong on trial, declared West German Minister of Justice Hans Engelhard, at a symposium on July 9. His remarks are at odds with certain high-level efforts in Bonn and East Berlin (and Moscow) to bury the espionage issue, in the context of German reunification.

● **NEIL KINNOCK**, the British Labour Party leader, announced after four hours of talks with President Bush and other officials on July 18, that he and Bush share "a common agenda" on East-West issues. Kinnock called for "technical assistance and provisional assistance in development of managerial and entrepreneurial skills" for the U.S.S.R.

● **EDMONTON**, in Alberta, Canada, has launched effective cultural warfare against the drug dealers. The city is piping Bach, Haydn, and Mozart 24 hours a day into the city park, which until only a few weeks ago was full of dope dealers and winos. Now the park is enjoyed by city residents who were previously afraid to come near it.

● **THE LITHUANIAN** newspaper *North Athens* published an article during the first week of July titled "Lyndon LaRouche challenges the Establishment; that's why he's in prison." In the same paper, there appears a reprint from *EIR*'s May 11 issue, titled "Bush appeases Moscow and Beijing, snubs Lithuanian leader."

Budget summit hits a snag in its drive for austerity

by William Jones

Bush administration officials are now admitting that the "recovery," which they claim has been going on for the past eight years, is a fraud. But rather than draw the appropriate conclusion that there is something wrong with the policies they have been pursuing, they are using the fact of the government's fiscal crisis to ram through a fascist austerity regime.

The drama with which Office of Management and Budget Director Richard G. Darman announced on July 16 that the U.S. government now faces a fiscal 1991 budget deficit of \$168.8 billion, well above the \$100.5 billion deficit forecast in January and the third revision of administration figures this year, was meant to destroy any opposition among U.S. legislators such to austerity.

The crisis atmosphere was heightened when ominous news from the Resolution Trust Corp. indicated that the agency responsible for the savings and loans bailout would run out of money by the end of September, unless something is done to get more funds into the pipeline.

The "budget summit," meeting for the last couple of weeks under a cloak of silence, was faced with the task of revamping all the current attempts to bring down the deficit, including the Gramm-Rudman-Hollings legislation, in order to prevent an automatic \$100 million across-the-board reduction in government spending which will come into effect if the negotiators have not succeeded in bringing down the deficit to \$64 billion.

Darman stated that the consequences of a Gramm-Rudman sequestration would involve cuts of up to 1 million military personnel, cuts in the air traffic control system, a halt in all new cleanups of toxic waste sites, and a one-third reduction in research, prevention, and treatment of drug addiction. Already the cuts in defense spending have led to huge layoffs in the U.S. defense industry. Proposed defense cuts are now seriously jeopardizing the Strategic Defense

Initiative.

"It's better that people see it now, to try to build some impetus to get an agreement," said Democratic budget negotiator Leon Panetta (D-Calif.). "I'm hoping the magnitude of this sequester order will help establish the depth of the crisis we are facing."

While Darman wielded the stick, Federal Reserve chairman Alan Greenspan promised to lower interest rates if the administration and the Congress reached an agreement on significant cuts in the federal budget. Admitting that the risk of "recession" had increased "slightly," Greenspan indicated a willingness to turn on the money supply spigot, if only the austerity package were agreed upon.

In collaboration with the Democratic congressional leadership, the administration is driving for a kind of *Notverordnung*, or emergency decree to implement austerity, similar to that introduced by Heinrich Brüning in the Weimar Republic in the 1920s.

Opposition from LaRouche

Such an austerity regime does not have to happen. Congressional candidate Lyndon LaRouche, who has warned for years that a depression would come if the Establishment did not change its policies, is now bombarding the Washington, D.C. area and Virginia's 10th Congressional District with radio announcements and campaign literature on the crisis, and what can be done.

In a statement released by his campaign headquarters on July 19, LaRouche stressed that "the United States is presently, and has been, for more than two quarters, in an economic depression: not a recession, a depression.

"It is also apparent that the attempts of George Bush's team, since the last year of the Reagan administration, to cover up the disaster in the international and national monetary, financial, and economic realms, can no longer be sus-

tained. We are in a depression, and there is no way in which a bailout of a sick banking system, a sick real estate market, and so forth, can be accomplished under the present general rules of the international system, or of the United States government and financial markets.

“There must be a fundamental reform of the type which I have called for over longer than a decade, over approximately 15 years. The keystone of the reform must be, very soon, a new international monetary order, to replace the bankrupt remains of the old Bretton Woods system, established at the end of World War II.”

The bankrupt economies of the United States, the British Commonwealth, the communist countries, and most of the Third World, he said, must be put through something like a Chapter 11 bankruptcy reorganization, writing off much of that unpayable debt. The new world monetary system must be built around the nucleus of the only part of the world economic and monetary system which is still generally viable outside of Japan: the European Monetary System. It must be a gold-reserve monetary system, attuned to the “neo-mercantilist” rules of national banking. It must generate low-interest credit for investments in economic infrastructure and in technologically progressive agriculture and manufactures. It must foster stable and growing levels of international trade among participating nations.

Republicans revolt against increase

Opposition to the administration policy is also coming from House Republicans, angry at the President’s reversal of his no-new-tax pledge. On July 18, they overwhelmingly adopted a resolution declaring their opposition to tax increases as part of a compromise to reduce the budget deficit. Bush’s reneging on his “solemn” pledge of “no new taxes” was a condition imposed by the Democratic leadership on President Bush in order for them to continue budget negotiations.

Many Republicans, facing re-election this year, felt that the President pulled the rug from under them by his move, and was taking more consideration to his own re-election in 1992 than their re-election in 1990. “We admire the President, and we support the President,” averred Rep. Mickey Edwards (R-Okla.), one of the prime movers behind the resolution, “but we don’t work for the President.” Another California Republican, Rep. David Dreier, said, “We’ve been getting hit on this issue and it hasn’t been fun.”

The Democratic congressional leadership reacted strongly to the resolution, claiming that it contradicted both the President’s announced position on taxes and the bipartisan agreement among congressional leaders that tax increases would have to be a component of any final accord on a deficit-reduction package. Intense in-fighting has been waged between the White House and the congressional leadership as to who will pay the political price if the austerity package leads to mass revolt in the country. House Budget Committee

Chairman Panetta said that the “rejection of the President’s position on taxes by a solid phalanx of House Republicans raises serious questions of whether you can put together an agreement that will pass.” House Majority Leader George Mitchell (D-Me.) warned on July 20 that the Democrats would not support any austerity package unless it was supported by a majority of Republicans in the House and the Senate.

Attempts were made to quell the Republican revolt. Sen. Phil Gramm (R-Texas) said that the resolution was “meaningless, because it simply says that in an ideal world, if we were in control of the House and the Senate, [this is] what we might like to do.” Sen. Pete Domenici (R-N.M.) complained that “some people are trying to make this budget submit a tax summit. We believe that spending is the big issue, the first issue. . . . Frankly, we know that defense is going to come down substantially, there’s a whole shopping list of entitlements that can be reformed that will save a substantial sum of money, and we’re not talking about much more in revenue than the president had in his budget.” Republican House Whip Newt Gingrich (R-Ga.), an original supporter of the House Republican resolution, reversed himself on the issue saying that he was “prepared to sponsor and support” legislation to raise taxes to reduce the federal budget deficit.

In spite of efforts to smoothe things over, the rancor among the House Republicans continues to smolder. A Republican National Committee member from Arizona, Jack London, warned, “If, after this budget summit is over, we perceive that the President lied to us on ‘no new taxes,’ then he’s dead for the second term.”

Democrats in disarray

Also in the Democratic camp, behind the facade of unity over the need for bringing down the deficit, there is a great deal of dissension over exactly how to implement an austerity package without committing political suicide.

In the absence of budget guidelines, the House Appropriations Committee reported out of committee four appropriations bills which substantially exceeded the White House budget, trying to save some constituent support, in the hope that defense would take an even greater hit than that proposed by President Bush in order to balance out the increases. Although the committee has gone along with the lie that the budget deficit is the real cause of the country’s economic woes, the appropriations bills indicate that there will be a real tug of war over where the cuts will be implemented.

Recent moves to take Social Security off budget also clearly show that legislators are none too keen on going back to face their constituents this year. Calls for tougher measures against S&L “crooks,” and beating the drum for protectionist moves against allies in Europe and the Far East, are among the more desperate moves being made to place the blame for the depression on “outside forces.” But they will do nothing to solve the problem, and will certainly not make it go away.

FBI covers up child abuse, murder in Nebraska

by an EIR Investigative Team

On Nov. 3, 1988 the Federal Bureau of Investigation swooped down upon a small, federally chartered credit union in Omaha, Nebraska and shut its doors. As the weeks and months passed, what had appeared to be a standard story of embezzlement and fraud at the \$2.6 million Franklin Federal Credit Union mushroomed into a gigantic scandal: Forty million dollars was missing, rumors abounded of drug-money and Iran-Contra ties, and a nationwide child abuse ring was uncovered which touched many of the top political and financial figures in Nebraska. It also reached high into Republican Party circles in Washington, D.C.

By early July of this year, and in the face of fierce opposition from the FBI and all other state and federal agencies, a State Senate investigative committee had unearthed evidence capable of blowing the Nebraska political scene sky high and causing major reverberations in Washington. On July 11, the Senate committee's chief investigator, Gary Caradori, was returning from Chicago in his small plane to Lincoln, Nebraska when the plane disintegrated in mid-air and plunged to the ground. An eyewitness quoted on one of the evening news broadcasts in Nebraska said he heard an explosion, saw a flash of light, and Caradori's Piper Saratoga crashed. Caradori, 41, and his 8-year-old son Andrew were killed immediately. All references to an explosion or a flash of light were dropped from subsequent news coverage.

Sen. Loran Schmit, chairman of the State Senate's Franklin investigative committee, told the press later that morning, "There were many people who wanted to see Gary dead," and noted that sabotage was highly likely. Caradori, a skilled and cautious pilot, told friends repeatedly in the weeks before his death that his motor vehicles were being tampered with, that he was selling his boat because it was too easy to rig an "accident" on the water, and that he feared most that his plane would be sabotaged. Later, on the morning of his death, he was to have met with Schmit to brief him on his latest findings, which included new witnesses willing to testify on satanism and major new leads into Washington, D.C.

Franklin Credit Union scandal

The central figure in the Franklin Credit Union scandal is a flamboyant 45-year-old black Republican, Larry King.

The head of Black Democrats for McGovern in 1972, King later switched party affiliations. He also joined Franklin Credit Union, in which he became the driving force. As the credit union apparently prospered, King's political career took off. He sang the national anthem at the Republican Party conventions in 1984 and 1988, and threw huge, well-attended parties at each—in 1984, at South Fork ranch, site of the "Dallas" TV series. He bragged of his ties to top Republican circles in Washington, and the credit union sported a four-foot-high picture of King and President Reagan at its entrance.

King's spending habits were legendary. He would frequently charter planes to fly himself and his entourage around the country, to be met by chartered limousines. In one 13-month period he racked up \$100,000 for limousine rentals, \$120,000 for florist bills, and over \$1 million in credit card bills.

Catering 'more than food'

King ran a string of restaurants and businesses in Omaha, including a catering service, but, as one source put it, "He catered a lot more than food." Indeed, much of King's extensive travel, expensive gifts, and other extravagances have been linked to a nationwide child abuse ring. King would reportedly pick up boys from Boystown in Omaha or girls from Uta Halle girls' home and fly them to Washington, to Kansas City, or to California for sex parties.

But children were not merely abused. One victim described an incident at a farm near Elkhorn, Nebraska, in 1981 or 1982 where a 10-year-old boy was repeatedly sodomized and beaten by older men. He finally lay crying, with blood streaming from his rectum. One of the men took up a pitchfork, playing with him at first, but finally sticking one tine into him, while the boy screamed and the other men stood around and laughed. Finally, the whole pitchfork was stuck through him, killing him. Snuff films were involved as well. Another young boy was taken by someone in the King circle from Nebraska to another city and forced to perform oral sex on a man. As the abuser reached orgasm, he shot the boy in the head with a pistol, all of which was filmed.

Many of the victims knew each other, and came from the

same foster homes. Those merely abused considered themselves lucky; some of their friends never came back, and were reportedly sacrificed in satanic rituals.

The Senate Franklin committee's investigation limped along until Caradori was hired in the summer of 1989. At that point, evidence began to pour in.

Then, in January 1990, former State Senator John DeCamp dropped a bombshell, a public memo which named five prominent Nebraskans as targets of an investigation into allegations of child abuse: Harold Anderson, publisher of the state's leading newspaper, the *World-Herald*; Peter Citron, a columnist and well-known writer for the *World-Herald*; Robert Wadman, Chief of the Omaha Police Department; Alan Baer, an investor and "the bluest of the bluebloods"; and the Franklin Credit Union's Larry King. The key link was between Anderson and King: Anderson was the chairman of Franklin Credit Union's advisory committee and King's chief political backer and fundraiser in the state.

World-Herald protects its own

The *World-Herald* is at the dead center of all that is evil in Nebraska. Longtime publisher Harold Anderson has constantly pushed the themes of radical environmentalism and genocide ("population control"). In furtherance of those goals, he has also vehemently attacked former presidential candidate Lyndon LaRouche and his associates, as part of the liberal Establishment's attempt to destroy the LaRouche political movement.

Evidence developed in the Caradori investigation indicates that Anderson's public promotion of genocidal policies is consistent with a "private life" of sadistic child abuse. One of the abuse victims Caradori videotaped, recounted how Anderson used to take young boys, including himself, to the Red Lion Inn two blocks from the *World-Herald* building, and there rape them and burn them with cigarettes. Anderson's colleague at the *World-Herald*, columnist Peter Citron, was recently arrested for child molestation. Citron had previously had an "open file" at the Omaha Police Department with 90 incidents of alleged molestation.

The *World-Herald* has lionized those alleged to be pedophiles, while attacking and attempting to discredit both the victim-witnesses and honest investigators. A typical case is its support of former Omaha Police Chief Robert Wadman, named in the DeCamp memo. In its lead editorial of Oct. 26, 1989 on the occasion of Wadman leaving Omaha, the *World-Herald* moaned that "Omaha lost an excellent law enforcement officer and a man of integrity," one who "brought professionalism and pride to the Omaha Police Department." According to powerful evidence developed on Caradori's videos, this "man of integrity" used to regularly take a teenage girl out of school so that he could molest her at local motels, and molested many other children as well.

The *World-Herald's* policy of protecting alleged pedophiles is well known to its chief writers. Another of the key

pedophiles named in the DeCamp memo was the blueblood financier Alan Baer. A couple of days after Caradori's death, *World-Herald* reporter Gabriella Stearns was overheard by other reporters in the legislature shouting about how she was not allowed to investigate one person, whom she referred to as a "little fag," since that would lead to Alan Baer, and it was company policy "to protect the big fag," i.e., Baer. Baer maintained an apartment at the Twin Towers apartments which one of his victims described as nothing but a "full-time motel room." Baer would pay the young boys whom he abused there, \$999.99 each per year. He would pay the money, from his "CF Account," since closed, to local churches, who would then pay the boys. Baer would collect the tax deduction while the churches would pocket \$100 for themselves.

Systematic coverup

There is only one investigative group attempting to actually get to the bottom of the child abuse, money laundering, drug pushing, and other crimes involved in the Franklin Credit Union case: The Senate Franklin legislative committee chaired by Sen. Loran Schmit. All others, including the State Attorney General's office, the State Police, the federal grand jury, the Douglas County grand jury, and the FBI, are engaged in a systematic coverup.

A few simple facts demonstrate this. First, in Nebraska, it is possible to send someone to the penitentiary on sex-crimes charges, based on the *uncorroborated* charges of an abuse victim. In fact, this was recently done to one of the victim-witnesses against Anderson et al., Paul Bonacci, for a 1985 uncorroborated charge by a young boy that Bonacci touched him on the outside of his clothes in his genital area.

Yet, in the Franklin case, Caradori developed 21 hours of videotape, with much other, mutually corroborating material reported individually by different victims. The same names—Anderson, Baer, Citron, Wadman, King, and others yet to be released—come up over and over again. The victims describe specific plane trips, specific airlines, and specific people with specifically identifiable physical characteristics. The airlines they described have been verified to have in fact been the ones King used, which would have been next to impossible for the victims to know had they not been on them. This evidence is sufficient by itself to send Anderson and his fellow alleged pedophiles to jail for long terms.

But although Anderson et al., have been subpoenaed before the federal grand jury—thanks in large part to Senator DeCamp's memo—they were never even cross-examined! They said the equivalent of, "of course we didn't do it," and that was that.

However, their accusers are repeatedly told they are lying, grilled for hours on end to try and find, or produce, discrepancies in their statements, and are generally terrorized as if they were the perpetrators and not the victims. The most flagrant example of this is the case of 21-year-old Alisha Jahn

Owen. She has repeatedly described, for hours at a time and with no contradictions in her story, how she was abused by former Omaha Police Chief Robert Wadman from August 1983 until September 1984. Alisha Owen has described Wadman's body hair, the bunion on his little toe, and other personal characteristics in such detail as would be impossible were she not a victim of this specific individual. She has furthermore made herself and her child, Amanda Jayn, available to take a blood test at the same time and at the same facility as Wadman, to determine that he is the father of her child. Those who have seen Amanda report that "she even looks like Wadman."

Victims terrorized

The response of the special prosecutor for the Douglas County grand jury, Samuel Van Pelt, was to have Wadman's blood tested in Denver, and sent in by Federal Express, while attempting to have Amanda's blood tested separately, an unheard-of procedure for this sort of testing. The purpose of doing the blood test at the same facility at the same time, is to ensure accuracy through precisely the same conditions of testing, as well as to ensure that someone else's blood is not covertly submitted in place of the person to be tested. In addition, Van Pelt obtained an illegal ruling by District Court Judge Murphy that Amanda could be forcibly picked up by the police to have her blood drawn. Such a ruling can only be made on *perpetrators*, not victims. Though the blood test takes only a couple of minutes, Murphy issued the kidnap order on a Friday afternoon with the test the following Monday, in order to give law enforcement authorities maximum time to blackmail and terrorize Alisha Owen through their control over her daughter. When publicity forced Judge Murphy to rescind his order, Douglas County Prosecutor Van Pelt dropped the paternity matter altogether. Van Pelt, known in Nebraska as a "rent-a-judge," is reportedly preparing to not only whitewash Anderson et al., but to censure the Senate Franklin committee for "blowing everything out of proportion."

This harassment by law enforcement authorities is also evident in the treatment accorded to the victim-witnesses. Two who have recanted their testimony are free, though one of them was caught red-handed in grand theft auto, while two who have stuck to their statements are in jail for years on minor or dubious charges.

Given this treatment, will other potential victim-witnesses come forward?

The FBI protects pedophiles

The FBI has played a major role in the Nebraska coverup, as indicated by the following:

- There is evidence that the FBI already knew of a large pedophile ring in the state in 1982-83, uncovered in investigations into then-Attorney General Paul Douglas. An FBI press release in the *World-Herald* in October 1983 stated the

bureau had investigated a male prostitution ring in Omaha. Earlier that year, the U.S. Attorney had commented privately on the same investigation, "This thing is so big and involves so many prominent people around this state." That was the motive for covering up the ring then, as it is today.

- The FBI, in repeated interrogations of Alisha Owen, has never evinced the slightest interest in what happened during the period in which Wadman was molesting her, 1983-84, but only in events of 1985-89.

- The FBI agent in charge of Nebraska until late 1989 was Nick O'Hara. There was a frequent observation made in police circles, before the Franklin revelations, that "Wadman and O'Hara are so close they probably sleep together." After the revelations, that observation took on new significance. O'Hara moved from the apparent backwater of Nebraska straight into the position of head of counterterrorism for the FBI, a move law enforcement circles view as almost unprecedented. O'Hara also used to go on fishing trips with the *World-Herald's* Harold Anderson.

- Shortly before his death, Caradori developed a new witness. She was not harassed while he was working with her—that is, until the FBI became aware of her.

- As Caradori examined the records of various aviation companies—in particular, YNR in Sioux City, Iowa, which King had used to transport children around the country—he found the tell-tale yellow clips of the FBI on the files. Examination of the flight manifests is one key way of proving the pedophile activities of King et al., since all passengers must be listed. The FBI has that information, but is suppressing it.

- Two days after his death, before his body was even home from Illinois, the FBI delivered a subpoena to Gary Caradori's wife for all his investigative notes, documents, receipts, and files. As their behavior throughout this entire case demonstrates, the FBI's only apparent motive to know everything Caradori was investigating, is in order to sabotage that investigation.

- The FBI has launched several investigations of Senate Franklin committee chairman Sen. Loran Schmit since the committee started, including harassing his 86-year-old mother who is legally blind and largely deaf. Several spurious lawsuits have also been filed against Senator Schmit over the last year, in an attempt to break him financially. At least one of these lawsuits was almost certainly instigated by an FBI agent.

Investigator Gary Caradori told the abused children with whom he worked that he would die for them, if it came to that. Those who trusted him, and stepped forward to testify, such as Alisha Owen and Paul Bonacci, are now in great danger. The careers and families of the members of Senator Schmit's investigative committee, whom Schmit has frequently described as "three farmers, a plumber, and a 70-year-old grandmother," have also been threatened. It is time the lid is blown off this sordid affair.

Uproar builds over CIA role in drugs

by Carlos Wesley

Bush administration officials have recently been dashing off irate letters to the editors of several newspapers trying to deny the undeniable: that the Central Intelligence Agency—the agency that gave us George Bush—has been working with drug traffickers in Ibero-America.

One of those letters was sent on July 18 to George Joseph, editor of *The Nation*, a weekly newspaper published in the Caribbean country of Antigua. The letter, signed by Ann S. Syrett, acting chargée d'affaires of the United States embassy there, was in response to an article reprinted from the June 29 issue of *EIR*. The *EIR* investigative report traced how a shipment of Israeli weapons, purchased by Israeli Reserve Col. Yair Klein for a group of anti-Noriega mercenaries working for the CIA under Col. Eduardo Herrera, now chief of police in the U.S.-installed government of Panama, ended up on the ranch of Colombian drug kingpin Gonzalo Rodríguez Gacha.

Because Israel initially claimed that the hundreds of weapons involved had been purchased for Antigua's 90-man security force, the Antigua government was forced to launch an investigation, and hearings were held.

The Nation's coverage of the *EIR* report appeared as the hearings were getting under way. The exposé also caused *The Nation*, which doubled its run for the occasion, to sell out as soon as it hit the stands.

CIA covers its tracks

In her letter to the editor, Syrett said, "It is with great disappointment that I read the lead article in the July 13th issue of *The Nation*, which alleged U.S. government—specifically Central Intelligence Agency—involvement in aiding Colombian narco-terrorists. In response to these charges, the CIA's Office of Public Affairs has issued the following statement: 'Allegations that the CIA provided arms to the Colombian drug cartel in exchange for financial support for the Contras are absolute nonsense. Such allegations are ludicrous.' "

In its rush to control the damage stemming from *EIR's* revelations, the CIA denied accusations no one had made—"that the CIA provided arms to the Colombian drug cartel in exchange for financial support for the Contras."

Syrett went on to say: "I would also note that the source of *The Nation* article, the *Executive Intelligence Review*, does not enjoy credibility in Washington or in any professional circles."

This view was not shared by "professional circles" in nearby Barbados. An article on the gun-running hearings published there on July 17 by the daily *Nation* (no connection to the Antiguan paper of the same name), noted: "*Executive Intelligence Review*, a Washington, D.C.-based publication, has added a new element to the entire equation, claiming in recent publications that the weapons were in fact intended to train anti-Noriega forces, as the United States sought to remove the Panamanian leader it accused of running drugs into the United States."

Charges of U.S. involvement in the arms diversion were also reported by the July 16 *Los Angeles Times*. "The U.S. government has shown a clear lack of interest in clarifying this scandal," the *Times* quoted an Antiguan official. "We have a good trail here that can actually be followed and perhaps open other trails to the narco-trafficker, yet it is not being pursued. Why?" The unnamed official, who also charged Israel with "dragging its heels" in the investigations, suggested an answer. "Is this just the tip of the iceberg?" he asked. "Where there other shipments? What else are they trying to cover up?"

Commenting on the embassy's letter, Antiguan editor George Joseph said July 19, "*EIR* circulates all over the world." He noted that his newspaper published *EIR's* report together with corroborating reports from other publications, including *Newsweek*, the *Los Angeles Times*, and the *Washington Post*, all of which the embassy considers "reputable. So if they are correct, *EIR* has got to be correct," he said.

'Baseless allegations'?

The July 18 *Washington Post* also carried a letter from the CIA, in response to an article on July 16 reporting that official documents from the U.S. Drug Enforcement Administration show that the CIA provided protection for Mexican drug traffickers complicit in the 1985 torture and murder of DEA agent Enrique Camarena!

Those are "baseless allegations," complained Joseph DeTrani, the CIA's director of Public Affairs. DeTrani denied claims in the *Post* that the CIA: ever used Mexico to train Nicaraguan Contras or Guatemalan guerrillas; ever used Mexican drug traffickers as a conduit for support to the Contras; or ever knew about the drug traffickers' monitoring of the DEA and did not inform the DEA.

DeTrani said: "We want to emphasize once again in the strongest possible terms that the CIA neither engages in nor condones drug trafficking. Nor did the agency participate in any coverup of the Camarena case."

But that's not how the DEA sees it, reported the *Post* article. According to DEA sources, the Mexican cartel that murdered Camarena in February 1985 "operated until then with virtual impunity—not only because it was in league with Mexico's powerful Federal Security Directorate (DFS), but because it believed its activities were secretly sanctioned by the CIA."

Scandals worsen around Thornburgh

by Steve Komm and Jeff Steinberg

According to a source close to the White House, the Federal Bureau of Investigation has quietly begun background checks on several individuals now being considered to replace Richard Thornburgh as Attorney General. The reports came as word was expected from Harrisburg, Pennsylvania that a federal grand jury has handed down a perjury and cocaine indictment against one of Thornburgh's oldest and closest aides, Henry Barr. Up until May of last year, Barr had been the Attorney General's executive assistant, overseeing all department criminal prosecutions.

Drugs, and more drugs

Barr resigned from the Department of Justice 48 hours after a federal grand jury was empaneled in Harrisburg to investigate cocaine use by former state officials. Initially, published reports had suggested that the principal target of the grand jury probe was Richard Guida. Up until 1986, Guida had been the number-two man in the Pennsylvania State Attorney General's office under Governor Thornburgh. Guida had been in charge of all criminal prosecutions. He resigned after several Harrisburg-area cocaine traffickers told investigators and reporters that they had sold sizeable amounts of cocaine to him at the cafeteria in the State House and at other locations in and near the Capitol.

Now, however, according to a six-page document submitted by Guida's attorney Paul Killian before a federal judge in Scranton, Pennsylvania, it appears that the original federal grand jury was directed at Barr, as well as Guida.

The memorandum was filed in opposition to a motion by Assistant U.S. Attorney Gordon Zubrod to have Guida's plea agreement nullified. In a deal reached in March of this year, Guida agreed to plead guilty to one count of cocaine use, in order to avoid a much larger indictment for cocaine distribution. According to Zubrod, Guida failed to live up to his end of the agreement, which involved full disclosure of everything he knows about cocaine use by other current and former Pennsylvania state officials. Zubrod charged that Guida had failed several lie detector tests administered by the FBI and had withheld evidence crucial to the still-ongoing Harrisburg grand jury.

In response to the Zubrod motion, Killian submitted a public document stating that Guida had provided the government with information on cocaine use by 10 individuals, including Henry Barr. Although Barr was expected to be indicted by the Harrisburg grand jury on April 10, the Killian affidavit was the first instance in which Barr was publicly identified as a target of the grand jury.

On July 20, U.S. District Court Judge Edwin Kosik granted Zubrod's motion to vacate the plea deal, thus opening the door for Guida to be indicted on multiple drug and perjury counts. Sources close to the probe believe that the court ruling puts the final nail in the Barr indictment, which is now expected to be voted on within the next several weeks.

Sources close to the White House now say that the Barr indictment, if it does happen, will finish off Thornburgh's career as Attorney General. Since early this year, top aides to Thornburgh have been at the center of half a dozen embarrassing scandals and controversies.

Justice Department liars

On July 13, the *Washington Post* reported on yet another resignation by a Thornburgh associate from the Department of Justice. Barry H. Stern, the director of the office of liaison services since September 1988 and a decade-long aide to Thornburgh, announced that he was leaving the department to return to a corporate job in Philadelphia. Stern had become embroiled in a department controversy when he failed to complete questionnaires necessary for obtaining security clearance. Stern, along with other Justice Department political appointees, had been given temporary clearance at the time of his appointment. His continuing failure to provide the required background information became a point of serious conflict with department security officials, according to the *Post* account.

Now it appears that in the context of the reopening of the Guida prosecution in Scranton, yet another Thornburgh aide will become embroiled in scandal. Local reporters in Harrisburg are looking into the role of Richard Weatherbee in the initial coverup of the Guida cocaine scandal, at the time of his 1986 departure from the state government.

Weatherbee was at the time a lieutenant colonel and deputy commissioner of the Pennsylvania State Police, in charge of drug enforcement. He is now a top aide to Thornburgh, coordinating the Attorney General's role in what the administration is fond of calling its war on drugs. According to a transcript of a Pennsylvania Supreme Court hearing on Dec. 4, 1986, on Nov. 17, 1986, Thomas Saylor, Guida's replacement as deputy state attorney general in charge of criminal prosecutions, had written to Weatherbee confirming that the department's internal probe of Guida had turned up no evidence of drug use.

Sources in Harrisburg charge that Saylor and Weatherbee covered up the massive evidence of Guida's cocaine habit in order to avoid a major scandal.

Mayor Barry associates acquitted; government prosecution stung

by Debra Hanania Freeman

As prosecutors wound up four weeks of testimony in the drug conspiracy and perjury trial of Washington, D.C. Mayor Marion Barry, related developments in the same federal courthouse four floors above threatened to blow apart the Department of Justice's massive legal persecution of anyone tied to the Barry political machine.

On July 16, a 16-week trial and 40 hours of jury deliberations ended with the acquittal of John B. Clyburn, a Washington, D.C. minority contractor and close associate of Barry. Clyburn's acquittal came four days after the same jury acquitted his co-defendant, David E. Rivers, another Barry associate and former head of the city's Department of Human Services. The acquittal of Rivers and Clyburn marked the finale of one of the government's broadest, most vicious, and most heralded, investigations of alleged District government corruption.

The persecution began in 1986 with a 17-month undercover FBI sting operation that DoJ officials described as a "mini-Abscam." The operation was revealed in a frenzy of subpoenas and front-page headlines in May 1987. The probe then widened, focusing on nearly every major city agency, top city officials, and numerous city contractors—all of them friends of associates of the mayor.

Although the Justice Department denied that Barry was a target of the probe, few doubted that federal investigators had viewed the probe as their best chance of linking the mayor to contract irregularities. Barry himself called the operation a thinly veiled attempt to gut his administration's successful partnership with the minority business community.

Clyburn and Rivers were ultimately charged with manipulating the contracting process over a four-year period to benefit themselves and their friends. The alleged scheme involved a pattern of stacking contract evaluation panels, leaking confidential bid information, and corrupting other D.C. officials.

Following the Clyburn acquittal, U.S. Attorney Jay B. Stephens, and his predecessor Joseph di Genova, defended the government's decision to prosecute, insisting that "the evidence in the case demanded it." Critics of the federal prosecutors were quick to point out, however, that the only "evidence" was that manufactured by the government sting.

Jury raps prosecution

Jurors interviewed since the acquittals described the undercover FBI investigators who posed as wealthy businessmen seeking D.C. contracts as "pushing too hard," "over-reaching," and "overzealous." Jury foreman Thomas McClean said several of the jurors were highly critical of the FBI's conduct and felt that the prosecution might have been motivated. "They [the FBI investigators] were wasting time and a lot of money," he said. "It took them too long to find nothing."

One juror commented, "The FBI offered more things than I can count on two hands to these men and they never accepted." She said she still wondered why the government had brought the case.

Sources close to the investigation were quoted in the *Washington Times* admitting that Barry was indeed the ultimate target of the probe from the beginning. A federal agent who has worked on a Barry-related public corruption case that is still pending said, "I'd be very surprised if the grand jury probe goes forward. Not after this." He admitted that prosecutors now plan to question the jury that acquitted Clyburn and Rivers before proceeding with a grand jury review of alleged contracting abuses aimed at Barry and high-ranking D.C. government officials.

Acquittals play into Barry defense

Observers close to the Barry trial expect many of the issues that led to the collapse of the government's case to reappear, as attorneys for the mayor unveil their defense strategy. For example, defense attorney R. Kenneth Mundy is expected to put FBI Special Agent Ronald Stern, who was in charge of the Barry sting, on the stand as a hostile defense witness.

Although the judge in the case, Thomas Penfield Jackson, has so far barred Mundy from bringing up the probe's cost and duration, Mundy is likely to ask Stern why the FBI's public corruption specialists have spent the past 18 months pursuing a drug investigation of Barry.

The clear implication for the jurors from such a line of questioning would be that the government had targeted Barry but, despite years of investigation, was unable to bring a case

Political solicitation is now a crime?

A five-count theft charge brought against Keith Levit in Upper Marlboro, Maryland, has carried the absurd logic of the "Get LaRouche" task force—that the mere fact of political sales and solicitation by those associated with Virginia congressional candidate Lyndon H. LaRouche, Jr. is a crime—to its most ridiculous extreme. With absolutely no allegations of force, intimidation, or fraud, i.e. without anything that would constitute a crime, a warrant for Levit's arrest was issued on the basis of information provided to a magistrate by a Greenbelt, Maryland Police Detective Carolyn McLean.

Levit, an associate of Mr. LaRouche already indicted in Virginia for so-called securities fraud, surrendered on July 13 on the charges and was released on a \$15,000 bond. The charges brought in December of last year, allege five counts of theft, involving contributions made by a political supporter of LaRouche. The warrant has all the pawprints of the work of the multijurisdictional, multi-agency "Get LaRouche" task force. The warrant was sworn out in December of 1989, yet until July 12 there had been no attempt to serve it, or to notify Mr. Levit of its existence. Only then, when Officer McLean, along with three other Maryland police officers, Loudoun Coun-

ty, Virginia Sheriff's Deputy Donald Moore, and a film crew from the syndicated television "news" program, Inside Edition, stormed into the Baltimore offices of Levit's employer, did the existence of the charges come to light.

The charges against Levit, judging from what was in the affidavit of probable cause sworn by McLean, appear to be even more ridiculous than those brought against three associates of LaRouche in Ogle County, Illinois, which resulted in a dismissal in June. LaRouche, Patricia Noble-Schenk, and Ron Fredman just a week before Levit's arrest had filed a suit for \$30 million in damages for violations of their civil rights by an Illinois prosecutor, a supporter's hostile daughter, and Patricia Lynch, a longtime anti-LaRouche operative with NBC. That action arises from a strikingly similar case of attempts to concoct criminal charges, deny First Amendment rights, and extort the return of funds willingly contributed by an elderly supporter, Harriet Driver.

In a *Washington Post* article that appeared on July 14, Mira Boland of the tax-exempt Anti-Defamation League was quoted, along with sources close to the investigation, and appeared to have more information about the charges than Levit's attorneys had been given thus far. Levit's attorneys noted that, besides the fact that the warrant was issued in the unusual fashion that it was, over six months ago, the alleged "crimes" date from 1988. Other observers noted that the arrest had the character of a "canned" event designed to bolster the flagging efforts to silence LaRouche and his associates after recent setbacks in Roanoke, Virginia, and Ogle County, Illinois.

against him based on government fraud, deciding instead to mount a drug investigation that only culminated in an indictment when the government created a "crime" in FBI informer Rasheeda Moore's government-financed hotel room.

Government strongarmed witnesses

Mundy has also not hesitated to point out that, of the 25 witnesses the prosecution produced, all of them, with the exception of the federal officials who set up and orchestrated the sting, testified under grants of immunity or promises of leniency in their own cases. One such witness, former restaurateur Hassan H. Mohammadi, had been threatened with deportation to his native Iran where his opposition to the Khomeini revolution would have meant his death.

One instance in which the prosecution's heavy-handed tactics may have backfired came with testimony from Barry's friend Bettye L. Smith, a former employee of the city's financial adviser, W.R. Lazard and Co. Smith did not testify voluntarily. She was escorted by U.S. Marshals under a war-

rant issued by Judge Jackson from a hospital bed in Chattanooga, Tennessee where she was being treated for stress related to this case. On July 16, her lawyers pleaded with Jackson to delay her appearance since her medical condition had deteriorated; her psychiatrist submitted written testimony describing Smith as suicidal. Jackson responded by ordering her arrest.

Prosecutors needed Smith's testimony to bolster the drug possession charges against the mayor alleging that he possessed cocaine between New Year's Day, Jan. 1, 1990, and Jan. 18, the day he was arrested in the government sting. But Smith said she was unsure of the exact date on which she gave Barry a small amount of cocaine at her house. She said it might have been in 1989.

Smith said that on that occasion, the mayor took the cocaine with him to the bathroom. When he returned, he gave the cocaine back to her, she said. She also testified that in the nine years since she first met Marion Barry, he has never used drugs in her presence, and has frequently reprimanded her for her own drug use.

How a KKK Supreme Court judge and the ADL ushered in the 'New Age'

Part 2 of a series, by Scott Thompson

Ever since Justice Hugo L. Black delivered the majority opinion in the 1947 U.S. Supreme Court landmark case *Everson v. Board of Education*, a leading “friend of his court” has been the Anti-Defamation League of B’nai B’rith (ADL). Filing dozens of *amicus curiae* (friend of the court) briefs based upon Black’s *Everson* decision that erected a Chinese “wall of separation between church and state,” attorneys for the ADL, otherwise known as the “American Dope Lobby,” have helped march the Judeo-Christian tradition out of the schools and the public domain, where its place has been taken by proponents of the “New Age” rock-drug-sex counterculture inspired by the satanist, Aleister Crowley.

This article will show that all the amoral Supreme Court decisions since *Everson*—including the elimination of biblically based values in schools, of non-denominational prayer to a monotheistic God, of voluntary and silent prayer, of any kind of aid to parochial schools, of granting equal rights to prayer groups for use of school facilities as any other extracurricular activity, and, more recently, the genocidal decisions granting abortion to all upon demand and the “right to die” through a living will—can be traced by hereditary principle back to Justice Black’s Chinese “wall of separation” premise in *Everson*. This article will show that this premise, which has led to ever more evil rulings by the courts, is a judicial hoax against the original intent of the Founding Fathers that was perpetrated by a Ku Klux Klan-linked U.S. Supreme Court Justice, Hugo L. Black, with support of the ADL.

The truth is that the evil intent of Justice Black’s Chinese wall, which the ADL and others have built case by case, was to separate the state from that concept of natural law which is expressed in the basic values of the Judeo-Christian outlook, including, notably, belief in the sacredness of the individual who is created *in imago viva Dei* (in the image of the living God). Despite Justice Black’s enshrinement of a contrary principle, each of the drafters of the Constitution knew that this natural law conception must inform the ongoing application of the Constitution if a true republic were to survive.

A check against paganism

No sooner had American GIs returned from winning a just war against the evil of fascism in World War II, than

Supreme Court Justice Hugo L. Black delivered the majority opinion in the 1947 *Everson* case, which began a process to degrade the moral education of their children. The *Everson* case involved a challenge of a New Jersey state law that provided public transportation for students at public schools, rather “than run the risk of traffic and other hazards.” Justice Black agreed that public transportation for parochial school students was legal as well.

What Justice Black granted in the small, however, he took away in the large. The crucial feature of *Everson* that makes it a landmark case, was that in the midst of elaborating upon the meaning of the “establishment clause” on church-state relations in the First Amendment of the Bill of Rights to the Constitution, Justice Black enshrined as law Thomas Jefferson’s sentiment that there ought to be “a wall of separation between church and state.” This Chinese wall decision has since not only been used to take away public aid to parochial schools, but to remove Judeo-Christian values from the public domain.

As Paul A. Fisher, author of the book *Behind the Lodge Door*, has documented, Justice Black’s “New Age” view is hostile to the original intent of the Founding Fathers. The Founding Fathers were deeply religious, and whatever problems may have existed in that regard, they believed that each individual had been created with a divine spark, which is expressed in the principle that “all men are created equal under God.”

The ‘establishment clause’

That Justice Black’s Chinese wall doctrine is a fraud can be shown by examining the evolution of the “establishment clause” from the draft amendments put forward by the Founding Fathers in Congress and in state constitutional conventions. The first amendment offered by Representative James Madison of Virginia in the House chamber on June 8, 1789, for example, said: “The civil rights of none shall be abridged on account of religious belief or worship, nor shall any national religion be established, nor shall the full and equal rights of conscience be in any manner, or on any pretext infringed.” Chief among their concerns, as exemplified by Madison’s phrase “nor shall any national religion be estab-

lished” and by that amendment to the New York State Constitution “that no religious sect or society ought to be favored or established by law in preference of others,” was the Founding Fathers’ attempt to place a constitutional check upon certain historic evils. While many American settlers had suffered religious persecution in England, the foremost historic example of what the “establishment clause” had been intended to check was any repetition of the evil relationship that existed between various pagan cults and their imperial sponsors who ran the Roman Empire, when they combined forces to persecute the Apostles for proselytizing on behalf of the new dispensation of Christianity.

The “establishment clause” was the Founders’ check against some pagan theocracy emerging that would crush the Judeo-Christian value placed upon of the sacredness of each individual, which is the cornerstone of republicanism.

Justice Black: KKKer and Freemason

Why did Justice Black deliberately overturn this principle, which had been upheld by the U.S. Supreme Court for over 100 years, to argue instead, like some Roman emperor, that a “wall” ought to keep all Judeo-Christian values out of the institutions of the republic? As Justice Black’s son said of him, he was a man who “could not whip himself up to a belief in God or the divinity of Christ, life after death, or Heaven or Hell.” Author Fisher explains that Justice Black was a Freemason imbued with a sense of Voltairean liberalism, and was a lifetime member of the Ku Klux Klan at a time when both were at war against the Catholic Church because it was tenaciously upholding the belief that humanity was imbued with the divine spark.

As a U.S. Senator, public condemnation compelled Justice Black on July 9, 1925, to “retire” from the Robert E. Lee Klan No. 1, but he closed his letter to the Kligrapp [Secretary], “Yours In the Sacred Unbreakable Bond.” Black’s written words captured the truth of the matter, as was shown on Sept. 2, 1926, when investigative reporter Ray Sprigle witnessed Black being welcomed back to the Klan with a “grand passport” of life membership at the Birmingham, Alabama state Klan meeting. Ironically, although Sprigle’s truthful articles were carried in all the major papers, it was the two flagship journals of American liberalism, *The Nation* and *The New Republic*, that chose to believe Justice Black’s denials after Sprigle had caught him.

President Franklin D. Roosevelt appointed this secret KKKer and practicing Freemason to the Supreme Court bench in 1937. As author Fisher documents from the Scottish Rite Freemason’s *New Age* journal, at the time of the *Everson* decision, seven out of the nine Supreme Court Justices were Freemasons: mainly from the Southern Jurisdiction of the Charleston Lodge, which had helped foment the Civil War to uphold the power of the slavocracy.

What might this mean?

The full import of Justice Black’s Freemasonic member-

ship is beyond the scope of this article. But, by way of example, author Fisher cites a letter that 33rd degree Mason and Grand Prior of the Supreme Council, Scottish Rite, McIllyar H. Lichliter, wrote to Justice Harold Burton in 1949, two years after *Everson*. The letter described Lichliter’s pilgrimage to the tomb of Jacques DeMolay, who had been Grandmaster of the Knights Templar. DeMolay was condemned as a heretic after Pope Clement V and the French king Philippe le Bel ordered an investigation, which discovered that at their initiation into this crusading, chivalric order, members were required to spit upon an image of Christ’s face, which is a practice of the Middle Eastern Baphomet cult.

The ‘Degree of Revenge’

After Jacques DeMolay was executed in 1314, former Scottish Rite Grand Philosopher and Grand Commander Gen. Albert Pike states in his book *Morals and Dogma*, renegade Templars traveling to Scotland helped King Bruce found a precursor of the Scottish Rite, which to this day maintains a Templar Knight degree that is also known as the “Degree of Revenge” against church and state. The Founding Fathers well knew the seditious nature of the Scottish Rite, which President George Washington, in a letter to Minister G. W. Snyder, denounced for its “diabolical tenets” for having unleashed “the pernicious principles” of the Jacobin mob during the French Revolution. Those Jacobin mobs that Lord Pitt whipped up by way of the Philippe Duc d’Orleans’s Scottish Rite agents who stormed the Bastille and killed the French king, also the guillotine the republican allies of America’s Founding Fathers: all for revenge of Jacques DeMolay.

Anyone who objects that Justice Hugo Black was a “fine liberal” and could not possibly have been a Ku Klux Klansman would do well to study that arch liberal, Voltaire, who with Diderot and the Encyclopedists laid the fuse for the Jacobin mobs through Voltaire’s membership in various secret cults, including the Scottish Rite. Abbe Augustin de Barruel quotes Voltaire in his four-volume history of Jacobinism (1798) as saying: “I am weary of hearing people repeat that twelve men have been sufficient to establish Christianity, and I will prove that one man may suffice to overthrow it.” This is the liberal tradition of Southern Jurisdiction Scottish Rite member Justice Hugo Black. Scottish Rite Freemasonry is a syncretic, pagan religion, worshipping every cult from the Egyptian Isis-Osiris onward. It is a farce to say that Justice Black really wanted a separation of church and state. Like Voltaire, he wanted to drive out Judeo-Christian values, and to supplant them with such Freemasonic “New Age” cults as had already gained secret, majority control of the Supreme Court.

The ADL: friends of Black’s court

Ever since Justice Black’s 1947 *Everson* decision, the ADL has been one of the biggest friends of his doctrine. In

dozens of *amicus curiae* briefs filed since then, the ADL has helped build his wall between church and state. The ADL's role in furthering Justice Black's cause is documented in its own 1984 pamphlet "Friend of the Court 1947-1982," where authors Jill Donnie Snyder and Eric K. Goodman state: "Since 1948, ADL has filed *amicus* briefs in practically every major church-state case, consistently arguing for a strict interpretation of the establishment clause." Among those cases are:

Parochial Aid. After *Everson* in 1947, there was a flood of cases which whittled away at government assistance for parochial schools; they predominated from the late 1940s to 1950s, and have reemerged in the 1980s. The ADL has not only fought public busing for students at parochial schools, which *Everson* granted, but it has used Justice Black's "wall" premise to argue against government subsidies for the textbooks and teachers needed to fulfill state-mandated courses, and so forth. However, when the Internal Revenue Service wanted to lift the tax exemption from Bob Jones University over the objections of President Ronald Reagan, the ADL argued for this measure which even *Everson* would have outlawed.

Prayer in Schools. The next set of church-state cases involving the ADL was the prayer disputes starting in the early-1960s. After *Torasco v. Watkins* in 1961, which challenged oaths by civil servants attesting to their belief in God, the landmark school prayer case *Engel v. Vitale* challenged the constitutionality of non-denominational prayer. The ADL agreed with the Supreme Court on the basis of *Everson* that the following prayer authorized by the New York State Board of Regents was unconstitutional: "Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessings upon us, our parents, our teacher and our country."

In 1963, efforts began in Congress to amend the Constitution to permit the voluntary recitation of prayers in public schools. However, religious leaders objected to taking this route, partly because it would only weaken the original intent of the Founding Fathers for the "establishment clause." Since then, the ADL has not only opposed non-denominational prayer, but also voluntary school prayer and silent prayer, arguing that their "divisiveness" breached Justice Black's "wall."

Perhaps the most ironic case, given ADL's claims to represent Jewish interests, was its stand in the 1980 Ten Commandments case, *Ring v. Grand Forks School District*, where plaintiffs challenged a North Dakota statute which required the posting of the Ten Commandments in each school classroom. The ADL ended up fighting a small print statement after the last Commandment which read: "The secular application of the Ten Commandments is clearly seen in its adoption as the fundamental legal code of Western Civilization." In November 1980, the ADL agreed with the Supreme Court's decision that this was unconstitutional be-

cause it might have the effect of inducing children "to read, meditate upon, perhaps to venerate and obey, the Commandments."

Christmas Observances. In a series of cases, starting with its intervention with the American Civil Liberties Union in *Florey v. Sioux Falls School District 49-5* in 1979, the ADL has fought any activity sponsored by local governments or schools that involves "adoration of the Christ child." While it has not challenged Santa Claus, reindeer, and Christmas trees, the ADL has joined court battles against the singing of Christmas carols, the performance of religious plays, and the display of nativity scenes.

Abortion. As the Catholic newspaper *The Wanderer* and *EIR* have reported (see *EIR*, May 30, 1990, "Special Dossier: ADL—Tax Exempt Treachery"), the ADL has most recently become involved in filing "pro-choice" abortion briefs, arguing that abortion ought to be available for all upon demand. The ADL's hereditary argument from Justice Black's *Everson* decision is that any attempt to limit abortion imposes Judeo-Christian values (e.g., the biblical injunction of the Book of Genesis to be fruitful and multiply) upon non-believers. This was the "pro-choice" argument of ADL honorary national chairman Kenneth Bialkin in a Supreme Court *amicus* brief in case Nos. 88-790, 88-805, 88-1125, and 88-1309.

The devil's advocate

As *EIR* has shown in its May 30 dossier, even though the ADL has argued against the application of First Amendment rights to the Judeo-Christian tradition, as in recent cases upholding the Equal Access Act that gives prayer groups the same rights to use of school facilities as any other extracurricular activity, last year the ADL fought against a bill introduced by Texas state legislators, following the discovery of mass murders by satanists in Matamoros, Mexico, which would have criminalized certain satanic ritualistic practices. The ADL said this bill violated the equal right of satanists for "religious freedom."

Kenneth Bialkin, who wrote the ADL's latest "pro-choice" abortion brief, has himself been found in court to have assisted Robert Vesco in looting Investors Overseas Services of tens of millions of dollars, which the fugitive financier used to set up a base in Havana, Cuba, where he deals with the Medellín Cartel that is peddling "crack cocaine" to America's youth.

The ADL also gave its annual Torch of Liberty award to the *Playboy* pornographer Hugh Hefner and to Moe Dalitz, who, operating today in Hollywood and Las Vegas, is an old associate of organized crime drug-money launderer Meyer Lansky.

What the American Dope Lobby evidently wants to hold up as an example for "impressionable children," instead of Judeo-Christian values, are satanic mass-murderers, pornographers, and drug traffickers.

Ted Turner: the Goebbels of the zero-growth movement

by Kathleen Klenetsky

This spring, cable television mogul Ted Turner publicly affirmed Friedrich Nietzsche's infamous dictum that Christianity is a "religion of losers." The ensuing hue and cry was so intense that Turner, who had recently started dating the eternal starlet Jane Fonda, was eventually forced to issue an apology for his remarks.

The incident did have some positive effects. It severely undercut the mythical image which Turner had carefully cultivated of himself as a conservative maverick, doing battle with the Establishment's "Big Three" television networks. And it captured the true Turner, the man who has used his massive media empire to publicize and promote a range of policies truly Nietzschean in character.

Particularly since the early 1980s, Turner has emerged as one of the most influential advocates of the ecological-fascist ethos. He has utilized his media empire—which includes the Atlanta-based Turner Broadcasting Company, Turner Network Television, and Cable News Network—to propagandize on behalf of such measures as draconian population control, radical environmentalism, and the disarmament of the West.

In his latest gambit, Turner has thrown his considerable clout behind the "Big Green" referendum in California, a package of far-reaching environmentalist measures which has been characterized by its opponents as a giant step toward an ecological police state. The proposal was originated by Jane Fonda's ex-husband, New Left agitator Tom Hayden.

Pagan nature worship

Turner's attack on Christianity this spring didn't represent some sudden change of heart, but was consistent with his past statements and activities. Over the years, the "Mouth of the South" has made it abundantly clear that he not only thinks that Christianity is for "losers," but that it should be killed off, and replaced with some new cult based on pagan nature worship.

Last year, Turner charged that "Christianity's had 2,000 years to solve the world's problems and they're just as big now as they've ever been, and the missionaries have either been killed or eaten, in the Third World, and Christianity is *not* gonna take over the world." So, said Turner, "why don't we start over" with a "new movement" that will bring about "peace, not only man with man, but

man at peace with the environment?" In the same speech, he denounced the Ten Commandments as "obsolete," and proposed to replace them with "Ten Voluntary Initiatives," of his own devising. He later had these initiatives printed up and distributed by the millions. These reveal the heart of the "new movement" Turner intends to bring into being. "I promise to have no more than two children, or no more than my nation suggests," reads the third "initiative." "I pledge to use as little non-renewable resources as possible," reads another. Others include promises to "use as little toxic chemicals, pesticides, and other poisons as possible and to work for their reduction by others," and to "support the United Nations and its efforts to collectively improve the conditions of the planet."

A 'better world' . . . for whom?

Aside from his media operation—which now reaches 50 million home viewers worldwide—the Better World Society has become one of the key vehicles which Turner employs to spread his anti-human propaganda.

Turner formed this outfit in 1985, donating a half-million dollars in seed money. The group's stated purpose is to make TV documentaries on alleged global overpopulation, ecological degradation, the need for abortion, etc., and to distribute them worldwide.

BWS's board reads like a Who's Who of the green fascist elite. High on its membership list is Jimmy Carter, who presided over the *Global 2000* report, which called for halving the world's population. (Turner, in turn, is a member of the Board of Councilors of the Carter Center at Emory University. He has made large donations to the center, which is home base to Carter's ongoing *Global 2000* project.)

Other BWS board members include:

- Dr. Julia Henderson, former Secretary General of International Planned Parenthood Federation.
- Ambassador Zhou Boping, vice chairman of the P.R.C.'s Family Planning Association, the group that oversees China's notorious birth-control program, which involves forced abortions and sterilizations, and infanticide on a wide scale. This spring, BWS held its board meeting in China, hosted by Zhou Boping. The BWS newsletter reported that its directors would meet with top Chinese officials to discuss "security, family planning, and environment issues."

- Russell Peterson, president emeritus of the National Audubon Society, and one of the leading Establishment environmentalists. A hard-core neo-malthusian, Peterson was a director of the U.S. Association for the Club of Rome, the World Wildlife Fund, and the Population Council—the last is one of the leading apologists for China’s population control program.

- Georgi Arbatov. One of the Soviet Union’s leading profilers of American political life, Arbatov has served as a go-between for Turner’s extensive projects with the Soviets, which range from joint broadcasting ventures through the Goodwill Games.

- Gro Harlem Brundtland, the former Norwegian prime minister and head of the Brundtland Commission, whose 1987 *Our Common Future* report laid out the parameters of a global ecological dictatorship.

- Maurice Strong, a pivotal figure in the environmentalist movement, and currently president of the World Federation of United Nations Associations.

- Lester Brown, head of the Worldwatch Institute. Brown has recently initiated a campaign for a global environmental tax, to “stabilize” population.

BWS’s advisory board has a similar coloration. The members range from former CIA head William Colby, through David Mathews, president of the Kettering Foundation and a leading figure in the Dartmouth Conference, a back-channel for East-West negotiations.

Last January, several BWS board members, including president Dr. Glenn Olds, attended the Global Forum on Environment and Development in Moscow, which plotted an East-West coordinated assault on science, technology, and population growth. According to an official report of the proceedings, a central concept shared by many participants was the belief in the Earth Mother goddess “Gaia hypothesis,” and the idea that Gaia will “eliminate us with no pity” if we don’t stop “exploiting the Earth in the name of technological efficiency and progress.”

‘Big Lie’ manipulations

Turner’s relationship to the zero-growth lobby bears a marked resemblance to that of Josef Goebbels to the Nazis: He uses the same “Big Lie” techniques, to push equally anti-human goals, such as massive cuts in human population on the grounds that mankind’s very existence is a threat to the natural world.

Just look at some of BWS’s video offerings: In 1987, the group produced “Dark Circle,” which it billed as a “powerful examination of plutonium processing,” but which actually was akin to “The China Syndrome” in its fabricated account of the problems at the Rocky Flats Processing Plant—a plant vital to the U.S. military. BWS literature boasts that the documentary contributed to the shutting down of the plant.

“Increase and Multiply?” was a 1987 diatribe against population growth, with the underlying theme that the bibli-

cal injunction to “increase and multiply, and subdue the Earth” has created a demographic and ecological catastrophe. The program attacked the Reagan administration’s decision to cease U.S. contributions to the U.N. Fund for Population Activities, because of its involvement in financing abortions. (The year before, BWS gave its annual award to the UNFPA.)

In 1988, BWS issued a video of that year’s Awards Dinner, at which recipients included the China Family Planning Association and the United Nations Environment Program. The next year, BWS’s awards went to Mikhail Gorbachov and Faye Wattleton, head of Planned Parenthood.

One of BWS’s most important projects in 1989 was “Abortion: For Survival.” A BWS handout describes the video as making “a forceful case for a woman’s right to a medically safe, legal abortion. Emphasis is placed on the effect U.S. abortion policies have on family planning programs in developing nations.”

BWS has produced numerous programs devoted to the issue of “world peace,” which it effectively defines as the state reached when the West gets rid of its last weapon, and accepts the Soviet Union as the great anti-war humanists of all time. Over the past several years, the group has put out “A Step Away From War,” narrated by Paul Newman, and billed as offering “a compelling case for an immediate, verifiable ban on all nuclear weapons”; “Beyond the Threat,” an “in-depth look as the perceptions—attitudes, fears, curiosities, and ignorances—Soviets and Americans have of one another”; and “Disarmament and Beyond.”

The Better World Society is by no means the only forum through which Turner peddles his genocidal, pro-Soviet propaganda. According to a recent letter from Turner Broadcasting Company’s public relations office, TBS has been in the forefront of the environmentalist onslaught. “This August,” says the letter, “TBS will further demonstrate its commitment to the environment when it begins airing a weekly, half-hour, environmental magazine series entitled ‘Network Earth.’ In addition, Mr. Turner originated the concept of ‘Captain Planet and the Planetears,’ TBS’s animated series which uses television to make young people aware of environmental issues.” TBS will also present “A Place of Skulls” in September, a “documentary which discusses one of today’s most pressing environmental tragedies—elephant poaching.” (If you weren’t aware that elephant poaching, and not the millions of people living in abject misery, is the pressing issue of our time, you clearly haven’t been watching enough Turner television!)

“Voice of the Planet, a series of 10-hour programs “that examines the state of the planet from the viewpoint of the Earth itself, will air on TBS in October.”

With this worldview, it is hardly surprising that, in 1985, Turner’s CNN abruptly canceled a series of paid advertisements for *EIR*’s “Global Showdown” Special Report, a detailed analysis of the Soviet military threat.

Balanced budget amendment fails

The House rejected on July 17 a constitutional amendment that would have mandated a balanced federal budget. The House vote of 279-150 in favor of the amendment, was seven votes short of the two-thirds necessary for passage. The measure was supported by 110 Democrats, mostly Southern conservatives, and 169 Republicans.

"The amendment before us is filled with soft and fuzzy feel-good words, which by themselves have no more meaning than a bumper sticker that says, 'Have a nice day,'" commented Rep. Jack Brooks (D-Tex.), chairman of the House Judiciary Committee, an opponent of the amendment.

Others were concerned that such an amendment represented a frivolous tampering with the U.S. Constitution. "We're now going to operate on the Constitution of the United States to find some spine," Rep. Romano Mazzoli (D-Ky.) caustically commented.

The amendment would have allowed deficit spending only if three-fifths of each house voted for it. This requirement could, however, be waived in cases of declared war.

Bills would penalize foreign companies

At least 15 bills are currently before Congress that would single out foreign companies doing business in the United States, the July 15 *Washington Post* reported.

Foreign companies have directly invested over \$400 billion in the U.S., and many demagogues are worried that foreigners are taking over, not paying their fair share of taxes, and engaging in unfair practices. Accord-

ing to Prof. D. Jeffrey Lenn of George Washington University, this attitude reflects "a new awareness of the fact that the U.S. is a debtor nation."

Although backed by the Bush administration, the campaign is being largely whipped up by Democratic legislators. In June, the House passed a bill sponsored by Rep. Jack Brooks (D-Tex.) that would make it easier for companies to organize joint production ventures. The bill specifies that the legal relief involved in the measure would be denied to any consortium that had more than 30% foreign ownership, and that production would have to take place within the borders of the United States in order to qualify.

Another bill sponsored by Rep. Edward Markey (D-Mass.) calling for the general regulation of the cable TV industry, would limit foreign ownership of cable systems. Other legislation sponsored by Japan-basher House Majority Leader Rep. Richard Gephardt (D-Mo.), would place new tax-reporting requirements on foreign-owned companies in the U.S.

As the U.S. financial markets begin to blow out, U.S. legislators are trying to shift the blame on their economic allies—a policy which can only lead to disastrous consequences for a U.S. financial system propped up primarily by foreign investment.

Farm bill faces veto threat

Secretary of Agriculture Clayton Yeutter announced on July 16 that he would recommend that President Bush veto the 1990 farm bill unless Congress substantially cuts agriculture program proposals made by the Senate. Yeutter complained that the Senate version of the bill is \$5 billion

over current budgetary guidelines.

Sen. Patrick Leahy (D-Vt.), chairman of the Senate Committee on Agriculture, Nutrition and Forestry, said the Department of Agriculture had, "at the eleventh hour, cooked up new numbers." He accused the administration of trying to stall the farm bill to give it more leverage in its attempts to reduce agriculture subsidies around the world in four-year-old trade negotiations in Geneva.

President Bush had made an attempt to get the European Community nations to eliminate their subsidies to domestic agricultural production at the July 9-11 Houston summit—and was decisively rebuffed by the Europeans.

Democrats were not amused by the veto threat. "The reality is that the Senate farm bill is over \$6 billion less than what the President proposed in January," Leahy said. "The administration's veto threat is a thinly veiled effort to kill the farm bill so the administration can cut a backroom deal in Geneva."

Civil rights bill clears Senate

The Senate voted approval of new civil rights legislation 65-34 on July 19. The bill could become the focus for another showdown between the White House and the Congress, since the President has threatened to veto the bill in its present form.

The legislation was formulated to overturn six recent U.S. Supreme Court decisions which the bill's proponents claim decimated earlier civil rights legislation. The bill's provisions range from a ban on racial harassment in the workplace to the authorization of punitive damages for victims of intentional discrimination based on

race, religion, sex, or national origin.

The Senate vote followed the collapse of intense negotiations between Democratic and Republican sponsors, and top White House officials who argued that several key provisions would lead to racial and other quotas in hiring and promotion.

According to columnists Evans and Novak, White House Chief of Staff John Sununu, the chief White House negotiator on the bill, was ready to reach a compromise with the bill's sponsor, Sen. Edward Kennedy (D-Mass.), when he was notified by GOP senators that the compromise did not resolve the quota problem.

In spite of the veto threat, Kennedy believes there is a good chance that Bush will sign the legislation or that Congress will be able to override a veto. The administration, rapidly losing whatever support it may have had among blacks and Hispanics, does not want to be seen vetoing any civil rights bill, many Democrats believe. But the 65 votes in the Senate fall two short of the 67 required to override a veto.

Limits on textile imports approved in Senate

On July 17, the Senate approved a bill in a 68-32 vote which would limit the growth of textile imports to 1% a year, in spite of a threat of a presidential veto.

Beginning next year, the legislation would impose quotas on imports of textiles, clothing, and shoes for all nations except Canada and Israel, which have free-trade agreements with the United States. Caribbean basin countries would be guaranteed their 1989 level of imports.

The bill would, in effect, destroy the upcoming Uruguay Round of free-

trade talks that were intended to phase out decades of restrictions by industrialized nations on imports of textiles and clothing produced in the Third World. These countries had made the elimination of textile quotas their price for agreeing to changes in the rules of world trade demanded by the United States and other developed nations, including curtailing barriers to foreign investment and for service industries such as banking, insurance, and engineering—areas where developed countries believe they have a competitive edge.

Sen. Ernest Hollings (D-S.C.), a leading supporter of the bill, described this as a measure of retaliation against trading partners in Western Europe, South America, and other regions who allegedly will not give in on sectors important to their economies. "They will not yield on agriculture in Europe. They will not yield on intellectual property rights and computers in South America," complained Hollings.

Administration lobbies 'debt for nature' bill

In congressional testimony on July 18, Undersecretary of the Treasury David Mulford tried to rally support for legislation which would bolster debt-for-nature schemes with Ibero-American nations laid out by President Bush weeks earlier in his "Enterprise of the Americas" speech.

The new schemes come in the aftermath of the failure of the various "debt relief" schemes of Treasury Secretary Nicholas Brady and Secretary of State James Baker III—the so-called Brady and Baker Plans.

One bill, H.R. 5088, would authorize debt-for-nature conversion agreements with "countries in the

Western Hemisphere." The governments of the debtor countries would issue long-term bonds to be deposited in a trust, to be used for so-called environmental purposes. The trust would be managed by a board of trustees set up in accordance with the terms of the agreement.

A second bill would require that Caribbean countries deposit, in local currency, payments otherwise made to the U.S. government on account of economic assistance loans, to be used for environment preservation programs. Mulford indicated that one alternative the administration had envisioned was to sell portions of the bilateral debt to environmental and other groups which could then exchange it in the local currency of the debtor country for environmental and other programs.

Fight continues over funding 'art'

A compromise bill for reauthorizing funds for the controversial National Endowment for the Arts (NEA), proposed by the House Republican leadership on July 18 and supported by the White House, is still under fire by some GOPers.

The revised formulation states that it would allow NEA funding only for art that "does not violate prevailing standards of obscenity."

Rep. Paul Henry (R-Mich.) opposes the proposal, which is based largely on his wording, because it excluded the provision that money may not go to art that violates "prevailing standards against obscenity or indecency." Rep. Dana Rohrabacher (R-Calif.) is introducing an amendment with tougher, more restrictive grant language.

National News

Will Kissinger pay for crimes on China policy?

A spokesman for the Public Integrity Section of the Justice Department confirmed July 13 that several congressmen had written urging that action be taken on a complaint filed by a journalist with *EIR* charging Henry Kissinger with violation of U.S.C. Section 18, title 208, which is a two-year felony count.

The *EIR* journalist had sent Attorney General Richard Thornburgh a complaint that charged that Kissinger violated a conflict-of-interest statute because, while he was telling President Bush not to be tough on Beijing as a member of the President's Foreign Intelligence Advisory Board, his business associates had billions invested in the People's Republic of China.

Before the letters from Congress, it was clear that Kissinger was still being treated as a "man above suspicion."

Bishops attack Philadelphia Inquirer

Philadelphia Archbishop Bevilacqua and Bishop McHugh of Camden, New Jersey, have denounced the *Philadelphia Inquirer* in response to the *Inquirer's* systematic propaganda campaign against the Catholic Church's anti-abortion stand.

The campaign began with a July 1 column charging that the Church is "literally un-American" because of its interference in the abortion question.

The bishops said this was an attempt by the *Inquirer* to silence or to rule out the Catholic Church as a part of America.

During a demonstration by pro-abortion groups outside the Cathedral Basilica of Saints Peter and Paul July 15, abortion activist Bill Baird demanded that the Catholic Church in the U.S. register as a foreign lobbyist and forfeit its tax-exemption status. Baird claimed that because the Vatican is an independent government, and the Church in

the U.S. is trying to sway people on abortion on its behalf, the Church should be considered a foreign lobbyist.

Task force to review long-range NASA goals

Vice President and National Space Council head Dan Quayle has asked NASA Administrator Richard Truly to assemble a non-NASA task force to examine the long-range goals of the space program.

According to a short statement released by Quayle July 16, the task force will not be examining the space agency's management, but the goals of the program. The group would be considering how to "carry out the President's remarkable vision for America's space destiny," Truly commented on "Good Morning America" on July 17.

For weeks, NASA bashers in the press, the Congress, and the "scientific" community have been calling for blame to be placed on the agency for the Shuttle delays and Hubble Space Telescope problems.

Over the past two months, the Congress has eliminated Bush's Exploration Initiative from the FY91 budget, and cut funding for Space Station Freedom.

In announcing the review, Quayle said "There is no White House investigation of NASA, nor will there be one. We've got a challenge to move this space program forward, which we will."

Arms control adviser urges full ASAT program

James T. Hackett, policy operations manager of Titan Systems Co. in San Diego, California and a member of the President's General Advisory Committee on Arms Control and Disarmament, urged the full development of a U.S. anti-satellite (ASAT) defense system in a commentary in the July 17 *Washington Times*.

Hackett said that regardless of the Soviet Union's economic problems, its deploy-

ment of resources into space military programs has not slowed.

In order for U.S. space assets to be protected, Hackett said, the U.S. must be able to "deter" and "negate" hostile space systems. This cannot be done without appropriate weapons, including the ASAT. He reviewed the killing of the F-15 ASAT program in the 1980s due to the congressional ban on testing ASATs in space, and reported that Rep. George Brown (D-Calif.) and others are trying to reduce the administration's \$208 million FY91 ASAT request to \$78 million.

The Soviets have at least three operational ASAT systems, consisting of hunter-killer satellites, ground-based directed energy systems, and maneuverable satellites.

Hollywood bristles at 'Jewish racism' charges

The National Association for the Advancement of Colored People (NAACP) heard charges of "Jewish racism in Hollywood" at its national convention in Los Angeles. The NAACP issued an official press release on July 11 which stated that the NAACP chairman and executive director are appointing a committee to meet and discuss this matter with members of the Jewish community.

LeGrand Clegg, chairman of the National Coalition Against Black Exploitation and city attorney of Compton, California, said, "If Jewish leaders can complain of black anti-Semitism, our leaders should certainly raise the issue of the century-old problem of Jewish racism in Hollywood." Clegg cited the 1988 book by Norm Gabler, *An Empire of Their Own: How the Jews Invented Hollywood*.

Marla Gibbs, a producer and star of the NBC sitcom "227," attacked the violence of films saying, "criminal behavior is being imitated by our children because it is being glorified on the screen . . . the Jewish system in Hollywood was not set up for us."

This panel on "Blacks in the Entertainment Industry" was also addressed by former football star turned actor-producer Jim Brown, who charged that black audiences in

general are "supporting the very [industry] that excludes you." Hollywood, he said, has five "isms"—"nepotism, sexism, racism, cronyism, and good ol'-boy-ism."

The Anti-Defamation League national director, Abraham H. Foxman, has sent a letter to Benjamin Hooks attacking the remarks regarding "Jewish racism in Hollywood" as "hateful stuff, the perpetration of an antiquated but dangerous myth."

Arthur Rudolph fights to return to U.S.

On July 1, Arthur Rudolph, the 83-year-old, decorated rocket scientist who left the United States six years ago, relinquishing his U.S. citizenship, to avoid prosecution by the Department of Justice Office of Special Investigations (OSI) for alleged war crimes, and his wife, arrived in Toronto, Canada to visit their daughter and to begin their fight to return to the United States and clear his name.

When he retired from his job under Wernher von Braun at the NASA Marshall Space Flight Center in 1969, Rudolph was awarded NASA's highest honors. Rudolph designed the Saturn V rocket which carried the Apollo astronauts to the Moon.

Rudolph is accused by the OSI of responsibility for the mistreatment of the forced laborers who built the V-2 rockets in underground factories in Nazi Germany. At the time the OSI began persecuting him, Rudolph, then a 77-year-old man with a heart condition, opted to leave the U.S. rather than endure an expensive and humiliating deportation proceedings based upon "evidence" provided by the East German secret police.

Two years ago, the West German government, after an extensive investigation, cleared Rudolph of all charges. According to the July 5 *La Presse* of Montreal, Rudolph also passed a lie detector test on July 4 stating he did not abuse prisoners from the Dora concentration camp.

Rep. James Traficant (D-Ohio), who, as did many friends of Rudolph, traveled to meet with Rudolph in Niaraga Falls, Cana-

da, "sharply criticized the U.S. government for trying to keep him out of the country," according to the *Washington Times*. Representative Traficant has introduced a bill to grant Rudolph a public hearing for restoration of his citizenship.

Rudolph has, for the moment, applied for visitor status in Canada. According to Canadian law, only those convicted of war crimes can be barred from entry to the country, and Rudolph has never been convicted of anything. At a July 11 hearing in Toronto, the Canadian adjudicator for Immigration postponed the hearing until Aug. 1.

LaRouche lauds 'JFK recovery' on D.C. radio

Virginia congressional candidate Lyndon LaRouche discussed a number of topics, including the economic recovery program of President John Kennedy, live on the Mark Davis Talk Show on Washington, D.C. WRC radio on July 17.

A caller into the program said he had seen some LaRouche campaign signs, such as "Lower taxes to Bush's I.Q.," and asked him to elaborate on his economic program.

"We're in a depression," LaRouche warned. "People who have been DINKS—double income, no kids—are now being turned into NINKS—no income, no kids."

LaRouche said that the Kennedy recovery involved upgrading "the space program, into a crash program. It was the biggest technological boom we've had in the postwar period." "Secondly," he said, "Kennedy put through an investment tax credit bill which is directly opposite in philosophy to what the tax bills of the Reagan and Bush administrations have been. Thirdly, he fostered a credit program, a low interest rate program for priority private investments. And his administration launched an increase in basic economic infrastructure building. These four factors, among others, gave us the highest rate of growth, of productivity, of technological progress in postwar history. If we hadn't gotten off that track that Kennedy started, we wouldn't have any economic problems today."

Briefly

● **GEN. JOHN MEDARIS** died of cancer July 11 at the age of 88. Medaris was responsible for the launch by the von Braun team of America's first satellite in 1958. He established the Army Ballistic Missile Command in Huntsville, Alabama, oversaw the development of the Redstone, Pershing, and other missiles for European defense, and was an adviser to the SDI program.

● **JOHN TOWER**, the former senator from Texas, has been named by President Bush to head a reorganized President's Foreign Intelligence Advisory Board. Bobby Inman; Gen. Lew Allen (USAR-ret.); Carter energy official John Deutch; Kissinger associate, William Hyland; and William J. Perry, were added to the six-man board.

● **REV. JOSEPH LOWERY**, a founder of the Southern Christian Leadership Conference, raised the fight for economic justice at the NAACP convention in Los Angeles July 13. "We need to make this the decade when we feed the hungry, clothe the naked, and house the homeless," he said. "Even with one person, one vote, the system is not providing capacity to change public policy."

● **HIGH TIMES**, the dopers' magazine with close ties to the Anti-Defamation League, is reported to be the target of a New Orleans grand jury probe to determine if it violated any laws when it accepted advertising from a Dutch company that offers a catalogue of high-yield and exotic marijuana seeds.

● **AMELIA BOYNTON** Robinson, veteran civil rights leader and a leader of the Schiller Institute Human Rights Coalition from Tuskegee, Alabama, learned July 17 in a letter from New York Gov. Mario Cuomo that she has been awarded the Martin Luther King Freedom Medal for her work for human rights.

Editorial

The real crimes behind the S&L crisis

Despite the effort to blame the current crisis in the U.S. banking and thrift systems on the criminal behavior of some admittedly very dirty characters, the fact is that a careful accounting shows that at most 3%, or \$5 billion, of savings and loan losses can be attributed to fraud and the like. The rest came as a result of high interest rates, the fall in real estate prices, and the general destruction of the U.S. economy.

The real story of that destruction begins in 1963 with the murder of President John F. Kennedy, and the official coverup of that murder. That was the beginning of a policy shift away from productive investment. By 1970, NASA, which had successfully put men on the Moon, was scrambling for funds, and forced to cut back on its plans for the kind of space frontier exploration which Kennedy had envisaged. The Vietnam War was going to its dismal conclusion and the counterculture was on the way to becoming hegemonic.

None of this occurred by accident. The unpunished assassination of the U.S. President was the beginning of the process of a British takeover and looting of the United States, aided and abetted by a series of more or less British-dominated administrations in Washington, D.C., most emphatically including the Bush administration, which is now presiding over the bankruptcy of the United States as a whole.

Let's take a look at the years 1962 and 1963. There were other significant assassinations those years, including the assassination of Enrico Mattei in Italy; the assassination of Lambracos in Greece; the new assassination attempts against President Charles de Gaulle in France; the dumping of de Gaulle's key political partner, Konrad Adenauer, from his position in Germany, in order to engineer a change in profile in Germany. And in Britain, this coincided, with the Profumo scandal, which dumped Harold Macmillan, and led, in short order, to the establishment of the terrible government of Harold Wilson.

At the same time, the phenomenon of the Beatles took off, aided and abetted by a massive publicity campaign attendant upon their appearance on the Ed Sullivan TV program. This was the beginning of the para-

digim shift into the "Age of Aquarius." The core values of Western civilization came under attack, in particular those connected with the family as a social institution with a direct moral connection to the welfare of the entire nation. The assassination of Kennedy was the beginning of a process in which cultural optimism was wiped out in the American population, to be replaced by an increasingly despairing hedonism.

These events were the precondition for the present crisis in the United States and in Britain. The British pound sterling collapsed in November 1967, to be followed by the collapse of the U.S. dollar in February-March 1968. This was the beginning of the end of the Bretton Woods System, to all intents and purposes. Then followed the 1970 Chrysler bankruptcy, when Nixon pushed the Federal Reserve to lower interest rates, so that the dollar was devalued, and on Aug. 15, 1971 he took the dollar off gold.

From then to now, the die was cast, although the Carter administration was the real disaster which sank the United States economy. In 1978, the doors were opened for the deregulation of the United States banking system, together with a shutdown, ultimately, through deregulation, of major elements of the transportation system. Rail transport was sent on the road toward a crash, trucking collapsed, and the aircraft went into a tailspin. The end phase was 1979, the introduction of Paul Volcker's measures, when interest rates were more than double the average rate of return on mortgages outstanding, and the rate of profit in industry and agriculture.

So, if there are criminals to be found, let's not fixate on the small fry. The jails can be stuffed with S&L officials and their advisers, and the U.S. economy will still be bankrupt, until we take a good look at how we really got into this mess. A first step in such a process would be freeing Lyndon LaRouche, and his associates, from prison. It was he more than anyone who has warned over decades that precisely the policies which were followed would lead to the present mess. There is still time to clean things up, but not by looking for scapegoats.



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A TOTAL WAR STRATEGY AGAINST PEKING

by Gen. Teng Chieh

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

—Gen. Teng Chieh

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

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