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Executive Intelligence Review

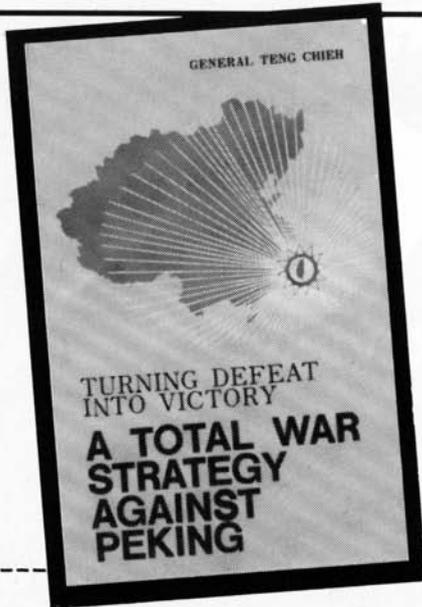
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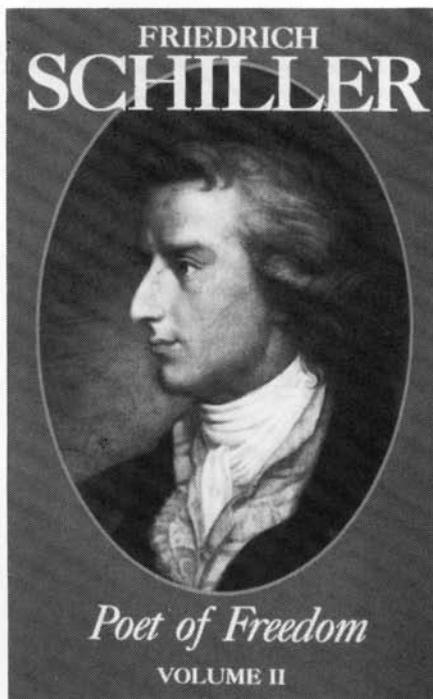
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## From the Editor

**T**hailand is one of the few countries in the world that still exports food on a large scale. Therefore, it was altogether fitting and proper that, while the attention of the world is still riveted on Asia due to the recent shattering events in China, Bangkok should have hosted the first major meeting of the "Food for Peace" movement in Asia, addressed by—among others—Schiller Institute founder Helga Zepp-LaRouche from the Federal Republic of Germany, and Thailand's former deputy premier, Admiral Sontee Boonyachai.

Our initial report (pp. 6-9) from that conference, which vowed to expand food production worldwide, is accompanied by news of the important grain producers' conference in Bogotá which heard Food for Peace representatives Jonathan and Rosa Tennenbaum (p. 10).

The expanding horizons of the international movement to find *solutions* to growing worldwide hunger, are the firm basis for cultural optimism (and see also the upbeat update on our anti-Satanism campaign, p. 65, and the progress report on morality in art on p. 42). That doesn't mean we can evade reality, far from it. In several of our columns and in the *Science & Technology* section we provide the latest grim facts on the scope of the food shortage and its impact on the spread of disease. Food riots are now sweeping through the Soviet empire (p. 40).

This week's *Feature* story was filed from Taipei by Webster Tarpley, reflecting the recent events on the mainland from the standpoint of Chinese patriots who feel a deep responsibility for the future course of their country. We weren't able to fit in everything Mr. Tarpley had to say, so expect follow-up coverage. But we do have two other important reports revealing the background of the seemingly incoherent U.S. China policy: the *Investigation*, which probes the drug connection, p. 36, and the story on p. 63, about CIA-Beijing "joint" covert operations.

We have tried to provide a particularly rich and varied array of coverage this week, in anticipation of our customary midsummer holiday next week. The next issue will be dated July 21.

A good place to begin your reading is on p. 58, where we interview Lyndon LaRouche on current history.

*Nora Hamerman*

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**Corrections:** In last week's issue the "IMF" and "EIR" labels were inadvertently switched on the two curves in Figure 14 on page 38 of the feature on Argentina's economy; *EIR's* alternative is for much lower interest payments through the year 2000. In the article on page 50 titled "Palme murder trial serves political aims," the correct spelling of the defendant's name is Christer Pettersson, while on the following page, Palme's widow spoke of an "insane deed by a psychopath," not an "insane murder."

## A White House meeting that did not occur

by Chris White

On June 24, the White House press office confirmed that a meeting between President George Bush and former West German Chancellor Helmut Schmidt had not taken place. The non-meeting has generated a certain amount of outrage among well-placed circles in Western Europe, especially those with some insight into the accumulating dangers on the financial and economic fronts. Among such circles, the June 22 meeting which did not occur has been understood as confirmatory evidence of the thesis, that on the crucial questions of financial and economic policy, the crowd who runs the present White House is out of the real world.

The significance of the White House report was cross-checked in London, Switzerland, France, and West Germany. Circles in those countries concur that the conclusions which may therefore be drawn include, firstly, that the White House has no economic policy, and secondly, that world economic and financial questions have ill-advisedly been relegated to low-priority status. Instead of a policy, the fantasizers of Washington, D. C. insist that they can continue to "muddle through." Capital flight out of Asia, especially from Hong Kong, in the wake of Deng Xiaoping's Tiananmen Square butchery, running according to some well-qualified circles at a rate of \$3 billion net per day into the U.S. dollar, provides the cushion on which such complacency rests.

More generally, the complacency which dominates today is compared with the same type of mind-set which dominated the administration of the ill-fated Herbert Hoover between the stock market crash of October 1929, and the banking crash of 1931-33, which was set into motion by the failure of the Austrian Kreditanstalt in the summer of 1931. If 1929 was a problem, it is being pointed out, 1931 was a real disaster. So, now, October 1987 in retrospect may seem like a problem overcome, but the crisis of the summer and fall of

1989 is, for those with whom we cross-checked this story, something waiting to happen.

From his jail cell in the Alexandria, Virginia Detention Center, political prisoner Lyndon LaRouche wanted it known that he agrees both with this view of the attitudes prevailing in and around the White House, as an objective assessment, and with the concomitant evaluation of the dangers that lie ahead. Regular readers of *EIR* will recall that it was LaRouche who, back in May and June of 1987, predicted in the pages of this publication and elsewhere, what would occur in the fall of that same year. LaRouche's predictions were based on his analysis of the slide into a new Herbert Hoover-style depression of the world economy.

LaRouche, from his jail cell, is now running for Virginia's 10th Congressional District seat, as he put it in his announcement of candidacy, "in the tradition of Henry Clay." From Congress, in the life-and-death crisis of 1810, Henry Clay, organizer of the faction known as the Whigs, rallied the United States to fight for survival.

### Alarm bells in Europe

As far as the European side of the matter goes it is not simply a matter of canvassing the private views of those with insight and expertise on the matter. The kind of behind-the-scenes ringing of the alarm bells about the course the United States is taking, has also become a matter, increasingly, of public discussion. France's veteran laureate of the Nobel economics prize Maurice Allais took to the pages of the leading Paris daily *Le Monde* on June 28, to editorialize that "in fundamental terms the world economy is potentially unstable. . . . In the short term its evolution is unpredictable. . . . Reform is needed." In his editorial, titled "From Crash to Euphoria: The Plague of Credit," Allais compared

the world economy to a giant casino, and argued that the untrammled growth of credit that has prevailed in recent years, has brought matters to a breaking point.

The same views are expressed privately by those quite familiar with the workings of such U.S.-based outfits as David Rockefeller's Trilateral Commission. One such told us: "There should have been a crash already, but it hasn't happened. . . . As long as the U.S. administration and Congress are oblivious, what can you do? I wouldn't be surprised to see a new October 1987 business, but all this doesn't seem to matter on Capitol Hill or in the White House."

One day after this report was provided, confirmation again came from within the administration. On June 29 the Commerce Department presented its annual estimate of the magnitude of U.S. international assets and liabilities up through the year ending Dec. 31, 1988. By that time, the U.S. had become the world's single largest debtor, owing the world, according to the Commerce Department's estimates, \$532.5 billion. Equally staggering, the total owed increased by 40%, up from \$378.3 billion at the beginning of 1988. Up until 1984-85, the United States had been a net creditor of the rest of the world from the end of the First World War.

Yet, according to the June 30 *Wall Street Journal*, "Bush administration economists said the strong flow of foreign capital, particularly direct investment, proves that the U.S. economy remains attractive. 'It reflects continued confidence in the U.S. economy,' said Anthony Villamil, chief economist for the Commerce Department." In principal categories, foreign direct investment in factories and companies amounted to \$328.9 billion, up 21% from the year before. Foreign holdings of Treasury securities totaled \$96.6 billion, up 19%. Foreign holdings of other securities totaled \$393.6 billion, up 12%. Foreign borrowing by U.S. banks totaled \$609.5 billion, up 11.3%. The overall total of foreign assets in the United States climbed to \$1.786 trillion, up 15.4%.

While foreign lending to U.S. banks may have risen more slowly than the growth of liabilities as a whole, or the growth of enumerated subcategories, the more than \$600 billion taken in by banks from abroad is among the chief indicators to watch, since that portion of the total is primarily made up of the flight capital leaving crisis spots—among them, in 1988, the debt-strapped nations of Ibero-America. Since such money is short-term, following interest rate movements and currency differentials to maximize short-term gain, and since the internal U.S. real estate bubble which has provided the chief source of support for such short-term gains, via brokered deposits into government-insured savings and loan accounts, is going into a new downturn, the dominant complacency is insanely misplaced.

### **No welcome for Schmidt's advice**

Schmidt, who was in the United States for a meeting of the World Forum, out in Vail, Colorado, had apparently hoped to present Bush with the findings of his recently formed

commission on international financial flows. Similar to the World Forum, which is made up of former heads of government, like Schmidt himself, Britain's James Callaghan, and France's Valéry Giscard d'Estaing, the commission on international financial flows consists, among others, of former central bank chiefs such as Paul Volcker of the U.S. Federal Reserve and Maurice Clappier from the Banque de France. U.S. participants at the World Forum meeting such as Special Trade Representative Carla Hills had not been too kindly treated by discussants on such matters as the U.S. implementation of its Omnibus Trade Act of 1988, and its so-called Super 301 trade war features. Apparently, the same sort of concerns were to have been addressed by Schmidt at the White House, had the meeting occurred. Schmidt, it was said, had prepared some statements, designed to warn the United States about the dangers that lie ahead. But the White House didn't want to hear it.

Since the period March-April of this year, Helmut Schmidt, on behalf of the financial interests he represents, has been telling those who would listen that the Bush administration has been given until the Group of Seven heads of state summit meeting, scheduled to be held in Paris on the July 14 anniversary of the fall of the Bastille in 1789, to come up with a serious program to cut the U.S. budget deficit. Failing that, it is further implied, the foreign creditors of the United States will not continue to look so kindly on making available the further funds required to sustain the United States' ever-increasing appetite for foreign finance.

This perspective was adopted by the Bank for International Settlements, the Basel, Switzerland-based central bankers' central bank, and was presented in that agency's annual report in the form of unusually harsh attacks on all aspects of current United States fiscal, monetary, and economic policy. Following the BIS annual meeting, European central bankers began to cooperate to force the dollar down from the high level it had reached against the deutschemark at the end of May. In the last week of June, the same European central banks increased their interest rates, in a coordinated move which took effect on June 28 and 29. Further downward pressure was thus exerted on the U.S. dollar, and also on the U.S. stock market, which lost 91 points for that week, its worst performance in some 15 months.

Both indicate the kind of instabilities that continue to characterize the financial markets, and that will become the turmoil of the late summer and fall, after the Paris summit gibberings are over and done with. Such instabilities will increase with the progress of the political calendar, in particular where the \$350 billion savings and loan bailout is concerned, and with the early August breaching of the present \$2.8 trillion U.S. government debt ceiling. If the present administration continues with its willful disregard of the crisis it refuses to concede exists, then by Hallowe'en the ghost of Herbert Hoover will probably have taken over in the White House.

# 'Food for Peace' meets in Thailand, maps campaign to feed the world

by Mary McCourt Burdman

The international Food for Peace movement held its first conference in Asia on June 24-25, in Bangkok, Thailand. As the former deputy prime minister of Thailand, Adm. Sontee Boonyachai, said in his opening statement to the conference, food is now a national security issue for all of Asia. Many tens of millions of uprooted and hungry people from China, Vietnam, Cambodia, Burma, and Laos, are flooding through Asia in a phenomenon never seen on such a scale in the West, in what is called in Chinese the *mong li*, or blind wave. In Soviet Central Asia, food riots are breaking out among the Muslim populations.

Activists of the Food for Peace movement attended the conference from the United States, New Zealand, Australia, West Germany, Malaysia, and India. Greetings were sent by Gen. T'eng Chieh of the Republic of China on Taiwan.

Admiral Sontee described how, as a member of the last Thai government, he put into effect a guaranteed parity price for rice farmers and defended an adequate price for rice exporters—an action which helped raise the living standard of 70% of Thailand's people. With the crisis in world food production, and with even the few surplus-food producing nations such as Thailand surrounded by hungry neighbors, it was timely to organize a seminar in Bangkok on "Food for Peace," he said.

## 'The year of decision'

This year is the year of decision for this crisis, Helga Zepp-LaRouche, the chairman of the international Schiller Institutes, told the conference in her keynote address. Her husband, Lyndon LaRouche, now jailed in the United States for his political principles, warned last year, after the Democratic Party nominated Michael Dukakis for President, that hunger in the world is the greatest threat to world peace. Russia and China are cannibalizing their economies due to the total economic failure of Communism; at any time, they could use their military power to take food from producer nations in Western Europe, Asia, and America. The Communist empires are anti-human; they are completely corrupt. This is why they cannot feed themselves, and will start wars to survive.

Lyndon LaRouche's warnings have been greeted with

disbelief, Mrs. LaRouche stated; instead, people subscribe to the propaganda that the United States and Europe "over-produce" food. Farmers know this is not true: They have seen the overall reduction of both agricultural production and farmers, over the last 10-15 years.

The world food shortage is our greatest international strategic concern, Mrs. LaRouche stated. Even the U.S. government is reporting that 75% of Third World income is now being spent on food; organizations such as the WorldWatch Institute estimate that world food reserves are at their lowest in 20 years.

In the Soviet Union, the leadership is in crisis over fear of starvation this coming autumn, and the Tiananmen Square massacre could easily be repeated in Moscow or other Soviet cities. Already in Uzbekistan, where people eat only 8 kilograms of meat or sausage a year, the Russian Army moved in as ferociously as the Chinese did in Beijing. Gorbachov is in a more unstable situation than Deng Xiaoping. In China, 100 million people could starve very soon. The situation is now so bad that soldiers are keeping watch over the crops to take the grain by force as soon as it is harvested.

What we now see is an irreversible change in the world situation. All the assumptions of the Western leaders—George Bush, Margaret Thatcher, Helmut Kohl—about the "tripolar world" are overthrown, whether they know it or not. The so-called policymakers, such as Henry Kissinger, Hans-Dietrich Genscher, and Helmut Schmidt, should have realized that the "global condominium" is finished—but they have not. Therefore, they are finished. George Bush has lost face, because all he will support is "stability"—not freedom, and not the right to eat to live. The massacre in Tiananmen Square has created what Lyndon LaRouche called the "river of blood" dividing those who follow Henry Kissinger and those who want the world to survive.

The great danger, Mrs. LaRouche said, is that world agriculture is collapsing so fast that soon, farmers will no longer be able to feed the world's growing population. Outside Southeast Asia, grain production fell 3.5% overall last year, and 3% in China. The bad harvests have driven grain prices up 30-45%. Producer nations are cutting exports sharply, except the United States—which is selling grain to

China and the U.S.S.R. at the expense of its own population. Very soon, the U. S. and Western Europe will be faced with the horrible choice between feeding their own populations or giving food to the Communists.

Food production is stagnating at 1986-87 levels, when, to give every human being enough food, we need twice what we are producing today, Mrs. LaRouche said. The policies of those institutions—the food cartels, the World Wildlife Fund, the Club of Rome—to achieve “equilibrium” by cutting the world’s population to 2 billion people, have created total disaster. After 20 years, their policies to increase the death rate through disease and starvation, have not brought “equilibrium.” We face war, whether civil wars or world war.

Lyndon LaRouche proposed policies that could solve this crisis: emergency programs to increase production, parity prices to farmers, a new credit system. But now, he is in jail, because he proposes the means to support far more than 5 billion people on the Earth.

The Food for Peace movement was created to solve the food crisis, and we will devote all our efforts to doing this, Mrs. LaRouche stated. What we must do, is adopt a rigorously ecumenical policy: Every African child is as precious as any child born in Europe or America. No human being should die for lack of food. The problem is easy to solve; what is necessary is the *political will* to solve it.

Mrs. LaRouche’s statements were the basis of the resolution passed by the conference the next day (see page 8), which will be circulated worldwide. The conference also demanded of U.S. President George Bush that he take immediate steps to meet the danger of the world food shortage, and use his presidential pardon to release Lyndon LaRouche.

## The crisis in China

The situation in China makes clear the need for the solutions proposed by LaRouche, as a panel at the Bangkok conference demonstrated. Dr. Preedee Kasemsup, chairman of the Faculty of Legal Studies at Thammasat University, said that the upheaval in China, was the coming to the surface of years of trouble. Since 1979, Deng Xiaoping has led the “reform movement,” because he had to realize that the collective economy was dragging China behind other nations. This did not mean that Deng was “opening up” to the West, however—the situation in China was so desperate 10 years ago, that even a die-hard Communist like Deng had to realize that individual enterprise was essential to develop a country. The “reforms” began in agriculture, where private production increased at first, when Mao’s communes were dismantled. Deng began extending this policy to urban areas. But leasing state-owned factories to individuals could not work. In the 1950s, China’s entrepreneurs were liquidated by the Communists, and now, only those who have power to protect themselves risk becoming “capitalists.” That meant only the most powerful of the Communist Party bureaucracy.

This led to a level of corruption unprecedented in world history. These bureaucrats know nothing about developing or running industry; they have only one interest—to make money—and they ran industry into the ground. For this, these “crown princes” earned the undying hatred of the Chinese people.

Inflation took over the economy of China, and industry stopped as the state attempted to control inflation by cutting all credit. It was this policy that created the “blind wave,” as farmers were paid only worthless promissory notes for their crops, and construction workers were thrown out of work. There is no social welfare in China—if you have no job, you can only wander the country looking for work. A huge army of over 50 million people fled south to “prosperous” Guangdong province, only to be turned back north, to Manchuria. This has happened before in China, as dynasties broke down, and the conquerors enlisted the army of homeless to take control of the country.

Webster Tarpley, president of U.S. Schiller Institute, said that the “great Chinese people” had broken up the global condominium superpower deal—which was also a racist deal—between the Soviets and the United States. But the Chinese people have paid dearly for their courage. At least 1 million will die under Deng Xiaoping, he warned. Deng Xiaoping was the first “reform Communist,” not Mikhail Gorbachov, and now China’s disasters are showing the Soviets their own future. Already, 20-30 million died of hunger in the 1988-89 winter, and the biggest banking crisis in the recent period was not in a capitalist country, it was in China.

Deng’s policies were inspired by Chen Yun, a “Chinese Bukharin,” who took the Hong Kong “sweatshop” model for a nation of over 1 billion. “Investors” came in to take what profits they could before the country collapsed.

There has been no real development in China, Tarpley said. Not a single nuclear plant has been built; 20% of industry is always shut down due to electricity shortages. Because education was stopped for at least 10 years during the Cultural Revolution, labor productivity is worse than in 1949!

The Communist regime will end by the end of the century, Tarpley said, but we cannot leave China to the Hong Kong model. There is another economic policy, whose current champion is Lyndon LaRouche. This is what China must adopt.

In the 1920s, the great founder of modern China, Sun Yat-sen, wrote a book, *The International Development of China*, that proposed converting the war industry left from World War I to develop China. Sun warned, rightly, that if the problem of China were not solved, there would be another, greater war. He called for 100,000 miles of railroads, 1 million miles of roads, and three great ports and port cities to be built in north, central, and far southern China. LaRouche’s 50-year development program for the Pacific Basin, released in 1983, emphasizes the same type of development for the Pacific Ocean.

Gwei Way Kiat of Malaysia, an associate of the *Dragon Flag* publication of the Republic of China, gave an eyewitness account of Beijing in the days before the Tiananmen massacre. He saw with his own eyes, that there was no opposition to the students' movement among the population, but because the students would not yield to the government, they were killed. The U.S. government has been too weak, Gwei said. He attacked Henry Kissinger for his support for the Beijing government.

### The broader Asian picture

The discussion on China was followed by presentations on the agriculture and economies of the Asian region. Ramtanu Maitra, editor of *Fusion Asia*, described the enormous potential and problems of the Indian subcontinent, which has a population as great as China's. Management of its tremendous water system is the question of survival for the subcontinent, Maitra said. Farm leader Denis McLachlan of New Zealand described how the constitutional changes in that country, especially the loss of the protection of the Crown, had opened it up to bankruptcy and total loss of national sovereignty through an unpayable \$56 billion foreign debt in 10 years. John Koehler of Australia reported that agriculture was being financially destroyed there. People now are almost better not to engage in any business, Koehler said, but Australia could double its food production readily.

Pakdee Tanapura, editor of the Thai newsletter *Off the Record*, warned that Thailand is far too complacent about its food production. It is a food exporter, but its per hectare productivity is considerably lower than that of even Bangladesh. Thailand's food surplus comes from the amount of arable land alone, but, surrounded as it is with starving Communist nations from which many thousands of refugees are fleeing, Thailand must build up its productivity in order to survive.

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## The Bangkok Resolution

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# The decisive question for human survival

In July 1988, the American opposition politician Lyndon LaRouche, on the occasion of the Democratic Party convention in Atlanta, warned that the world food shortage would have to lead quite soon to a strategic crisis between East and West. Following a rigged political trial, LaRouche was imprisoned for a 15-year sentence, and his warnings that the Communist regimes would one day seize the food they need

ed by force, were thrown to the winds.

Politicians and bureaucrats have clung stubbornly to their delusion about agricultural "overproduction." They have hysterically refused to even consider LaRouche's proposal for an immediate and fundamental shift in the agricultural policy of the biggest producer countries toward expanding food production, and instead they have continued their policy of deliberate and long-term destruction of agricultural production capacities.

Today, just one year later, LaRouche's assertion is unfortunately more than confirmed:

"In Moscow, Fears of Famine Grow," reported *Welt am Sonntag* on June 18, in large letters on the front page, citing official Soviet sources. It is no longer any secret that in the developing sector, where people have been kept under the subsistence level for decades by the IMF, the banks, and the food cartels, this has reached the point of genocide beyond anything in the past. At the end of May, Egyptian President Hosni Mubarak, in a speech before the World Food Council, informed the world that in this decade alone, 512 million people have died as a result of hunger. Mubarak called upon the industrial nations at least to forgive a portion of the debts of the developing countries, so that they could invest more money in building up the economy of their own nations.

Hunger kills more people in a single year than died in both world wars! And yet, an agricultural and economic policy is maintained, whose foremost declared principle is bankruptcy.

If one accepts the "logic" of the agricultural policy of the past years, then over 500 million people have died of "overproduction." The EC Commission, the U.S. Agriculture Department, and the big cartels have announced as the highest priority, "to reduce the burden of food surpluses." All sorts of measures to curtail production, quotas, price incentives, environmental restrictions—all of this is justified in the eyes of the politicians in order to cling to their delusion of "surpluses."

Even a spokesman of the WorldWatch Institute, an institution explicitly hostile to agriculture, sounded the alarm recently about the collapse of world stockpiles: Food supplies have dropped to only 61 days of current consumption—the lowest level since the 1972-73 world food crisis. Consumer prices in many countries are 50% above what they were 18 months ago. Further price hikes by as much as 75% can be expected, particularly in the poor countries; even hunger riots in many countries can no longer be ruled out of the question.

The food crisis has now become the most important strategic threat; it has shifted the previous potential for military conflict into second place. Already in March of this year, the *World Farmers' Times*, pointing to the catastrophic consequences of food shortage, rising prices, and astronomically high debts, noted that leading politicians of the world must "bring about a conceptual change, from stress on military security to stress on food security."

## **Collapse of agriculture in Communist sector**

Just how right this is, is underlined not only by the shrinking figures for per capita food supplies for the world's population, but also the developments in the Communist part of the world speak a convincing language. The ethnic unrest in the Soviet Union, as well as the rebellions in China, are caused not least by the food supply situation, which is constantly getting worse and which for some has reached the absolute minimum. In Uzbekistan, the latest scene of unrest in the Soviet Union, per capita consumption of meat and sausage has fallen to 8 kilograms per year! In China, the supply for the population is so bad, that soldiers guard the crops, and then seize the grain right after it is harvested.

The catastrophic supply situation in the Soviet Union can no longer be kept under wraps. At a press conference given in the middle of June by leading Soviet politicians and scientists, Prof. Vladimir Tikhonov, an agricultural expert and member of the newly elected Parliament, said: "If we do not take radical measures this year to deal with agriculture, by next year we will be confronted with an outright famine."

Gorbachov's deputy Abalkin underlined this warning with the words: "If the economy does not stabilize in the next year and a half to two years, and no clear improvement takes place, there will be no way to prevent a shift to the right. Our society is getting out of balance. It cannot be predicted what form this will take, but it will be inevitable." And Viktor Belkin of the Academy of Sciences warned: "The economic situation is worse than we could have imagined it would be. Sometimes I doubt whether we can survive until fall. The economy is cannibalizing itself, it is consuming itself in order to stay alive."

## **LaRouche's proposal**

LaRouche's warnings could hardly have been more clearly confirmed. At a press conference on Oct. 12, 1988 in West Berlin, which LaRouche gave together with his wife Mrs. Helga Zepp-LaRouche, the chairman of the international Schiller Institutes, he repeated his warning, that the food crisis in the East bloc is becoming the greatest strategic threat to the West. At the same time, he proposed concrete measures to secure peace by solving the food crisis:

- A fundamental change in agricultural policy of the biggest producing countries, in favor of increasing production.

- Western aid to alleviate and solve the economic and food crisis in the East bloc, by shipments of food supplies and capital goods, as well as carrying out a program of economic reconstruction.

However, LaRouche made this aid contingent on the following three conditions:

- 1) The supplies could not be provided at the expense of the developing countries.
- 2) Future shipments could only follow market prices.
- 3) Western aid is linked to certain political concessions,

such as the reunification of Germany in freedom, and a real democratization in the Soviet Union and the entire East bloc.

LaRouche's proposals are highly relevant for the present moment. The governments of the West must act immediately to change their agricultural policy along the lines LaRouche has proposed; otherwise the supply crisis in the East bloc will become the greatest strategic threat to the West. It is indeed quite possible that if no other alternative is left to them, the Communist potentates will use force to appropriate the food supplies they need so desperately from the West.

As LaRouche stresses, a fundamental change in the agricultural policy of the West, with the goal of expanding production as rapidly as possible, is indispensable, since world agriculture as it is today, already can no longer feed the people of both West and East. The question is, who will be able to eat in the future—the people in the East, or those in the West? If the food and agricultural crises come to that point, then military conflicts become unavoidable.

To feed 5 billion people, we will have to produce 3.5 billion tons of grain per year—and that is exactly double this year's worldwide agricultural production. The "scissors" of supply and demand are opening ever wider. The present agricultural policy is simply a means to commit genocide.

If mankind is to survive, we need higher and more secure incomes for farmers and a doubling of agricultural production. This, however, can only occur if we defuse the "debt bomb" in time and overcome the present crisis through a new, just world economic order. This means:

- Debt moratorium and/or the transformation of existing unpayable debts into long-term credits with an interest rate no greater than 2%.

- Establishment of a new world monetary system, aimed at furthering productive development. The IMF and World Bank must be immediately dismantled and replaced with a new "two-tier" credit system that will encourage productive projects, while placing speculative financial deals at a disadvantage.

- Restoration of the sovereignty over credit of the national governments and placing of the central banks under their direction.

- Renunciation of the cynical policy of so-called "appropriate technologies" for the developing sector, and instead a return to the policy of financing infrastructural Great Projects, particularly in the areas of agriculture (prevention of drought and flood catastrophes, irrigation), transportation (railroads, highways, waterways), and energy (including nuclear energy).

- Doubling of agricultural production in the entire world, through dismantling the dictatorship of the international cartels and the Brussels EC, debt reorganization programs for foundering family businesses, and parity prices for farmers.

Unless we immediately adopt this policy, we will lose not only the battle against world hunger, but also the battle for world peace.

# Grain growers hear of world food crisis

by Javier Almario

The world food crisis is caused by people who believe the Earth's "carrying capacity" is for only 2 billion people, and that "the world population must be reduced to that limit," charged Dr. Jonathan Tennenbaum, director of the West German Fusion Energy Forum, in his address to 200 delegates and invited guests of the XIII Congress of Colombia's National Grain Producers Federation, Fenalce, held in Bogota June 22.

The powerful food cartels, charged Tennenbaum, are behind the current collapse in food production. They have designed policies that are bankrupting the food producers of the advanced sector, while giving themselves enormous profits through the control they wield over the international food trade. "They see the market differently from ourselves; they don't see food as something primarily for people's nourishment, but as a very powerful weapon which they don't hesitate to use," said Tennenbaum. He added that as a result of cartel policies, world agriculture is scarcely able to feed 3 billion people, much less the nearly 6 billion inhabiting the planet today. Yet further cuts in food production are discussed at meetings of the General Agreement on Tariffs and Trade.

Tennenbaum showed that the large cartels, including Cargill, Nestlé, and Phillip Morris, fund "ecologist" campaigns against modern farming, to promote backwardness. "They speak about returning to nature, but in truth they want to impose a supranational dictatorship under their racist view of the world." Tennenbaum said that Phillip Morris, identified by Italian authorities as a financier of the pro-drug legalization Radical Party, has "concrete plans to restructure its production of cigarettes to produce marijuana cigarettes." Many Colombians in the audience gasped.

He pointed out that these cartels, which in many cases share their boards of directors with the World Bank and International Monetary Fund, plan to place world food stocks "under the strict control of the World Bank," which "creates tremendous blackmail opportunities in the financial world."

Tennenbaum recommended that in the face of such a serious world food crisis, the world's nations must guarantee food self-sufficiency "as a matter of life and death" for their national sovereignty. To achieve this objective, he said, nations must adopt a policy of maintaining support prices that

can guarantee that the producer "can cover his costs of production and still turn a reasonable profit for reinvestment in machinery, livestock, and buildings." The other measure for achieving food self-sufficiency must be "productive investment" on the part of the state through the cheapening of credit for agricultural activities.

He noted that U.S. economist Lyndon LaRouche has predicted an imminent world recession of unprecedented scale, which could upset the cartels' plans and force governments to take measures to protect their people. Under such circumstances, he said, "top priority is resolving the dramatic food crisis."

The next speaker was his wife, Rosa Tennenbaum, a spokesman of the West German Schiller Institute and a founding member of the Food for Peace movement. She argued for support prices, which can assure the constant growth of world food production. If farmers are rich, she said, the whole world is rich. "If the farmers are poor, everyone is poor."

Fenalce director Adriano Quintana told the delegates that Mrs. Tennenbaum's father was the first German farmer to sow corn in his country, for which reason "he will be accepted as a member of the National Grain Producers Federation." Fenalce President Hernán Osorio Arengas congratulated the Tennenbaums and declared that their arguments "give us further incentive for our fight." He regretted that Colombia's politicians are "not present at this conference to learn that national agriculture must be encouraged in the face of the world food crisis."

## Agriculture minister backed

The Fenalce congress took place just one week after former Colombian President Alfonso López Michelsen, notorious for his secret meetings with the cocaine cartel, criticized Agriculture Minister Gabriel Rosas Vega for having raised farm support prices. López proposed that instead of financing national grain production, which would allegedly lead to "overproduction," the government should subsidize imports "of grains in which we have deficits, such as wheat."

In his speech to Fenalce, Minister Rosas said that "the raising of support prices, which for more than six semesters has been kept below the inflation rate and growth in costs, is to our way of thinking the only expeditious short-term means for recovering the profitability of the farm sector." Thanks to this policy, he said, "the crops have grown reasonably and previously scarce stocks have recovered. We have even returned to self-sufficiency in key crops, such as sorghum and corn, and we are producing surpluses in products that until last year we were importing, such as rice and milk."

Fenalce backed the minister against López Michelsen, asserting in a letter to the minister that the support prices "which are today the object of strong criticism, offer justice for the growers, by correcting the decline caused by suffocating costs of production."

# Mother Nature is biggest 'ozone polluter,' Michigan study shows

by Rogelio Maduro

The claim that the clean air guidelines just announced by President George Bush will reduce the amount of low-level "ozone pollution," also known as smog are a complete hoax, according to leading scientists interviewed by the author. The amount of "natural pollution" is much greater than all of man's pollution, and shutting down industry will have little effect in the concentration of chemical "pollutants" in the air. The evidence is presented in a scientific paper published in the November 1980 issue of the *Bulletin of the American Meteorological Society* by Dale E. Linvill, now at the Agriculture and Weather office at Clemson University in South Carolina.

What Linvill documents is that the amount of ozone (smog) in the atmosphere today is identical to the amounts of ozone found in the last century, before cars or electric power plants existed. The existence of "ozone pollution" can be accounted for by the emission of anthropogenic nitrogen from actively growing green plants and soils. Although at high concentrations ozone can have serious health effects on humans, no scientific study has ever shown any ill effects from the very small amounts found in the world's most "polluted" areas.

In his paper, titled "Ozone in Michigan's Environment 1876-1880," Linvill states:

"Although ozone is now considered a pollutant of Earth's atmosphere, this was not always the case. Medical doctors recognized beneficial germicidal properties of ozone shortly after it was identified by Shoenbein in 1845. They carried out innumerable studies on its effect on human diseases. Literature of that era emphatically states the benefits of light, airy, 'ozone rich' rooms over the customary dark sickrooms of the day.

"Just as today's doctors have difficulty in establishing cause and effect relationships for various health problems, so did the doctors of the 1880s. Thus meteorological conditions were recorded in hopes of explaining cause-and-effect relationships for various health problems, so did the doctors of the 1880s. Thus meteorological conditions were recorded in hopes of explaining why certain diseases become more prevalent at specific times within the year. The pioneering work of Dr. R.C. Kedzie, Michigan Agricultural College,

resulted in a statewide meteorological observation network in 1871. Parts of this network exist today as climatological stations operated by the National Oceanic and Atmospheric Administration's (NOAA) Environmental Data Information Service.

"Observations of barometric pressure, temperature, precipitation, cloud cover, wind direction and 'force' were recorded each day at many of the sites. Other data were also noted by those early weather observers. For example, depth of water in wells and well-water temperature were commonly recorded. It was in records from these sites that we found daily observations labeled 'ozone.'

"Continued searching through the old data has uncovered monthly average ozone values from 1871 through 1903 from approximately 20 stations in Michigan. . . . We will present some of the early data . . . to show that the resulting patterns are similar to those of ozone concentration observed today."

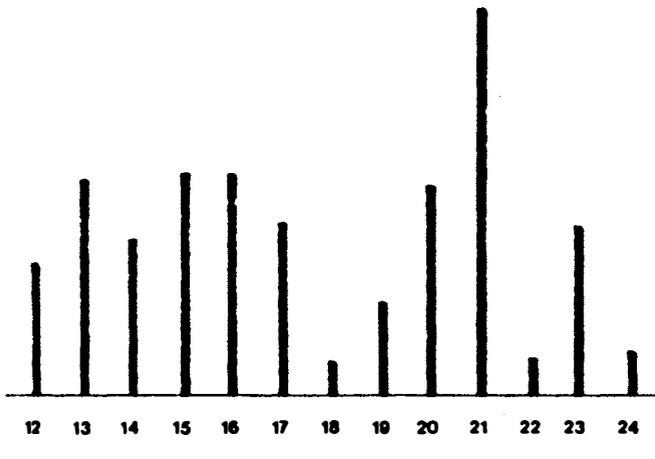
Linvill calibrated the measurements of ozone with the standard methods of measuring ozone today, and compared the results between July 1879 and July 1976 (see **Figures 1 and 2**). In those two years, the ozone levels were similar, and furthermore on July 21, 1879, the state of Michigan grossly violated the EPA standards for ozone, something that was recorded to be happening for several months of some years in the 1800s.

Linvill continues: "We have just described the 1876-1880 period in which day-to-day ozone levels exhibited very similar patterns seen in today's data. Ozone concentration was lowest during the coldest part of the year and highest during warm months. Ozone concentrations also increased with time as an air mass moved slowly across the area.

"Vegetation patterns in Michigan and throughout much of the Midwest during the late 1800s were probably very similar to today's patterns. The native forest of conifers and hardwoods had been cleared in southern Michigan. Draining of swamplands and wet areas was well under way with farming well established. Railroads had entered the area, bringing with them increased population and industrial demands. However, neither the internal combustion engine, electrical generation plants, nor large-scale petrochemical plants were

FIGURE 1

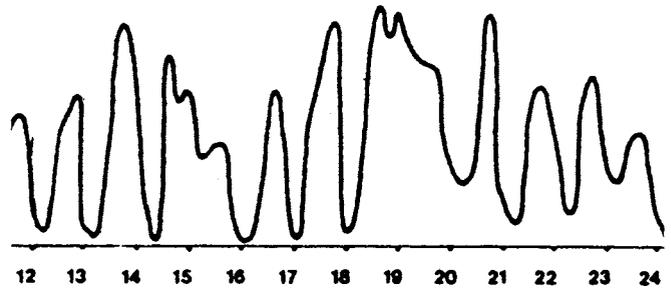
**Ozone pollution in 1879**



*Daily ozone concentration at Michigan Agricultural College near Lansing, Michigan, July 12–24, 1879.*

FIGURE 2

**Ozone pollution in 1976**



*Hourly ozone concentration at Lansing, Michigan, July 12–24, 1976. The ozone levels for the month of July and the entire year were nearly identical in 1879 and 1976.*

present in Michigan nor anywhere in the Midwest during this time period. What, then, can account for ozone measured throughout Michigan during the late 1800s?"

Linville then reviews several scientific studies on the amount of nitrogen (a precursor of ozone in the atmosphere) emitted by plants and soils, billions of tons per year, which is at least 100 times greater than all nitrogen emitted from all of man's pollution. Linville adds that "when results of these nitrogen emission studies are compared with current ozone measurements in the boundary layer (the lower atmosphere) and with the historical measurements documented in this paper, a strong argument can be advanced for plant-soil emissions as the major contributor for photochemical ozone precursors. Levels of O<sub>3</sub> in Michigan start to rise in the spring-time as the green wave advances northward. Maximum ozone levels and episodes of high ozone levels occur during the months of July and August, the prime vegetative growth months for northern latitude crops. Ozone levels and episodes generally decrease in late August and during September, the time of grain filling or the reproductive stage of crop growth.

"The pattern of ozone levels noted as an air mass crosses Michigan also fits into an anthropogenic source model. Immediately after frontal passage ozone levels are low. This air originates in northern latitudes in areas of typically cooler temperatures and forested environments. As the air mass passes to the east and winds swing to southerly directions, air from warmer areas arrives. These source areas are intensive agriculture and grassland areas having higher nitrogen

production rates than the cooler north woods. Thus on the backside of a high pressure area measured ozone levels are higher than on the front side of the high."

In the conclusion to his paper, Linville states "Average daily O<sub>3</sub> (0700 to 1400) was largest during the spring months of March through May. The highest mean and median values occurred as southwest winds flowed into the area during April. Lowest mean and median values were recorded during the winter period. The probability of daily ozone levels in excess of 80ppb reached a high of 0.37 in April and dropped to a December low of 0.02.

"During the 1876-1880 period, day-to-day ozone levels exhibited patterns very similar to patterns in today's data. Ozone levels peaked during the warm months after falling to wintertime minimal. The concentration increased with time as an air mass moved slowly across the area. These patterns can be explained using anthropogenic sources—plants and soils—emitting nitrogen oxides into the atmosphere to act as precursors for photochemical ozone formation."

In a phone conversation, Dr. Linville told *EIR* that his group barely touched the historical data which is available at Michigan State University, and that careful measurements of ozone levels were also kept in several other parts of the world, such as London. It amazes Dr. Linville that research funds have not been allocated to examine these historical records, which may provide a clue to solving "one more of earth's mysteries—the generation of boundary layer ozone." In looking at the national readings for ozone levels in recent

years, the picture that Dr. Linvill has seen is rather spectacular. In the winter months, the levels of ozone are lowest, but in spring, the levels of ozone rises like a wave across the United States following the sweep of greenery as the trees blossom with the onset of the new growing season. The highest levels of ozone are found when the plants are actively growing.

### The Los Angeles basin

The levels of ozone "pollution" in Michigan are clearly determined by soils and vegetation. Now, what about Los Angeles? Again, it is worthwhile to research the historical record. The Los Angeles basin is named the "valley of smoke" in all the accounts of the early explorers going back to the original Spanish discovery. In one of his books, Richard Henry Dana describes the characteristics of the smoke in the valley in the last century, following a trading trip, and the same description is found in the diaries of the people that colonized the West. Indian folklore describes the Los Angeles basin as "on fire" every summer.

According to Dr. Hugh Ellsaesser from Lawrence Livermore National Laboratory, the smoke, haze, or smog comes from the peculiar precipitation pattern in southern California. Following heavy rains in the winter, there are very dry, hot summers, so that plants, in order to survive transpire hydrocarbons in the process of photosynthesis, instead of water. These hydrocarbons are highly reactive, much more so than hydrocarbons from fossil fuels, and are quickly converted into ozone by sunlight. That is why the highest concentrations of "ozone pollution" are not found in downtown Los Angeles, or where cars and industries are located, but in the wooded hills. Dr. Ellsaesser concludes that environmentalists could eliminate every car and industry in Los Angeles, and it wouldn't reduce smog one bit.

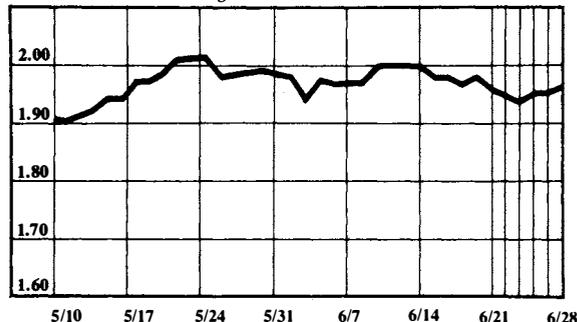
The Environmental Protection Agency, now implementing what its head William K. Reilly referred to as the "clenched fist" policy against "polluters," such those who are "culpable" for ozone pollution. This will cost hundreds of billions of dollars to the economy, the livelihood of millions of workers, and will harshly reduce the standard of living of the great majority of Americans. All of this despite the fact that all the scientific evidence reveals their arguments to be a scientific fraud.

The latest EPA report states "ozone levels are highest during the day, usually after heavy morning traffic has released large amounts of volatile organic compounds and nitrogen oxides." Yet some of the highest concentrations of "ozone pollution" in the United States are found in the Smoky Mountains and a few other heavily protected wilderness areas, hundreds of miles from away from any "heavy morning traffic." How does the EPA explain that? Perhaps the purpose of all these regulations is not to protect individuals from natural levels of ozone or other natural gases, but to shut down modern industrial society.

## Currency Rates

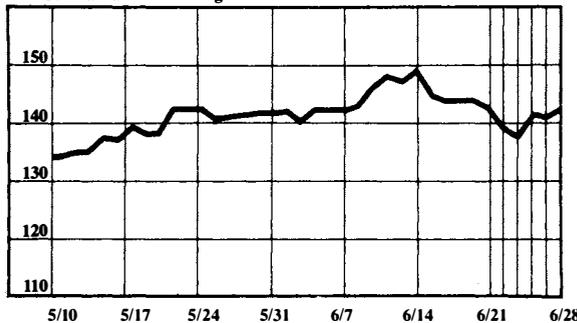
### The dollar in deutschemarks

New York late afternoon fixing



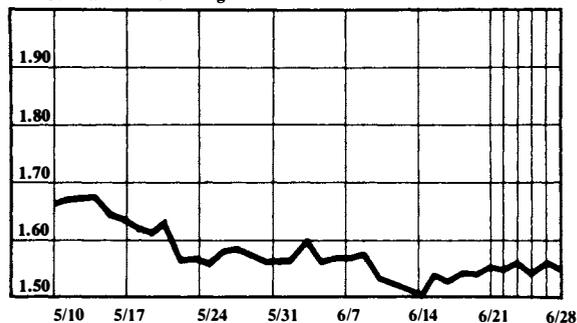
### The dollar in yen

New York late afternoon fixing



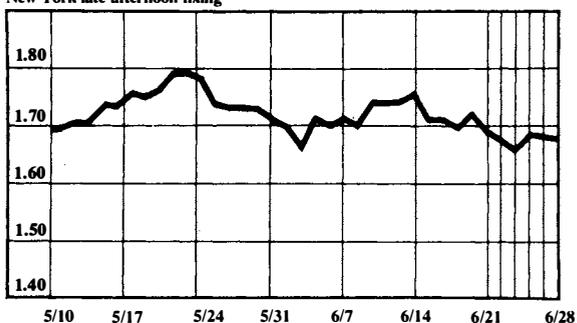
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# Menem economic plan will spark a revolt

by Cynthia Rush

Argentina's President-elect, Peronist Carlos Menem, won't take power until July 8, but he has already gotten a taste of the type of confrontation he will face very soon into his administration if he applies the economic program crafted for him by Nobel Laureate Lawrence Klein and the Bunge and Born multinational grain cartel. The Peronist-controlled labor movement is ready to explode in anger at the President-elect's willingness to adopt policies tailored to what foreign creditors want, rather than the emergency "war economy" that the nation needs.

According to details released publicly, the Bunge and Born program is an orthodox shock program, intended to produce an "export-led recovery," much as the International Monetary Fund and foreign banks have long demanded. "Almost every sector of the community will suffer the effects of the economic adjustment," Menem warned recently, "and there will be a very great social cost." The plan calls for a tripling of public utility rates, a maxi-devaluation, imposition of large new taxes on agricultural exports, and drastic cuts in public sector expenses and jobs. Foreign investors will be encouraged to increase their participation in Argentina.

Menem also warned that the price of gasoline will go up so dramatically, that Argentines won't be able to afford it, and would do well to start using bicycles for transportation—like the Chinese!

## There will be no peace

Contrary to the logic employed by Menem's advisers, deal-making with financial interests opposed to Argentina's real industrial development, such as those behind Bunge and Born, will not "stabilize" the country. The Argentine public has been so bludgeoned under the presidency of Raúl Alfonsín, that a call for people to swallow even more austerity and "sacrifice," for the purpose of "inspiring confidence" among Argentina's creditors, will produce quite a different result.

Foreign Minister-designate Domingo Cavallo, an economist who favors orthodox policies, spent time in Washington earlier in June sounding out financial institutions on their approach to Argentina. IMF and World Bank representatives told him bluntly the only way they will even consider granting any new loans, is if the new government first bites the bullet

and makes appropriate "reforms." Cavallo reportedly called Menem to report that negotiations on the foreign debt would be extremely difficult, and to insist on adoption of a severe austerity program that would encourage creditors. But, as a commentator for the daily *Clarín* remarked in the June 18 edition, the Argentine people "have demonstrated a capacity for sacrifice which has reached the limits of tolerance."

For example, leaders of the Peronist-run General Confederation of Labor (CGT) are enraged at Menem's appointments for such crucial positions as president of the central bank and president of the state-run oil concern, YPF. Central Bank president Javier González Fraga is a monetarist consultant, whose clients include Chase Manhattan Bank. Rogelio Frigerio, named as YPF president, is closely linked to multinational oil interests; his appointment is viewed as a signal of future efforts to denationalize those state companies involved in natural resources, probably with the intention of selling them to foreign interests. The Peronist-run oil workers union, SUPE, has launched its mobilization to reverse the Frigerio appointment. The bank workers' union is doing the same on the González Fraga appointment.

Precisely because of such responses, and because of its traditionally strong anti-IMF position, the Bunge and Born interests view the "hard-liner" trade unionists as irritants who must be removed. While the economic plan contemplates a 150% wage increase, it has floated the possibility of "temporarily suspending" labor's collective bargaining rights which are guaranteed by law and which for years have permitted the CGT to defend workers' wage levels. According to deputy José Manuel de la Sota, a leader of Peronism's social-democratic "reform" faction, a severe adjustment program cannot be implemented "in the framework of unhindered functioning of collective bargaining."

In response, Labor Minister-designate Jorge Triaca, backed by the same liberal Bunge and Born business interests which demanded that former B&B executive Miguel Roig be named finance minister, has begun efforts to remove Saúl Ubaldini as the CGT's secretary general. A staunch defender of collective bargaining rights and of the CGT's "26 points," which include the call for a debt moratorium and nationalization of the banks, Ubaldini is viewed as a major obstacle to the eventual creation of a Mexican-style "social pact" in which unions, business and labor would agree on wages and prices, in the context of a continuing austerity program.

In light of current inflation—June's rate is now expected to surpass 130%—the 150% wage increase translates into a 20% increase in real wages, not enough to restore workers' lost purchasing power. Real wages have fallen 30% since December 1988, while purchasing power has declined 50% during the same period. Unemployment grows almost daily. Within the last month, the Labor Ministry officially registered 15,000 new unemployed, as a result of firings, reduced work schedules, and early vacations. Up through April the figure had been 1,140.

## Is Petrobrás dying?

*Shocking news: Brazil's state-owned oil company is strangling under IMF austerity.*

A few months ago no one would have guessed, not even the econometric forecasters, that the state oil company Petrobrás was a step away from bankruptcy. Nearly a decade of shrinking investments, a policy intensified in the past two years to comply with the austerity demands of the International Monetary Fund, has led one of the world's largest companies, the symbol of Brazilian national pride, into desperate straits.

Petrobrás president Carlos Sant'Anna made an urgent announcement that the company's investment program will be paralyzed for the rest of this year, due to an absolute lack of resources. Sant'Anna blamed, although not by name, the finance and planning ministers, for the disaster, due to their blind obedience to the monetarist program they and the creditor banks agreed to. "Our distress increases when we see that Petrobrás' weakening has not yielded a lowering of inflation." He added, "Inflation is fought with investment and work," not by freezing public service rates, as was decreed under the failed economic strategy of the "Summer Plan."

Petrobrás had expected a 1989 investment of some \$3.2 billion in its expansion and maintenance programs. With the January decree of the latest monetarist package, the money almost vanished. High interest rates and an inflation rate of 3-9% a month produced a flow of money which in better times would have gone to the productive economy but today has fled to the speculative markets. Resources

of all the state companies were undermined; Petrobrás was left with less than \$1 billion for investment, which had already been spent.

The ruling elite in Brazil has made oil self-sufficiency by the end of the century a priority for guaranteeing national sovereignty. For this year, with the new explorations in the deep waters of the Campos Basin, the goal is to produce 700,000 barrels of oil a day. The cutback in the investment budget will seriously affect such plans.

Investment in Petrobrás has been falling for years. It is reckoned that between 1982 and 1988, investment fell 51%. The annual volume of investment dropped from \$5.2 billion in 1982 to \$2.5 billion last year. Still, interest payments on the foreign debt have been paid punctually; in only five years, Brazil has sent abroad \$55 billion in liquid dollars!

The near collapse of the state oil company, which contributes 10% of the GNP and employs directly and indirectly nearly 3 million people, is just the tip of the iceberg. Each of the key infrastructural sectors of the economy is in trouble, especially electrical energy and steel production.

The capital goods industry in Brazil, one of the largest and most modern on the continent, is in rotten shape. It is precisely this sector which must be the cornerstone for an economic recovery program that can end the African levels of poverty afflicting the country. Brazil's capital goods industry will also be its most important contribution to the rest of the continent, if

Ibero-American integration is ever to occur.

The most advanced capital goods fell in production by 10% in 1988, the lowest production level this decade, while industry as a whole fell 2.1%. "All this is due to the crisis of the state companies, which make up 70% of internal demand," according to a study of the Brazilian Association for the Development of Base Industries. The cited sector is using only 61.4% of its installed capacity, and from 1980 to 1988 fired some 60,000 "over-qualified" workers.

The crisis of Petrobrás parallels that of the electrical sector, subjected to the sabotage and blackmail campaigns of the World Bank and its eco-fascist cohorts. According to the government's Plan for the Year 2010, the electrical sector requires annual investments of \$6.5 billion through the year 1991, if a collapse worse than that of the oil industry is to be avoided. However, every indication is that illumination in the country will soon be by candlelight. Investment in 1988 was \$4 billion.

In sum, Brazil in the 1980s has lost its development rhythm. The average GNP growth rate was 2.39% over the past nine years, while the average in the 1980s was 8.7%. This year, Brazil will certainly lose its status as eighth economy in the world.

And worse is to follow. There has been much commentary of late about the coming "Black September," since without resources from abroad, the country will have to either burn up its reserves to pay \$3 billion in foreign debt interest charges due in September, or enter into a technical moratorium. However, the collapse of Petrobrás could come sooner than that, serving as the spark for a general economic conflagration in Brazil that could make troubled Argentina appear an oasis of stability, by comparison.

## Food cartel puts out 1990s plan

*The three "options" given by the Agricultural Policy Working Group all spell trouble for farmers.*

On June 28, the Agricultural Policy Working Group—the Washington, D.C.-based policy front for the giant world food cartel companies—released a special report, "Agricultural Policy for the 1990s." The 100-page document was written in doublespeak to tone down the blatant cartel agenda against farmers. "This study is intended as a resource for the next farm bill discussion," said William G. Leshner, a Washington consultant and spokesman for APWG, who also worked as a consulting partner with former Agriculture Secretary Richard Lyng.

When the Working Group's spokesman, J.B. Penn, was directly asked by this reporter, whether the three scenarios will drive more farmers off the land, Penn replied, "We didn't get into that." Penn said, "I don't think we would see any big swings in farm numbers, like before, but there would be some." Then, abruptly, the press conference was closed to more questions.

In order to understand this grain cartel study, it is necessary to know who makes up the Agricultural Policy Working Group, which was founded in 1986, as the USDA and other agencies were finally being taken over, lock, stock, and barrel, by the cartel interests. The AWPG includes Cargill, Inc., Central Soya Company, Inc. (Ferruzzi), Louis Dreyfus Corporation, IMC Fertilizer Group, Inc, Monsanto Company, Nabisco Brands Inc. All these top guns have a big stake in the food and grain business.

The first option would be the continued extension of the Food Security

Act of 1985 (FSA) for another five years. The study projects declining shares of world markets and slowly declining farm incomes because of constraints on farmer decision-making. "Stock would build slowly and place increasing pressure on market prices," according to the study. "Total idled acreage would continue to be substantial, and farm income likely would decline slowly during much of the period."

The second option retains the basic structure of the current farm bill, but replaces crop-specific bases with a single farm base, giving farmers the option of planting various program or oilseed crops on their farm acreage base. The study projects expanded production and use, and somewhat greater market growth. "With this plan in place for five years," the study says, "the sector would be allocating resources somewhat more efficiently than under current policy—concentrating production more on the fastest-growing commodity markets. The result would be smaller carryover stocks, faster market growth and somewhat higher incomes."

Under the third "decoupled" policy option, income support would be continued at about the same historical level. Price-support loans are made on a recourse basis, annual land idling programs are eliminated, and the current Export Enhancement Program and grain reserve policies are continued. Farmers may plant any program or oilseed crop on their farm acreage base.

The study projects that under this option, the farm sector would experi-

ence an initial decline of prices and sales receipts, which would require larger government payments in the early years. "Following about two years of adjustments, increased market growth would bring price recovery and higher incomes as well," the study says. "With this plan in place for five years, the sector would be much more competitive both in domestic and export markets. It would mean faster growth, lower stocks, much less land idled, greater production and, by the end of the period, stronger prices and higher incomes."

When asked which option he felt was best, Penn said he liked the decoupling option or option three. This makes sense from the grain cartel vantage point. According to the report, "In initial years . . . the large free stocks of grain and relatively low prices lead to shifts slightly away from grains to oilseeds." This increased soybean production would play heavily into the grain companies' hands as a valuable source of protein to wield political power in the increasing food crisis. Also, the lower prices, will bankrupt even more farmers.

In all three scenarios corn prices and the value of total food grains will be lower at the end of five years than they are today. All three scenarios show no relative increase in carryover stocks of feed grains and reduced carryover stocks of soybeans and soybean income. Even a comparison of total farm net cash income in the 1991-95 period shows a steady downhill slide each consecutive year for all three scenarios.

This report is a real deception operation. It is the old marketing trick of giving the customer three alternatives, each of which is equally bad. But then what would you expect from multinational grain cartels: a policy that would be good for the farmer?

## Food consumption plummets in Mexico

*More children are dying than being born in some parts of the country, a sure sign of biological holocaust.*

**T**he drastic and continued reduction of Mexico's agricultural production over the past six years has resulted in a biological holocaust. The vertical drop in food consumption has led to epidemics of diseases which had formerly been under control or even eradicated.

This tragedy is a consequence of the economic policies begun by President Miguel de la Madrid and continued by Carlos Salinas. Government men boast of their *successes* in pushing crop guarantee prices paid to farmers far below the cost of production, while raising the prices of imported inputs. The other pillar of their "anti-inflation" program, the lowering of real wages through the "Economic Solidarity Pact," has undermined the internal market for food.

The cost per gram of animal-origin protein rose 600% in real terms from 1985 to 1988, as food subsidies were eliminated in compliance with International Monetary Fund conditionalities. A worker earning the minimum wage could only afford 11% as much protein of animal origin as he could in 1988, a study published in the daily *El Financiero*, June 23, calculated. That meant a reduction from 369 grams to 39 grams (a little more than one ounce) per family member per day. The National Consumer Institute reports that daily meat consumption among the poorest 32% of the Mexican population averages 29.7 grams (one ounce), while the "richest" 25.5% average 160.2 grams (5.5 ounces).

Egg consumption averages 25.4 grams daily; milk and dairy products,

91.8 grams. The poor and middle classes are filling their stomachs with more corn tortillas (221.5 grams), double the tortillas eaten by better-off strata.

Medicine has become scarce, due to the high cost of imported ingredients. Mexico has to import 80% of the ingredients of some of the most widely used medicines.

The outcome is the return of epidemics. A recent study by Professors Olivia López Arellano and José Blanco of the Autonomous Metropolitan University reported, "Between 1979 and 1986 there was an impressive rise in morbidity from malaria. In that period malaria went from approximately 30 cases per 100,000 to a bit more than 160 cases per 100,000; the curve goes up most sharply starting in 1982, the year when it began sustained takeoff." The Health and Welfare Secretariat registered 35,000 cases of malaria during the first half of this year, 10,000 more than in the same period of last year. The epidemic is centered in the states of Guerrero, Michoacan, and Oaxaca.

The Metropolitan University researchers note, "The reappearance of dengue fever, considered until recently to have been eradicated, is another grave regression in the population's health indicators. Starting in 1981, when there was an epidemic in Central America, the disease was again detected [in Mexico]. It reached 22,000 cases in 1986, an increase of 36% over 1985." They add, "An increase in incidence of diseases such as amebiasis, gastroenteritis, acute respiratory in-

fections, and pneumonia has been evident since 1973; however, the frankly rising tendency expresses itself in the last six years."

The report concludes that despite the efforts of health centers, Mexico is registering "greater perinatal, infant, and pre-school mortality, reaching 20,000 deaths annually of children under the age of five."

In the poverty-stricken mountains of the north of Puebla state, an epidemic of measles, in a panorama of grave malnutrition and amebiasis, has caused the deaths of 50 infants in the past 20 days. Dr. Maximino Betanzos, chief of epidemiology at Puebla University Hospital, reports: "*The growth rate has inverted; more children are dying than being born.*" Although the Health and Welfare Secretariat tried, in the beginning, to play down the epidemic, on June 22 it had to admit the epidemic was attacking not only Puebla, but had spread to the states of Tamaulipas, Sinaloa, Oaxaca, and Hidalgo, with more than 2,205 cases of measles reported.

However, the "solution" the government is offering to the problem of the population's survival is the one in the new Federal Labor Law, now on its way toward formal approval: Instead of raising the minimum wage to catch up with inflation, it leaves wages up to "the free market of supply and demand" and encourages wages to be based on piece-work. That would leave workers at the mercy of Mexican and multinational sweatshop operators.

Citibank president John Reed, the chief negotiator for the 500 banks holding Mexico's debt, has his own diagnosis of Mexico's problems. Reed prescribes, "Mexico does not need large amounts of money, but rather a psychological push which dilutes the feeling some Mexicans have that they are going through a crisis."

## Bankers' plot advances in Madrid

*The 12-nation European Community at its Madrid summit took a giant step toward ending the nation-state.*

**C**reation of an autonomous, supranational central bank for the 12 nations of Western Europe's Economic Community, politely dubbed European Monetary Union, advanced a giant step at the June 27 Madrid heads-of-state meeting.

The prime ministers and Presidents of the 12 nations agreed to full participation of all 12 national currencies in the European Monetary System (EMS) by July 1, 1990, the time when national financial market controls in the EC will be finally lifted under Europe's "1992 Single Market" plan. The EMS is the system of agreed currency zones in the EC, which was created in the late 1970s to defend against dollar instability. But it was intended by its architects to be the first step to creation of a top-down central bank for all Europe.

Until Madrid, British Prime Minister Margaret Thatcher had refused to link the pound sterling to the German mark and other currency levels of the EMS "until the time is right." In Madrid, under pressure from the financial interests of the City of London including the Bank of England, she agreed to a conditional "compromise" agreement for British full membership in the EMS by next July.

More significant, according to Brussels EC sources, was Thatcher's agreement to take part in a summit to revise the Treaty of Rome, the EC's ground-rule treaty. Monetary and economic union is explicitly left out of the mandate of the EC under the present treaty. For a new, supranational central bank to be created, unanimous agreement by the national parliaments of all 12 member states is required.

Great pains have been taken by European Commission President Jacques Delors and others to create the impression of a serious "debate" about the issue of a European central bank, a highly controversial scheme considered by its backers to be the very heart of the supranational Europe 1992 scheme.

In reality, the European central bank scheme has been fully worked out by a secretive elite of central bankers and Brussels EC civil servants. Trilateral Commission economist Niels Thygesen drafted the blueprint for a scheme nominally modeled on America's 12 Federal Reserve district banks. Under his plan, each nation would have a seat on a new European System of Central Banks, or ESCB. Even the name has been chosen to deceive.

"Let me be very crude," a Luxembourg insider intimately involved in the process confided. "This process leading to creation of a European central bank is very, very strong. The detailed design of how to bring it about, and exactly what it will be, was already agreed before the [June 1988] Hanover summit when Delors was 'asked' by the heads of state to form a commission to study the idea. The French and the Germans are behind it. If France and Germany agree, the other smaller nations of Europe have no alternative but to go along," he insisted. "Thatcher can 'bargain' until she is out of the game. But there are too many things carefully in place for this to be stopped now. The stakes are very high."

Delors, former Bank of France official and Socialist minister in the Mit-

terrand government, is the up-front pusher for Europe 1992. According to the Luxembourg banker, his Committee for the Study of Economic and Monetary Union was a hand-picked affair whose final outcome was agreed by a tiny elite. Chaired by Delors, who himself drafted the final report, the committee included the heads of the 12 central banks. Absent were any national trade union, farmer, or other constituency organizations.

The core of the Delors Report to the heads of government at Madrid was his plan for a "three step" process leading to the supranational central bank. Thatcher has conditionally agreed to join "step one" while insisting on her fundamental opposition to steps two and three, the real core of the central bank scheme. Rightly, she says this "would be the biggest transfer of sovereignty we've ever had."

If the scheme succeeds, Germany, for example, or France, will simply give up control over the most basic decisions of everyday economic life. Control of national budgets will pass to the new ESCB. If national parliaments vote emergency employment measures to improve their national economy and it is opposed by the ESCB, the ESCB will rule. If a country decides to improve health conditions and violates the ESCB, it will be voted down. Control of money and credit, the very heart of national sovereignty, is surrendered under the Delors scheme.

Delors is explicit. His new central bank will be "independent of instructions from national governments and Community authorities. Both Governors and [ESCB] Board members will have security of tenure." "The Delors scheme has been designed explicitly to set up a central bank autonomous and free from any interference from national parliaments," a senior City of London banker stressed.

## Death throes of the S&Ls

*As Bush's bailout package goes into final negotiations, officials are saying saving and loans are passé.*

SEC Commissioner Joseph Grundfest was nearly lynched by angry S&L executives when he told a conference of the U.S. League of Savings Institutions in Washington June 26, that it was their mismanagement alone which has caused the nationwide collapse of thrift institutions, and that they should basically bow out of the home mortgage industry, if they want to continue to exist.

There are plenty of other financial entities which can handle mortgages "more efficiently," Grundfest told the conference, which was convened to discuss the implications of the Bush administration's S&L "bailout" scheme. The impetus for tougher regulations for the S&Ls, he said, comes partly from other sectors of the "financial services industry" (i.e., the big banks poised to take over the remaining thrifts), which consider the S&Ls "a class of financial lepers that are properly subject to stringent scrutiny."

Incredibly, Grundfest advised the attendees that thrifts should continue to invest in junk bonds.

Other speakers at the conference, in various and sundry ways, delivered the same message, that the S&L industry is essentially a thing of the past. Both the House and Senate have passed versions of the Bush measure, which has now gone to a conference committee.

M. Danny Wall, chairman of the Federal Home Loan Bank Board, told the conference that at least 700, and possibly 1,200 S&Ls will "go out of existence," as a result of the administration's "rescue" effort.

Wall said that he foresees a "peri-

od of constriction" for the S&Ls, "both in terms of assets and the number of institutions." To soften the blow, he added that perhaps, over time, there will be a "resurgence in deposits, for those thrifts which manage to survive."

Without acknowledging the fact outright, Wall hinted at the real purpose of the Bush bill, to facilitate the takeover of the S&Ls by the major commercial banks. The FHLBB head stated that he supports that version of the thrift legislation which will allow commercial banks to buy up healthy thrifts as soon as the bill is signed into law, rather than the other version, which calls for a two-year waiting period.

Wall predicted that Congress will have a compromise version of the S&L package ready for Bush's signature by early August, when Congress takes its summer recess; but he admitted that Congress "may not be able to resolve the differences" between the House and Senate versions of the legislation by that time.

As if the picture painted by Grundfest and Wall wasn't grim enough, another speaker, Washington, D.C. attorney John K. Villa, warned the assembled S&L officials that they could soon be the victims of wholesale RICO (racketeering) suits. He reported that the Senate version of the package "would make *all* the federal banking criminal statutes predicate offenses for RICO."

If this provision ends up in the bill's final version, it "will have the unfortunate effect of vastly increasing the number of civil RICO actions against financial institutions and their officers

and directors." But even if it doesn't, he warned, the S&L bill will nevertheless "expand the range of civil enforcement measures available" to the government to prosecute S&L "fraud," "extend the reach of certain existent measures to new (and, in some instances, less precisely defined) conduct," and "dramatically increase the civil and criminal penalties."

"The cumulative result of these far-reaching changes would be to make available to the federal banking regulators and law enforcement authorities uniformly more punitive sanctions, and at the same time allow unfettered discretion in their use."

The S&L officials' reaction to this picture of unrelieved doom and gloom alternated between rage and depression.

Grundfest's remarks provoked the most intense response. Past USLSI president Gerald Levy publicly blasted his speech as "most offensive." The furor it provoked spilled over into the corridors outside the conference room, where Grundfest found himself surrounded by a horde of angry S&L officials, who denounced him for giving a totally distorted picture, based on stories published in the *Washington Post*.

When this reporter interjected that former FSLIC chairman Ed Gray had given *EIR* an interview charging that former Treasury Secretary Don Regan had set about to deliberately bankrupt the thrifts because there was "too much housing" in the U.S., several officials of the USLSI responded that they "wouldn't be in the least bit surprised," since that's exactly what has happened.

A USLSI official later told *EIR* that the real causes of the thrift collapse began with "Paul Volcker's interest rates, followed by banking deregulation, and then the collapse of oil and real estate values."

# Business Briefs

## Demography

### Italy holds first place in population decline

The average Italian woman of child-bearing age (15-49) gives birth to fewer than 1.3 children, giving Italy the lowest fertility rate in the world, according to the 27th Annual Report of the Population Reference Group, released in June. By way of comparison, Mexican women of that age have 3.8 children on average, and Brazilians 3.4. In Europe, the only country which still has a positive growth rate is Ireland, while zero growth prevails throughout the continent, with Italy bringing up the caboose.

The new Italian Chief of General Staff of the Army, Domenico Corcione, recently announced that women will be drafted into the Army, because of the falling birth rate. Projections from here to the year 2037 are that Italy's population will fall to 43 million by then, and even more alarming, that 30% of these 43 million people will be over 65 years of age. That means that for every 100 actively employed persons, there will be 79 retirees.

Italy's present population is 56 million. The sharp decline is projected to begin after 2007, at which point an Italian will die every 1.5 minutes, but without a new one being born. The demographic collapse would become more disastrous by that point, unless the past two decades of savage anti-life propaganda and policy are reversed soon.

## Housing

### Study cites drop in U.S. homeownership

A new study by the Harvard University Joint Center for Housing Studies documents how housing costs have forced families to forego homeownership, especially for young couples and the poor. Homeownership rates nationally declined to 63.9% last year, down from a high of 65.6% in 1980. The sharpest decline was in the 25-34 age group, the ages when most people buy their first homes. Only

15.5% in this group owned homes in 1988, as against 21.3% in 1980. Young workers are earning less than those of 15 years ago. In particular, workers under 25 suffered a 28% drop in income between 1974 and 1988.

Just 44% of blacks own their own homes, and the report said nothing of the poorer quality or property value. Rents are increasing. The study claims that a growing number of "poor"—supposedly 6.6 million—pay more than half of their incomes for rent, often in substandard housing. 40% of all renters have no savings all.

## Dope, Inc.

### British bankers defend drug money laundering

The London *Economist* magazine on June 24 issued a shameless defense of drug money laundering. "The drug trade in America alone is reckoned to be worth as much as \$200 billion a year. It is therefore obvious that drug dealers use banks, just as they use long limousines. The business is simply too vast to be isolated. It has become part of the financial system," it argued.

"This is why the debate about banks and drug money laundering ultimately leads nowhere. . . .

"Those wishing to combat the drug trade would do better to tackle the demand for narcotics rather than attack the related flows of cash. The flows are a symptom, not the disease itself. Attacking them risks further prejudicing the individual's right to banking secrecy as a result of heavy-handed regulation, for in an electronic banking system, banks will always be used to launder money. The only effective way to end that practice would be to ban all forms of cash. . . .

"It is not even essential to share the view of one cynical British private banker with years of experience in Latin America who said: 'If you had morals or ethics in this business, you would not be in it.' It is indisputable that private banking and secret money do go hand in hand, and some of that secret money would fit many people's definition of dirty money. . . .

"The point is that money is an anonymous medium which was invented to deper-

sonalize the exchange of goods. It still retains that role. The most successful private bankers understand this and will, within sensible limits, continue to put the interests of their clients ahead of those of governments, and their enforcement agents. Whether this is moral or not, is not the subject of this survey. It is most certainly good business."

## Environmentalism

### 25% of U.S. gas stations may have to close

Over 25% of all gas stations in the United States will be forced to shut down by the Environmental Protection Agency over the next few months, as the agency moves aggressively to enforce new environmental regulations. The targeted gas stations are largely the small, mostly rural, "mom-and-pop" gas and repair stations, which will be wiped out in favor of a monopoly of minimum service, high-volume "superpumper" stations owned and controlled by the oil cartels.

The regulations require that all gas stations do the following: replace leaking tanks or gasoline storage tanks 15 years or older, at a cost of \$80,000 to \$120,000 per tank; upgrade all other gasoline tanks to EPA standards, at a cost of \$18,000 to \$35,000; install devices to detect leaks and buy at least \$1 million in liability protection, which will cost owners thousands of dollars in premiums if they can obtain the insurance at all.

In addition, if any soil has been contaminated by a leak or spilled gasoline, the station owner is responsible for removing the soil, a costly process.

Furthermore, new regulations now coming into effect in the Northeast, to be followed later in the rest of the country, will require gas stations to install nozzles to capture the volatile gases at the pump, at a cost of around \$30,000 per station.

Robert Lawrie, executive vice president of Midwest Automotive and Gasoline Dealers Association, a Kansas City area group, noted that the net income from gasoline sales

# Briefly

of a good station is \$25,000 to \$30,000 a year. "It makes no sense at all for them to take on those new costs."

The end result of all the new environmental regulations, warned Joseph Koach, executive director of the Service Station Dealers of America, is that "you're going to see prices like they have now in Europe, where gasoline costs \$3 to \$4 a gallon."

## Real Estate

### London concerned over U.S. real estate defaults

IBCA Banking Analysis Ltd., the major international bank credit-rating agency, reports privately that it is "very concerned especially about the real estate bank default situation in New England in the United States. The Bank of Boston and Bank of New England are very exposed, IBCA says, especially since these banks are already beginning to take loan loss provisions for the defaults. "New England is going into a real estate slump worse than that of 1982 and the bottom is nowhere in sight," an IBCA spokesman said.

The spokesman also pointed to a very weak real estate loan situation in the Mid-Atlantic, especially Pennsylvania, New Jersey, and Delaware, and in Arizona, where the state's largest bank, Valley National, a \$12 billion bank, is on the verge of being further downgraded in its credit rating. "It's only a matter of time before this real estate recession sweeps across the entire country."

## Industrial Policy

### Labor Statistics chief wants less heavy industry

Speaking to a conference on education in Washington, D.C. on June 27, Janet Norwood, head of the U.S. Bureau of Labor Statistics, hailed the U.S. shift from a manufacturing to a service economy, claiming, among other things, that the fact that 8 out

of 10 of Americans are now employed in the service sector, "makes it easier to manage the economy, because recessions hurt goods-producing industries more."

During a question-and-answer session, an *EIR* representative pointed out that an economy cannot function unless it is producing real wealth, and that, in any case, the lower wages paid in the service sector will further shrink the U.S. tax base. Norwood disagreed: "Well, I don't want you to get me wrong. Of course you can't really have a viable economy without goods production, but you don't have to employ so many people in these areas."

On the issue of wages, Norwood admitted that service sector jobs generally pay less now than jobs in auto and steel, but then asserted that "managers in the retail trades"—one of the areas she predicted would experience greatest growth over the next decade, along with restaurants—"earn more than managers in traditional industries."

## Takeovers

### Lorenzo having trouble breaking Eastern unions

Buy-out mogul Frank Lorenzo is having more difficulty breaking the unions which are striking Eastern Airlines, than he had six years ago breaking the unions at Continental Airlines. Four months into the current strike, very few pilots have crossed the picket lines of striking machinists. Eastern's unsecured creditors are not playing dead, competitors are taking away Eastern's customers, and the airline is being forced to run at a loss.

It was different in 1983, when Lorenzo forced flight attendants to strike, and then put Continental into bankruptcy. Many of the pilots quickly crossed the picket lines, and Lorenzo used the bankruptcy law to repudiate union contracts. This abrogation of contracts was upheld even after Lorenzo had the bankruptcy filing overturned.

In 1984 the Federal Bankruptcy Code was amended so that the terms of union contracts are no longer automatically suspended by a Chapter 11 bankruptcy filing. The filer for bankruptcy must now convince a court to tear up the contract.

● **EQUITY ISSUANCE** for the first half of 1989 is down 40% from the same period last year, and of this the rate of initial public offerings was down 61%. Because of this, Wall Street firms have earned \$800 million less than the same period last year in fees, with their current earnings only at \$1.3 billion.

● **MEXICO'S** Undersecretary of Industry and Foreign Investment is heading a high-powered mission to Europe, in hopes of increasing European foreign investment into Mexico. His argument is that Mexico is different from the rest of Ibero-America, and has prospects of stable growth in a deregulated, privatized market.

● **WELLS FARGO CO.** and Nikko Securities Co. of Japan have signed a letter of intent to make its subsidiary, Wells Fargo Investment Advisors, into a jointly owned venture. The deal will give Wells Fargo an inside track on Japan's huge pension fund market, which will open up in 1990.

● **HEALTH CARE** firms are in a frenzy of mergers and reorganizations as rising costs, cutthroat competition and medical insurance cuts drive firms into financial straits.

● **U.S. ARBITRAGEURS** have between \$2.25 and \$4.5 billion riding on the possible takeover of *Time*, and an additional \$1 billion on a possible takeover of Warner Communications, according to a Wall Street estimate.

● **FORD MOTOR CO.** will close its Atlanta and Chicago plants on July 17 for one week. These plants produce the popular Ford Taurus and Mercury Sable models, and the shutdown will idle some 4,450 employees and interrupt the production of some 10,500 cars. Dealers began refusing to buy more of these models, when they found out they would have to wait a week more for spare parts.

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## When tropical epidemics and tuberculosis meet HIV

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*Garance Phau reports on the latest epidemiological findings, regarding the spread of AIDS in the tropics, from the Fifth International Conference on AIDS in Montreal, Canada.*

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Scientists and physicians attending the Fifth International Conference on AIDS, at the Palais des Congrès in Montreal June 4-9, presented shocking new evidence on the spread of AIDS in the Third World, and a picture of how the HIV virus's destruction of patients' immune systems is leading to an explosion of tropical diseases and tuberculosis already endemic in those areas.

*EIR* predicted back in 1985 that this would happen, when we insisted—against all the “experts” from the World Health Organization (WHO) and the Atlanta Centers for Disease Control (CDC)—that AIDS was not a venereal disease, but primarily a result of socio-economic factors, and therefore would spread as a result of the global economic collapse. This was demonstrated by the findings of Dr. Mark Whiteside on the correlation between AIDS and TB in very poor areas such as Belle Glade, Florida, where the majority of cases were not from any “high-risk group.” (See *EIR*, Sept. 27, 1985, “Why the AIDS Pandemic Requires a National Public Health Mobilization,” and *EIR*'s Feb. 15, 1986 Special Report, “An Emergency War Plan to Fight AIDS and Other Pandemics.”)

At that time, Dr. Whiteside's work was mocked by the AIDS Establishment. At the Montreal conference, speakers from Argentina, Spain, New York City, Zambia, Zimbabwe, and the Central African Republic, scientists from the four corners of the planet, confirmed those warnings: Tuberculosis is back.

There are times when one wishes one's predictions had been wrong, because the mind recoils at confronting the truth it had predicted. The holocaust now engulfing the developing sector is such a case, as AIDS accelerates the pace and virulence of all the other epidemics, from tuberculosis to leprosy,

from sleeping sickness to elephantiasis.

As Kenneth Kaunda, President of Zambia, warned in a speech to the conference, “AIDS could extinguish the human race,” and no frontiers may stop it. Two of Kaunda's own sons have died of AIDS.

Yet governments and the “experts” refuse to confront the socio-economic crisis. The Montreal conference devoted enormous attention to palliative care, but not one of the 6,000 sessions to the immediate economic and financial requirements to deal with the situation. An angry researcher from English-speaking Africa remarked, “How many such conferences to present the ‘facts’ will WHO need before it resolves to act?”

Dr. N'Galy Bosenge, head of the Zairean national program to fight AIDS, described how the economic crisis has furthered the spread of the disease and prevented his government from taking effective action:

AIDS strikes the population as a whole. There are no risk groups, 90% of the propagation being in the normal heterosexual population. The migration of the countryside people into the cities is an important cause of propagation. Many women without resources to feed themselves or their families become forced to engage in prostitution.

We lack resources not only for AIDS, but for health in general. We can tell medical staff to take precautions; it is not of much use: Everyone knows that when you are in contact with blood, you wear gloves—but we don't have gloves. In Africa, laboratory employees could tell you horrible stories about contaminated blood. We can spend less than \$1 per

person annually in health care (and that figure is the same for much of the African continent). How could we set up blood banks with our limited resources?

Several hospitals in Zaire do not have the money to get the necessary equipment for the sterilization of syringes and other necessary medical instruments. Outside of the main cities, hospitals do not even have running water. In short, all the conditions are there for the virus to spread.

### The spread of tuberculosis

The association of tuberculosis with HIV is "the worst problem Africa faces today," said Dr. Bosenge, speaking in the plenary session on June 6. The growing incidence of HIV-related tuberculosis is the biggest obstacle to the clinical management of AIDS in Africa. "And the TB problem is only likely to grow," he emphasized, as he presented slides showing increased TB statistics for Tanzania, Zaire, and Burundi. Since 90% of the African population tests positive for the TB bacillus, there is "an enormous reservoir of the disease that could be reactivated."

Within the pool of HIV-infected persons, which WHO puts at roughly 10 million (and is probably closer to 50 million), a tuberculosis epidemic has emerged. News of untreatable tuberculosis in HIV-positive patients originated from Haiti, and at first the CDC pooh-poohed the Haitians, saying they did not know how to treat tuberculosis properly. That was in 1987. Then French military physicians identified the same problem in Burundi: untreatable TB in HIV-positive people, not cured after one year of treatment, still contagious, and infecting others.

Now, extrapulmonary tuberculosis (EPTB) has been added to the list of clinical manifestations of AIDS, and the association between TB and HIV has become a recognized worldwide phenomenon. As yet the real extent of the association between the two infections is unknown. When statistics are compiled on proven AIDS cases, the usual figure for extrapulmonary tuberculosis is 10% of all AIDS cases. However, more and more serological studies done in tuberculosis centers indicate that often tuberculosis is the *sole* manifestation of HIV infection. In Central Africa, as in New York City prisoners, tested TB patients have been found to be HIV-positive in 50% of cases!

On June 8, Miles Braun of the Atlanta Centers for Disease Control presented the CDC review of AIDS and TB in the United States. He noted that of 48,000 AIDS cases diagnosed between October 1987 and March 1989, 1,200 had EPTB. In Mexico, 8% of AIDS patients were recorded as having EPTB, and the figure is 12% in Haiti. These are people who suffer from several of the other clinical diseases associated with the official AIDS definition, so they only reflect a small portion of the epidemic.

In New York City, as of 1988, TB rates had increased 36%, a figure which we find again in Bangui, the capital of

the Central African Republic, which reported a 10% increase back in 1985-86. The CDC review of the records showed that tuberculosis was much more frequently associated with AIDS in heterosexuals than among the "high-risk groups."

In plain English, the incidence of TB is increasing as HIV disseminates in the general population.

Asked about the association of "regular" (i.e., pulmonary) tuberculosis with HIV, Braun said the CDC was reviewing that question as well. While we know EPTB to be a more characteristic marker of HIV infection, there is also an increased incidence of pulmonary TB. Braun estimated that perhaps 25% of HIV positive persons with EPTB had pulmonary tuberculosis as well.

While pulmonary TB is not on the list of clinical diseases which make for the diagnosis of AIDS today, it will be tomorrow. It is already being seen in U.S. cities as well as throughout the developing sector. Most worrisome is the rapidly increasing prevalence of EPTB in young heterosexual HIV-infected patients, an age group normally spared, since the invention of antibiotics. In Montreal, a researcher from Spain, Dr. Casabona from the Barcelona AIDS program, showed that TB had become the number-one problem, with EPTB the first manifestation of AIDS in the area.

An Argentinian physician reported an epidemic of TB in his country, with 17,000 cases a year, so that if HIV serologies were performed, a great many AIDS cases might appear. While Argentina reports few cases of AIDS today, a talk by Dr. Oscar Fay of the National University on June 5 indicated that if blood bank screening were not instituted right away, there would be 10,000 transfusions of HIV-contaminated blood in 1989.

A report by Chequer Pedro, from Brazil's health ministry, reported that out of 5,219 AIDS cases, 1,068, or 21%, had tuberculosis, which was the third-most prevalent manifestation of AIDS in the country (behind candidiasis at 53% and PCP at 29%). An indication of the dangerous shift in TB prevalence toward younger age groups was given by a researcher from Zambia, in the June 8 seminar. Alison Elliott of the London School of Tropical Medicine showed a study done in Lusaka, Zambia to establish HIV prevalence among TB patients: While 10% of TB patients over 60 years of age were found to be HIV-seropositive, the figure climbed to 80% for TB patients in their thirties! The study found 62% HIV positivity among TB patients generally. For Zimbabwe, a similar study showed 32% HIV seropositivity among TB patients.

Here and there, there is increased incidence of Bovine TB infection in children, and the debate is on as to whether BCG (Bacillus Calmette-Guerin, an attenuated strain of tuberculosis given as a vaccine to prevent active tuberculosis infection) can still be used or not. There was wide agreement at the seminar that emergency measures to stop the TB epidemic were required, for the secondary TB epidemic had already started.

“Remember that TB is a readily transmissible disease to immuno-competent people as well,” wrote one researcher, referring to people with normal immune systems.

“I fully agree with you” answered Luc Montagnier of the Pasteur Institute in Paris, in the closing press conference, when this reporter asked whether it was not true that the AIDS epidemic could only be thwarted by emergency assistance to stop the spread of TB and tropical diseases in Africa or in Ibero-America.

Yet no such assistance is forthcoming.

When HIV spreads in regions afflicted by tropical disease epidemics, death is not far away for entire populations. We are entering into this cyclone today, and we have no idea if, when, and how, we shall weather the storm. That chilling reflection was brought to the audience listening to a morning seminar on June 8, chaired by Warren Johnson of Cornell

## Africa told: Give AIDS patients ‘home care’

Governments of African and other Third World countries were told, in a seminar at the Montreal meeting on the economics of AIDS, that they ought to move away from emergency care for AIDS patients, to home and hospice care. The issue of who should provide this home care was not addressed. A clinician attending the conference said that a meeting in Nairobi, Kenya had just addressed the question of home care. “In Africa, the visible AIDS epidemic has just started,” he said, meaning that people are beginning to die of the long-incubating disease. “All the talk about treating opportunistic diseases which we hear at this conference, is out of place in an African context. We do not have the means to keep AIDS patients alive for months on expensive therapies for the many infections, much less for any antiviral drug such as AZT.”

“It has become necessary to work with charity organizations to plan ‘home care,’ ” he added. “There is just no alternative in the present economic and social context today.” He did not discuss the difficulties families face in keeping an AIDS patient at home in the final stage of the disease: the patient may suffer from profuse diarrhea, pneumonia, or TB, is often demented, and poses a real threat of contagion in a non-hygienic environment—not just of HIV contamination, but of the other pathogens as well.

University Medical Center, Ithaca, New York, entitled “The Impact of HIV on Tropical Diseases.” “Therapeutics is already slim for all the diseases we find in tropical areas,” remarked Johnson. What he means, is that severe forms of leprosy, elephantiasis, and the blindness of oncochercosis, are not exactly “curable” diseases!

Even TB is a mutilating disease if not diagnosed and treated in time. Normally prevention and/or early diagnosis is the best defense, but with the economic crisis of the past 10 years, prevention has been tossed out the window.

Johnson spoke first of visceral leishmaniasis (a disease causing lesions of the internal organs) and leprosy in association with HIV infection.

Approximately 500,000 people are infected with visceral leishmaniasis (also known as Kala Azar) in the world today, with Spain, the Magreb, and parts of Brazil areas of high prevalence. Fifteen million suffer from cutaneous leishmaniasis. The disease is insect-borne, and dogs are an important intermediate host. Mortality—with attempt at treatment—ranges from 5-15%. “Today we have 31 documented cases of Kala Azar associated with HIV,” said Johnson, who added that the disease might soon be added to the official list of clinical manifestations of AIDS.

Virulent forms of Kala Azar in HIV seropositive persons had been reported to last year’s AIDS conference in Stockholm by Professor Coulaud of France, who had argued for the disease to be put on the list of AIDS-related diseases.

## Tropical diseases on the increase

Leprosy, a disease of poverty, has dramatically increased in the past 10 years, with the Knights of Malta’s anti-leprosy organization reporting that the incidence of the disease has been doubling yearly, with an estimated 20 million cases today, up from 11 million in the spring of 1988, approximately 5 million or so in 1987, and 2 million in 1984.

Now Johnson reports that leprosy is affecting regions now hit with the HIV epidemic, and that there is serious concern that leprosy will shift to the more virulent and more contagious form, lepromatous leprosy, in HIV-positive individuals.

Dr. Pradinaud of French Guiana reported recently in the publication *Médecine Tropicale*, the case of a patient with latent leprosy who, as he progressed to AIDS because of HIV infection, developed the virulent neurological manifestations of leprosy.

Johnson, who closely collaborates with a team of Haitian physicians, reminded the audience that there were 18 documented cases of AIDS-associated leprosy on the island. In a talk on June 6, a team of French and African scientists reported on serological studies of 1,244 leprosy patients, in which they found HIV-1 and HIV-2 (combined tests) prevalence rates of 4.9% in the Ivory Coast (and 14.4 for HTLV-1, the other retrovirus which is a scourge in Africa), 3.7% in

Congo (9.7% for HTLV-1), and 0.9% in Senegal. While the percentages are not very high, they indicate the beginning of a dangerous overlap between the two diseases.

Johnson gave a second presentation on the subject of the impact of HIV on tropical diseases; during which he proceeded to establish a frightening forecast as to the future course of multiple epidemics in Africa and Ibero-America. He drew up a list of tropical diseases that would flare up because of HIV: leprosy, leishmaniasis, and also chagas.

Chagas, affecting millions in the Americas, has terrifying potential.

Sleeping sickness, could sweep Africa again.

Amebiasis and amebic meningoencephalitis, can be expected to flare up.

Then schistosomiasis, lymphatic filariasis (elephantiasis), oncochercosis (one of the main causes of blindness), strongyloidiasis, all prevalent diseases in areas where HIV is breaking out—will make their appearance.

Johnson showed the common areas of prevalence of those diseases, as well as common areas of prevalence of HIV.

He then went back to the problem of trypanosomiasis. If we take the trypanosomiasis called chagas in Ibero-America, he explained, a disease transmitted by bedbugs, there is no really effective treatment. It affects several million people (8% of Brazilian children are infected in the northeast of the country). Chagas, which can lead to serious autoimmune diseases and is notably responsible for cardiac muscle diseases, can also remain latent in a majority of individuals.

When chagas affects an HIV-infected individual, it could evolve from the latent to the virulent form, said Johnson, "though I don't have a case to demonstrate this for you." During the question period, a French physician from St. Denis Hospital brought up a case confirming Johnson's worries. He stated that he had had a case of a patient from Honduras who died of AIDS with a virulent form of chagas disease.

Johnson also stressed the feared flare-up of the African form of trypanosomiasis, sleeping sickness, a disease that threatened to depopulate the continent earlier this century and which is again developing today, especially because of a collapse in insect (tse tse fly) control. He showed maps of tse tse fly presence, which show that one species of fly is prevalent in Western Africa where HIV-2 is spreading, while the other type is prevalent in Central Africa, where HIV-1 is most prevalent.

Johnson's presentation, unfortunately, corroborates the studies carried out by the Fusion Energy Foundation and the foundation's forecast as to the potential for a biological holocaust. I myself spoke on this subject during a conference in Munich, West Germany last year, and I used data similar to those of Dr. Johnson. I wish I had been wrong, I said to myself as the seminar ended. The emerging reality is too horrible to contemplate.

## Experts disagree on AIDS fundamentals

One should not expect any more big breakthroughs in AIDS research, Dr. Robert Gallo of the U.S. National Cancer Institute announced at a press conference on June 6 in Montreal. He took an optimistic note: "There will be new findings, but the major things we need are done. . . . It's a problem of technology and time and testing this or that in a certain number of ways. . . . We probably have more information about how this virus works to cause the disease than we have about any single agent in the history of medicine."

Gallo proceeded to extol the promise of "soluble CD4"—what he has previously called the "magic bullet," the compound that it is hoped the HIV virus will bind to, instead of to the human cell. His enthusiasm overlooks the fact that many human cells that do not have CD4 receptors are still infected with HIV; that the infection of T4 is but one aspect of HIV pathogenicity; and that CD4 receptors do play a role which, once we inject a person with soluble CD4, could lead to important side effects, notably regarding immune functions.

Luc Montagnier of the Pasteur Institute in Paris did not agree with Gallo's boundless optimism. The pathogenesis of AIDS remains unknown, he said. "As long as we have no coherent hypothesis to explain AIDS, we shall have difficulties in developing rational therapeutics."

Dr. Michael Ascher presented his hypothesis on dysfunction of the immune system. His notion that the problem stems from overstimulation of the immune system, which exhausts itself, is conceptually much better than the standard "one virus kills one lymphocyte" version dished out by the WHO.

It were better to refer to the work of Elie Mechnikov, the Russian associate of Louis Pasteur and discoverer of phagocytosis. Mechnikov's basic tenet, that death is ultimately brought about by self-phagocytosis, or an autoimmune phenomenon seen in aging, is essential to the concept of immunity.

And what about the important and generally ignored fact of HIV-induced neurological dysfunction? (See *EIR*, July 1, 1988, "Should 'AIDS' be renamed 'CNSD,' 'Central Nervous System Disease'?" This topic will also be the feature of a future report in *EIR*.)

# Deng Xiaoping is butchering 1 million Chinese

by Webster G. Tarpley

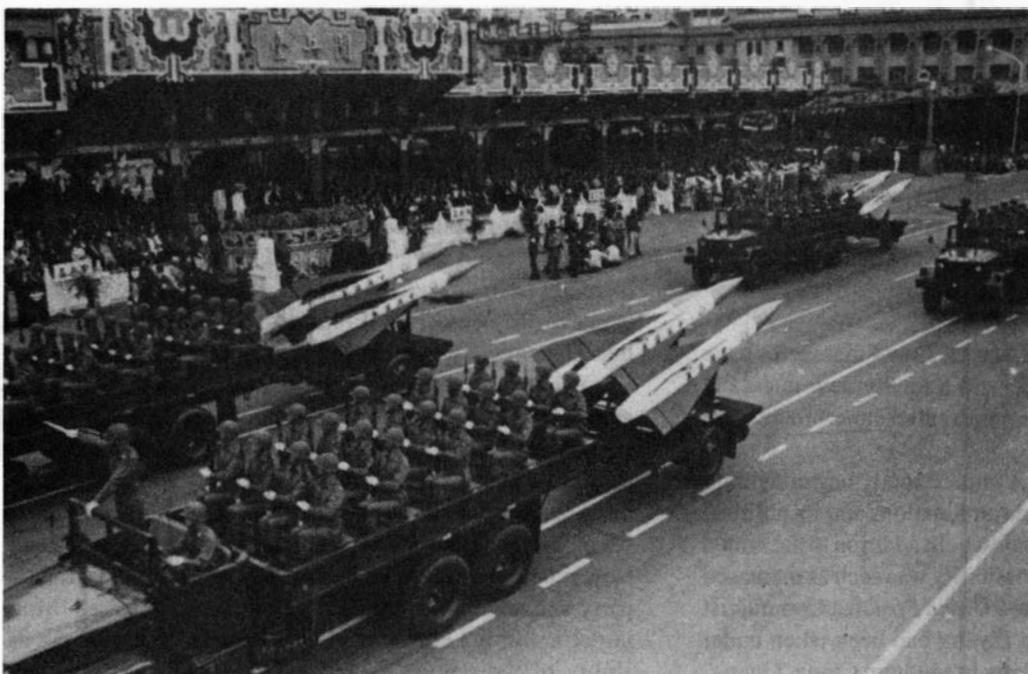
*The following report was filed from Taipei, Republic of China, in June.*

In the wake of the massacres of students, workers, and other supporters of the democracy movement in Beijing, Shanghai, Chengdu, Guangzhou, Nanjing, and dozens of other Chinese cities, Chinese Communist Party paramount leader Deng Xiaoping has ordered his secret police, the Wu Jing, to exterminate all opposition leaders. According to highly informed Republic of China sources in Taipei, the scope of these proscriptions is destined rapidly to reach the level of 1 million victims. These 1 million death warrants have already been issued, say the sources.

Deng had made no secret of his intent to inflict a holocaust on the critics and adversaries of his regime. Before the June 4 massacre, he had observed that "1 million victims is a small price to pay in a country as large as China." Deng's homicidal intent has been seconded by President Yang Shangkun, one of the warlords who dominate the People's Liberation Army, who has issued public calls to hunt down opposition leaders, to kill them, and not be soft in the process. Everywhere Communist bureaucrats and military leaders are being told that if 20 million lives were lost in the wars against the Japanese and against the Nationalists of the Kuomintang, then a large loss of life must be accepted today to prevent what is called the reestablishment of capitalism. In the view of R.O.C. experts, there is therefore no doubt that the Beijing leaders will now slaughter all the opposition they can get their hands on, using secret police and armed forces, as the only way that the Communist regime can hang on to power in the short and middle term.

The Tiananmen Square massacre was carefully planned in advance by party leaders, and even the estimates of 7,000 to 10,000 killed there are much too low. The bodies of those slain by the tanks and the machine guns were quickly cremated and buried in large numbers. The real death toll may never be known.

Nevertheless, the Beijing regime is already irrevocably doomed. The people will stand up and fight, and the army cannot be separated from the people. Soldiers



Republic of China

*A military parade in Taipei, Taiwan. Well-informed sources in Taipei are confident that the Beijing Communist regime is doomed. But they are concerned that the desperate warlords around Deng Xiaoping could launch a military adventure against Taiwan. Taiwanese forces have therefore been placed on high alert.*

have relatives. Soldiers depend upon farmers to provide food, and depend upon factory workers to provide ammunition. When the food and ammunition are gone, the people will prevail. Therefore the army cannot be used indefinitely against the people, and this means that the Communist regime is moribund.

### **Key to world strategy**

Taipei observers stress that the Chinese situation is now the key to the international strategic situation, and the main lever for solving the world strategic problem. The main change is a change of people, and the earthshaking events in China will affect all people—black, white, yellow, in Europe, the United States, and everywhere else. Previously, the Chinese people were anti-Communist, but did not dare to show it. Whatever they were thinking, they acted under the orders of the Communists. Now they know it is the time for them to show their hatred for Communism, and they are beginning to stand up and fight. The most important thing is that the people are no longer terrified of the Communists, no matter what the odds may seem. The control mechanisms of the Chinese Communists, the most effective totalitarian controls in world history, are in the process of being smashed.

Other Taipei sources offer the following model for the struggle for power among the Beijing warlords over the short term. The order of prominence in Beijing is changing rapidly, with Deng, Yang Shangkun, and Li Peng followed by Bo Yibo, Wang Chen, and Qiao Shi in a less defined pecking order. Before Li Peng carried out the detailed work of the massacre, he was already number three in the regime behind Deng and Zhao Ziyang. If, despite all his dirty work, Li Peng

can do no better than remain as number three, he will be discontented and will start to plot. Then, two weeks after the massacre, it was reported that Qiao Shi, the official responsible for internal security (including the Wu Jing), is now first in line for the post of Communist Party General Secretary, further adding to Li Peng's discomfiture. On June 24, it was finally announced that Shanghai party chairman Jiang Zemin had been named General Secretary of the Communist Party, displacing those who had been in line for the job. This will only fuel the instability within the leadership.

Deng will respond to all this in the following way, according to sources: First, he will move to exterminate all the leaders of the resistance. Then, he will turn his attention to the army, where there are numerous commanders who refused to obey orders issued under martial law conditions. These will also be exterminated. Then, Deng can turn his attention to those in higher places. On the one hand, Deng sees that the Yang family could command the PLA when Deng himself, despite his supposed paramount status, could not. Yang Shangkun is the vice president of the Central Military Commission. His younger brother, Yang Baibing, is the chief political commissar of the PLA. Yang's son-in-law, Chi Haotian, is the Chief of the General Staff. Deng fears the ability of the Yang family to command the 27th Army, and the whole of the PLA in a crisis. Li Peng may also have shown "excessive" ability to control the PLA, and Li Peng is very unpopular, since it is against him that hatred over the massacre is concentrated. Therefore the final stage of Deng's purge will be to attempt to liquidate Li Peng and the warlords of the Yang family. Since this is evident to everybody, it is also evident to the intended victims, who are

not the type of people to sit around waiting for their own demise.

Therefore, there can be no hope of stability for the P. R. C. regime. The biggest destabilization of all would be the death of Deng himself, who is now in very advanced age and who has shown signs of debilitation in his last public appearances. When the old fox (*hu li*) Deng departs the scene, get ready for a ruthless power struggle in the most extreme form.

### Three alternatives

Other Taipei sources agree that the June 4 massacres have produced irreversible changes, and a totally new mainland situation. According to these sources, after June 4 there were three basic alternatives:

1) A civil war, in case PLA units actually began fighting among each other, and warlord combinations among political and military leaders were to coalesce. In addition to the armed clashes around Beijing, this possibility was seen as increased by reports appearing in the June 9 *China Post* that Communist Party General Secretary Zhao Ziyang had been taken under the protection of the Canton Army in southern China. Guangdong province around Canton is the area of greatest penetration of foreign capital, the least obedience to the central regime, and in some ways Zhao's natural base. But these reports remained unconfirmed, and nothing more has been heard of Zhao. Taipei sources stress that the alternative of an all-out civil war would be a tragedy for the Chinese people, with a hecatomb of human losses without precedent. At the

same time, if a warlord period were to emerge, the R.O.C.'s military strength could make it the strongest of all the warlords, and thus the arbiter of the situation, which could lead in turn to the recovery of the mainland.

2) The takeover of the central government by a "reformer" Communist coalition of the type exemplified by Zhao Ziyang. Zhao would have been regarded as a lesser enemy. Even if he could have provided no hope in the longer term, he might have opened the tactical situation in ways advantageous to pro-democracy forces. But it now appears excluded that Zhao might prevail in Beijing, at least for the moment.

3) The third alternative is that of a faction committed to genocidal repression of the resistance, on the model of the Deng-Yang-Li clique. Although this combination might seem to prevail in the short to middle term, its ascendancy only guarantees a recrudescence of rebellion within two to three years, as Deng himself admits in his secret report (see box). New rebellions would be guaranteed first of all because the party and regime are utterly discredited and despised. More importantly, the engine of new upheavals would be the inability of the regime to find a way out of the worsening economic crisis which was at the root of the rebellion in the first place. It is especially predicted that the acute food shortage will deteriorate, meaning that insurrectionary ferment will spread through the urban working classes and finally among the 800 million peasants and other rural population of China. This will be impossible for secret police and even the entire army to control.

## Deng's thermonuclear striking force

As a result of the bloody repression ordered by the Beijing regime, one of the world's nuclear powers has just had a brush with civil war, and now faces a future of continuous upheaval. Communist China exploded a nuclear device in 1964, and detonated a thermonuclear device in 1967. The country is thought to possess about 100 medium- and intermediate-range ballistic missiles, many of which are reported to still be liquid fueled. The PLA air force includes some 100 obsolete medium bombers, and 200 obsolete light bombers. More significant is the fact that Beijing possesses two to three nuclear submarines, and that it has recently tested a submarine-launched ballistic missile. Most ominous, Beijing has tested and deployed several ICBMs, called Long March, which have the capacity of hitting certain points in the United States, if not the entire country.

### A carefully planned provocation

Taipei observers stress that the Tiananmen massacre was a very carefully planned provocation, minutely worked out by Deng and Li in advance. On June 2 and June 3, columns of PLA troops were sent into the Beijing city center without weapons. Deng hoped that students and workers would attack these unarmed troops, giving him film footage he could use to justify a "counterattack" on the protestors to restore order. These same troops left their weapons in unguarded buses, with Deng's hope being that the students would seize the weapons, giving him new pretexts for massacre. Instead of falling into the trap, the students turned the weapons in to the Wu Jing secret police. As a third ploy, Deng ordered other troops to abandon their vehicles and leave them unguarded. These vehicles were then burned by protestors, or by provocateurs. Deng had ordered the Wu Jing to infiltrate the students in the initial phase of the Tiananmen occupation, but many of them had been identified and expelled by the students. In the early days of June, these provocateurs made a comeback.

Deng used secret tunnels under Tiananmen Square between the Zhongnanhai party bosses' compound and the Great Hall of the People to position the troops. The troops blocked all egress except the southeast, where machine guns were posted to mow the resistance down.

## Deng calls massacre 'a pretty good experience'

*The following is the text of a confidential report delivered by Red Chinese "Paramount Leader" Deng Xiaoping to a group of government and party officials in the wake of the June 4 Tienanmen massacre. These minutes of the meeting have been distributed at the provincial and army level. The text is that of a translation made by the Taipei China News from an account published in the Chinese-language United Daily News of Taipei:*

The recent student incident began as a serious turmoil and evolved into counter-revolutionary rioting. We have to deal with it with severity. Party members [who took part in the student demonstrations] must be expelled from the party and dismissed from public offices. Their domicile permits must be withdrawn, and they must be exiled so that they will be completely uprooted. Otherwise, there could be another riot in three or five years, or even in ten months. . . .

Some people say that we have no experience in handling mobs and that we over-reacted by using tanks. I say it was a pretty good experience. We have been accused of killing many innocent people in the streets. It's all right. We had given advance notice warning the people not to go to the streets. Those who were killed in the streets were counter-revolutionaries. . . .

Some people are worried that the families of the victims will make trouble. There is no need to worry. We will handle whoever starts trouble. If 1,000 families in Beijing are dealt with, no trouble will ever arise. . . .

Some people have advised me to make arrangements for my death. My answer is that I'll work for the party as long as I live. . . .

The number of people killed this time is below what we had expected. . . .

There are people calling for a multiparty system. They had better forget about it. The Communist Party will hold power for a hundred years. We had considered inviting members of the democratic parties to fill some ministerial and vice ministerial posts for the sake of democracy. Now it appears that this is not necessary. . . .

There has been some international reaction to this incident. France overdid it. The response of the Soviet Union and Japan was all right. Although the Americans have

readjusted their policy, they will be back sooner or later, because China is a large piece of juicy meat. . . .

Looking back, we can see there have been three anti-party groups since 1949. The first was the "Kao-Yao" group of Kao Kang and Yao Shu-shih. The second was the "Gang of Four." The third was the Hu Yao-bang and Zhao Ziyang anti-party group. I have observed Zhao for many years. He is ambitious. If he had become chairman of the Military Affairs Commission, we old comrades would have been beheaded. . . .

Li Peng does not have to seek the advice of Yao Yilin [the deputy premier] on everything. Li Peng worked very hard this time. But he did not have to consult with me on whatever he did. He even asked me whether to knock down the statue of the so-called "Goddess of Democracy." All he had to do was pull it down. The incident [the student demonstrations] lasted more than a month. Li Peng and others concerned did not know how to handle it. I summoned Li Peng and Yang Shang-kun for a 15-minute talk, and the matter was resolved. . . .

Li Peng does not have to seek my instruction for everything. I have only 15 minutes a day to listen to briefings and will not take care of other things. I still exercise four hours daily. . . .

Those in the military who did not take a clear-cut stand [against the democracy movement] must be completely purged. Some people say they will return their party cards. That's good. If they renounce their party membership, it would save us the trouble of expelling them. . . .

I have been told that some 1 million Hong Kong residents demonstrated against us. Don't be afraid. One million people are just a drop in the bucket compared with 1 billion. By 1997 Hong Kong will still be prosperous.

*The report also quotes P.R.C. President Yang Shang-kun, the chief warlord and dynastic controller of the People's Liberation Army, as interrupting Deng to add the following:*

"Some people say we have a problem as a so-called 'party of crown princes' [i.e., nepotism by party officials and corruption by the children of top leaders]. Comrade Xiaoping is concerned about the charge. Someone had suggested that Deng Pu-fang [Deng's elder son] be made vice chairman of the National People's Congress. Comrade Xiaoping opposed the idea. Recently somebody proposed that Li Tieh-ying [thought to be Deng's illegitimate son] be made General Secretary of the party. Comrade Xiaoping said, 'Li is immature. Let's reconsider the matter in a couple of years.' "

*Deng concluded by saying:* "Now the five-member work group [consisting of Deng Xiaoping, Yang Shang-kun, Li Peng, Qiao Shi and Wang Chen] will be in charge."

# R.O.C. prepares counteroffensive amid rumors of Red attack

by Webster Tarpley

The internal crisis of the People's Republic of China is viewed by many in Taiwan as the beginning of a process of revolution and/or civil war that will in time bring about the collapse of the Communist regime founded by Mao Zedong in 1949. All population strata on Taiwan, including the younger generation accustomed to seeing only the "reformist" face of the post-1978 Deng combination, have now experienced revulsion over the massacre, combined with a heightened Chinese nationalist feeling. Since the Republic of China's ruling party, the Kuomintang (KMT), has always claimed to be the only legitimate government of China, this has led to a broad debate over what kinds of government initiatives could hasten the reunification of China on the basis of Dr. Sun Yat-sen's Three Principles of the People, the goal the KMT is committed to accomplish.

In evaluating this debate, it is important to bear certain basic considerations in mind. The R.O.C. is under intense blackmail pressure from George Bush, U.S. Ambassador to Beijing James R. Lilley, former CIA deputy director Ray Cline, former Ambassador to Beijing Winston Lord, and CIA-Kissinger networks in general to suppress any initiatives that might cause problems for the Beijing regime. Given the continued R.O.C. dependence on U.S. defense technology, this blackmail has bite. It is also evident that the effectiveness of actual measures to implement Gen. T'eng Chieh's "total war" and Gen. Wego Chiang's "mellow offensive" plans against the mainland would be in direct proportion to their secrecy.

In terms of institutional changes in the R.O.C. during the period of the mainland upsurge, the main ones have been the replacement of Prime Minister Yu Kuo-hwa by Lee Huan, who moved up from his previous post as KMT General Secretary. The new KMT General Secretary is James Soong, the party's former number-two man. These changes make the R.O.C. government stronger, say Taipei observers.

## Danger of P.R.C. military adventure

Initial reactions in the R.O.C. reflected concern that the desperate warlords around Deng Xiaoping and Yang Shang-

kun might attempt a short-term solution to their internal collapse through a foreign military adventure. Accordingly, on Monday, June 5, the day after the Beijing massacre began, R.O.C. President Lee Teng-hui met with Gen. Hau Pei-tsun to brief him on the latest mainland developments and to instruct the R.O.C. military to remain on high alert against a possible invasion attempt by the Communists across the Taiwan straits. Hau assured the President that Taiwan remained secure, saying, "No problem. Don't worry."

On June 7, the day of the annual Dragon Boat Festival holiday, a spokesman for the R.O.C. Defense Ministry confirmed that the country's military forces had been placed on "high alert" due to the critical situation on mainland China. One day earlier, Defense Minister Cheng Wei-yuan inspected Penghu (the Pescadores islands), Tungying, and the offshore Matsu island. According to the Defense Ministry, the alert included measures to ward off possible infiltration of Communist spies and saboteurs. The R.O.C. press has been calling attention to the arrival of some 3,000 Communist *agents provocateurs* in Hong Kong, where they could be used to provide a pretext for a PLA armed intervention to "restore order."

Rumors of imminent war in the Taiwan straits flew through the 100-degree tropical air. On the Friday after the massacre began, the Beijing Central People's Broadcasting Station reported that the People's Liberation Army had warned Chinese Communist authorities to reinforce the defenses along the southeastern coast of the mainland in order to repel an invasion and sabotage coming from Taiwan. In addition, reports coming from Hong Kong said that the PLA had dispatched a missile squadron to the coastal province of Fukien, allegedly in preparation for a military assault by Taiwan. The looming attack was described by the Communists as a joint venture by Taiwan, the United States, and Hong Kong. These reports were taken seriously enough by the R.O.C. to warrant a denial by government spokesman Shaw Yu-ming, that the R.O.C. had landed troops in Fukien province as part of an invasion of the mainland. Shaw said that the reports were totally fabricated, and could have been a Communist smoke-

## Leadership is much in demand

*The following are excerpts from an editorial published by the China News on June 18, 1989:*

At this point it appears Red China will have to carry on its struggle without significant aid or leadership from the 20th century's traditional champion of freedom.

The United States, long considered the great bastion of freedom and arsenal of democracy, clearly suffers from a leadership gap that could be more serious than in the unhappy years of Jimmy Carter. The friend of butcher Deng and confidant of the Communist thugs who helped carry out Deng's order to turn the Tiananmen Square into a charnel house, is finding too much trouble opening his eyes and ears. In that failing, U.S. President George Bush is proving himself no friend of China.

Bush apparently is so enamored with Deng and his warlord-backed thugs that he can't bring himself to blame them for the wanton murder of thousands of peaceful students who made the mistake of asking their "leaders" to talk with them. Not even after Deng and his thugs went on TV to brag about it, and say they are proud of doing it.

Mr. Bush of course deplores the slaughter, and says his government certainly must consider some kind of action—as soon as he can determine for sure who is really responsible. One must assume that Mr. Bush, like the statue of justice popular in his country, has blindfolded himself and stopped up his ears as well.

Mr. Carter's betrayal of the Chinese people is more understandable, although still inexcusable. A small man

with no leadership experience beyond the governorship of a small and somewhat backward state, he obviously lacked the experience and skill to resist the machinations of Henry (peace at any price) Kissinger.

But Mr. Bush has no excuse. As a former director of the CIA and eight years an understudy for the President, it is ridiculous for him to plead ignorance of the bloody facts. Particularly since he spent a whole year in Beijing, and certainly should know how savagely the regime operates there.

Under these circumstances, the American President's unwillingness to act, and act decisively, betrays either an incredible ignorance or an unconscionable callousness toward the fate of the Chinese people. A callousness easily comparable to that of Generals Marshall and Stillwell—who some still think deliberately betrayed China to the Communists in an attempt to protect U.S. merchant and manufacturing barons from economic competition.

The existence of 20 million prosperous, productive, and economically powerful Chinese in Taiwan Province might even be considered convincing evidence of the Kuomintang's ability to create such a threat, given all of China to work with. Mr. Bush's propensity to use his 301 trade sanction rules to wage economic warfare against his more productive neighbors raises the question, however, remotely, of whether he might be exercising similar "pragmatic" trade machinations at the expense of the people in China.

No matter what might be the U.S. President's motivation, it's generally safe to assume that Asian people will have to work out the problems of the Pacific Rim mostly on their own. Leadership of the struggle to liberate the China mainland from Communist oppression must fall to the lawful government of the Republic of China, no matter how dangerous or difficult the task.

screen. Shaw was joined in his denial by Maj. Gen. Wei Chia-ching, the spokesman for the R.O.C. defense ministry. When asked about reported Nationalist landings in Fukien, General Wei said laconically: "There is no such thing."

On June 17, Red artillery movements were seen near Quemoy.

### **Nationalist troops to mainland?**

During these days, as an all-out civil war fought out among units of the People's Liberation Army seemed to some observers to be looming on the mainland, calls were raised in some quarters on Taiwan that the time had come to fulfill the pledge of Generalissimo Chiang Kai-shek by sending Nationalist troops back to the mainland. As we will see, hints in this direction emerged at the weekly meeting of the KMT

Central Standing Committee. But the civil war was clearly not yet ripe, and a Nationalist invasion of the mainland would have had the effect of forcing the final reconciliation of the Deng-Yang-Li clique, all potential enemies who will soon be at each others' throats. On the day of the public reemergence of Deng Xiaoping as mainland dictator, General Hau granted a rare interview to the state-run China Television Company. His central theme was that although his forces are capable of repelling a Red invasion attempt, they are not sufficient to attack the mainland at the present time. "We may not have the military power to invade the mainland, but our forces can serve as an effective deterrent against an invasion," Hau commented. But Hau also stressed that "peaceful coexistence" with the Beijing regime was an "illusion." "Peaceful competition could determine war or peace across the Taiwan

Strait," said Hau, and stressed that "the variables and initiatives rest with the mainland. We have to realize that we are not in a position to decide or take the initiative on this matter."

Hau also urged the troops of the PLA to support the democracy movement and stop killing peaceful demonstrators: "We hope Communist troops, especially the younger ones, will join the people in their fight for freedom and democracy. We urge troops on the mainland not to become accomplices to the suppression of democracy. Communist troops should play the leading role in establishing a new China under democracy." General Hau also quoted former R.O.C. President Chiang Kai-shek and Chiang Ching-kuo to the effect that "the downfall of the Communists will be brought about by themselves."

On June 15, President Lee, General Hau, and R.O.C. Navy Commander-in-Chief Yeh Chang-tung, demonstratively presided over large-scale naval war games involving a flotilla of destroyers, a group of anti-submarine frigates and helicopters, minesweepers, and the R.O.C.'s new Dutch-built *Sea Dragon* diesel-electric submarine. The event was given prominent television coverage on all three R.O.C. networks.

### **Military realities**

The thrust of General Hau's remarks was clear to all those with a grasp of the elementary military realities of the situation: Unless and until the Communist armed forces are actually divided by civil war, the PLA, with its heavy numerical superiority, retains the military advantage, and no amount of bluster will change that basic fact. The political initiative is another matter, but here the tasks are increased propaganda and infiltration, as the *China News* wrote on June 14 (see box).

Might the Beijing regime attempt the conquest of Taiwan to divert attention from its internal convulsions? This is necessarily a speculative question, but KMT legislator Chou Shu-fu has pointed out that on at least two occasions the Reds have embarked on external military adventures in times of internal upheaval. One was the attempted seizure of the offshore islands Quemoy (Kinmen) and Matsu in August 1958, in the midst of the turmoil of Mao's Hundred Flowers campaign. The second was the military clash with India, which came in the midst of the famine and industrial breakdown that were the aftermath of Mao's insane Great Leap Forward of the late 1950s.

More specifically, President Lee described as "very special" a June 6 warning from Yuan Mu, the spokesman for the Beijing State Council (the cabinet), who charged that Taiwan media had concocted a false report that Deng Xiaoping was dead. In a statement carried by the Reds' CCTV, Yuan said, "Reports by Taiwan television quoted so-called reliable sources in its noon broadcast as saying that Deng Xiaoping has already died. These sayings are pure rumor. This report was also broadcast by Taiwan radio. Their aim is to confuse

the people and create chaos."

In the June 7 weekly meeting of the KMT Central Standing Committee, some members of the party expressed dissatisfaction with the actions of the R.O.C., and demanded more action. One of these was Yu Kuo-hwa, who has just stepped down as prime minister. "The time to recover mainland China from the Communists has arrived! We should immediately take more vigorous actions," Yu told the KMT leaders. "We should take practical actions to support mainland compatriots and win the hearts of the mainland residents. We should prepare to return to the mainland to take over the toppled Communist regime," Yu added.

Another call for action came from Shen Chang-huan, the former foreign minister who was the architect of the R.O.C.'s "three nos" policy (no contact, no negotiation, and no compromise) toward Beijing. Shen had been the secretary general to President Lee until last autumn, when he resigned in protest over increased R.O.C. dealings with the U.S.S.R. "Today is the darkest moment on the mainland," said Shen. "It is also the brightest moment for the KMT. Today is the most opportune and challenging moment for us. Today also offers us the best opportunity to promote anti-Communist education. The eyes of the whole world are watching Taipei and the Kuomintang. The ruling party should take advantage of the new situation."

Shen recalled that at critical turning points in the past, the leader of the party would coin a slogan to maintain solidarity. He offered the slogan "All people unite, consolidate the bastion [Taiwan], overthrow the tyranny, and reestablish China."

President Lee, who is also the head of the KMT, obliquely rejected the proposals of Yu and Shen by saying that the KMT should "counter-motion by having not motion," or take "counter-action by taking no action."

"Our accomplishments and endeavors on this bastion of national recovery had a direct influence on the developments of the democracy movement on the mainland," President Lee stated. "We will continue to give all possible support to the democracy movement on the mainland and push for the realization of democracy."

President Lee had issued a first statement supporting the Tiananmen democracy movement on June 3. After the massacre, he condemned Beijing's "act of madness" at a special press conference. Lee called for "vigilance" against "any possible venture" by the P.R.C. "on the eve of their total collapse." He pledged to unite all Chinese "to overturn this tyranny," and called on the world to break with the Communists.

In a third statement on June 14, President Lee condemned the reign of terror against protesters that is now being carried out by the Communists. President Lee called that "hunt" "absolutely inhuman" and also said that it was "absolutely inhuman" for the Reds to reject humanitarian aid, including blood plasma, offered by international agencies and donors in the wake of the slaughter.

At the KMT Central Standing Committee meeting of June 14, Hsiao Chang-lo, the director general of the KMT Department of Mainland Affairs, said that the wave of arrests had started two days after the massacre and had plunged the entire mainland into an "abyss of terror." At the same meeting, Shen Chang-huan criticized the government's stance as being "too passive." Shen asserted that the "Mainland Policy Guidelines for the Present Stage" approved by the KMT's 13th National Congress last year have been made obsolete by the mainland's recent convulsions.

An authoritative voice in the R.O.C. government is that of the new Prime Minister (or head of the Executive Yuan), Lee Huan. On Tuesday, June 6, when civil war on the mainland seemed a distinct possibility, Lee stated that in the event of a civil war, the R.O.C. government would mobilize Chinese all over the world to guarantee the overthrow of the Communist regime. Lee recalled to reporters the last instructions from Generalissimo Chiang Kai-shek, which had been to develop Taiwan and to recover the mainland. "We have developed Taiwan and the goal of recovering the mainland is just around the corner," said Lee.

Later, on June 13, Lee told the Legislative Yuan (the R.O.C. Parliament) that the Temporary Provisions Effective During the Period of Communist Rebellion (which freeze in office the National Assembly and Legislative Yuan members elected in the last mainland elections in 1949) cannot be

terminated unless and until the Communists drop their four cardinal principles or "insists" (dictatorship of the proletariat, the socialist road, Communist Party leadership and Marxism-Leninism-Mao Zedong Thought). Lee called the Beijing regime "an enemy plotting at all times" to invade Taiwan, and said that the massacre in progress ought to be proof enough that the threat of invasion is real. Lee noted that the Reds have changed their slogans over the years from "bathe Taiwan with blood" to "liberate Taiwan" to "peaceful reunification," but their "mentality of invading and controlling Taiwan and subsequently practicing Communism" has not changed.

In his first report to the Legislative Yuan, Lee outlined the criteria for the future development of the R.O.C.'s mainland policy, starting from the overall premise that the Communists "will not escape the just trial of history." Lee's key points are as follows:

- 1) To take the initiative instead of reacting passively to the united front tactics of the Communist Chinese.
- 2) To take into account how any new policy would affect the security of Taiwan.
- 3) To promote, systematically and steadily, mainland Chinese affairs.
- 4) To seek to liberalize the political and economic systems of mainland China and promote equality and freedom of expression there.

## 'Hands on or off?'

*The following commentary on the policy to be assumed by the Kuomintang toward mainland China in the present crisis is excerpted from the China News of June 14, 1989:*

Should the Republic of China take an active part in mainland China's pro-democracy movement or sit on its hands to see what comes out of it? The question was raised and debated even before the bloody Sunday at Tiananmen Square. It calls for an answer right now, because the 1.1 billion people on the mainland are once again experiencing a reign of terror. . . .

While a military option is out of the question in view of the overwhelming numerical superiority of the Communist forces, we cannot accept the contention that our efforts will not affect the outcome of our mainland compatriots' struggle against their oppressors. As a matter of fact, the very success of our free economy and democratic system has played no small part in the growing yearning for democracy on the other side of the Taiwan straits.

So far our government has been on the right track in responding to the massacre of demonstrators in Beijing and to the ongoing hunt for dissidents by the Beijing regime. It has been condemning the Communist rulers' atrocities in the strongest of terms and is doing everything possible to let the mainland population know what really happened in Beijing in the face of the regime's propaganda blitz.

The government is also on the move to render help to mainland students and scholars abroad whose sympathy for the pro-democracy movement has made their return a greater risk. The assistance being considered includes the granting of R.O.C. passports and financial aid. Such help will be of great importance to China's future, because the recipients are certain to play a conspicuous role in bringing democracy to the mainland.

But that is not enough. This is probably the best time for the government to beef up its intelligence operation on the mainland now that Deng and Co. has completely exposed its ugly face. Popular discontent will surely increase as economic hardship follows political repression as a result of recent developments. Under the circumstances, our agents on the mainland ought to be able to work more effectively.

# Taipei ceremony marks 100th issue of Chinese Flag Monthly

Gen. Wego Chiang, the head of the Republic of China National Security Council and Gen. T'eng Chieh, a senior strategic adviser to the R.O.C. government, were the featured speakers at a ceremony held in Taipei the afternoon of June 17, to mark the 100th monthly issue of publisher C.M. Lao's *Chinese Flag Monthly* (*Long Chi*). The third speaker on the program was Webster Tarpley, president of the Schiller Institute U.S.A.

## Gen. Wego Chiang: Step up offensive

Gen. Wego Chiang, the sole surviving son of Generalissimo Chiang Kai-shek, and brother of the R.O.C.'s late President Chiang Ching-kuo, said that it was urgent now to step up propaganda directed to the mainland, using all methods, including balloons carrying printed matter, videotapes, and audio cassettes. He showed the several hundred well-wishers of the *Chinese Flag Monthly* a black mourning band, which he said he had been carrying since the June 4 Tiananmen Square massacre. "My father is dead, and my brother is dead," said General Chiang, "so those students are like brothers to me. I will wear this mourning band until the day that I go back to the mainland. The students were peaceful. Some of them even visited with the Beijing leadership. But they also said they would not leave, even if blood were shed. And then the order was given for blood to be shed. The tanks moved in, the guns began to speak, and blood began to flow. Innocent blood was shed on the earth.

"My father told people in 1949 that we would have to recover the mainland. Some quote him as saying fight our way back to the mainland, but this is not exact. He said, recover the mainland, in a process in which people in mainland China, in Taiwan, and elsewhere, inside and outside, would join in fighting. That is a natural necessity, because of the nature of Communist rule. They have lost the faith of the people, because they have denied democracy and freedom. Despite the fact that Dr. Sun Yat-sen had said it, that China must be united in freedom and equality. And that means real freedom, because if someone else is there to set limits on your freedom, it's not real freedom. The students knew that what they were doing would lead to bloodshed, but they were not stopped by fear. They went forward."

General Chiang commented on the role of the parents in protecting the students, and then went on: "The central government sent the army to get rid of the students, but the 38th

Army had become acquainted with the students and their demands. Then the 27th Army was sent in, but they were first told that there were epidemics in the city, and that they were to be given an injection. With that they were drugged, and put into an induced psychotic and insane state, in which they would kill with total abandon. They used machine guns against the people, and ran over their bodies with tank treads. That is what happened in Tiananmen. Those are the facts."

He went on: "I have just been on a diplomatic mission to El Salvador, to attend the inauguration of the new President there. On the way back I passed through the United States. The U.S. is more developed than we are, so they have continuous news, and 15 minutes of each half-hour were about China. They show more, they have more pictures, it is all more modern except for one thing—the analysis of the Communists that is given. They don't tell the real role of the Chinese Communist Party. Lots of people there have illusions about the Chinese Communists."

The general concluded: "Then there came the clampdown in Tiananmen: The dictators and bandits are not ashamed of what they have done, but proud. They have put down the student movement for now. The lesson to us is to strengthen our economic, military, and industrial development, and to teach everyone in the R.O.C. to know the real face of the Communists, and how to overcome the Communists. I should not tell these tragic stories at a happy event like the anniversary of the *Chinese Flag Monthly*, but the massacre has happened. Let me give my best wishes to this magazine which is acting as a guardian of the cause of the people."

## Gen. T'eng Chieh: How we can win

Gen. T'eng Chieh thanked General Chiang for his remarks, and for the encouragement that he has given to the anti-Communist faith of the magazine. General T'eng pledged that "We will fight the Communist Party, and we will win this war." He further noted that "there are many people who think they know about the Communists. These are people who don't believe what I say about the Communist Party. They only know the surface of the Communists. They do not see that the Communists are de-humanized, anti-human, and anti-traditional. If you talk to Communists, they seem reasonable enough, but they are always plotting to communize others.

"I have given speeches in which I have told people that if the Communists seize Taiwan, they will kill 2 million people, 10% of our 20 million population. This 10% is an historical fact, it is their tradition, it is their idea of people's war. They will not hesitate to kill what they conquer. They calculate that if they kill 2 million leaders, the rest will be sheep. So they would kill our President, the prime minister, the cabinet, the parliament, union leaders, company presidents, military chiefs. If they do that, then how can the rest of the people resist them? This corresponds to what they have done on the mainland, where they started with 800 million and have al-

ready killed more than 80 million, including especially such leaders and the intelligentsia.

“What are the other ways the Communists can control people? The most important are the food coupons that can be issued only by the party production or residential units. Without these, you do not eat. Then there are the internal passports or travel documents, which make it impossible for people to travel, and which hinder the spread of news. There are 40 million Communist Party members, but only a few real bosses are actually in control. So the anti-Communist initiative, the leadership in the struggle, has passed to Taiwan. We must get moving. We have resources—we have our country, we have money, and we have our military forces. And we have our people in mainland China. Right now the Communist military outnumbers us, and its quality is in no way inferior. But—and this is the key point—we can turn this situation to our advantage. For if the mainland army spits on the Communists, it will become our army. The Communists are afraid to attack Taiwan because of the international consequences. They are also afraid to give their own armed forces the order to attack us, because they cannot be sure if that order will be carried out. Would their army obey such an order?”

General T'eng concluded: “I repeat again: If we can win the elections for the parliament and the provincial governors at the end of the year, and the presidential election next year, then we are strong. Then we can recover the mainland by the end of the 1990s, and most likely in a few years.”

### **Tarpley: Americans don't like Li Peng**

Webster Tarpley, president of the Schiller Institute U.S.A., brought congratulations to the *Chinese Flag Monthly*, General T'eng, and C.M. Lao in the name of the worldwide Schiller Institute, its founder, Mrs. Helga Zepp-LaRouche, and its most famous activist, Lyndon LaRouche, now held as a political prisoner in a U.S. jail. After recalling the founding of the magazine in the wake of Carter's breaking of diplomatic relations with the R.O.C. in pursuit of the chimerical Kissinger-Brzezinski China policy, Tarpley noted that the R.O.C. has emerged stronger despite attempted U.S. destabilizations.

Tarpley cited the strategy for the recovery of the mainland contained in General T'eng's book, which is receiving wide interest in the United States and Europe, and referred also to General Chiang's doctrine of the “mellow offensive” of building political combat organizations behind enemy lines, especially in China. Since the mainland events had shown that these perspectives were indeed the only realistic ones, it is the task of the free world to see to it that they are carried out, especially since the Soviet Union is also on the brink of its own civil war.

Tarpley attacked the response to the mainland events by U.S. President Bush. Speaking in Chinese, he assured the audience that the American people do not like Deng Xiaoping, and that Deng's real name is Deng Hu-li—Deng the

Fox, a strong insult in Chinese. The American people do not like Li Peng, Yang Shangkun, or the Wu Jing (the Chinese Communist equivalent of the KGB), and do not like the Chinese Communist Party. Americans feel that the only legitimate government of China is the Kuomintang.

Tarpley cited LaRouche's comment that while Americans have been walking on four feet, Chinese students have shown what it is like to walk upright on two feet, whatever the danger. In conclusion he pledged the full support of the Schiller Institute in the decisive phase of the struggle to reunify China under Dr. Sun Yat-sen's Three Principles of the People.

### **Mme. Chiang Kai-shek on 'Satanic carnage' in Beijing**

On June 12, Madame Chiang Kai-shek, the widow of the Republic of China's wartime leader, was awarded an honorary Doctor of Law degree by Dr. John Silber of Boston University in a ceremony at the Ju Mou Hall of the Chinese Women's Anti-Aggression League in Taipei. In her acceptance speech, Madame Chiang condemned “the bloody and Satanic carnage of innocent human lives” in Beijing and the rest of mainland China. Madame Chiang specified that “dastardly Communist poltroons unleashed by the unconscionable Deng Xiaoping” were responsible for the mass killings of “unarmed students, workers, and the general populace in an around Tiananmen Square, who were only trying to seek their basic human rights—democracy and freedom.”

Madame Chiang further stated that “spontaneous general uprisings by the Chinese people in the mainland tell the world that the Chinese people on the mainland were and still are saying, ‘We can't take it any more! We won't stand your lies any more! You are nothing but demonic butchers!’

“The biggest lie perpetrated on the whole world in the history of mankind has at last been called to task. With their lies and more lies, the Chinese Communists for decades had skillfully duped a number of gullible ‘intelligentsia’ to become their tool and serve as their avant-garde. They are finally being unmasked for what they really are—an unmitigated fraud and total failure.

“Now at last, after some 75 years, Communism is bankrupt. It has been found bankrupt because it does not have any redemptive value in practice,” Madame Chiang concluded.

Quotations are from the *China Post* of Taipei, June 13, 1989.

## Could dope money be why Bush protects Deng?

by Joseph Brewda

Until recent weeks, insiders in Washington have claimed that President George Bush's strong suit was his supposed deep knowledge of China, while conservative gurus acclaimed his alleged commitment to crush narcotics trafficking. Deng Xiaoping's massacre of thousands of students over the last few weeks, and Bush's namby-pamby response, have not done much to enhance the President's reputation. That Bush's so-called "war on drugs" has been a pious fraud has long been apparent to expert observers. That there is connection between both these failures is usually overlooked.

The People's Republic of China is the world's largest opium producer, and the profits from the narcotics trade keep Wall Street banks afloat at a point when real production of physical goods is steadily collapsing. Under the pretext that relations with the Beijing regime must be maintained no matter what the nature of that regime, Bush's policy is to protect the continuing production and transport of Chinese opium—as long as the profits are laundered into the Western banking system.

This policy goes back to Henry Kissinger's so-called China card, when the U.S. government formed a strategic deal with the world's biggest dope producer. As *EIR* documented in its June 23 issue, Kissinger is currently a business associate with some of the biggest international banks dependent on these narcotics revenues.

### The Big Lie

The coverup by which U.S. official agencies obscured Red China's dominant role in the narcotics business was

hardly less abrupt, although certainly less publicized, than the Deng regime's recent Big Lie in claiming that no massacre of students occurred in Beijing in early June.

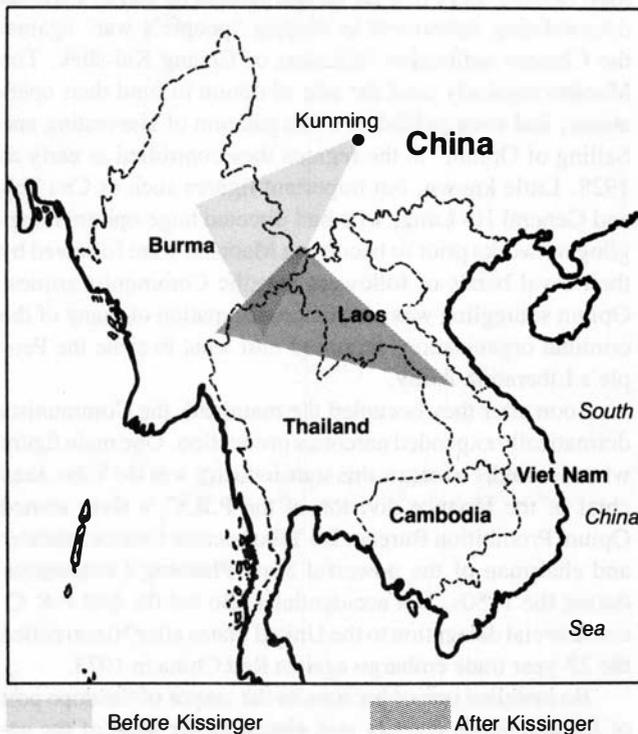
Until approximately 1970, relevant agencies of the U.S. government listed the People's Republic of China as producing some 65% of the world's opium. Today, these same agencies or their successors, the U.S. Drug Enforcement Administration, Central Intelligence Agency, the Federal Bureau of Investigation, the State Department, and the White House itself, claim that the P.R.C. produces no opium whatsoever, and ridicule the notion that China ever produced any narcotics as "nonsense." What happened?

By the time the Nixon administration took office in 1969, it had been demonstrated that the Chinese government was producing at least 2,000 metric tons of raw opium a year. This state enterprise, coordinated with the Ministries of Finance, Agriculture, and Forestry, the Department of Public Security, the People's Liberation Army, and the Bank of China, among other organizations, was given greater priority by the P.R.C. leadership than any other sector of the economy. After all, foreign exchange earnings from the drug's export, sold in some 37 varieties of opium and 26 varieties of heroin, were already several times greater than the rest of the P.R.C.'s exports combined.

While China's current annual opium production is not known precisely, several experts report that some 700,000 hectares on the mainland are now devoted to opium cultivation. Agronomist estimates of average yield per hectare, based on only minimal fertilizer use, indicate that the P.R.C. could

FIGURE 1

**'Golden Triangle' before and after Kissinger**



be producing on the order of 4,000-6,000 metric tons of opium annually. P.R.C. refinery capacity now stands at an estimated 8,000 tons. The current total annual proceeds for the world's narcotics trade is at least \$500 billion, all of which is "washed" through the world's major banks, as will be seen below. Something on the order of 30% of that \$500 billion is from the sale of opium and opium's most popular Western form, heroin—almost all of which is produced by the P.R.C.

On Feb. 12, 1988, Thai authorities seized 1.2 metric tons of heroin on one ship in Bangkok harbor—equal to the U.S. Drug Enforcement Administration's estimates of the region's heroin production for the entire year! From this fact alone, one can estimate that the region's heroin production must be vastly greater than officially reported by U.S. statistics.

Yet according to a U.S. State Department report issued in March 1989, a mere 2,400-3,300 metric tons of opium was grown worldwide in 1987. While censoring any reference to the P.R.C., the State Department is forced to state that well over 95% of the opium that it admits was produced, was produced on China's borders. According to the U.S. government virtually all the world's opium is grown either in the so-called "Golden Crescent" of Pakistan, Afghanistan, and Iran, or the so-called "Golden Triangle" of Burma, Thailand, and Laos.

Back during the 1960s, the Golden Triangle was defined

as including sections of Burma, Thailand, and Yunnan province in China, of which the Chinese territory comprised most of the area (see **Figure 1**). In 1970, the White House, under the influence of then National Security Adviser Henry Kissinger, redrew the map to exclude Chinese territory entirely. *The White House simultaneously banned all aerial narcotics reconnaissance of the region.*

In order not to appear absurd, U.S. agencies assert that the northern region of Burma, adjoining China, is where the majority of the world's opium is grown. These agencies fail to mention that that remote Burmese region, comprising the Shan and Kachin and related ethnic minorities' provinces, has been in continuous revolt since Burma became independent shortly after World War II. Rebel armies in this area traffic in opium to finance their operations. They are entirely equipped by the P.R.C., and often headquartered across the border in Yunnan. The Burmese Communist Party, an official agent of Beijing, and not the central Burmese government, controls most of the Burmese territory which the U.S. government now defines as part of the Golden Triangle.

Almost all of the opium which the U.S. government claims is grown in Burma, is grown in China, and simply passed through the "Golden Triangle" by these rebel armies. Similarly, many Asian experts say, most of the opium allegedly produced by Pakistan, Iran, and Afghanistan, is grown in China.

**Where opium is really produced**

Almost 1% of the Chinese mainland's arable land is devoted to opium cultivation, according to the writings of the Republic of China's Gen. Chu Sing-yu (ret.), Chang Tse-Min, and other experts in the field. Since it is hard to hide such a huge land area in its official statistics, some 733,000 hectares, the World Bank cynically labels these opium-growing regions "mixed crops" zones, in its maps of the region.

According to Chu, the P.R.C. has dedicated 235 counties to poppy cultivation, of which 11 are located in northeast China, 12 in north China, 47 in the northern region of Shanxi province, 10 in East China, 39 in Central China, 72 in Southwest China (of which 39 counties are in Yunnan alone), and 44 in Southeast China.

The cultivation of this opium is organized by the production groups of 332 "people's communes." Additionally, 97 other regions are designated as growing "plants for medicine," a euphemism for opium. Poppy cultivation is supervised by "Production Development Corps," and carried out by "state farms," "farms run by the military," "demonstration farms," "improvement farms," "agricultural experiment farms," "seed improvement and experiments stations" and "new cultivated areas," according to Chu. In many areas, the Department of Public Security, the P.R.C.'s secret police, directly oversees opium cultivation. The labor force from these plantations is drawn from "labor reform criminals," "young people expelled into the countryside," and "retired

public servants,” in addition to peasants, according to these same sources.

In previous years at least, one of the most important overseers of opium production has been the Tobacco Monopoly Bureau of the State Council. Prior to World War I, much of Chinese opium was produced under the direction of British tobacco interests, of which British American Tobacco was the most important. This is the apparent basis for the later role of the P.R.C. Tobacco Bureau in the trade. Interestingly, Bush's White House counsel, C. Boyden Gray, is the heir to the R.J. Reynolds tobacco fortune, which is based on that firm's partnership with British American Tobacco in that same period.

In addition to growing most of the world's opium, the Chinese government does much of the initial chemical processing of its raw opium, and, increasingly, refines that opium into heroin as well. According to some estimates, the P.R.C. had 98 opium-processing plants by 1979, producing some 77 categories of opium and heroin products. According to a report in the *Taiwan Daily* of June 3, 1984, the “Oriental Pharmaceutical Factory” in Yunnan province produces 12 metric tons of heroin annually.

## The routes

China ships this opium and heroin through a variety of routes, according to General Chu (see **Figure 2**). A northeast route, with Shenyang as its concentration point, goes by land through Harbin to Moscow by way of the Siberian railroad, eventually reaching East Germany and Western Europe. Alternatively, trafficking proceeds from Darien by sea, reaching Japan and the Philippines. Another northern route starts from Tianjin, through Chefoo and Tsingtao, to Japan or North Korea, and from there all over the world. The eastern route, with Shanghai and Amoy as major concentration points, extends to northern Europe and the Middle East by sea. The South China opium-smuggling route begins in Canton. Narcotics are shipped through Hong Kong and Macao by sea, with destinations in north Asia, Europe and South America. Chu estimates that this latter route is now the most popular. All of these routes directly and indirectly reach the United States.

Other routes include the trails from Southwest China through Burma and the so-called Golden Triangle; and a northwest route, with Tibet and Sinkiang province as key concentration points, proceeding to western Asia.

P.R.C. profits from the opium trade are difficult to determine, given the huge mark-up of opium at its source, where growers may receive as little as \$70 per kilo, to its price it reaches in the form of heroin on the streets of New York. The degree which the P.R.C. maintains its own distribution networks in the West is unclear. But whatever its cut of this approximately \$200 billion annual trade, narcotics is the P.R.C.'s largest export by far. The P.R.C.'s total exports, outside of the dope trade, are a pathetic \$14 billion a year.

## It didn't start yesterday

The history of the Chinese Communist Party is also a history of opium. As early as the 1920s, Communist leaders Mao Zedong and Chou En-lai had praised opium as a crucial demoralizing instrument in waging “people's war” against the Chinese nationalist followers of Chiang Kai-shek. The Maoists regularly used the sale of opium to fund their operations, and even published a “Regulation of Harvesting and Selling of Opium” in the regions they controlled as early as 1928. Little known, but important figures such as Chu Teh and General Ho Lung, who had directed huge opium-smuggling networks prior to becoming Maoists, were followed by their loyal bands of followers into the Communist armies. Opium smuggling was a common occupation of many of the criminal organizations recruited into what became the People's Liberation Army.

Soon after they occupied the mainland, the Communists dramatically expanded narcotics production. One main figure who reportedly oversaw this state industry was Bo Yibo, then chief of the Finance division of the P.R.C.'s slyly named Opium Prohibition Bureau. Bo Yibo became finance minister and chairman of the powerful State Planning Commission during the 1950s. Not accidentally, Bo led the first P.R.C. commercial delegation to the United States after Nixon ended the 23-year trade embargo against Red China in 1973.

Bo installed one of his sons as the mayor of the dope port of Dalian, while another was placed as the head of the so-called Beijing Travel Bureau. Bo remains close to Kissinger circles in the West, and a major figure behind the scenes in China today.

Another key figure in the P.R.C.'s postwar expansion of opium production has been Yao Yilin, a Bo crony who became commerce minister and is today vice premier and chairman of the State Planning Commission. Still another major overseer of Chinese narcotics production is Li Xiannian, who was named the “money god” for his “miraculous” payment of China's war debt. Li was finance minister from 1957 to 1975, and the President of China in the early 1980s. His reputed son-in-law, Shanghai party boss Jiang Zemin, was just installed as Communist Party General Secretary, replacing the disgraced Zhao Ziyang.

## Who lost China

As was generally well known at the time, Mao would never have taken over the mainland without the covert support of Franklin Roosevelt, Winston Churchill, and Josef Stalin. All three powers wanted to keep China weak, and never allow it to develop along the economic and political lines specified by China's great leader Sun Yat-sen. Both the imperial bankers and the Communists also wanted to continue the dope trade, for reasons of both political policy, and profit.

One demonstration of this relationship is China's peculiar banking system.

FIGURE 2  
**Chinese opium exports**



Back in 1949, the Communist forces of Mao Zedong nationalized the Shanghai-based Bank of China—for all of one year. The Bank of China, which was formed in 1912, had functioned as China's state bank under the Chinese republicans. Although a state bank, the Bank of China was 30% owned by private investors. By 1950, Mao agreed to return the 30% of the bank owned by private interests back to their original owners, if these investors could prove themselves hostile to the Nationalists. While it is unclear what private interests chose to remain as business partners with the Maoist regime in the this transformed bank, circumstantial evidence points to the very same foreign interests who had earlier patronized the Communists.

In any case, British finance never left the mainland despite claims to the contrary. Such major British financial institutions as Hongkong and Shanghai Banking Corporation and Standard Chartered, have remained in continuous operation on the mainland, even during the Korean War and Cultural Revolution. The curious Bank of China became the primary financial instrument of the P.R.C.'s growing narcotics empire. Bank of China overseas branches in the British Crown Colony of Hong Kong, and former crown colony of Singapore, as well as Bangkok, Thailand, have been crucial to the world's opium trade according to numerous sources.

During 1950, President Harry Truman invoked the Trading with the Enemy Act against the P.R.C., which forced that regime to find third-party intermediaries as a way of continuing its relationship with American banking interests. Correspondent banks for the Bank of China, by the time of the 1971 "China card," included the above mentioned Hong-

kong Shanghai Bank, Standard Chartered, as well as Crédit Suisse of Switzerland, Barclays and National Westminster of England, and the National Bank of Pakistan. Every one of these banks has been implicated, repeatedly, in narcotics money laundering.

In addition to the Bank of China, the P.R.C. has also allowed the continued operation of several private Chinese banks originally formed as far back as the turn of the century. These banks have maintained ties to some of the worst narcotics money-laundering banks in the West, including the Bank of Montreal, Manufacturers Hanover Trust, Chemical Bank, Banque Bruxelles Lambert, Chase Manhattan, and Wells Fargo, all of which have been repeatedly cited as offenders of currency transaction reporting requirements or otherwise shown to be tied to narcotics money laundering.

These same banks are among the most enthusiastic financial interests seeking to increase their operations on the mainland itself.

Not the least of the "narco-banks" tied to the P.R.C. banking system is the Hong Kong-based Bank of East Asia, which has maintained continuous operations in Shanghai since 1920. The bank's former chairman, Sir Y.K. Kan, is a partner of Kissinger Associates, and is the person who opened up Hong Kong and China for S.G. Warburg, the old British imperial banking house. The bank's recent establishment of an electronic money transfer system on the mainland, hooked up with such "offshore" banking centers as the Cayman Islands, ensures that Chinese dope money continues to flow into the Western financial institutions which control George Bush.

## Warsaw Pact to meet amid food riots, uprisings

by Konstantin George

In early July, a Warsaw Pact summit will be held in Bucharest, Romania. The summit, announced by Soviet TV on June 26, could be the most critical since the “defensive” Pact was formed in 1955 between Moscow and its Eastern European satellites.

June’s events have conspired to heighten Soviet desperation and temptation to military adventure: the outbreak of the most dangerous Hungarian crisis since 1956; the first phase of what may become, by July or August, the biggest social explosion in postwar Poland; and a chain reaction of food riots and national unrest in Soviet Central Asia—unrest that could spread, along with growing famine conditions, to the Ukraine, the Baltic, the Transcaucasus, and Moldavia.

### **Hungarian breakaway threat**

The Hungarian crisis came to a head with the June 23-24 Hungarian Communist Party Central Committee plenum, which effectively fired General Secretary Karoly Grosz, a loyal Moscow stooge. The CC plenum placed Hungary under the rule of a four-man presidium, in reality a triumvirate of “reformist” Politburo members Rezso Nyers, Imre Pozsgay, and Miklos Nemeth, the prime minister, with Grosz on the body as an ornament.

The plenum set Oct. 7 as the date for Hungary’s extraordinary party congress, which, if it goes ahead, will purge the Moscow stalwarts. The new triumvirate is committed to a “multi-party system” and “totally free elections” in 1990, which will definitely end sole rule by the Communist Party, and probably open the way for Hungary to try to leave the Warsaw Pact.

It is only too clear to Moscow that the dynamic in Hungary is fatally parallel to that of 1956, when a “reformist” Communist Party leadership under Imre Nagy came to power

in order to try and placate a popular anti-Russian movement, and ended up being swept by the pro-liberation tidal wave into breaking with Moscow and briefly taking Hungary out of the Warsaw Pact. It all ended in November 1956 when the Red Army conducted a bloodbath in Budapest, crushing the freedom fighters.

The June 13-19 issue of the Soviet weekly *New Times* voiced Moscow’s extreme concern, in directly attributing the Hungarian “counterrevolution” of 1956 to a “multi-party system” that went out of control: “Apparently Imre Nagy and his supporters hoped that by having the Soviet troops out of the country and making concessions to various opposition forces . . . passions could be defused and the situation brought under control.

“However, what with constant reshuffles, the multi-party coalition lost its grip on the country by early November. . . . The government of the Communists proved unable to defend the system, and had lost control of the country.”

### **Anti-Warsaw Pact rallies**

The anti-Russian popular spirit was clearly evident one week before the plenum, at the June 16 Budapest ceremonies of the reburial with full honors for the executed leadership of the 1956 Revolution. Demonstrations broke out in front of the Soviet embassy demanding all Russian troops leave Hungary, and calling for Hungary to leave the Warsaw Pact. Throughout the spring, similar demonstrations had occurred all over Hungary, including several directly outside major Soviet Army bases—all without any police interference.

Before June 16, except for constant polemics by Romania, the Warsaw Pact states had refrained from open attacks on Hungary. Then everything changed. A statement by the East German Politburo, echoed by Czechoslovakia, ex-

pressed “grave concern over developments in Hungary.” Romania escalated its campaign, terming the June 16 Budapest ceremony “fascistic, anti-socialist, anti-Soviet,” and an “anti-Warsaw Treaty Organization manifestation.”

Moscow held its fire until June 23, the day the Hungarian plenum opened, when for the first time since 1956, a Soviet ambassador to Hungary was quoted in the Soviet media denouncing events in that country. Ambassador Boris Stukalin denounced the “anti-Soviet and anti-communist” speeches that had been delivered at the funeral for Imre Nagy and other leaders of the 1956 Revolution. Stukalin added that such speeches are not seen by Moscow as the “official views” of the Hungarian regime, *but* “such occurrences are not conducive to the bilateral relations” between the Soviet Union and Hungary, because “at the event, open attacks on the [Communist] Party” and on the Soviet Union were to be heard.

On June 23, the tone of Soviet radio coverage of the Hungarian CC plenum was no less nasty. Radio Moscow reported, “The Hungarian Party is split. It is split in various currents. . . . One hopes the Party can avoid an open rupture. One hopes the Party can remain united.”

A nervous declaration issued by the Hungarian CC, was read on Hungarian TV and radio, the evening of June 25: The Hungarian CC “condemns anti-Soviet positions, which are a danger to Hungary’s interests, and will turn against all attempts to bring Hungary into conflict with its [Warsaw Pact] neighbors, under the cover of alleged Hungarian national interests,” a clear reference to the U.S.S.R., Romania, and Czechoslovakia. The CC then emphasized that Hungary will not abandon “its obligations to the Warsaw Treaty Organization.” These portions of the declaration were also reported in full by Soviet radio.

But the next part of the Hungarian CC declaration showed how polarized Hungary’s relations have become with nearly all other Warsaw Pact regimes: “The CC of the Hungarian Socialist Workers Party does not accept the representations of some foreign political figures and media, who are acting as if the transition [by Hungary, but also implying Poland] to a mixed economic system is a betrayal of socialism, a ‘peaceful counterrevolution.’ The Party clearly distinguishes between protecting socialist values, and sticking to power, by not hesitating to resort to violence.”

George Bush, who has adopted Henry Kissinger’s policy for what Washington fools believe will be the parallel neutralization of Eastern Europe in exchange for the growing neutralization of West Germany, is in for some rude shocks, as he prepares for his July 12-13 trip to Hungary and Poland. A June 26 *Pravda* commentary warned the Bush administration in the bluntest terms that Moscow will never permit a Western-manipulated neutralization of Eastern Europe.

The Soviet party newspaper went on to tell the satellite regimes: “One must not play Poddavki,” a Russian board game where the winner is the first to lose all his pieces on the board, “with the new government” in Washington. *Pravda*

accused the Bush administration of “stubbornly” pursuing a “carrot and stick policy” toward East European countries, “which find themselves in the process of *perestroika* and renewal,” to make them “give up their positions.” *Pravda* reiterated the policy known in the West as the Brezhnev Doctrine since Soviet tanks rolled into Prague in 1968: “Under these conditions,” the “completely independent, sovereign and equal” Warsaw Pact states, “regardless of the new quality of their relations, must undertake joint responsibility for the fate of socialism.” *Pravda* stressed the duties of all Pact members of “internationalism” and “alliance loyalty.”

## Poland at the brink

On June 28, the Polish party newspaper, *Trybuna Ludu*, reported what the Poles had known too well for several weeks—that meat had totally disappeared from the shelves of all state shops, making meat ration cards worthless, and that food in general is becoming “ever scarcer.” Meat is only available through private cooperative shops, starting at *six times* the state price per kilogram. Polish Agriculture Minister Olesiak was quoted: “Everyone is afraid that prices will go up, but almost no one is giving thought to the fact that there might not be any food at all.”

*Trybuna Ludu* revealed heavy drops in agricultural and industrial production during May and June, causing “sinking exports,” and as a consequence “the cancellation of some imports,” including “imports necessary” to maintain production. It also warned that inflation would soon top three digits (the official inflation rate is already at 78%). But with empty state shops, the Polish consumer price index is now based on the prices in the private cooperative shops and the black market, and inflation is already over 100%. The black market rate for the U.S. dollar has gone from 4,000 Polish zloty in January, to over 6,000 zloty by the end of June. The Politburo announcement of June 27, “reassuring” people that there will be no food price hikes until a new government is formed sometime in July, is also a cruel joke. With empty state shops, whatever “price” the state sets for non-existent goods is irrelevant.

The true causality behind the dramatic collapse in food supplies was, of course, not stated by the authorities: The state’s refusal to pay Poland’s private farmers a price coming even close to meeting production costs, coupled with steep price increases in June that have hit the farmers the hardest, has drastically reduced farmers’ sale of cattle and foodstuffs to the state. In April-June, on the average, only one-third as many cattle were sold to the state as during April-June 1988.

Then, in June, the government raised the price of diesel fuel for tractors by 100%, and the price for new tractors and tractor spare parts, by over 90%. That was the last straw for private farmers. By the second half of June, food sales and deliveries to the state had all but stopped, and the shelves in the state stores became emptier with each passing day, reaching the alarm stage by the week of June 26.

# Schiller Institute at the Cini: Let's go with the Verdi tuning!

by Claudio Celani

The Cini Foundation hosted on June 20, on the island of San Giorgio in Venice, a conference organized by the Schiller Institute and the Italian Harpsichord Association on the topic of Verdi's tuning fork. The event took place at the impetus of Mrs. Egida Sartori, who presides over the Harpsichord Association and who organizes courses on early music every year at the Cini Foundation.

This year, it was decided to hold a seminar on the Verdi concert A to kick off the courses, that A set at 432 vibrations which the Schiller Institute has repropounded and which has been supported by over 2,000 musicians from all over the world. Unhappily, in the meantime the Italian Parliament disgraced itself by passing a law that sets the tuning of the concert A higher—at 440 cycles per second—touching off a wave of protests from the opera world and other branches of music which the Venice meeting recorded and amplified.

The question is a simple one: The height of the pitch is the reason behind the lack of new great voices and, as the famous baritone Gino Bechi, who was present at San Giorgio island, explained, it makes it impossible to train others. Bechi struck two tuning forks which he pulled out of his pocket: one which went back to the beginning of his career, and another which he acquired at the end. The difference was impressive—it added up to a half-tone! Certainly, the other problem is the lack of good teachers, but at least, Bechi asserted, by recovering the “low” tuning fork, we will give teachers the potential to train voices in their proper placement, respecting the natural registers.

But the problem is not merely, as Father Pellegrino Ernetti, the music expert of the Abbey of San Giorgio, explained, that of lowering the tuning fork to 432 for Verdi's work because Verdi wanted it that way; it is a question of establishing that this really is the right tuning, that it is scientific, and that it corresponds to the physical organization of the universe and that it is good for voices. In this regard, Father Ernetti quoted Helga Zepp-LaRouche, president of the Schiller Institute in West Germany and founder of the international Schiller Institutes, when she said, “Man, whose reason (the microcosm) reflects the laws ordering the creation of the universe (the macrocosm) is the ‘crowning of creation’; i.e., what all other organisms in the universe do more or less unconsciously, man does consciously, and in freedom. It is man's duty, as *imago viva Dei*, the living image of God, to imitate the noblest activity of God the Creator, and thus to

continue creation within the universe. Man is therefore the only creature who can freely, yet lawfully, extend the order of creation.”

“This,” Father Ernetti stated, “is the essence of music.” In a beautiful metaphor, the Benedictine scholar related the explanation of sound and light as electromagnetic phenomena to the beginning of the book of Genesis. In fact, he said, the present translation, “And God said, Let there be light,” is wrong. The original Aramaic language uses a word which ought to be translated: “God sang: Let there be light.” Therefore the first act of creation was sound, which preceded light in the spectrum of electromagnetic radiation. The entire universe vibrates and in vibrating, “sings the praises of the Lord.” But at what tuning pitch?

While Father Ernetti tends to seek the response in the organization of the “natural” scale, which preceded the well-tempered system, the mathematical physicist Jonathan Tennenbaum gave a rigorous response by deriving the tuning fork to which the universe is tuned, from the curvature of physical space-time. Thus, the measurement of time and the calculation of the second derive from astronomical cycles, and it is from the second that the period of oscillation of middle C at 256 cycles derives; this in turn corresponds to a concert A of no higher than 432, which is the Verdi tuning fork.

## Musical aesthetics

The presence of Helga Zepp-LaRouche at the conference on the island of San Giorgio undoubtedly enriched the proceedings. The Schiller Institute founder and wife of American scientist and statesman Lyndon LaRouche, who initiated the campaign on tuning, explained how the raising of the tuning pitch falsified musical interpretation and the poetic text set to music. Recalling how Schiller correctly attributes the highest moral responsibility to the artist, because he acts upon the deepest aspects of the human soul, Mrs. LaRouche used the example of Beethoven's *Lieder* to demonstrate how a change in register occurring to early or not occurring at all, undermines the interpretation.

Liliana Celani, of the Italian Schiller Institute, then went over the history of the initiative on the tuning fork, which began in America when Mozart's “Coronation Mass,” at Lyndon LaRouche's suggestion, was performed with the orchestra tuned to a middle C of 256 cycles. Then in Italy, at

the Milan Conservatory, the text of the law approved in 1884 establishing an A corresponding to that same middle C was discovered, and it turned out to have the backing of none other than Giuseppe Verdi. Then in April 1988 there was the historical conference in Milan with Renata Tebaldi and Piero Cappuccilli, where baritone Cappuccilli performed two different Verdi arias with the Verdi tuning and a higher tuning.

Over the course of a year, the Schiller Institute's initiative gathered signatures of more than 2,000 musicians from all over the world, but the Italian Parliament ignored them, and passed a law setting the tuning fork at A = 440. One can therefore imagine the justified bitterness and indignation with which almost all the speakers turned to the deputy director of the Tourism and Entertainment Ministry, who came from Rome to participate in the Venice conference.

"I think that our government," Gino Bechi said, "must take charge of the decisive solution if we want to once again have the exportation of singers as in the old days."

"Being an exorcist," added Father Ernetti, "I know about this, and I must say that I have the impression that the footprints of the devil are in this law."

Among the numerous messages sent to the conference (Luciano and Adua Pavarotti, Renata Tebaldi, Piero Cappuccilli, Lucia Aliberti, Raina Kabaiwanska) the protest was reiterated. "We all hope that the law will be changed according to Verdi's wishes," said Elio Manzoni, chairman of the Academy of Verdian Voices of Busseto, who brought the greetings of tenor Carlo Bergonzi.

### The ancient instruments

Prof. Bruno Barosi, of the Cremona Institute of Violin Building, showed the results of experiments carried out on Stradivarius violins to discover how the violins would behave, with the changes which have taken place over centuries (lengthening of the neck, reinforcement of the sounding board, etc.) and no longer reversible, if they were tuned to 432 vibrations. With the aid of graphics, Barosi showed that, at 432, the instrument reveals itself to be richer in harmonics and it has its maximum acoustical yield at a C of 256 vibrations—not to mention the damage which accrues from the increased tension of high tuning, which tends to flatten the backs of the instruments. Professor Barosi therefore supported the Schiller Institute initiative and also wanted to publicly thank Lyndon LaRouche, who started it all.

In the afternoon harpsichordist Egida Sartori spoke, drawing the conclusions of the conference, along with Prof. Franco Rossi of the Levi Foundation which cosponsored the event, Luigi Celeghin of the Rome Conservatory, and Pierre Yves Asselin of the Paris Conservatory.

### The concert

At the close of the proceedings a concert was held, hosted by the Levi Foundation. The program was mixed: In the first part there were 18th-century pieces by Bach and von Biber,

played by Edward Melkus (violin), G. Murray (harpsichord), and C. Gasparoni (viola da gamba). In the second part, soprano Loredana Romanato and tenor Maurizio Saltarin interpreted Verdi opera passages accompanied at the piano, which was tuned to the Verdi A, by Paolo Ballarin.

A reviewer in *La Nuova Venezia* wrote: "The arias, taken from the Verdi operatic repertoire, revealed a lessened presence of strain, a lovelier sound, and cleaner phrasing. The angelic voice of Miss Romanato, which was clean and impeccably in tune on the high notes, was a real revelation, as was also the tenor's vocalism." A positive judgment on the initiative was also given by music critic Mario Missinis in the main daily paper of Venice, *Il Gazzettino*, who wrote: "It already seems certified, almost chorally, that we ought to get back to the 19th-century tuning fork. . . . We'll see if good sense will prevail."

## Rigoletto at A = 432

The major Milan daily, *Corriere della Sera*, ran an article on June 13 announcing, "On next Oct. 11, at London's Albert Hall, a concert version of the opera *Rigoletto* by Verdi will be performed; in the following days this production will be recorded on a disk by a French company. It would be just another event, if it were not the first true proposal to sing an opera, in public, performed according to the Verdi tuning fork (432 vibrations)."

*Corriere* interviews conductor Michel Sasson, who will direct the London Philharmonic Orchestra and the Sofia choir. "This London *Rigoletto*," Sasson said, "is intended to be a demonstration of the potentials of performing the opera in the way the composer desired."

"Piero Cappuccilli, Peter Dvorsky, and Lucia Aliberti," Sasson went on, "will sing the principal roles in the opera, which will be broadcast by British television. In the auditorium there will be many great artists, all those who can be in London on that day, Pavarotti, Domingo, Ghiaurov, and so forth. Those who will be elsewhere will join the demonstration with direct satellite hook-ups.

"The tendency is that of trying to recover the composer's sounds, and so the orchestra will be composed of about 50 players and the choir will be under 40 singers."

Until the A = 432 tuning prevails, he declared, "we will continue to produce performances in this way. For there is a unity of intentions among the singers which could result in a demonstrative strike."

# Panama lawmakers' conference rallies opposition to New Yalta deal

by Carlos Wesley

The new Assistant Secretary of State for Inter-American Affairs, Bernard Aronson, flew off on what former Central Intelligence Agency socialist Cord Meyer publicly called "an urgent mission to Moscow," to get help from Mikhail Gorbachov to rescue the administration's Panama policy. Meyer said in his syndicated column published June 23 in the *Washington Times*, that Aronson would tell the Russians that the commander of Panama's Defense Forces (PDF), Gen. Manuel Antonio Noriega, stands in the way of the Soviets' "improving relations with the United States."

The Bush administration's bizarre decision to seek Soviet help in crushing Panama, was prompted by the setback to its plans for an intervention into that country dealt by the "Conference of Latin American Parliamentarians for Panama." At the conference, held on June 17-18 in Panama, 150 lawmakers from 15 Ibero-American countries, representing more than 1,000 of their fellow senators and congressmen, said no to the U.S. administration's scheme to use the Organization of American States (OAS)'s "multilateral" backing to oust the Panamanian government and General Noriega, and to tear up the 1977 Panama Canal treaty.

Besides seeking Russian support, the administration enlisted the Socialist International, which complied by expelling the largest party in Panama's ruling coalition, the Revolutionary Democratic Party (PRD), from its ranks at its centennial world congress in Stockholm on June 22. The Socialist International, a grouping of 81 socialist parties, has been brokering the condominium arrangements between the United States and the U.S.S.R., and its expulsion of the PRD once again proved the validity of the charges of "agent of the multinationals and imperialism," leveled against its longtime chairman, Willy Brandt, by former Mexican President Luis Echeverría. Brandt has long been suspected as an agent of Communist East Germany.

Supposedly the Socialist International acted against the PRD because of the annulment of Panama's recent May 7 elections. But the real reason was that the lawmakers' conference in Panama threw a wrench into the plans for the OAS to become an international policeman. The tip-off was provided by Prime Minister Michael Manley of Jamaica, who made the motion for the expulsion. Manley was the first Western leader to openly call for abolishing national sovereignty, when he proposed, on June 10, the creation of a supranational intervention force under the United Nations,

supposedly to fight drugs. The OAS intervention into Panama was to have set the precedent for the creation of the supranational army proposed by Manley.

To further this project, Henry Kissinger's right-hand man for Ibero-America, Luigi Einaudi, was officially nominated by the White House as the new U.S. ambassador to the OAS. Einaudi is an expert on military matters who has run State Department hemisphere policy since the last days of the Nixon administration and throughout the presidencies of Carter, Reagan, and Bush.

But even as Aronson was trekking to Moscow, the administration's "multilateral" intervention strategy was crumbling. The OAS itself, stung by Vice President Dan Quayle's ultimatum of June 12 in Guatemala, where he said that unless the OAS forced Noriega out, the U.S. would take measures, backed off from parroting the U.S. demands, and instead called for a dialogue among all parties in Panama. Diego Cordovez, the Ecuadorian foreign minister and one of the members of the OAS commission on Panama, charged that "foreign forces are exerting pressures so that no solution is found to the Panamanian conflict," according to reports published June 18.

## U.S.-Soviet plot suspected

The shift in the OAS's stance became more marked as it became increasingly evident that as a result of the lawmakers' meeting, the hemisphere's nations are moving to back Panama against U.S. aggression. In Peru, on June 26, Prime Minister Luis Alberto Sánchez said that Panama's problems "should be solved by the Panamanians themselves." Previously, Sánchez had been in the forefront of those calling for Noriega's ouster.

The Brazilian daily *Correio Brasiliense* pointed out on June 26 that "as a result of the thaw in relations between Washington and Moscow," Panama had recovered "strategic military importance," for the U.S. as a base for intervention into all of Ibero-America. The newspaper, known to be close to Brazil's intelligence services, also reported that Panama is resisting the attempts to dismantle the militaries of Ibero-America by both the United States and the Soviet Union. "For Panama," noted *Correio Brasiliense*, "the presence of the military in politics is normal and even desired by the majority of the populace because it represents a guarantee of national defense and territorial integrity."

Support for Panama is growing throughout Ibero-America, said Brazilian Rep. Luiz Salomão, one of the leading members of the Brazilian delegation at the lawmakers' conference. In a speech to the Brazilian House of Representatives, June 20, Representative Salomão told his colleagues that he and Brazilian Sen. Aluizio Bezerra "were able to demonstrate the solidarity of the Brazilian Congress towards Panamanian sovereignty. . . . We were also able to hear the expressions of Latin American solidarity including in regard to the slander campaign against the Panamanian authorities," particularly against Noriega who has been falsely accused by the U.S. of being a "drug kingpin." One of the key aims of the lawmakers' conference was to provide information about reality in Panama, which most people lack because of U.S. media disinformation.

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## Documentation

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# The truth about the U.S.-Panama conflict

*Below are excerpts from addresses delivered by Panamanian government leaders to the Conference of Latin American Parliamentarians, held in Panama on June 17-18, explaining the reasons behind the U.S. campaign to obliterate the sovereign nation of Panama.*

### Greetings from the Legislature

*From the opening remarks of Celso Carrizo, president of the Panamanian Legislative Assembly:*

. . . Your presence constitutes a statement of support for the Panamanian cause, which is also the cause of the peoples you represent. You are friends of Panama, and Panama thanks you for each and every show of solidarity that you have given in Congress, in the press, and in the streets of your countries.

We know that it has not been easy to come to Panama. I am not only referring to the changes in commitments and agendas, nor to the effort of traveling. . . . We realize that to be in solidarity with our country means overcoming much opposition. You have had to see beyond a worldwide campaign of disinformation. You have had to stand up to threats from the United States government. . . .

Therefore, the representatives of the Latin American people, from the Rio Grande to Patagonia, declare at this meeting their brotherhood in the face of threats of foreign aggression and, above all, set an example of solidarity to counteract all the efforts to isolate our countries, as is sought today with Panama. . . .

We have invited you to our country . . . because we want to provide you with first-hand information about our situa-

tion. . . . We have invited our foreign minister to explain to you in full detail the continued United States violations of the Torrijos-Carter Treaties [handing over the canal to Panama] and of the norms of international law. Our planning and political economy minister will provide you a review of the terrible economic damage that U.S. aggression has inflicted upon us. And our defense forces will provide you with the basis for judging the significance of U.S. military aggression.

We want to establish a direct relationship between you and ourselves, the legislators and national authorities who defend our nation's integrity on the front lines of the battle for national liberation. . . .

### 'A special moment in history'

*Panamanian President Manuel Solís Palma:*

. . . You have arrived in the country at a very special moment in the history of mankind and Latin America. Agreements between the superpowers have revived old concepts about conventional weapons and the strategic value of our most coveted territories. The foreign debt has significantly decreased the autonomy of many countries, and new forms of dependency affect the political and economic development of large segments of the continent's population. . . .

This nation has been the victim of the gravest abuses and outrages by the U.S. government, which has violated all the principles of relations between free and independent countries. The U.S. government is trying to impose on us a model that fits U.S. conditions and interests. It is extremely dangerous for a superpower to set itself up as a universal judge and to unilaterally determine when, where, and how human rights are to be respected or a democratic regime is to be established. . . .

This has led to a very particular supranational concept of democracy and human rights according to the definition assigned by the superpower. This definition allows the superpower, under the pretext of protecting individual and collective rights, to ignore the principles of non-intervention and self-determination without which international coexistence is utterly impossible. . . .

Since it was not to their advantage to level the charge of communism against Panama, the United States decided to invent a new monster, and turned to the charge of drug trafficking. In the international scandal they raised, they never produced any court-admissible evidence. The cornerstone of the entire discreditation campaign can be reduced to statements by false witnesses and testimonies of persons serving time on drug-trafficking and money-laundering charges in the U.S., where the reduction of prison sentences in exchange for turning government witness has become part of the U.S. penal system.

As befits a free and sovereign nation, Panama has rejected and will firmly reject the intolerable attitude of the United States. This is why we are requesting the support of all peoples. We hope our experience can warn them of what could

befall each of them in the future if we all do not unite in a strong general movement in defense of our inalienable rights.

My homeland is today under attack, economically besieged, and militarily threatened by a foreign power that is attempting to impose its nefarious plans, not only on Panama, but throughout Latin America. In view of this serious danger, we Latin Americans should unite and act without delay or hesitation. We must confront this ominous situation . . . with the common objective of having our rights as free and sovereign countries respected. . . . We must contribute to the Panamanian cause, which has become the common cause of Latin America. . . .

U.S. imperialism intentionally rehearses in Panama a form of intervention that it is beginning to apply in all of Latin America and against all of the world's oppressed peoples. But this power has not only attacked us, threatened us, interfered in our internal affairs, and limited the exercise of our rights of sovereignty, freedom, and self-determination. . . . This power has [also] insidiously and systematically initiated a large-scale disinformation campaign throughout the international community to create a false, distorted, and evil image of Panama, its people, institutions, and leaders.

Distinguished parliamentarians: The various views presented regarding Gen. Manuel Antonio Noriega constitute a key aspect of the Panamanian situation.

The United States has carried out a spectacular, unique, and persistent effort to convince the world of its thesis that Panama is afflicted by a problem that can easily be solved with General Noriega's removal or resignation from the Panama Defense Forces' command post. This childish and deceptive concept is aimed at reducing the Panamanian situation to a simple personal matter and does not correspond to its complex character. . . .

General Noriega is the foremost leader of the liberation process, just as Gen. Omar Torrijos was in his time. His leadership is a factor of national cohesion and a basic element of political coordination between the military and those civilians who have pledged to carry out the Panamanian people's national struggle.

The consolidation of this leadership is essential. . . . Surrendering General Noriega would be tantamount to surrendering the movement, because it would represent the first step in dismantling the political structures that allow us to continue waging the great battle for Latin America. It is absolutely false, illusory, and deceptive that General Noriega's ouster would lead to the achievement of stability and peace.

Stability and peace depend on many factors, not on such a superficial and foolish formula. They particularly depend on foreign non-intervention . . . and on the participation of the people in the country's political leadership. I believe Latin America must acknowledge it owes a debt to Commander Noriega. This attacked, insulted, and slandered man

has withstood the onslaught, and this can only be achieved when a human being is inspired by the most profound beliefs. . . .

## U.S. treaty violations reviewed

*Panamanian Foreign Minister Jorge Eduardo Ritter:*

. . . At this point in time, the Panama Canal Treaties are, to a large extent, a dead issue. The treaties have been violated so openly and with such impunity that very little of them is really being fulfilled. . . . We have pinpointed more than 1,000 violations. . . .

You must remember that the Torrijos-Carter Treaties do not contain only five or six articles. They are a decolonization plan with different stages to be fulfilled each year. . . .

The first basic part calls for the appointment of five U.S. citizens and four Panamanian citizens as members of the board of directors of a body that would operate as an association. Today, this is a lie. The United States has systematically prevented the presence of the Panamanian members at the meetings of the board of directors of the Panama Canal. . . . They have been denied U.S. visas to attend the meetings. . . . A board of directors meeting has not been held in Panama for the past year, although the treaties call for the meetings to be held in Panama. . . . Consequently, this concept of the treaties as an association between two states is a farce and a lie. . . .

Another aspect of the treaties, the direct economic benefits that Panama should derive from the canal . . . is a dead letter. Over the past 16 months, the United States has not paid a single penny to the Republic of Panama for the use of the canal. . . .

The treaties came into force 10 years ago in October 1979. The treaties stipulate that over the first 11 years of the treaties' validity—between 1979 and 1990—the canal administrator would be a U.S. citizen and the deputy administrator would be a Panamanian citizen. The treaty says this situation would be reversed on January 1, 1990. The administrator would be a Panamanian citizen and the deputy administrator would be a U.S. citizen.

However, one year ago, the U.S. government gradually began to strip the administrator of his functions, and a heretofore unknown position was invented. The board of directors' secretary will assume the administrator's functions when the administrator is a Panamanian. . . . The United States, through a U.S. Congress resolution and with the U.S. administration's complicity, has said it will not accept a Panamanian administrator. Its excuse is that there cannot be a Panamanian administrator as long as General Noriega is in Panama. . . .

I will now point out the fourth [violation]. . . . The U.S. military presence in Panama must cease on December 31, 1999. Pentagon documents clearly state the dismantling of these military installations which . . . takes 10 years to be completed. Consequently, the United States will have to

decide in the next 12 months whether this operation will be initiated. . . . At no point has the United States even expressed a willingness to begin dismantling these bases. On the contrary, the United States has increased its military presence, which also violates the Torrijos-Carter Treaties, which clearly and conclusively establish that the U.S. military presence must decrease.

### **Military implications of the conflict**

*Lt. Col. Arnulfo Castrejón, head of the U.S.-Panama Combined Commission for Military Security of the Panama Canal:*

In East-West relations, he whose worldwide deployment of conventional forces holds advanced positions, will have a relative strategic advantage; that is one of the motives for which the North Americans still insist on remaining after the year 2000.

Under this United States interpretation, the United States of America maintains in Panama enclaves and military forces . . . for the purpose of intervention and control, especially over the remaining Latin American countries. . . .

The United States of America has also set up in Panama an agency and a military structure named "the Southern Command" of the U.S. Army, which has been assigned attributions which stretch from the United States border with Mexico all the way to the tip of Patagonia, in Argentina. . . .

In conformity with the study made to plan the withdrawal of U.S. military forces from Panama, the process should begin by the end of 1989, at the latest. And, the U.S. Congress should begin this year to approve funds for such purposes. Therefore, any change destined to achieve the objective of remaining beyond the year 2000 could be expected to take place in the United States between 1988 and 1989. That is the reason why Panama has been under intense political pressure since the end of 1985.

Howard Air Force Base, the largest U.S. air base in the Southern Hemisphere, from the Mexican border to Patagonia, has the capability of receiving and stationing all nuclear and conventional strategic air systems. . . .

During the last two months, we were able to count an average of 30 to 35 flights daily between the United States and Panama of C-5 airplanes—the biggest transport plane the United States has, C-141 airplanes and C-180 airplanes.

We conclude from statistics and calculations of the tonnage carried in those planes' flights that their object was not only Panama, but rather they were in Panama reestablishing a resupply area for fuel, weapons, munitions, and food for [use in] intercontinental actions. . . .

Therefore, I am writing to you and informing you that the aggression would not only be against our country, but that you should be expecting any kind of act of aggression by the North Americans.

## **Charge U.S. aggression against Canal users**

ROME—An interview with the Panamanian ambassador to Italy, Bruno Garisto, published on June 17 by the Italian weekly *Nuova Solidarietà*, was reprinted in the major dailies in Panama and has touched off considerable discussion in Panama. Following a U.S. decision to increase the tolls charged for crossing the Panama Canal, Ambassador Garisto released a second statement to the Rome-based newspaper, whose reporters are also correspondents for *EIR*:

"Panama denounced the unilateral decision taken by the U.S. government with respect to increasing the tolls paid to cross the canal. This increase, on the order of 9%, was unilaterally decided. The United States used its differences with my country, Panama, in order to put into practice a political, economic, and military strategy, at the global level. This strategy, which represents an aggression by the United States against all those who utilize the canal, is very serious and well-calculated, since

in this way the U.S.A. continues to pursue the objective of its own world economic hegemony.

"Through this strategy the United States wants to obtain the following main objectives:

- To impoverish Latin America and make it politically and economically more dependent.

- To divide and weaken the competitive trade position of the European Community and that of the other countries with respect to the United States.

- To obtain more funds to increase North American military intervention at the regional level and to flagrantly violate the Torrijos-Carter Treaty.

"All these actions are part of a strategy used by the United States against countries which benefit from the canal, with the purpose of using them in direct actions against Panama.

"Such actions moreover confirm the desire of the United States to economically subjugate the countries of the entire surrounding region through military and political pressures.

"The United States is using its differences with Panama as a strategy aimed at penalizing all the countries that use the canal."

—Antonio Gaspari

## U.S. economic warfare

*Gustavo R. González, Panama's Minister of Planning and Economic Policy:*

. . . In 1988, United States government aggression against our economy stiffened. In its economic aspect, the aggression focused on attacking internal and external payments systems, as well as tax collections.

The freezing of the National Bank of Panama's deposits in the U.S. Federal Reserve impeded check-clearing operations in our banking system. In addition to the uncertainty created, that led to closing down the banking system for nine weeks, which provoked a substantial reduction in the monetary base.

The country's production of goods and services fell 17.1% in 1988, which translates into a 19.3% per capita reduction in product, a regression to the levels of the late 1970s. . . .

Our exports of goods and services were reduced 11.1% in 1988, as a consequence of coercive measures, especially the paralysis of our international payments system, the elimination of tariff preferences some Panamanian exports had in the U.S. market, and the disinformation campaign which discouraged tourists from coming.

On the import side, those measures endangered supplies of food, medicine, fertilizer, and inputs and strategic intermediary goods for manufacturing, which caused scarcity of basic consumer goods. Imports were cut on the order of 35.3%, with foodstuffs going down 29.2% and intermediate consumption goods (excluding petroleum) down 44.1%.

Outstanding—for their magnitude, nature, and implications for compliance with international contracts—among the measures of aggression against the public finances are the suspension of payments which were agreed in the Canal Treaty to the Republic of Panama and the prohibition of United States citizens and U.S.-owned companies operating in Panama from paying taxes, fees, dividends, or any other disbursement to the government of the Republic of Panama and its dependencies, under threat of fines and imprisonment. Through these measures, the U.S. government and U.S. companies withheld an estimated \$175.3 million from the Panamanian government. That withholding of tax revenues belonging to the Panamanian people [continued] during 1989 [and] is now estimated at more than \$250 million.

The deterioration of economic activity had a major impact on the labor market, causing open unemployment to rise from 11.8% to 16.0% in 1988. . . . There were 125,000 unemployed at mid-year last year.

In 1988, 33.6% of the Panamanian population lived in poverty. The crisis raised that to 40.2%, which implies that 151,000 are in poverty. . . . Health care deteriorated.

Given the havoc wreaked on our economy by the economic aggression against us, it is estimated that the reconstruction process will take Panamanian society at least half a decade of continuous effort and sacrifice.

## Socialists promote global green fascism

by Mark Burdman

On the occasion of its 100th anniversary meetings in Stockholm, Sweden, June 20-22, the Socialist International proclaimed a "new mission" for its members: the creation of a green fascist world order. Thus, while tumultuous events in China and the Soviet bloc shook the foundations of the current world political structure, the Socialist International (SI) showed itself to be worse than irrelevant. It touted the very fascist policies, which people living under communist tyranny are now offering their lives in order to defeat.

Speakers at the anniversary celebrations endorsed the Soviet government's proposal for "international ecological security," and demanded the implementation of the genocidal "sustainable development" program put forward by the World Commission for Environment and Development, better known as the Brundtland Commission. This is headed by Gro-Harlem Brundtland, the Socialist prime minister of Norway, who was a featured speaker at the Stockholm event.

Stockholm was the site of the 1972 U.N. Global Conference on Man and the Environment, which for all intents and purposes launched the "environmentalist" movement. This history was enthusiastically invoked by Swedish Minister of the Environment Birgitta Dahl, who noted in her speech that "the new mission" of global ecologism was particularly crucial now, because 1992 will be the year of the Second Global Conference on Man and the Environment.

Dahl is the chairman of the Environment Committee of the Socialist International, which produced a 37-page manifesto entitled "Towards Environmental Security: A Strategy for Long-Term Survival." Under the cover of defending "the working class, the poor, and the underprivileged," the program uses the manipulative rallying cry of "protecting the environment" to undermine the continuing commitment of developing countries to technological progress.

In the weeks leading up to the Stockholm conference, Swedish Agriculture Minister Mats Hellstroem, writing in *Tiden*, the monthly theoretical magazine of the Swedish Social Democratic Party, identified the main challenge of the Socialist International to be to induce the countries of the South to abandon their commitment to economic growth (see

*EIR*, May 26, 1989, "Swedish Socialists Prepare Model for 'Fascism With an Ecological Face' "). During the just-concluded meeting in Stockholm, Hellstrom was chairman of the resolution committee.

### **Promoting global starvation**

The focus of the SI on the environment is prominent in the "Declaration of Principles of the Socialist International" distributed at the event. In its first section, "Global Change and Future Prospects," the Declaration of Principles warns: "The physical conditions for life on the planet are threatened by an uncontrolled urban and industrial expansion, the degradation of the biosphere, and the irrational exploitation of vital resources."

Later, the authors state: "Since environmental destruction extends across national frontiers, environmental protection must be international. . . . We advocate joint international efforts to replace all environmentally damaging products and processes by alternatives which enhance nature. The transfer of technology from North to South must not be allowed to become a matter of exporting ecologically unacceptable systems."

Several paragraphs further, it becomes clear that this "environmentalism" is just another way of reintroducing the "appropriate technologies" and "quality-of-life" policies that are the essence of the SI's "fascism with a human face" orientation of past years, whose aim is to deprive the Third World of the advanced technology needed to lift its people out of poverty: "Social progress requires, and inspires, technological progress. What is needed is technology appropriate to the different conditions, experiences and levels of development prevailing in the North and in the South. There must be a substantial transfer of suitable technology—and of basic technological know-how—between North and South."

What all of this rhetoric is really about, is to bring about the conditions for reducing the world population through starvation—all, of course, in the name of "the working class, the poor and the underprivileged"!

Section 3.2 of the "Towards Environmental Security" manifesto is entitled "Plans for Adaptation." Under this, Section 3.2.1 is entitled, "Agriculture, Rural Development and Food Security." It reads, in part:

"Agriculture and food policies for sustainable development and food security must include:

- "In countries with a highly industrialized agriculture, a considerable reduction in leakage of nutrients and chemicals from agriculture to ground and inland water is already necessary in the short term. In the longer term, a complete end to this leakage is needed. To achieve this, the use of fertilizers and pesticides will have to decrease substantially.

- "In order to ensure healthy food of good quality, the use of chemical pesticides has to be substantially reduced, with a view to phasing out most of this use. Alternative

production without chemicals should be supported. . . .

- "Conservation of food products by irradiation only conceals decay and should be phased out.

- "Subsidizing of food exports from industrialized countries must be ended, and room given for larger imports of food to those countries (while recognizing their right to preserve, for security reasons, an agricultural potential for feeding their population). This could, at least in part, be achieved by reduced use of fertilizers and pesticides. . . .

- "Physical planning and incentive systems must be changed. Policies should vary from region to region, in order to reflect different regional needs, encouraging farmers to adopt practices which are sustainable in their own areas."

The "Energy Security" program centers on "intensified conservation methods," coupled with the replacement of nuclear and fossil fuels with "alternative and more environmentally benign sources of energy," including wind energy, biomass, solar power, fuel cells and hydrogen power.

Soon thereafter, in a subsection entitled "Human Settlements," the manifesto states: "The world's population is growing fast. This is a cause of concern to many."

### **Global ecological enforcement**

The conference heard a number of additional specific proposals, all converging around Mikhail Gorbachov's idea of U.N.-administered enforcement of the environmentalist world order.

- Denmark's Sven Auken called for "the establishment of a Security Council for the Environment, built on the model of the United Nations Security Council, with binding decision-making powers but without veto for any one member."

Auken's proposal is implied in the "Towards Environmental Security" manifesto, which asserts, "A rethinking of the concept of national security is needed, in order to incorporate environmental and developmental factors. . . . Our life-sustaining ecological systems are at stake."

- Mrs. Brundtland and the Netherlands' Wim Kok jointly called for an International Fund for the Environment, to help bring about "actual change in economic and ecological policy." This call was endorsed by Socialist International chairman Willy Brandt of West Germany.

- Italy's Francesco Forte said that "the World Bank should be transformed into the World Economic and Ecological Bank," to systematically implement "debt for nature tradeoffs," by negotiating "credits in favor of the various Third World countries, in exchange for the preservation of given environmental assets.

It should be noted that Greenpeace, the international ecological activist organization linked to Soviet intelligence, participated in the conference as an invited "observer" organization, and circulated an open letter calling for Socialist International support for a comprehensive nuclear test ban treaty.

# South Koreans fear U.S. troop pullout

by Lydia Cherry

Republic of Korea President Noh Tae-Woo held a rare press conference with foreign correspondents June 28 to voice concern about a U.S. Senate bill introduced by Sen. Dale Bumpers (D-Ark.) that would cut back U.S. forces in Korea by 10,000 over three years. "The American troop presence has been maintaining peace and stability on the Korean peninsula and in this part of the world for more than 35 years," he said. "You have an expression in America. 'If it ain't broke don't fix it,' and I think it neatly applies to this situation," he said. He added that "recent developments in China affect Chinese ability to restrain North Korea" from possible aggression from the South.

President Noh's statement is one of many made by South Korean officials and spokesmen since Senate Armed Services Committee senior member Carl Levin (D-Mich.) first proposed on June 2 that U.S. force strength be cut from 43,000 to about 10,000 over the next five years.

Defense Minister Lee San Hoon meets with his U.S. counterpart, Dick Cheney, on July 17-19 and plans to ask Washington to agree in writing that the U.S. will not pull out troops without consulting Seoul. Many South Koreans think the Levin-Bumper's proposals will end up being policy, and Korean press in recent weeks has reflected this perception. "It seems that U.S. public opinion and the U.S. administration's view in connection with the issue of reducing U.S. troops stationed in South Korea are generally similar to Senator's Levin's view," newspaper *Choson Ilbo* noted June 4: "There is a high probability that Levin's proposal will be adopted . . . by the U.S. administration as policy."

Speaking at the World Forum in Colorado on June 24, in the presence of a conservative opposition party leader Kim Chong-pil, who evidently put Cheney on the spot, the defense secretary claimed the Congress could raise the question of removing American troops from overseas for budget reasons, but that the administration plans to judge the matter from the standpoint of security and strategy.

The New York Council on Foreign Relations came up with the withdrawal blueprint for the peninsula as early as 1987. Lately, the U.S. has been badgering Seoul to make a deal with the Soviets, North Korea, and China—before the U.S. troops leave. (Alas, "deals" with duplicitous Communist regimes have little holding power.) The Noh Tae-Woo government—and its various back-channel players—have been seeking an arrangement with Moscow, whereby Mos-

cow would help control and mediate a settlement with the Kim Il-sung regime. But if the U.S. pulls out the rug and gives Moscow and Pyongyang the unilateral concession of a troop pullback, Seoul will have no bargaining chips.

Moscow also wants a deal with South Korea. Plans are afoot to employ South Korean capital and labor to develop Siberia—in essence to use South Korea in the way Moscow wanted to use Japan, when Japan balked and refused unless Moscow agreed to significant territorial concessions.

## Kim Young-sam takes center stage

South Korean opposition leader Kim Young-sam, who heads the Reunification Democratic Party, returned from Moscow June 19, claiming his visit "will mark an epoch in ending the Cold War-ridden relations between the two countries." Kim was hosted by Yevgeni Primakov, Central Committee member and head of the Moscow Institute of World Economy and International Relations (IMEMO). In meetings Kim and Primakov "exchanged views on the Korean peninsula and ways of promoting economic exchanges between Seoul and Moscow," the *Korea Times* reported June 4.

A "surprise feature" was a meeting with Ho Tam, the chairman of the North Korean Committee for the Peaceful Reunification of the Fatherland and a close relative of the leader of the North, Kim Il-sung. Ho Tam reportedly told Kim that the North will soon respond to the South's call for dialogue. Kim Young-sam later reported that North Korea had tried, unsuccessfully, to pressure him to drop everything and go to Pyongyang to meet with Kim Il-sung.

The South Korean paper *Tong-a Ilbo* reported June 16 that IMEMO's mediating role had transformed the Soviets in a few weeks from a helpful bystander into taking "elaborate action." High-ranking officials of IMEMO will return the visit to Seoul June 30, and are scheduled to have working-level contact with Kim's RDP to discuss exchanges between the two nations.

One of the fruits of the Moscow visit, according to Kim—who described himself at the National Press Club on June 16 as Korea's "Willy Brandt"—was that the Soviet government will permit ethnic Koreans on Sakhalin Island to return home permanently if they so choose. The pro-government *Korea Herald* June 24 noted that "Moscow took a substantial step during Kim's visit to add weight to the political importance of the visit and to win the hearts of South Koreans."

The *Herald* noted that high government officials of both sides had exchanged low-profile visits over the past year, but that Moscow had gone high-profile with the Kim visit, giving it hefty press coverage. Noting that Seoul and the U.S. had repeatedly asked Moscow to persuade Pyongyang to engage in dialogue which it had consistently refused, the *Herald* suggests that Moscow's "change of stance may have something to do with its ambitious efforts to strengthen its influence in Northeast Asia, long regarded as the turf of the United States."

## A contribution to China's future

*Replacing the China card policy with a long-term strategy for a free China is on West Germany's agenda.*

**T**he Bonn government, reluctant to show the flag on human rights and impose economic-political sanctions on Beijing, has come under heavy attack. Highly indicative is the resolution passed June 23 by all parties in the parliament in favor of political and economic sanctions. The resolution was passed despite much off-stage manipulation from the foreign ministry. In the debates on June 15 and 22-23, "Dengist" Foreign Minister Hans-Dietrich Genscher was scored for "interfering with the parliamentarians' genuine privilege to act upon the imperatives of their conscience."

The momentum against the Red China card policy was accelerated by the impact of the June 15 European election TV spot of the Patriots for Germany party leader Helga Zepp-LaRouche. Many who saw the spot said that "it touched on the right issue." A key phrase used by Zepp-LaRouche was that a "river of blood is dividing the world now, between the fascist-Bolshevik regimes and all those who love and fight for freedom."

The message was apparently reflected in the speech that Green Party member Petra Kelly gave in parliament June 22. Going beyond the other speeches given that day, she used the phrases "ocean of blood" and "cynically brutal regime of assassins in Beijing." She charged her own Green movement with having morally failed to rally tens of thousands in protest before the gates of the Red Chinese embassy in Bonn. She called for an international human rights tribunal against the Beijing regime and urged a moment of silence in the parliament,

which was held after her speech.

That otherwise diametrically opposed politicians, like Helga Zepp-LaRouche and Petra Kelly, find a similar language on the developments in Red China indicates that a paradigm shift, crossing party confines, is under way, which can help redraw foreign policy on the China question.

What is to be done now, after Red China has been denounced and threatened with sanctions, is to wipe out the big blind spot most people have about "China"—the existence of Taiwan. Many are not aware that what they would like mainland China to be—a Westernized industrial society—is already practiced in the Republic of China with its 20 million people on the island of Taiwan. A West German policy of sanctions against Red China can build on the role the 20 million Taiwanese, with relatives all over the Chinese mainland, can play in making all of China a free nation.

A statement June 23 by Ortwin Lowack, the chairman of the foreign relations subcommittee of the Christian Democrats' parliamentary group, addressed this particular point. Lowack, who also chairs the German-Chinese (Taiwan) Society, called for establishing full diplomatic relations with Taiwan.

He said that after the massacre in Tiananmen Square, there can't be any "business as usual" between West Germany and Red China. The China policy of the government and German industry, he declared, should reorient toward improved and intensified relations with Taiwan. A direct Frankfurt-Taipei air link and a more liberal pol-

icy of granting visas to Taiwanese visitors, could be steps preparing a general shift in Bonn's China policy.

Official relations between Bonn and Taipei were sacrificed when the German government opted for the Red China card of the Nixon-Kissinger administration in the U.S., and opened diplomatic relations with Beijing in December 1972. Since then, contact between West Germany and Taiwan exists outside official acknowledgment. West German machines (for example textile machines, machine tools) are sold to Taiwan, which sells fruit, fish products, and textiles to the Germans. But this kind of trade has the opprobrium of "being tolerated but not liked," because of Bonn's recognition of Red China as the "only China there is."

The West may be able to accelerate the process of the Beijing regime's collapse by sanctions and actions on the diplomatic level. The main job, to build a new, a free China, must be left to the Chinese. It is not clear what a future China will look like, but to make a population of 1.2 billion on the mainland, most of whom are still living under a backward peasant conditions, a modern industrial nation, will require work only the Chinese themselves can do.

The Taiwanese role in that will be key, as well as the role the other 50 million Chinese living abroad can play. The German Federal Republic, currently Red China's number-three foreign trading partner, can, under changed premises, give vital economic and financial assistance in the process of liberating mainland China, one-fifth of the world's people, from Communism. Shifting from the ephemeral Red China card of the 1970s and 1980s toward a Taiwan policy now, will hit the regime in Beijing more than sanctions alone.

### Terrorists play yo-yo with Barco

*Colombia's narco-guerrillas have the government mired in peace talks while building up their armies for a takeover.*

Colombia's drug-running terrorists are pursuing a twofold strategy to lead to seizure of power. On the one hand, Moscow's irregulars hope to keep Colombia's political and military institutions disarmed through vaguely formulated offers of truces, cease-fires, and "dialogue" with the Barco government. At the same time, terrorist actions eat away at the country's defenses and economy, sowing cynicism and despair.

The vital Covenas oil port and pipeline terminus on Colombia's Atlantic Coast was hit June 16 by National Liberation Army (ELN) terrorists, destroying the pumping and weighing stations and nearly blowing up 1 million barrels of stored oil. Oil exports from Colombia were suspended for a month and national production fell 50% as a result of the attack. Fuel prices were raised 10% nationwide, the second price hike this year, in an attempt to recover over \$100 million in damages to Covenas. Mines and Energy Minister Oscar Vallejo Mejía revealed June 25 that several years of ELN dynamite attacks on the Covenas-Caño Limón pipeline have led to the loss of 420,000 barrels of oil, more than double that spilled in the Prince William Sound, Alaska, and nearly \$50 million in damages to state oil company facilities.

Nonetheless, Comptroller Rodolfo González held a press conference June 25 to demand a "dialogue" with the ELN on its proposal to nationalize the oil industry. Repeating the ELN's arguments that the oil multinationals are looting Colombia, González argued: "If there is an action by an in-

surgent group which is proposing some political alternatives, why not talk, why not have dialogue, why not see if it is true that their proposals will tend to improve the country's profits from oil?"

The Barco government has just given radio-telecommunications equipment to the narco-terrorist M-19 guerrillas, to give them direct access to the office of the presidency in the event "unauthorized" army combat with M-19 commandos should take place. It was the M-19 that carried out the bloody 1985 siege of the Colombian Justice Palace in which 100 died, including half the Supreme Court magistrates. Yet Virgilio Barco's administration, in its zeal to hold "peace talks" with its enemies, has pardoned the M-19 for that mafia-financed slaughter.

The latest M-19 "concession" in the peace talks has been its offer to dismantle its numerous fronts—but it still refuses to hand over its weapons! In a June 12 meeting with the President's peace adviser, M-19 chieftain Carlos Pizarro León-Gómez insisted that retaining their weapons should not pose any problems, since "weapons don't fire themselves. What is important is that there be the political will by both parties to respect the [truce] agreements."

Not everyone is as easily gulled as President Barco and his "advisers." The Public Order Tribunal has just upheld a lower court order for the M-19 national leadership to stand trial for the 1988 kidnaping of ex-presidential candidate Alvaro Gómez Hurtado and the murder of his bodyguard. It re-

mains to be seen if Barco will invoke executive privilege to cancel the arrest warrants and risk a showdown with the judiciary.

While the M-19 has the government mired in an illusory "peace process," its colleagues in the Simón Bolívar Guerrilla Coordinating Body are forging a parallel government intended ultimately to replace the constitutional government. Denouncing the M-19's "treason" for entering into official dialogue with the Barco regime, the Moscow-run FARC guerrillas are holding their own peace talks with a so-called Commission of Notables including the head of the industrialists' association Fabio Echeverri Correa; Archbishop Dario Castrillón; and prominent newspaper editor Hernando Santos.

On June 7, M-19 leader Pizarro revealed that he would meet with Colombian Communist Party chief Gilberto Vieira—Moscow's conduit for orders to the FARC—to discuss their differences in strategy. By promoting the illusory split, the M-19 and FARC are playing the Barco government like a yo-yo, winning time for their own strategies while blocking the formulation of a winning plan by the government.

Many private citizens—despairing of any serious counterinsurgency plan to come from the presidency—have begun holding private talks with terrorists. The practice of striking local deals with the rebels has apparently become so widespread that on June 15, Interior Minister Raúl Orejuela Bueno put out an official disclaimer to all state governors, warning that "the government . . . neither supports, nor endorses, nor guarantees agreements or commitments between guerrillas and non-governmental sectors that are not inscribed within the conditions established for dialogue with the guerrillas."

## Russian groups flaunt racism

*Persons linked to the Pamyat Society supremacists sounded off at Soviet Congress of People's Deputies.*

At the recent, inaugural session of the Soviet Congress of People's Deputies, Siberian writer Valentin Rasputin was not the only one to voice alarm about the crisis in the U.S.S.R., in words like these: "Not once since the war has its stability as a power been subjected to such ordeals and shocks as today."

But nobody outdid Rasputin in a display of the naked Russian racism, which is churning in the Soviet leadership and beneath the surface of popular discontent. He raised the notion that Russia might be better off without its captive nations.

This passage from his intervention at the Congress expresses not an operative political plan, but the kind of impatience and malice that already, in the case of Soviet Georgia, led to bloodshed.

"Perhaps Russia should leave the Union," said Rasputin, "Perhaps that would be better. Incidentally, this would help us to resolve many problems, both of the present and of the future. Oh, what resources, both natural and human, we still have! Our hands have not withered. Without fear of being nationalists, we could then pronounce the word Russian, speak about national self-awareness, and before you know it, the mass corruption of the souls of the young would be stopped, we could finally set up our own Academy of Sciences which would back Russian interests, and we could deal with morality and help the people to gather into a single spiritual body. Believe me, we are fed up with being the scapegoat and enduring mockery and insults. We are told that

this is our cross. [Applause.] However, this cross is becoming increasingly unliftable."

Rasputin regaled the Congress with the polemic always waged by the Russian supremacist Pamyat (Memory) Society, saying that "the chauvinism and blind arrogance of Russians is the fabrication of those who are playing on your national feelings. . . . Rusophobia has spread in the Baltic and Georgia. . . . Anti-Soviet slogans are being combined with anti-Russian ones."

Before and since the Congress session, Pamyat-linked "patriotic" groups have shown a flurry of activity. Writers associated with Pamyat founded a new front, called Otechestvo (Fatherland), which the Soviet trade union daily *Trud* welcomed April 8, as a new "Russian patriotic movement."

On June 16, Radio Moscow told domestic listeners of yet another such group, Narodny Dom Rossii (People's Home of Russia), which "is called upon to unite like-minded people who are striving to invigorate cultural, intellectual, spiritual, public, and socio-economic life of the R.S.F.S.R. [Russian Soviet Federated Socialist Republic]."

Something like the pure Russian Academy of Sciences that Rasputin was yearning for also emerged. TASS reported June 17, that scientists "dissatisfied with the activity of the U.S.S.R. Academy of Sciences" had set up a new Russian People's Academy of Sciences, with the aim "to reveal more fully the scientific potential of Russia in the interests of developing all of Soviet society."

Its founders, who met in Moscow, railed against "bureaucratic principles which hamper the free development of scientific thought." But the implicit message of their emphasis on the Russianness of the initiative, like Rasputin's, is that such problems are the result of pollution by other ethnic groups—Ukrainians, Jews, Georgians, and so on.

Also in June, the official line on Pamyat itself shifted away from the charade of criticism for "extremism," to which the society had been subjected since 1987. (All the while, Pamyat has continued to grow, facing no obstacles from the KGB.) A June 5 Radio Moscow broadcast in English, monitored by the Foreign Broadcast Information Service, presented a "balanced" debate about Pamyat, lifted from the pages of the youth magazine *Sobesednik*.

Having termed Pamyat a "national patriotic front" and "controversial unofficial organization," Radio Moscow quoted from Pamyat leader Aleksandr Shturmak's article in *Sobesednik* which contains Pamyat's classic defense of itself against the charge of racism: We're not anti-Semitic, we just hate Jews!

To wit: "Pamyat has never advocated chauvinism or nationalism, as its opponents claim. Pamyat, [the article] says, is highly molded toward unity. Shturmak says that Pamyat is often accused of propagating anti-Semitic feelings, and that these allegations obviously are aimed at discrediting the movement. . . . Zionism tried and is still trying to destroy the country's culture, slander its history, and deprive the peoples living here of their national roots." Shturmak then complained that Jews were represented in leading Soviet institutions in numbers disproportionate to their demographic weight in the whole population.

# International Intelligence

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## **Beijing will honor territorial treaties**

A People's Republic of China official responsible for liaison with Hong Kong and Macao, made the most explicit Beijing intervention to date into the internal affairs of these two territories. On June 22, he stated that Beijing will "steadfastly abide by" the protocols of the agreements, with Britain and Portugal respectively, by which both territories will be handed over to mainland China by the end of this century.

The Chinese official warned, however, that people in the two territories should not get involved in the affairs of the mainland. He said that people in both Hong Kong and Macao had already "violated the Chinese constitution" by supporting the pro-democracy movement, and had "added fuel to the flames of the unrest." He insisted that the territories not be used as bases of subversion inside China.

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## **Establishment revives nuclear winter hoax**

A "new" study released in *Nature* magazine features a scenario where soot thrown into the stratosphere by nuclear explosions will supposedly form into "fractal clusters" (a fancy name for "fluff balls"), which will supposedly absorb four to five times more light than tightly packed soot spheres.

The study, issued by Jenny Nelson of the University of Bristol in England, is the latest attempt at reviving the theory simultaneously voiced by Carl Sagan and the U.S.S.R.'s Nikita Moiseyev, that all life on Earth would cease after a nuclear war because so much soot would be thrown up that the Sun's rays would be blocked and everyone would freeze.

The world's leading scientists have already demolished the theory, pointing out that the computer models used to predict the behavior the atmosphere were incompetent, and did not take weather into account. These happen to also be the identical models which

predict the "heating" of the Earth due to the "greenhouse effect."

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## **Red China issues cover-up movie**

The Chinese government has prepared a 40-minute "big lie" videotape about the June massacre in Tiananmen Square, writes the *Daily Telegraph* from Beijing. It shows no sign of any civilian deaths. The video is being distributed to Chinese embassies, and copies are being made available to foreign television.

The *Telegraph* quotes a diplomat who saw the video, who calls it "almost laughable," although parts of it are "quite horrible," with film clips of Chinese soldiers disemboweled and killed. Not a single shot is heard. "In one place, the electronic time of recording is still on screen, and the digits jump backwards and forwards, indicating that the compilers have been altering the sequence," writes the paper.

The Red Chinese embassy in London told the *Telegraph* it has a copy of the tape, but that it is not for public distribution: "It is for us to understand what happened at the time."

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## **Ex-cabinet official says Aquino faces crisis**

Teodoro Benigno, who resigned last May as Philippines President Corazon Aquino's press secretary, has begun a series of commentaries on the fact that Aquino faces a serious domestic crisis because her administration has failed to improve the livelihood of Filipinos. Benigno, a former journalist, warns that the crisis will move into high gear in August, when the government is expected to raise fuel prices by between 15 and 25%. "This will hit the citizenry like a cannonball in the eyes. The gauntlet comes alive when the public reacts to the price increases. . . . A close look showed the GNP growth of 6.7% hardly trickled down to the masses," he said.

Benigno said Mrs. Aquino is aware of the dangers but "is still unable to rise to the occasion," deliver strong leadership, and make the bureaucracy respond to public demands. He warned that if her popularity drops to 50% or below, "that would hit 4 to 5 on the political Richter scale."

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## **Metropolitan of Kiev blasts Ukrainian Church**

Metropolitan Filaret of Kiev denounced the underground Ukrainian Catholic Church as a "political movement" and not a religious body, and said that the Russian Orthodox Church's attitude toward it is "unequivocally negative."

Filaret, who is the head of the ROC in the Ukraine, made his comments in a recent interview with the Kiev government daily *Radianski Ukraina*. Responding to speculation that forthcoming legislation on religion in the U.S.S.R. may make the Catholic Church legal, Filaret replied, "I can say with certainty that the discussion here is not about reanimation . . . there is no basis for it. . . . The Ukrainian Catholic Church has been condemned by history."

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## **Hawke wants Antarctic wilderness reserve**

During his four-day visit to Washington, D.C. in the last week of June, Australian Prime Minister Robert Hawke announced his country would not sign the 33-nation Antarctic Minerals Convention, but would "seek instead a comprehensive Antarctic environment protection convention and the creation of a Wilderness Reserve." Hawke's "Reserve" would ban all mining, oil drilling, or other development activities in Antarctica, and would put the continent under United Nations control.

The Soviet-funded Greenpeace organization immediately lauded Hawke's move, and on June 23 a coalition of nine environmental groups sent a letter to U.S. President

## Briefly

George Bush urging him to "respond positively" to Hawke's proposal.

In 1988, a 33-nation agreement to allow development of the vast oil, gold, platinum, and other strategic minerals beneath Antarctica was reached, called the Convention on the Regulation of Antarctic Minerals Resource Activities (CRAMRA). All seven nations with territorial claims to Antarctica (which includes Australia) must sign, or the CRAMRA agreement is null and void. France has now joined Australia in stating that it would not sign CRAMRA.

### ***KGB spy apparently commits suicide***

Glenn Michael Souther, 32, an admitted Soviet spy, died at an undisclosed location in Russia, an apparent suicide, according to British press accounts. The British press were quoting KGB chief Vladimir Kryuchkov as to the suicide as the cause of death. "It was a tragic thing. He committed suicide," said Kryuchkov, who added that Souther leaves a Russian wife and daughter.

Another mystery arose from the original coverage of the death in the Soviet military newspaper *Red Star*, which did not explain the reason, but said that Souther's name was really Mikhail Yevgenyevich Orlov. This gave rise to speculation in the *New York Times* that Souther had been a "sleeper" planted in the U.S. at an early age. Kryuchkov claimed, however, that he was an American, but that he held the rank of major in the KGB prior to his death. He would not say precisely when Souther was recruited, except that it was "several years" before his defection and that he developed a nervous disorder because of the deception.

Originally, Souther's espionage was thought to have done little damage. However, a subsequent damage control assessment by the CIA and other agencies concluded that Souther might have provided the Soviets with valuable intelligence on U.S. surveillance satellites. Souther had been a former satellite photography specialist with special Navy intelligence clearance, who

became the subject of an FBI espionage investigation when he disappeared from the United States in May 1986. He surfaced in the U.S.S.R. in July 1988, thanking the Soviets for giving him political asylum.

Souther appeared on July 20, 1988 on the Soviet television program "Camera on the World," where he criticized the 1986 U.S. bombing raid on Libya and Western analyses of the Soviet nuclear accident at Chernobyl.

### ***EC ministers protest China bloodbath***

The foreign ministers of the European Community nations met on June 26 Madrid, Spain, and agreed on a series of measures against the leadership of the People's Republic of China, even though many of the measures had already been independently announced by individual member nations' governments. Reuters quoted Spanish Foreign Minister Francisco Fernández Ordóñez that the ministers expressed outrage at the continuing executions, and proposed to ban arms sales, suspend new cooperation projects, limit scientific and technical cooperation projects, and suspend high-level visits. The measures, which were passed unanimously by the 12 foreign ministers, also included recommendations to shelve new loan guarantees and World Bank credits.

On the last count, the World Bank has announced on June 26 that it will postpone indefinitely \$780 million in new loans to Beijing. "Management was told it's too early to rush back to the board" to seek approval for new loans, one of the bank's directors said. The board, which is reviewing a rush of loans before the end of the bank's financial year on June 30, had been due to approve \$330 million in credits the last week of June to fund provincial transport improvements, technical cooperation, and industrial development in Shanghai.

The bank had already put \$450 million in new financing on hold. However, the bank still has a number of large-scale commitments in China which will not be affected.

● **THE U.S.** and Britain have signed an agreement to jointly develop an air-launched stand-off missile. The agreement was actually signed on Dec. 1, 1988, but was only now announced. The air-to-surface system is to be mounted on the Tornado jet bomber, and will have a range of between 250 and 370 miles. The U.S. Martin Marietta Corp. will work on the project together with British Aerospace PLC.

● **CHINESE STUDENTS** in West Germany report that consular officials of the Chinese Communist government are drawing up "black lists" of names of students who have been involved in West Germany in demonstrations against Beijing. Chinese students in West Berlin report that consular spies have been discovered in action, and similar reports are coming from Chinese students in Freiburg and Tübingen.

● **20,000 YUGOSLAVIAN** farmers took to the streets of Novy Zad on June 21, protesting the government's agricultural policy. The central government in Belgrade is charged with keeping production prices of wheat—and thus, farm earnings—down, while inflation eats the income of the farmer away from the other side. The farmers are also calling for cheap credit, which the central government has so far refused to give.

● **RICHARD NIXON** has endorsed Henry Kissinger's policy of support for the bloody Chinese Communist regime. He wrote in the *Washington Times* that "it is critically important that we do not let our revulsion lead us to adopt policies of reprisal that would isolate the Chinese government."

● **ITALY** is number one in Europe for drugs, according to a study presented by the LABOS, Laboratory for Social Policies on the occasion of the U.N.'s World Drug Day.

## Supreme Court takes steps toward fascism

by Nicholas F. Benton and Nancy Spannaus

The U.S. Supreme Court, whose interpretations of the U.S. Constitution are the criteria for all laws in the nation, took what many observers here believe was a bloody hatchet to many fundamental principles of that Constitution in decisions it announced at the end of its session during the last week of June. Taken as a whole, even without the final decision on the abortion case, *Roe v. Wade*, the series of decision amounts to a giant step toward judicial fascism in the United States.

All the headlines focused on the startling decision by the Supreme Court to establish that the burning of the U.S. flag was not a criminal offense. But far more important than this were landmark rulings by the court which cut deeply into the moral and legal fabric of the nation.

The most obviously heinous decisions were those which permitted the extension of the death penalty to 16- and 17-year-old minors and to the mentally retarded.

Both of these rulings were by a 5-4 vote of the nine Supreme Court justices, with three of the five majority votes supplied by appointments made to the Supreme Court by President Reagan—Sandra Day O'Connor, Antonin Scalia and Anthony Kennedy.

But the lesser publicized decisions on the scope of the Racketeer Influenced and Corrupt Organizations (RICO) prosecutions, and on the rights of those arrested and indicted, are equally ominous in their police state implications.

### The death penalty for youth

In upholding the constitutionality of the death penalty for minors and the mentally retarded, the Supreme Court codified a standard of brutality not even legitimized, although undoubtedly practiced, in the Communist nations of China

and the Soviet Union. The United States now joins Iran, and a handful of other nations, in legitimizing such a penalty.

Amazingly, the majority in these rulings based their decisions not on principles of constitutional law, or of the natural law that underlies the U.S. Constitution, but on their perception of "national consensus."

This, alone, sets an ominous precedent for the future of law in the United States.

Writing the ruling in favor of the extension of capital punishment to younger teenagers, Justice Scalia said the prohibition against "cruel and unusual punishment" contained in the Eighth Amendment to the U.S. Constitution must be interpreted "in terms of our society's evolving standards of decency."

He said, "It is not the subjective views of the individual justices, but the views of modern American society as a whole" which must dictate this matter, he said. In writing the majority ruling in favor of the death penalty for the mentally retarded, Justice O'Connor used the same criterion. She said, "There is insufficient evidence of a national consensus against the execution of mentally retarded people."

In a strongly worded dissent to these rulings, Justice William Brennan correctly noted, "The purpose of the Bill of Rights (appended to the U.S. Constitution) was to withdraw certain subjects from the vicissitudes of public controversy, to place certain people beyond the reach of majorities."

He also challenged the majority's interpretation of the national consensus, noting that 14 U.S. states prohibit the death penalty altogether, and another 12 explicitly prohibit its use on persons under 18, adding up to a total of 26, or a

majority of the 50 states currently opposed to applying the death penalty to anyone under age 18.

### **Facilitating political prosecutions**

The court's unanimous rulings on the constitutional application of the RICO law will facilitate the expansion of political prosecutions by the government, by legitimizing the targeting of corporations, and political groups, as "racketeering" organizations. The constitutionality of what is called "civil RICO," where one private corporation sues another, was also upheld by the court.

The RICO law, which was allegedly passed for use against organized crime and drug-trafficking networks, has been widely applied in civil lawsuits pitting one private company or entity against another on charges of conspiracy.

By upholding this civil use of the RICO statutes, the Supreme Court has opened the door to hundreds of lawsuits brought against churches, competitors in business, labor organizations, and almost any organized entity in the nation which can potentially be a target of legal action.

This ruling permits larger corporate entities, with the resources to carry out lengthy legal battles, to bankrupt entities it seeks to eliminate simply by draining their adversaries' resources in court.

Efforts at this have already been witnessed in the United States, in cases taken up against right-to-life organizations, for example, and even the campaign organizations of political figures.

### **The end of the Sixth Amendment**

The other important RICO decision, which was passed by a divided court, upheld the right of the government to seize the funds of RICO inditees if they choose to, even if those funds are the only ones available for the legal defense of the inditee. As Justice Harry Blackmun said in his dissent, this decision fundamentally disrupts the adversarial relationship which characterizes U.S. law.

Put more bluntly, the ruling creates a situation in which, where an individual has been ruled by the government to have obtained his funds by "racketeering," he can be forced to rely on a court-appointed lawyer. Under such conditions, as some attorneys have noted, the government will have a stacked deck—controlling the prosecution, the judge, and the defense lawyer.

The ruling also flagrantly rips up the presumption of U.S. constitutional law that an indicted individual or entity is innocent until proven guilty. The government's freezing of the individual's assets before trial, is being done on the presumption that those assets were gained fraudulently, although that has not yet been proven in court.

What the court majority asserted, was that a dope dealer has no right to use his ill-gotten money to defend himself. But, is the guilt of the "dope dealer" self-evident? And what if the individual charged with "racketeering" is a labor organ-

ization—as in the case of the Association of Air Line Pilot—or a right-to-life group, as in the case of the groups carrying out anti-abortion demonstrations?

### **Other violations of due process**

Nonetheless, the death penalty decisions by the court were merely the most stunning of a barrage of rulings that removed elements of so-called "due process" from U.S. law.

The Supreme Court also severely restricted access to persons sentenced to death and awaiting execution on so-called "death row" to have access to public legal counsel.

The case in point was one brought by the Commonwealth of Virginia, against a ruling by the Fourth Circuit Court of Appeals. Attorney General Mary Sue Terry, otherwise known for her political vendetta against LaRouche associates, sought to prevent the Commonwealth from having to provide lawyers after appeals to the state courts had been exhausted.

It is widely acknowledged that a large percentage, perhaps over 60% of those on death row who are able to appeal at that point, will defeat their death sentences. Yet Ms. Terry responded to the ruling by calling it a "victory" for the citizens of Virginia, and by expressing relief that now we won't see "additional rounds of legal challenges and even longer delays in the administration of justice."

The court also modified the so-called "Miranda Law" which requires that a suspect be told his rights under law by authorities at the point of his arrest. While many legal experts believe the law will eventually be thrown out, altogether, this week the Supreme Court said that authorities were not required to present precise wording to suspects when "reading them their rights."

### **Other rulings**

Also of great import was the Supreme Court's ruling that the imposition of exorbitant "punitive damages" by juries, is not a violation of the Eighth Amendment to the Constitution, which forbids cruel and unusual punishment. The verdict which the court upheld was one in which a corporation was socked with \$50,000 in compensatory damages, but then was given a \$6 million fee of punitive damages. Such irrational awards have been stock in trade among U.S. juries in recent years. Observers have noted, however, that there will be further challenges to such awards under the due process clause of the Constitution.

The court, in another controversial ruling, upheld the right of purveyors of indecent pornographic telephone calls to continue their businesses.

So far undecided were two premier matters before the Court: a review of the constitutionality of the 1973 decision legitimizing abortion as a woman's right; and a petition for writs of habeas corpus for Lyndon LaRouche and the six associates politically imprisoned with him. The court announced that it will make its final rulings on July 3, but it is not clear that either of these are among them.



## George Bush has to say, 'Kissinger was wrong'

*Nora Hamerman interviewed Mr. LaRouche on June 29 by telephone from the Alexandria Detention Center in Virginia, where he has been a political prisoner since Jan. 27.*

**EIR:** I want to congratulate you on your candidacy for Congress from the 10th Congressional District in Virginia. In your announcement you put forward a parallel to Henry Clay and his 1812 campaign. Can you indicate why you were thinking along those lines?

**LaRouche:** Well, first of all at that point you had Albert Gallatin who had been running the second Jefferson administration and was running the Madison administration. The United States was at the point of entering an irreversible process of dismemberment by the forces around Britain and the forces represented by the relationship between Metternich and Lord Castlereagh for example, and the Holy Alliance of Vienna in 1815.

Clay emerged as a young Virginian who had migrated Kentucky and had a successful legal career. He emerged, elected from Kentucky, and became the Speaker of the House in his first term. It was Clay, as the head of that faction in the Congress, who saved the United States, over the reluctance of the Madison administration, and the virtual treason of Gallatin, who was of course an Anglo-Swiss agent inside the government.

In the present situation I don't want to impute anything wrongly to President Bush, but in performance, the United States of the past 20-odd years has been sliding [into the abyss], with various strategic agreements typified by Kissinger's policies over the period, by post-industrial society utopianism, by various forms of usury, of looting and ruining the economies of our friends and allies and so forth. We have now come to the point that we've got to pay the piper, one way or the other, and the question is whether we will recognize, that the policies of the past 20 years along these lines have been a *terribly* failed experiment; that we have to end the policies that have failed, before it's too late, and adopt

new policies.

That was pretty much the thrust of Clay, back then. The policies upon which the nation and the federal government had been founded had been eroded . . . and that was the basis for the destruction of our nation. Clay represented a return to those policies. That is what I essentially represent today. The parallel, with those kinds of qualifications, is a precise one. And if it obliges some people to study a bit of American history, all the better.

**EIR:** Some observers in Western Europe, in the midst of a general frustration about affecting the process in China, have suggested that sanctions against the Beijing regime should be accompanied by expanded trade and relations with Taiwan. What do you think about that idea?

**LaRouche:** That's simplistic. You could do that and still miss the boat. The problem today is that most people in government don't understand politics at all. George Bush understands absolutely nothing about strategy. I don't know what he may know *privately*, [but] to judge by his known, public behavior over the years and now, he does not understand the ABCs of strategy.

In Aeschylus' *Prometheus*, there is a reference to a passage where Prometheus says that the gods of Olympus think they are a law unto themselves.

The problem is that you have an Anglo-American establishment, of which Bush is a part, which thinks they are a law unto themselves. They imagine that their collective *will*, in terms of policy, methods, procedures, channels, and decision-making, can rule the world. They decide to cut a deal with the Soviets; they're going to cut a deal with the Soviets. If they decide that Mr. Gorbachov is going to succeed in the Soviet Union, their *will* will ensure that, if they only have a strong enough will.

It's the same thing on the economy. They think the United States will avoid a financial collapse if their *will* that it not occur is sufficient. In the case of China they are committed

to Deng Xiaoping and all of that process—they're committed to it, regardless of reality. They defy the known laws of the universe.

The problem here is this. It is not simply a matter of doing as single-issue people do, on the China question, which is sanctions/not sanctions, help Taiwan/not to help Taiwan. *Of course* we should increase our position with Taiwan. That is more important than any sanction of the mainland, that we recognize that there is one China, with two governments: a government based in Taipei, and a government based in Beijing. The government in Beijing has lost the Mandate of Heaven. The United States has to continue to deal with Beijing as a de facto state, a de facto government. But we know that Beijing has lost the Mandate of Heaven, in Chinese terms. That does not mean that Taipei has won it, but it means that a revolution is in process in China, a revolution like the overthrow of the Manchu dynasty. . . .

What we have to do is to say that. We have to say that the policy of the United States is a commitment to the *nation* of China: its survival, its well-being, and its future; that we recognize that there is one China with two governments, one in Taipei, and one in Beijing; and that we have to take measures which are appropriate to deal with this reality. That's what's primary. It's not a question of what action you take: It's what *motivation* you gave your articulation of policy. Then, your actions must flow from, be consistent with, and be stated and presented in support of that policy.

Sanctions can be wrong, they can be right. This kind of action by governments is often a face-saving kind of business, "Aw, we did something." Like, George Bush is going to put in an amendment against flag-burning. Well that costs him nothing to say that! It really does not do anything about the issue! It's a public relations stunt. And sanctions can be a public relations stunt. But if they are done in furtherance of, and as part of a stated policy which is a sound policy, then you will begin to shape your response to China developments and other developments in terms of that policy. The problem is there is no *policy*. The question is not a need for action, there is a need for a policy to *overturn* the so-called "China card" policy. George Bush has to come out and say, "Kissinger was wrong."

**EIR:** You have referred to the flag burning decision of the Supreme Court. Over the past week or so, they have legitimized "dial-a-porn," they have approved capital punishment for minors and retarded persons, they have upheld civil RICO and a number of other things. Many people are shocked by these decisions.

**LaRouche:** They are shocked by the decisions, but they were not shocked by the process which leads to these decisions. There is a philosophy, which we could call a Rehnquist court philosophy, which is either a 4-5 minority or a 5-4 majority, it swings back and forth, but the basic tendency is toward a radical positivist interpretation of law, of which the

only precedent in recent experience is Nazi law, and Soviet law.

For example, radical positivism: [Nazi jurist] Carl Schmitt. Punishment by consensus: That's Soviet law, or it comes right out of the mouth of the infamous Nazi judge Roland Freisler. . . . Back in the 18th century, there was a quarrel in our society against the kind of positivism that came out of British empiricism, like [John] Locke, in opposition to any conception of higher law, of natural law.

The problem here has two aspects. The *philosophical* problem is that the Supreme Court is now essentially in opposition, in its philosophy of law if not in all details, to the Founding Fathers and the original intent of the Constitution. The *practical* problem is that the remedy for that, under our Constitution, is that the President and the Congress are supposed to supply the remedy for errors of the court. That is, the other two branches of government are to provide remedies for the errors of the third. The triad of our constitutional system is essential in that respect.

The Congress must write legislation that wipes out this RICO thing, which is an obscenity to begin with. The Congress must enact legislation, which defines the law, and then the Supreme Court has to interpret those laws. And, as I said a number of years ago, when this court was being fashioned, during the eight years of the Reagan administration, we were not examining the philosophy of law of the candidates, or those for other federal courts, and we were going to suffer for it. Now we are suffering for it.

**EIR:** Andrei Sakharov, who is said to be pro-Gorbachov, has received much publicity for warning about interethnic violence and the threat of fascism in the Soviet Union.

**LaRouche:** Sakharov's a very intelligent fellow, and I would not necessarily assume that he is Gorbachov's man. . . . I think that Mr. Sakharov, like many others . . . sees that the *truth* about Gorbachov and his wife Raisa née Titorenko Gorbachova, is that they are the true apostles of the Pamyat, the great Russian fascist organization, the pan-Slavic tendency of which Boris Yeltsin is . . . "the Mussolini of Moscow." What's going to happen, which Sakharov is referring to, is that the Soviet Union, by becoming rapidly environmentalist, is eliminating the last feature of its philosophy as a state's philosophy which separates Bolshevism from Nazism. To all intents and purposes, by becoming "environmentalist," Bolshevism is now Nazism. The Pamyat Society is the expression of that. And under the conditions of the food shortage worldwide, massive hunger this year—a food shortage *panic* during the course of 1989 is possible—this means that we can expect a fascist regime in Moscow, openly so, very soon.

**EIR:** In your campaign announcement you pointed to a conflict between ethics and morality on Capitol Hill.

**LaRouche:** I was referring to the influence of [Aristotle's]

*Nicomachean Ethics*—that sort of *sophist* ethics—on Rome, when the Roman Senate and other institutions abandoned morality, and adopted this model of Nicomachean ethics, or ethics as such. It's a Lockean radical positivist conception in one sense, but Locke's ideas *come* from ancient sophistry, particularly the Phoenician and the Canaanite and other forms of sophistry, which is where the Greeks got it.

The idea is that there is no truth, there is only a set of rules, either dictated by some authority, like a tyrant, or as Locke would put it, by social contract. So there is no morality, there's only social contract. For example, the German *Grundgesetz*, the Basic Law [written for the founding of the Federal Republic of Germany in 1949—ed.]. In that period the discussion of morality was not allowed in the German Bundestag, the German parliament. This came up in 1982 when a woman from SPD attacked the immorality of behavior toward Schmidt, the way the Schmidt government was being toppled. And there was a motion of censure on that woman on this issue, because she brought in the question of morality! The history of this banning of morality from the proceedings of the Bundestag was discussed by Schmidt and a number of other parliamentarians, and this was rather shocking to me. I was in Germany at the time and watching the television broadcast of those Bundestag proceedings, and that's how I was given an education by the parliamentarians of Germany

in this problem.

And that's what has happened to our Congress. The Roman precedent—"morality is bad"—this goes back to what I referred to with the *Prometheus* of Aeschylus. They consider themselves a law unto themselves, they deny the existence of a higher law, of natural law, of God's law, and they substitute a *code*, of ethics, a set of rules. It's like the way [child psychologist Jean] Piaget discusses the way children make up the rules of the game. We have the rules of the game made up by infantile minds, called "ethics," which change mercurially from moment to moment and from session to session. And people are pilloried for this, and their morality, as we know, is nonexistent. The political morality of recognizing that this person is the representative of a constituency, and the attempt to eliminate all constituency politics by pillorying on the grounds of ethics, is *wild*, as was done to [Speaker Jim] Wright and others, in order to deprive people of representation. In order to set up a fascist, or Bonapartist form of fascist regime, in which the Congress is nothing but a bunch of frightened hens—technocrats, as they're called—terrified of the FBI and similar investigative agencies, and of the press, who have no morality whatsoever, no rationality, but simply act out of expediency. This is what we're headed toward.

**EIR:** An encouraging development on the morality front has to do with the lowering of the tuning to C = 256. I refer to the recent Cini Foundation conference in Venice, where your wife Helga Zepp-LaRouche spoke, and the upcoming London concert of *Rigoletto* at the lower pitch. As the initiator of this whole process, where do you think it ought to go next?

**LaRouche:** It ought to go just exactly where it is going. First of all there is this funny fellow who wrote the article in *U.S. News & World Report* [of June 26]: He really doesn't understand anything, it's all over the lot, but nonetheless, when he came to the end, he says that the question is *excitement* versus *beauty*. What I've done is to acknowledge the relationship between truth and beauty, as against the romantic, irrationalist conception; that is the issue. And even this fellow, with his otherwise rather sloppy report, grasped that.

There's where people see it. Singers of course will also see it from the standpoint of technicalities of the voice and from the standpoint of interpretation, how to use those technicalities of the voice if it's properly trained. And naturally, as I predicted years ago this would come from the singers first, and the instrumentalists, probably the pianists, would be last. So far it seems wind players are the most problematic, but they are beginning to break ranks, and now the problem is the pianists.

We're in a crisis—this particular discussion does not occur in a vacuum, within the vacuum of art—in which romanticism, irrationalism, "my opinion of what is right or wrong," is no longer too popular. The "right opinion" of government—free trade, this *insanity* under which we have

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been living for 20 years—we simply cannot afford any more. We're hungry. We have no industry. We don't like those insane, arbitrary environmentalists. We need industry, hospitals, schools, not somebody's gibberish or opinion.

There is a reaction, a healthy Renaissance sort of reaction, saying let us grab those values we know which represent rationality, which represent sanity; let us seize upon these firmly, as a way of reversing the slide toward hell, the apocalyptic state of affairs which is going on in society today. People who are more sensitive to beauty, will be the people who tend to respond most readily.

**EIR:** You may have noticed that one of the foremost opponents of reason in our country, I.F. Stone, has died.

**LaRouche:** I.F. Stone should be thought of as a Chekist. Take the national security question. Is Henry Kissinger a Soviet agent? Is Leo Cherne's crowd, those Democrats, are they Soviet agents? Are they moles? In every sense, they are. If you shift it away from the Soviets per se, you shift it into something to which we give the name Trust, in the 1921-27 period when Anglo-American financier circles were working with the Dzerzhinsky Cheka [Soviet secret police] in the so-called Trust. They established a world federalist agreement with the powers of the Soviet Bolshevik government at that time. It's that kind of thing being revived today, which Leo Cherne represents—not the Soviet government, but something in which the Soviet government is a partner. What is it?

I.F. Stone is characteristic of this, in his attitude toward Socrates, and his attitude toward me. He recognized me as a philosophical enemy, and identified his attack on Socrates as an attack on me today. I.F. Stone was a Bolshevik. Leo Cherne is a Bolshevik. Essentially, Henry Kissinger is something—in *mind*—between a fascist and a Bolshevik. His mind is either a Bolshevik or a fascist, a bit of both. And that's the problem. Not only is he a Bolshevik, but a modern version of oligarchism, of Sparta, of the Lycurgan tradition. So here I represent the Ionian faction of Athens, in those terms of reference, against the Lycurgans of Bolshevism and Nazism.

And it is not accidental that when you look deep into the mind—I do, because of my training—I read the writings of I.F. Stone, and I see a Bolshevik. I read the contributions of Leo Cherne, and I see a Bolshevik. It's a Bolshevik mind, I don't care what the label is. Such people, if they get to high places in power, they are Bolshevik moles. That's the lesson to be learned from the unfortunate death of I.F. Stone. His death is unfortunate, as many deaths are, because his life was unfortunate.

**EIR:** I think that we who live in Northern Virginia can count ourselves lucky to be able, in the 1990 congressional election, to anticipate being able to vote for a spokesman of the Ionian faction. Thank you.

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## Book Review

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# CIA commissioned anti-LaRouche book

by Jeffrey Steinberg

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## **Lyndon LaRouche and the New American Fascism**

by Dennis King

Doubleday, New York, 1989

415 pages, illustrated, index, \$17.95 hardbound

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In March of this year, Doubleday published Dennis King's book-length, slanderous diatribe against American political economist Lyndon H. LaRouche, Jr., under the title *Lyndon LaRouche and the New American Fascism*. The fact of the King book being published and distributed by a reputable market publishing firm, albeit one run by a close friend of Henry Kissinger, has contributed to the false impression that author King penned his anti-LaRouche tract as a private citizen and independent author. The inclusion of book reviews in several news outlets in the United States has further contributed to that error.

As Dennis King himself all but openly admits in the acknowledgements contained on pages 399-401, his book was the fruit of a government-financed and commissioned project, part of a coordinated interagency "Get LaRouche" task force effort that drew upon the resources of the Central Intelligence Agency, the U.S. Information Agency (USIA), the Federal Bureau of Investigation, and the National Security Council, as well as an interagency unit headquartered at the NSC dubbed the Office of Public Diplomacy. To treat the King book as a private effort at investigative reporting, is to wittingly or unwittingly abet an illegal domestic U.S. intelligence operation.

In his acknowledgements, King states: "Financial help in writing this book was provided by the Smith-Richardson Foundation, the Stern Fund, and the League for Industrial

Democracy. I especially thank Arch Puddington and Gail Wolfe of the LID for their generous assistance.”

While all three of these agencies are known funders of U.S. government arm's-length operations, the Smith-Richardson Foundation is exemplary. It is widely known as one of the more important CIA funding conduits, recently heavily involved in financing Project Democracy and other rightwing social democratic efforts. Historically, the foundation has served as a university recruiting arm of the CIA through the financing of “leadership training seminars.” According to its own 1987 annual report, Smith-Richardson, headquartered in Greensboro, North Carolina, is run by a Board of Governors, whose membership as of that date consisted of:

- **Richard V. Allen**, national security adviser to President Ronald Reagan from 1981-82;

- **Jeane Kirkpatrick**, former U.S. ambassador to the United Nations under President Reagan and a leading rightwing social democrat;

- **Henry S. Rowen**, former president of the Rand Corporation, a think tank that specializes in CIA and Pentagon national security subcontracts, and from 1981-83 the chairman of the CIA's National Intelligence Estimates Board. Rowen was recently nominated as Assistant Secretary of Defense for International Security Affairs in the Bush administration.

- **James Q. Wilson**, Harvard University criminologist and the architect of the 1960s Law Enforcement Assistance Administration, a domestic covert operation penetrating local police departments and sheriffs offices.

A review of Smith-Richardson Foundation public documents on file with the U.S. Treasury Department confirmed that in 1984, the foundation handed over a two-year, \$35,000 grant to the League for Industrial Democracy to “provide support for the research and writing of a book on totalitarianism.” At that time, LID had only two employees, Arch Puddington and Dennis King.

## The Iran-Contra connection

The Smith-Richardson Foundation during the same period also funded a number of nominally private institutions which were all deeply implicated in both the Iran-Contra scandal and in the “Get LaRouche” task force. Among the principal grant recipients were:

- **Afghanistan Relief Committee**. Housed in the New York City offices of John Train—a pivotal figure in the Get LaRouche project—ARC also received government funding through the National Endowment for Democracy, a State Department-USIA-housed conduit for covert operations money.

- **American Institute for Free Labor Development (AIFLD)**, a traditionally CIA-funded Ibero-American labor front.

- **PRODEMCA (Project Democracy Central America)**, a propaganda front for the Reagan-era Nicaraguan Contra

operation, headed by Social Democrats USA chairman Penn Kemble. Dennis King is the editor of SDUSA's newspaper *New America*, a job he got around the same time he received the Smith-Richardson Foundation grant.

- **International Rescue Committee**, run by Leo Cherne, an architect of both Project Democracy and the “Get LaRouche” task force, and the vice chairman of the President's Foreign Intelligence Advisory Board throughout the Reagan and Bush presidencies.

- **Radio Free Europe/Radio Liberty Fund**, the USIA and CIA's official overseas news and propaganda agencies, which under the initiative of Leo Cherne established a “presidential discretionary fund” which received private funds as well as public sector financing. Among the projects financed through this discretionary fund was the Office of Public Diplomacy, run from its inception in 1983 by Walter Raymond, a career CIA officer who transferred to the National Security Council in 1982, replacing another career CIA officer, Donald Gregg, as the Director of National Security Programs. Among the domestic “active measures” carried out by Public Diplomacy under Raymond was the “Get LaRouche” operation.

- **The Manhattan Institute for Policy Research**, a New York City think tank personally founded in 1978 by William Casey, from 1981-86 the Director of Central Intelligence.

## The ‘Get LaRouche’ unit

According to government documents and eyewitness accounts, the King book was apparently commissioned at a secret meeting at the Manhattan office of John Train, a Wall Street investment counsellor and a longtime U.S. intelligence asset. In April 1983, Train convened the gathering of approximately 24 journalists and researchers to activate a propaganda campaign against LaRouche. In attendance were King and several people cited in the King book acknowledgements as key contributors to the effort, including Michael Hudson, a government witness against LaRouche associates in a now ongoing state prosecution in New York.

Evidence suggests that Train was acting on behalf of Walter Raymond at the Office of Public Diplomacy. Government documents obtained under the Freedom of Information Act reveal that by January 1983, through the efforts of Henry A. Kissinger, FBI Director William Webster, his principal deputy director Oliver B. Revell, and PFIAB members Edward Bennett Williams (now deceased), David Abshire, and Leo Cherne, an official government effort against LaRouche had been mounted under Executive Order 12333 and the just-approved new FBI Charter.

Among the fruits of this illegal government domestic active measures effort was a string of political frameups of LaRouche and a score of associates, a 400-man police raid on two LaRouche-linked corporate offices in Virginia in October 1986, and the March 1989 publication of the Dennis King book.

# U.S. intelligence is blinded by joint CIA-China operations

by Herbert Quinde

The United States has been so dependent on cooperation from the People's Republic of China for carrying out covert intelligence operations over the last decade, that Deng Xiaoping has had President Bush and the Central Intelligence Agency on a short leash. But as the public executions continue, Americans' outrage at the "Butchers of Beijing" is also turning increasingly against the U.S. administration for its obvious lack of action, as Bush's rationale for "restraint" wears paper-thin.

At a White House press conference on June 26, President Bush dejectedly attempted to rationalize his failing policy. Asked if in retrospect, he did not think that the "China card" had been oversold, he said that it was not just the administration which had been caught unprepared, but that not a single China watcher had predicted what happened in Tiananmen Square.

Indeed, no clear policy alternative is coming from the administration on any aspect of China policy. One former CIA analyst who represents the "centrists" in the Agency admitted, "For now, the *only* policy, therefore the best policy we have, is to wait until the old farts in China die off. Hopefully it will be soon."

China has been seen as "pro-American" because of its alleged anti-Soviet stance. But the P.R.C. has now tilted back to an alliance with the U.S.S.R., something that has been in the works since 1986, according to a former P.R.C. official now at a Washington think tank. According to that source, the Politburo of the Chinese Communist Party has assessed that Mikhail Gorbachov is a true "reformer" with whom they can do business. In fact, P.R.C. policy input has been critical in convincing both former President Reagan and President Bush that Gorbachov could be trusted.

## Joint covert operations

But why is the administration bending over backwards to save a relationship which is no longer functional? The answer is initially found in the intimate working partnership developed over the last 10 years between U.S. intelligence and the P.R.C. in joint covert operations.

Although there has been a bipartisan agreement to shroud

the cooperation in secrecy over the years, numerous joint U.S.-P.R.C. intelligence projects have come to light. Namely, the intelligence services of both nations have jointly operated in:

- **Afghanistan.** U.S.-backed Afghan rebels were supplied weapons bought from the Chinese by the U.S. and delivered directly to the rebels by Chinese "mules."

- **Southeast Asia.** The U.S. covert arming of Prince Sihanouk, the so-called moderate Cambodian nationalist, has been done with Chinese arms. This has directly assisted the genocidalist Khmer Rouge, since Sihanouk is a junior partner in an alliance with the Chinese-backed Cambodian "contras." Thailand has also been pressured to cooperate in this arrangement. The idea is that China can serve as the counterweight to the Soviet-Vietnamese influence in Cambodia.

- **Korea.** China has played a more trusted role in operations against North Korea, than the more widely publicized case of South Korea.

- **Africa.** Jonas Savimbi's UNITA freedom fighters, who have been trying to overthrow the communist government of Angola, were armed primarily not by the South Africans, but by the Chinese with U.S. help. Again, the U.S. bought Chinese arms which were then supplied to UNITA. Savimbi's military training was done in the P.R.C. In general, the fruits of China's aggressive foreign policy thrust in Africa have been shared on a limited basis with the United States. For example, President Mobutu of Zaire—who in the mid-1970s was supported militarily by the P.R.C.—has developed as a senior African statesman assisting U.S. policy through initial P.R.C. intervention.

- **Iran.** The Chinese supplied Silkworm missiles to Iran, supposedly at the request of the United States. Did the United States pay for them? That is not clear. U.S. bellyaching on the issue was just part of a "public diplomacy" cover, according to sources.

- **Soviet Union.** After the CIA and National Security Agency was kicked out of Iran when the Shah fell in 1979, "listening posts" previously operating in Iran, were shifted to China to monitor activities within the Soviet Union.

- **Central America.** The P.R.C. helped Lt. Col. Oliver

North and Project Democracy arm the Contras.

On June 25, the Sunday *Washington Post* ran a front-page “damage control” story revealing a small part of joint U.S.-P.R.C. intelligence operations. With a “we-get-more-out-of-it-than-the-Chinese” rationale, the report denied that the P.R.C. has shut down U.S. monitoring capabilities, located in western China and targeted at the Soviet Union. But our sources report that the P.R.C. has been intermittently holding up turning over intelligence tapes from the “listening posts” to the U.S. embassy in Beijing, as a way of pressuring the United States to back off from harsher sanctions.

A senior administration official told the *Washington Post* in an interview that intelligence-sharing has been part of a substantial U.S. “investment” in China since President Nixon’s 1972 visit. The official said both countries had profited from this investment, and, “It is that which we have to balance against our current, justified outrage” over recent Chinese actions. A number of diplomats, legislators, and officials cited in the article said they think the U.S.-China intelligence connections are relatively secure, barring a complete rupture in diplomatic relations.

But the the *Post* concludes with an item that touches reality. The Congressional Research Service’s senior China specialist, Robert Sutter, is reported saying that most China specialists have overlooked the fact that China has had “a significant military relationship” with the Soviets even before Gorbachov came to power. According to calculations by the U.S. Arms Control and Disarmament Agency, he notes, China purchased \$310 million in arms from the Soviet Union in the 1982-86 period—almost four times its purchases of \$80 million from the United States.

The *Post* also makes passing reference to the Oliver North/P.R.C. story about arming the Contras—the first time that this highly embarrassing story has been out in the “mainstream press.” Confirmation of the story came out during North’s trial, when a document surfaced detailing how North’s operatives played the P.R.C. and Taiwan against each other to get both of them to arm the Contras.

### **North and his Chinese Communist friends**

A document released during North’s trial demonstrates the foreign policy and diplomatic insanity that flowed from the “China card” policy. It also shows that as early as 1984, all senior administration personnel were aware of the government’s commitment to covert aid to the Contras, thereby leaving the U.S. vulnerable to espionage and political blackmail by its enemies.

A System IV NSC “Top Secret” document dated Dec. 4, 1984 from North to then-National Security Council head Robert McFarlane on the subject of “Assistance to the Nicaraguan Resistance,” reveals the details of the initiation of a joint U.S.-P.R.C. program to arm the allegedly anti-communist Contras. On Nov. 28, 1984, North and NSC Asia specialist Gaston Sigur met with the P.R.C. military attaché

at the Washington Cosmos Club. The meeting was to urge the P.R.C. official to cooperate in ensuring an arms shipment to the Contras that was being held up in Canada. The Canadian-based purchase had Guatemala as the end user, and for some reason the P.R.C. was holding up the deal for 10 SA-7 missile launchers (referred to by the Chinese as HY-5), 30 missiles, one training unit, and 19 tracking units.

North told the P.R.C. attaché that the arms were not for Guatemala, but for the Contras. It seems the P.R.C. was holding up the deal because many Guatemalan military officers were graduates of the Taiwan Defense Academy. North said that Adolfo Calero, the head of the FDN, would recognize the P.R.C. once they won the war. The P.R.C. official said he got the message, and for the record stated it was P.R.C. policy not to interfere in the internal affairs of another nation. North sarcastically said that “it was too bad that the Soviets, Bulgarians, and East Germans involved in Nicaragua did not feel the same way.”

Earlier the same day Gen. Jack Singlaub had visited a senior Taiwan official to muscle him for funding the Contras. “Singlaub advised [the official] that, since the Taiwanese had turned down the earlier FDN request for assistance, the Resistance movement had approached the P.R.C.” The official noted that this was a “considerably different situation” and would pass the new information on to Taipei.

The NSC feared that North and company would be investigated for espionage because of their dealings with the P.R.C., and moved to get FBI Director William Webster’s help in protecting the NSC-P.R.C. project.

Prior to the North-Sigur meeting with the P.R.C. attaché, Kenneth deGraffenreid had contacted the FBI to determine how tight was the surveillance of the P.R.C. attaché. (Ironically, DeGraffenreid was identified by former White House sources as part of a team at the NSC which accused Lyndon LaRouche of being a Soviet agent in an attempt to counter LaRouche’s policy influence.) DeGraffenreid established that the FBI was running a close monitoring operation. North writes, “It is thus very likely that the November 28 [meeting] has been reported in FBI’s counter-intelligence/counter-espionage channels. Subsequent discussions and or communications may also be monitored. The FBI has been requested to make no distribution except to the National Security Advisor on any intelligence we collect on [the senior P.R.C. military official] regarding this matter.”

The document states that “our contact for FDN weapons and munitions purchases (a retired military officer) will be apprised of the FBI surveillance [of the senior P.R.C. military official] in order that he may be appropriately discreet.” Sources say that North’s go-between was none other than Irangate defendant Gen. Richard Secord. At the end of the document, North recommends to McFarlane “that you place a secure call to Judge Webster urging him to report any intelligence [on the senior P.R.C. military official] regarding contacts with the NSC directly to you and no others.”

## Anti-Satan bills before two governors

*Louisiana and Illinois are the first states where constituency pressure has pushed bills through legislatures.*

State lawmakers around the U.S.A. are responding to intense constituency pressure demanding action against the virtual epidemic of Satanic activity surfacing in the United States. In the third week of June, Louisiana and Illinois became the first states in which state legislators have passed bills outlawing Satanic practices. The bills are now before Illinois Gov. Jim Thompson (R) and Louisiana Gov. "Buddy" Roemer (D) for final approval.

Bills are also actively being considered in the Pennsylvania state legislature and were introduced in the Texas and Washington state legislatures, both now out of session.

Two bills sponsored by Rep. Robert Regan of Crete, Illinois have passed the legislature. Regan received 1,000 petition signatures from citizens demanding legislation to outlaw Satanic activity, and a delegation of activists associated with the National Democratic Policy Committee (NDPC), the political action committee co-founded by U.S. statesman Lyndon H. LaRouche, met several times with Representative Regan and his staff during the period he was formulating the legislation.

The two bills passed by the Illinois body would increase the penalties for crimes that are performed in the context of ritualistic activity. Under the first, HB 1882, anyone who "mutilates, dismembers or tortures" another person as part of a "ritual, observance, ceremony, rite or initiation," would be guilty of a Class 2 felony. Under the amended Criminal Code, that person would face up to seven years in jail and a \$10,000 fine.

The ritual aspect of the crime becomes an aggravating factor and triggers the maximum sentence. "If five people are involved in the ritual, they can all be prosecuted," said an aide to Representative Regan, the bill's sponsor.

In the second bill, HB 1884, on Ritual Brutality, the maximum penalty is triggered if any of the following acts are committed as part of a ritual or any ostensible religious activity: brutalization of humans or animals, theft of corpses, kidnaping of humans, desecration of buildings or property. Regan said that he drafted his legislation after sponsoring forums on the problem with hundreds of law enforcement officials throughout Illinois.

A third bill, HB 1883, has passed the Illinois House, and is now before the Senate. It attempts to deal with the terrible problem of suicides induced by Satanic cults. HB 1883 make it a felony to "induce or coerce" someone to commit suicide while maintaining control over the person through a variety of means, such as control of physical circumstances, psychic pressure, religious, political, or philosophical principles. The suicide must have occurred before a crime is considered to have been committed.

Representative Regan, in motivating the legislation, pointed out that, had cult leader Jim Jones carried out murders of the character of Jonestown and survived, he could not be prosecuted under current Illinois state law. Two teenagers have committed suicide as part of Satanic suicide pacts in Regan's district recently. Regan be-

lieves that in such cases it is possible that evidence of inducement of the act might be left behind in the *Book of Shadows*, ritualistic diaries kept by even young Satanic followers, or by information supplied by witnesses to the inducement.

In an interview with *EIR*, Regan mentioned that he is also very interested in exploring ways to deal with the effects of metallic rock and games such as "Dungeons and Dragons," which many experts believe have induced suicide and other violent acts, but has not as yet been able to formulate legislation which he believes would comply with constitutional guarantees of free speech.

The bill, HB 928, passed in Louisiana by both houses of the legislature unanimously, like the Illinois measures, amends the state Criminal Code, making it a felony to commit certain "deviant ritualistic acts including mutilation, dismemberment or torture of animals or humans, and drinking of blood or wastes as part of a ceremony, rite or practice." Those found guilty may be sentenced to up to five years' imprisonment, a fine of up to \$5,000, or both. The bill also makes it a capital murder if someone is killed during a ritual. The Louisiana bill was sponsored by Rep. James David Cain (D-Dry Creek) and 10 other lawmakers from both parties. The bill was initiated in a grassroots organizing drive which mobilized ministers, law enforcement officials, and other citizens who testified on behalf of the bills. The effort was headed by Democratic Party activist and National Democratic Policy Committee leader Fred Huenefeld of Monroe, who marshalled broad-based statewide support for the bill.

With this model legislation a step from final approval, it is expected that many other state legislatures will move on the issue.

## Scowcroft scandal looms over White House

On June 29, *EIR* investigator Scott Thompson filed a criminal complaint against Gen. Brent Scowcroft, presidential assistant for national security affairs, based upon a scandal that threatens to dwarf the one that caused the ouster of President Ronald Reagan's first national security adviser, Richard Allen. Allen was ousted simply because, to avoid "loss of face" for a Japanese businessman, he placed a watch in his White House safe, which the businessman had given Allen to give to Nancy Reagan.

Where the Allen affair was all smoke and mirrors, the complaint brought by Thompson against Scowcroft shows that the Bush aide knowingly violated the financial disclosure provisions of the 1978 Ethics in Government Act. Specifically, Scowcroft violated Sec. 202 (6) (B), which states that as an employee of the global influence-peddling firm, Kissinger Associates, Scowcroft was required to list all of his clients at Kissinger Associates for whom he had performed more than \$5,000 worth of services.

When Lawrence Eagleburger, now deputy secretary of state, who had been the former president of Kissinger Associates, was facing tough Senate confirmation hearings, Eagleburger listed 15 such clients. And he even recused himself for a year from dealing with these former clients. In his SF 278 (financial disclosure form) filing, General Scowcroft recused himself from 70-odd firms, but did not recuse himself from his former clients at Kissinger Associates, because he refused even to list them.

Thompson brought the complaint before the attorney general, because White House Counsel C. Boyden Gray had blocked action on this egregious violation of the Ethics in Government Act for months after Thompson brought it to the attention of Gray's office on April 28. However, a responsible official of the Office of Government Ethics to whom Thompson had also addressed the complaint, admitted that the complaint was a "substantial one" that the Ethics office would investigate. In an abrupt change in early June, however, the Ethics office referred the complaint back to C. Boyden Gray, who had earlier refused to confirm to Thompson even whether his complaint had been received.

Finally, on June 28, Associate White House Counsel Michael J. Astrue wrote Thompson, "With regard to your other complaints, longstanding White House policy prevents us from commenting while you have a complaint pending with the Department of Justice." Apparently, Astrue was referring to the "longstanding White House policy" that dates back to Watergate, which Richard Nixon famously named "stonewalling."

Now that Gray's White House Counsel office has revealed that rather than having Scowcroft comply with the law, it will stonewall any complaints of such violations, it becomes apparent that the decision of the Office of Government Ethics to return the matter to Gray's hands was a mistake, which the latest complaint to the Attorney General may outflank.

## Liar, or incompetent for the job?

There is evidence that General Scowcroft "willfully" and "knowingly" violated the financial disclosure provisions of the Ethics in Government Act.

First, a reliable source in the Office of Government Ethics told *EIR* that when Scowcroft was first confronted with the violation, he lied that he had not been a "partner," "member," or "employee" of Kissinger Associates, all of whom would be required by law to list their clients, but, rather, he had been an "independent contractor."

Scowcroft perpetrated the same lie on his financial disclosure form, listing himself as a "consultant" to Kissinger Associates. However, *New York Times* investigative reporter Jeff Gerth uncovered in an April 30 front-page article, that Scowcroft had actually been vice-chairman of Kissinger Associates, not a mere "consultant" as claimed. Moreover, Scowcroft stated that he had earned \$293,300 in 1988 alone as salary from Kissinger Associates for his services.

Finally, in a March 7 addendum to his SF 278 filing addressed to C. Boyden Gray, Scowcroft added the further statement as to why he could not comply with the law: "Under my contractual relationship with Kissinger Associates, I worked for the company, not directly for its clients. Please be advised that because of this contractual relationship, Dr. Kissinger denied my request for a list of the clients for whom I worked."

While the first sentence appears merely to confirm that Scowcroft had been an "employee," and, therefore, that he was compelled to comply with the law, the second sentence is incredible! Here we have the man Dr. Kissinger made his vice chairman and who President George Bush considered intelligent enough to handle the rigorous job of national security adviser, claiming that he cannot remember the clients he serviced, unless Dr. K prompts him with a list.

If this were true, then President Bush would have clearly misjudged his man.

## Soviets seek press censorship treaty

*A plan to restrict reporting to "pro-peace" content is now a bargaining chip in U.S.-Soviet negotiations.*

**A** report on the so-called London Information Forum, a four-week, 35-nation conference convened under the auspices of the Helsinki Accords this spring, revealed a sinister move by the Soviets to impose unprecedented government control over the media, almost worldwide.

The Soviet plan to create a "Pan-European Information Council" to lay down repressive "guidelines" for media practices, is now in the arena of negotiations between the U.S. and Soviets, and could be tacked onto any accord reached by the two superpowers, Dana Bullen of the World Press Freedom Committee told this reporter June 27.

Bullen reported on the London meeting at a forum on "The New East-West Communications Framework," sponsored by Center for Strategic and International Studies (CSIS). He said that 69 proposals for "improving means of making news flows freer and easier" between nations were tabled at the London conference, and that most of them were welcomed as progressive steps which nations could simply apply as policy without treaties.

They involved issues such as expedited handling of visas, unhindered delivery and exchange of publications, easier licensing, and other more technical issues arising from the blinding speed with which advances in electronics are causing a communications revolution to occur.

But the Soviet proposal for an agreement on "universally accepted codes of conduct for journalists," monitored through a so-called "Pan-

European Information Council," threw cold water on the entire conference, and exposed the inherent dangers of encroaching on national sovereignty with supranational policies.

The Soviet plan would "establish a Pan-European Information Council to secure compliance with the universally accepted codes of conduct for journalists." It calls for foreign ministries of home countries to certify correspondents for visa issuance by receiving countries, to define limits for journalists' activities.

It proposes to create agencies to settle controversies about the work of journalists, to elaborate ethical norms for them, to promote legislation and other steps to "curb neo-Nazi or other kinds of extreme right-wing propaganda," to prohibit propagating war, racism, fascism, and to establish a "universal journalist card."

The Soviets also propose to "establish a research institute on problems of media," especially pertaining to the study of "enemy images," and to adopt rules to govern satellite broadcasting "with special regard to the rights and objectives of the transmitting and receiving countries," to restrict journalists to "legitimate pursuit of professional activities," to research "how media portray foreign countries and important events to be coordinated by the United Nations (specifically, its Unesco branch)."

The Soviets want to see the organization of symposia and other steps "to emphasize the professional and political responsibility of journalists and the media." They want "governments

to insure that in their territory news be objective and in no way interfere with relations among states." They want the media's role circumscribed to "creating a climate of trust, in safeguarding peace, in reporting on disarmament with a view to promoting these processes."

And, the Soviets want states to have the "right of reply or other comparable legal or administrative remedies relating to content or information or comment" in stories by journalists of other countries.

Such an unabashed and extensive elaboration of a proposed international media censorship agreement is more than just a look into the mind-set of the Soviets (even in this era of *glasnost*). It is a calculated move to lay the groundwork for serious negotiations within the Helsinki framework to achieve some, if not all, of these restrictions. As Dana Bullen told me, not only will these proposals be forwarded to the next full-scale Helsinki followup meeting in 1992, but there will be many other opportunities for the Soviets to push this program in the meantime, including meetings of Unesco in Poland or the International Labor Association in Geneva.

"The Soviets could simply go ahead and call their own conference with the objective of winning support for their plan, and they probably will," Bullen said. During the London conference, the Soviets called for the first meeting of the Pan European Information Council to be held in Moscow next year.

They said, "The proposed council would . . . facilitate the dissemination of fair and objective information, phase out confrontational approaches and enemy stereotypes, ensure observance of the universally accepted norms of journalists' ethics. . . . The first conference of the Council could be held in Moscow in 1990."

## Armed Services Committee cuts SDI funding

The House Armed Services Committee on June 27 cut almost one-fourth of the administration's request for the Strategic Defense Initiative, paring research and development spending by \$1.1 billion, trimming the funds available to \$3.5 billion. The committee also cut \$800 million from the administration's request of \$4.6 billion for development and procurement of the Air Force's B-2 Stealth bomber production budget, after defeating an attempt to scrap the project entirely. Part of the funds from the B-2 bomber were allotted to the Marine Corps' V-22 Osprey vertical takeoff transport, a program which the administration proposed to eliminate.

The committee also defeated an attempt by its research and development subcommittee to delete a proposed upgrade of the Lance short-range nuclear missile and the tactical nuclear short-range attack missile called SRAM-T. The Lance modernization program was considered vital in upgrading NATO's nuclear capability in the aftermath of the INF Treaty.

In what was perhaps an attempt to prevent a stalling of these funds, Gen. John Galvin, the commander of NATO forces in Europe, told reporters in Brussels on June 27 that he considered the Lance modernization research money his top priority this year. Rep. Ron Dellums (D-Calif.), chairman of the research and development subcommittee, said that both the Lance and the SRAM-T were political attempts to circumvent the INF Treaty signed last year by the United States and Soviet Union.

In other action on June 27, the House Armed Services Committee agreed to the development of two mobile missile systems, the single-warhead Midgetman and the multiple-

warhead MX. The Bush administration and congressional leaders have argued that the development of both systems, corresponding to Soviet deployments, would strengthen the position of American negotiators seeking an agreement with the Soviet Union to reduce the arsenals of long-range nuclear weapons. Dellums has led an effort to end the Midgetman program. Dellums's motion was defeated 39-12 in committee. Congressional staffers warn, however, that more votes in the committee and on the floor would give opponents ample opportunity to reverse that decision.

## It's cheaper to keep Shoreham plant running

A study conducted by the Energy and Natural Resources Committee concluded June 28 that running the controversial Shoreham nuclear power plant on Long Island in New York would be cheaper than shutting it down, contrary to an analysis by state regulators. The study said that the state had overestimated the savings to Long Island Lighting Co. of being able to carry more debt with Shoreham scuttled. The New York State estimates failed to assign enough cost to shrunken generating reserves without Shoreham, and assumed an implausibly low price for fuel oil in the year 2000 in figuring alternative costs.

## House votes to extend drought bill

On June 28 the House, with next to no opposition, passed a \$1 billion extension of last year's drought relief legislation. The measure was passed by voice vote after lobbying by farm state

lawmakers who said winter wheat farmers are facing another disastrous year. The measures will, however, have to pass the Senate, and President Bush has threatened to veto the bill.

Agriculture Secretary Clayton Yeutter opposes the legislation, and claims that further drought relief may not be necessary. Yeutter said the Agriculture Department "believes it would not be appropriate to put an all-inclusive disaster relief program in place that very well might not be necessary."

The bill extends most provisions of the 1988 drought bill, providing disaster payments to farmers who lose more than 35% of their 1989 crops. It also adds \$75 million aid program for communities whose water supplies have been affected by drought. Legislators from wheat-producing regions said the legislation is desperately needed to offset heavy crop losses from a second straight year of drought.

## Foreign aid for abortion is defeated

On June 22 an amendment by Rep. Christopher Smith (R-N.J.) and Rep. Henry Hyde (R-Ill.) was appended by the House to the International Cooperation Act. The amendment prohibits the use of economic assistance to any organization or program which supports a program of coercive abortion or involuntary sterilization, or to any foreign non-governmental organization which performs abortions or actively promotes abortion as a method of birth control.

One of the main targets of the Smith Amendment is the Communist Chinese government, whose abortion program has been lauded to the skies by the Eastern Establishment. Smith pointed out that in China, nearly 110

million children have been aborted since 1979—a number equal to the combined populations of England and France—most of these a result of some degree of government coercion.

## **C**onstitutional amendment gets cool response

House Democratic leaders have reacted somewhat coolly to President Bush's proposed constitutional amendment to overturn the recent Supreme Court decision striking down flag desecration laws in 48 states. Democrats are wary of opening up the constitutional amendment process.

"I think there should be very little tinkering with the Constitution, and it should be done very, very carefully," said Jack Brooks, chairman of the House Judiciary Committee, a Marine veteran who fought his way across the South Pacific in World War II. "We will carefully evaluate it," Brooks said. "We will see if there are other alternatives, if a statute can do the job, as the Senate thinks."

President Bush is attempting to make the amendment issue the litmus test for patriotism in order to distract attention from his bending over backwards so as not to impose sanctions on the Communist Chinese government.

## **G**reenhouse bill calls for population control

Recent legislation introduced in the Congress under the title House Resolution 1078, the so-called Greenhouse Bill, or the "hug-a-tree" act, goes a long way in promoting population control. The bill calls for a minimum of \$500 million to be spent on family planning services in fiscal 1991. After

that, it would be \$540 million in 1992 and \$580 million in 1993, 1994, and 1995. At least 16% of that or \$60 million, whichever is less, is supposed to go to the United Nations Population Fund. The bill also implies that by 1993 the government would be spending \$20 million a year for the operation of a five-man National Commission on Population, Environment, and Natural Resources. This is intended to result from an international conference on population to be convened by the President of the United States at which there would be an examination of "the policies necessary to achieve sustainable world population levels."

## **S**anctions against China demanded by House

Breaking with the Bush administration, the House on June 29 voted 418-0 to approve legislation imposing new sanctions against China. Drafted as a bipartisan amendment to the foreign aid bill, the measure would require the President to suspend 1) new U.S. government guarantees of private investment, export of police equipment, 2) new U.S. trade development activity, peaceful nuclear cooperation, 3) the export of U.S. satellites to be launched by China and to issue of arms exports licences. The amendment also condemns in strong language both the Tiananmen Square massacre, and the subsequent executions and arrests.

Responding to the House action, Secretary of State James Baker said the administration opposed the measure, but stopped short of saying it would be vetoed. He claimed that Bush has been "on the right track" in his response to the Chinese crackdown. "I believe many Americans believe and understand that no elected official in the United States understands China

better than the President."

The measure was passed with the strong support of key House Republicans, including Republican leader Bob Michel (Ill.) and William Broomfield (Mich.), the senior Republican on the House Foreign Affairs Committee.

## **H**elms 'Kissinger bill' moving toward vote

The bill submitted by Sen. Jesse Helms (R-N.C.) as an amendment to the Appropriations Bill for fiscal year 1990 for the Department of State, and aimed at Henry Kissinger's membership on the President's Foreign Intelligence Advisory Board (PFIAB), is scheduled for a vote sometime after the Senate July 4 recess.

The measure demands that no member of PFIAB may "derive income from foreign governments or foreign government-controlled entities," and requires each member of PFIAB to file a full financial disclosure report within 30 days of the enactment of the bill—conditions which Kissinger has said he is not prepared to comply with.

## **S**uper-collider gets \$110 million funding

The House of Representatives approved on June 28 an appropriations bill which includes \$110 million in start-up construction funds for a \$4 billion-plus superconducting super-collider to be built in Texas. The super-collider is a 54-mile-long device used for research in particle physics. The Appropriations bill was approved on a voice vote after members soundly rejected an amendment that would have eliminated it.

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# National News

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## 'Pain techniques' used against L.A. abortion foes

The Los Angeles Police Department (LAPD) has announced that it plans to continue the use of "nunchaku" martial arts weapons as part of its procedure for handling non-violent protesters who go limp when approached by police officers attempting to place them under arrest.

On June 10, some 300 uniformed officers in riot gear arrested about 250 Operation Rescue anti-abortion protesters during a "rescue" operation at an abortion clinic in Los Angeles. The officers routinely used the plastic nunchakus to force protesters to stand up and walk to the police vans. Two officers would approach the protester, and each would wrap the nunchaku around one arm of the protester, then tighten the weapon until the pain forced the protester to comply with the officers' commands.

Operation Rescue spokesmen claim at least 50 of the non-violent protesters were injured by police, including two whose arms were broken. News reports at the time of the demonstrations alleged that when one protester's arm was broken, "you could hear the snap 40 feet away."

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## Virginia tries again to jail Rochelle Ascher

The Commonwealth of Virginia requested at the end of June that the state Appeals Court reconsider its ruling allowing LaRouche associate Rochelle Ascher, convicted on April 5 of securities fraud, to be out on bail pending appeal of her conviction.

The brief states blatantly as its reason, the state's fear that Mrs. Ascher will continue her *political* activities and associations—which is the only reason she was indicted in the first place.

According to the brief: "The record reveals that Mrs. Ascher exercised considerable influence within the LaRouche organization and will continue to do so if conditions are not placed on her bond. . . . Her

testimony at trial that she felt she was innocent of any wrongdoing lends further support to the conclusion that she is likely to continue working with the organization if conditions are not placed on her bond.

"There must be some restrictions imposed on the defendant's bond to cut off her activities with the organization."

Ascher was originally sentenced to an unprecedented 86-year prison term by the jury. This was revised to a 20-year sentence by Judge Carleton Penn (half of it to be on probation), who denied the defendant bail pending appeal. The Appeals Court reversed that ruling, stating that the judge had "abused his discretion" on the bail issue.

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## NDPC petitions for stay of execution

Warren J. Hamerman, the chairman of the National Democratic Policy Committee, announced on June 26 that the NDPC is petitioning Supreme Court Justice William J. Brennan for a "stay of execution" of all collection proceedings of a multimillion-dollar "economic death penalty" against the political action committee of the LaRouche Democrats.

The enormous fines were the result of a contempt of court judgment against the NDPC for alleged failure to produce records in the First Circuit's Boston prosecution against LaRouche. The NDPC denies that it is in contempt, but was never even granted a hearing to present its case.

Hamerman, decrying the threat of what he called an attempt for "Chinese-style execution of political rights," stated that the NDPC, on the basis of the First Amendment and a wealth of other legal authority, is asking that the stay last until the Supreme Court can decide on the merits of the NDPC's appeal. Will the court condone the execution of a "purely political organization" without even so much as a hearing on the fines in question, he asked?

Hamerman then announced on June 30 that Kenneth W. Starr, the Solicitor General of the United States, had submitted a 14-page legal brief to Justice Brennan, arguing that the NDPC's request should be denied.

The Solicitor General's brief was submitted four days after Justice Brennan ordered him to respond to the NDPC's request.

Starr presented a prejudiced and inflammatory falsification of the facts, in an attempt to sway the Supreme Court Justice to ignore the violations of the Constitution against the NDPC on the grounds, in effect, of judicial prejudice against organizations associated with Lyndon LaRouche.

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## Detroit-area churches are closing down

The largest single closing of parishes in U.S. Catholic Church history is taking place in the Archdiocese of Detroit. Fifteen parishes are scheduled to be closed down for financial reasons.

The decision taken by Detroit Cardinal Edmund C. Szoka was appealed by the parishes that did not accept a study by the Archdiocese that documented the declining of membership and receipts after many Catholics emigrated to the suburbs.

Another 25 parishes in Detroit have been given one year to improve their financial situation, or they too will be closed.

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## Defector: CIA idle as Gorbachov woos Greens

Evgeny Novikov, a Soviet defector formerly with the International Department of the Communist Party of the Soviet Union's Central Committee from 1970 to 1988, warned that the CIA is ignoring Soviet leader Mikhail Gorbachov's growing ties to the Greens and peaceniks in the West. A Novikov interview conducted by the *Springfield News-Sun* in Ohio and published June 12 was covered by Associated Press.

"According to Novikov, 'Gorbachov started to promote the principles of his *new thinking*, to find new clients, sometimes at the expense of old clients, to find parties and groups that have influence in capitalist countries.' The new approach has brought

## Briefly

closer Soviet ties to American and Western European environmental and peace groups, he said," wrote AP.

"Because his work centered on Arab and Middle Eastern affairs, Novikov declined to speculate on which Western groups were sympathetic to Gorbachov's new approach."

### New book chronicles 'railroad' of LaRouche

The first copies of *Railroad!*, a new book documenting the judicial abuses that have taken place in the case *U.S.A. v. Lyndon LaRouche, et al.*, were released on June 29 at a press conference given by Warren J. Hamerman, chairman of the National Democratic Policy Committee. The press conference was given on the steps of the U.S. Supreme Court, which has before it a Writ of Habeas Corpus demanding the release of Lyndon LaRouche and his six fellow prisoners, who were jailed on Jan. 27 in a political frameup trial.

Hamerman also released the following statement by Ramsey Clark, the former U.S. Attorney General, who is the representing LaRouche in his appeal to the Fourth Circuit:

"The U.S. government has engaged in flagrant constitutional violations to convict and confine Lyndon H. LaRouche, Jr., whom they perceive as a political enemy.

- "The fundamental constitutional rights of LaRouche and his associates to a fair trial and to the effective representation of counsel were violated by forcing them to trial within 38 days of indictment in an exceedingly complex case involving millions of documents, many witnesses, and a myriad of complex and novel issues.

- "The fundamental constitutional right of LaRouche and his associates to present their defense to a jury was violated by prohibiting them from introducing admittedly relevant evidence concerning the role of the government and others in waging financial warfare against LaRouche and his political organizations.

- "LaRouche's right to a jury trial was

violated by denying the defense the ability to conduct a meaningfully probing selection of jury (*voir dire*), when LaRouche and his political organizations had been portrayed historically by the media in prejudicial and inflammatory terms and when prospective jurors could very well have had personal encounters with his political associates.

- "The imposition of a 15-year sentence by the trial judge on LaRouche was impermissibly harsh.

- "This case is an outgrowth of a many-year program of a national multi-agency 'Get LaRouche' task force."

### Dixy Lee Ray blasts 'greenhouse' fraud

Dr. Dixy Lee Ray, former governor of Washington state and former head of the Atomic Energy Commission (AEC), denounced the scientific consumer fraud regarding global warming, the so-called "greenhouse effect," in a syndicated column printed in the *Los Angeles Herald-Examiner* on June 23.

Ray notes that after *Time* magazine prophesied a doomed Earth in its 1988 "Planet of the Year" feature, Alaska experienced its worst cold weather ever in January 1989. "Proponents of the 'greenhouse-effect-is-here-global-warming-has-begun' theory were strangely quiet during those weeks," she said.

Ray points out the statistics on observed warming, 0.3 to 0.7°C in the last 140 years, are quite different from the 1 to 5° predicted by scientists' computer models. Natural processes such as recent increases in solar activity, and volcanic activity, such as Mount St. Helens' pumping out profuse quantities of carbon dioxide into the atmosphere, also play major role in producing "greenhouse gases."

She concludes, "John Maddox, editor of the British journal *Nature*, says 'these days there . . . seems to be an underlying cataclysmic sense among people. Scientists don't seem to be immune to this.' Well, they ought to be. What we need most in the greenhouse debate is a dose of healthy skepticism."

- **FORMER SENIOR U.S.** officials have urged President Bush to consider "restraints" on developing the Strategic Defense Initiative. The group includes Harold Brown, James Schlesinger, Melvin Laird, Cyrus Vance, and Richard Helms. Their proposal is contained in a paper issued by the Johns Hopkins Foreign Policy Institute.

- **LYN NOFZIGER**, White House aide to President Reagan, had his conviction reversed June 27 by the U.S. Court of Appeals on three criminal counts of illegal lobbying. The panel ruled that the prosecutor failed to prove that Nofziger knew that his conduct was illegal.

- **MANDATORY AIDS** testing as a pre-marriage requirement has been dropped by the State of Illinois, with the support of Republican Gov. Jim Thompson. This was one of the few mandatory AIDS testing programs ever established in the United States.

- **THE HEMLOCK** Society is sponsoring a group called Washington Citizens for Death With Dignity, which will try to file an initiative next January to legalize euthanasia performed by physicians.

- **VIRGINIA** Attorney General Mary Sue Terry hailed a Supreme Court decision denying death row inmates free legal counsel as "a victory for the people of Virginia and a vindication for our fine judicial system."

- **IMMIGRATION** and Naturalization Service Commissioner Alan C. Nelson has proposed that Congress enable his agency to establish a nationwide data bank to verify the identity of all job applicants, to prevent the use of fake IDs by illegal aliens. The measure would be accompanied by the issuance of a national ID card, and increased enforcement of existing laws designed to prevent employment of "illegals."

# Scientific optimism vindicated

When, on March 23, the scientists Martin Fleischmann and Stanley Pons first announced that they were able to produce a fusion reaction with a table-top apparatus, and at room temperature, the news was so exciting that even the man on the street was following daily press bulletins on the experiment. Los Alamos National Laboratory has now tentatively confirmed these results.

While the *New York Times*, in its June 27 science section, gave an extremely glum report on this major breakthrough, scientists are jubilant. True, the laboratory has so far been successful in only one of several experiments, but there is still every reason for joy.

The *Times* report says: "Cautioning that the finding may prove incorrect, scientists at the Los Alamos National Laboratory in New Mexico said yesterday that they had found evidence of tritium, a fusion byproduct." Similar results found by researchers at Texas A&M had been discounted by the scientific community. John O. Bockris, a professor of chemistry at Texas A&M, made a statement to the *Desert News* with which we can entirely concur. "This result is of fantastic importance," he said.

In early spring, a number of laboratories whose experiments appeared to corroborate aspects of the results reported by Fleischmann and Pons were first headline news, but then there came an apparent denouement. MIT physicists reported that the extraordinary heat produced by the experiment, and the appearance of fusion byproducts, were the result of errors of measurement. Overnight, Fleischmann and Pons were transformed from heroes into objects of opprobrium, roundly castigated by the American Physical Society for leading their peers and the public astray.

In fact, there was no basis for the extraordinary media hype which greeted the first reports, nor for the backlash which followed. Clearly, Fleischmann and Pons had at the least an extremely interesting experiment, from a scientific standpoint, and possibly they had hit upon a way of producing fusion which would have important technological applications as well.

The Fleischmann-Pons experiment appeared de-

ceptively simple. An electric current was passed through heavy water and palladium rods, and after about a week, a sudden burst of high heat and a flux of neutrons would occur. This could not be accounted for as a chemical reaction; therefore, fusion was supposed to have occurred. One possible explanation for the failure of many labs to replicate the original results, was the significance of how the palladium was treated, and the presence or absence of impurities.

Los Alamos now reports that they have found 100 times the amount of tritium than what would otherwise have been present as a result of background radiation. If this is borne out by repeated experiments, then the claims of mere measurement error will be disproven. (Tritium is an isotope of hydrogen which is produced as a byproduct of the fusion of the hydrogen isotope deuterium. Water with a significant admixture of deuterium or tritium dioxide is known as heavy water, because these isotopes have two and three extra neutrons respectively.)

We are approaching the 20th anniversary of the landing of the first American on the Moon. What better way to celebrate this event, than with the confirmation that cold fusion is indeed possible!

Let us hope that one of the first spinoffs from the Los Alamos experiment will be to discredit environmentalists and the malthusians who are not only conspiring to return us to some new Dark Age, but who are trying to foster irrationality and superstition in the public at large. One possibility for why so much hysteria has been generated around the mere possibility that fusion power may be realized cheaply and easily, is the realization by environmentalists like Paul Ehrlich, who have publicly bemoaned the fact that revived interest in the potentials of fusion power would rekindle optimism that there simply are no limits to growth.

We used to be a "can-do" people. Perhaps the best contribution which Fleischmann and Pons will have made, will be to reawaken confidence—especially in our young people—that we can continually create new frontiers and successfully master new challenges.

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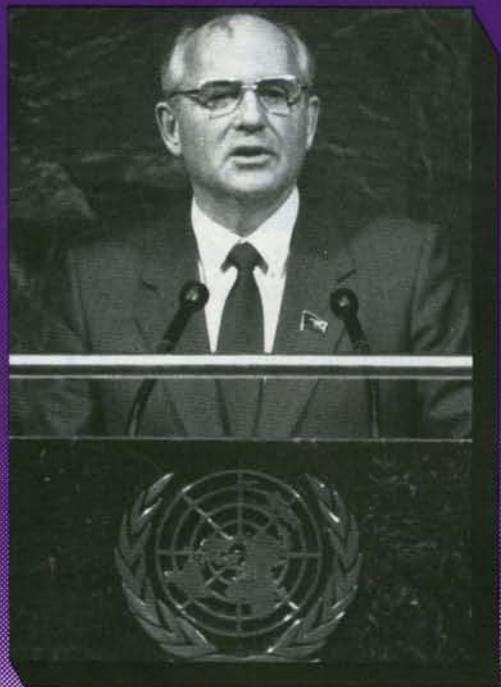
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**In 1989**, the same Moiseyev, with collaborators in the West, has announced his "discovery" that a "greenhouse effect" caused by "industrial emissions" is threatening the biosphere. This, too, is a hoax, but it is now creating a climate for the destruction of the West's industry and agriculture.

Here, *EIR* reports the scientific truth, and the political truth behind the "greenhouse effect" hoax: Kremlin leaders and their Trilateral Commission friends are using "ecological emergency" as the pretext to destroy the sovereignty of nations and establish one-world rule.

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