

# EIR

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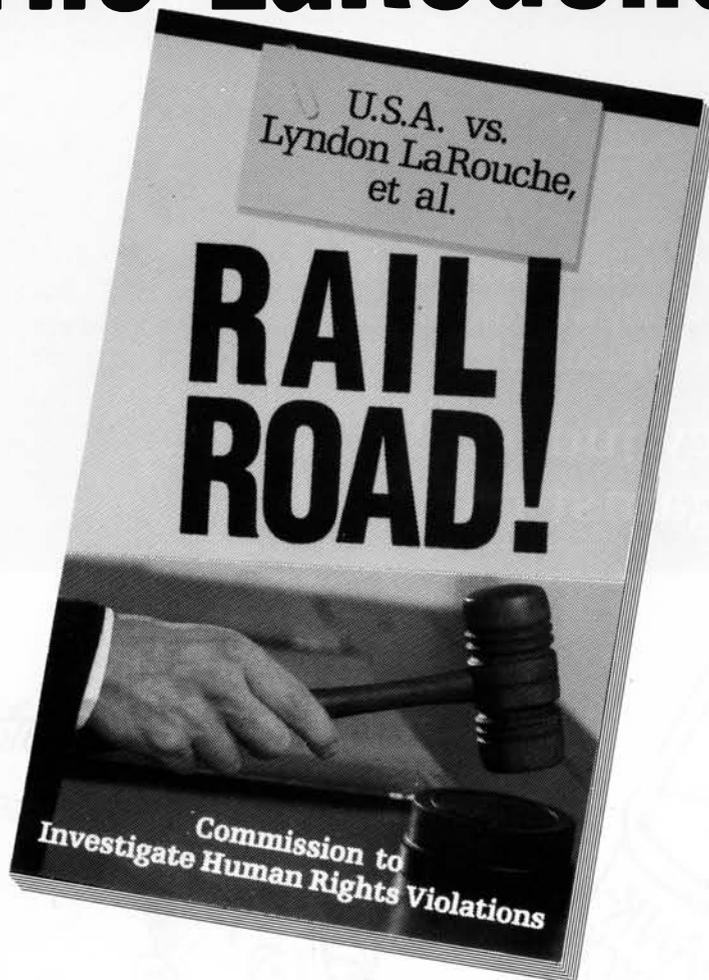
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**Bankruptcy judge: U.S. acted  
illegally against LaRouche**



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# EIR

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As I write on Nov. 4, one million people are reported to be demonstrating against the Communist regime in East Berlin. The upheaval in the Soviet bloc, of which the revolt in the Soviet Occupied Zone of Germany is the shock front, is the direct result of devastating shortages of food and basic consumer goods: a reality which Gorbachov and Bush, in their search for “matching perceptions,” have sought to deny. And behind this, is the reality of a full-scale *physical* breakdown crisis.

In Chicago, the leadership of the “Food for Peace” movement, called into being last year by American statesman and economist Lyndon LaRouche, is meeting today, and mobilizing to rescue the nation of Poland from terrible starvation this winter. In her videotaped address to that conference, Helga Zepp-LaRouche points to her husband Lyndon’s proposal for German reunification, based on a “Food for Peace” intervention by the West into the Polish economy. This farsighted proposal, which many thought utopian when he made it one year ago at the Hotel Bristol in Berlin, has proved to be the only viable proposal on the table at this time.

She adds, “It is a complete travesty from the standpoint of world history, that the man, who has foreseen that the world food shortage would bring us to this point of disaster, at this point has to sit in jail. I ask you to do everything possible to help to get Lyn out.”

The political movement to free LaRouche is inseparable from the tidal wave of the anti-Bolshevik resistance. It will make use of the first major legal victory for LaRouche against his political enemies. This was achieved on Oct. 25, and is the subject of our *Feature*. Judge Martin V. B. Bostetter, 15 months after the trial of the involuntary bankruptcies forced upon three LaRouche-linked entities 1987, ruled that the U.S. government had acted in “bad faith” in its zeal to shut down a movement led by a man they considered a “political extremist.” By dismissing the bankruptcies brought by the lawless “Get LaRouche” task force, the decision underscores the basic contention of the LaRouche movement that the whole package of “criminal” cases against them is a fraudulent, bad-faith action spurred by political hatred. May it be only the first such ruling, restoring law to the United States.

*Nora Hamerman*

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**Correction:** A number of errors crept into the article, "Supreme Court Backs RICO Use Against Political Groups," in the Oct. 20 issue. 1) The Court did not *uphold* the Third Circuit Court of Appeals decision approving the use of RICO against an anti-abortion group; it declined to grant a petition for *certiorari* (review) of the lower court ruling. A denial of *certiorari* cannot be cited as having any value as a precedent. The ruling therefore stands as a precedent *only* for the Third Circuit, and the other 11 Circuit Courts are free to ignore this ruling if they wish. (The Supreme Court only accepts about 160 out of 5,000 cases submitted for review each term.) 2) The government has not yet used the criminal or civil provisions of RICO against any political group, as may be inferred from the article—although the threat is certainly there, that it may do so in the future. The Pennsylvania case was a civil action brought by private parties.

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Jimmy Baier

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## Polish cataclysm will destroy the 'New Yalta'

by Webster Tarpley

On Oct. 11, the Polish Communist General Secretary Mieczyslaw Rakowski met in the Kremlin for three and one-half hours with Soviet party boss Mikhail Gorbachov. At the close of the meeting, Rakowski told reporters that Gorbachov, whom he described as a "great friend of Poland," had expressed approval for the process of economic reform now being carried out in Poland. In addition, Gorbachov optimistically ascribed to himself a further year of longevity for his "reform" programs.

With that, the Soviet leader has formally and officially endorsed his own death warrant. No amount of intrigue at the Dec. 2-3 Malta "lifeboat" summit of the two superpowers will change anything in this picture.

This Kremlin meeting is symbolic of the tragedy that is now stalking Poland, Europe, and the world. For unless something changes radically in the current economic, political, and strategic constellation, Poland is not going to make it. Poland, that gallant, long-suffering, and much-betrayed nation, that front-line bastion of Latin Christianity and Western civilization against barbarism, is now being impelled toward a deadly physical collapse in economic activity, with the inevitable concomitants of popular insurrection and revolution, with the likely intervention of the Soviet Red Army, massacres, and civil war.

There is still perhaps a small chance that this could be avoided by a radical and rapid change in the policies of the French and Federal German governments; in addition, we must not desist from our attempts to compel a policy change on the part of the United States, even at this late hour. Our urgency flows from our admiration for the Polish people and their magnificent courage. It also flows from our historical memory of what the Bush administration ignores: that World War II began in Europe as a conflict involving Poland. That conflict has never been resolved, and now threatens to be-

come the detonator for the third world conflagration of this century.

But if nothing changes radically and quickly, Poland will be destroyed. The coming destruction of Poland will be a direct product of the policies of the New York-London-Moscow "Trust" faction of usurious financiers and Communist commissars. The great historical irony is that the coming bloody explosion in Poland is sure to destroy the U.S.-British-Soviet condominium, the "New Yalta" of superpower agreements and crisis management which, in the opinion of its beneficiaries, is the final *terminus ad quem* of human civilization.

The Polish crisis will inevitably destroy the superpower condominium, quite independently of all the other lethal crises that guarantee the final collapse of 500 years of Muscovite empire. It will do so because Poland is the nation where the concentrated predatory insanity of the Trust is playing out with the most devastating effect. The Polish explosion will bring down Gorbachov—if nothing else already has—by forcing the hand of the dozen or so groups now preparing putsches against him in the Soviet *Nomenklatura*. A massacre of Poles by the Red Army will also make the political position of New Yalta proponents in the Western world untenable, and thus break off the condominium itself.

### Gorbachov's economic stupidity

The most pronounced trait of Gorbachov and his group is an aggressive, militant ignorance of real economic theory, and an arrogant disregard of economics as natural law. In this, he is not original; his abysmal economic stupidity is cast in the mold of his predecessors, Nikolai Bukharin and Nikita Khrushchov, whose economic failures are legendary. Indeed, Bukharin, Khrushchov, and Gorbachov, along with Yuri Andropov, Otto Kuusinen, Eugen Varga, Leon Trot-

## LaRouche rips Sachs's fascist recipe for Poland

*Lyndon LaRouche, candidate for Congress in Virginia's 10th Congressional District, issued this statement on Oct. 29.*

The Sunday, Oct. 29 issue of the *Washington Post* contains a feature by Harvard so-called economist Jeffrey Sachs on the subject of Poland. After the sickening experience of reading through the entire article, one realizes that Sachs is a fascist in the tradition of John Maynard Keynes. This is no mere characterization. It is key to understanding the crucial strategic flaw in what appears to be the present U.S. policy toward Poland.

It should be recalled that in 1936, John Maynard Keynes published the first edition of his *The General Theory of Employment, Interest, and Money* in a German-language edition. This edition had a special forward in which Keynes stated that he thought the host country for this publication, Nazi Germany, was among those best suited for the application of his economic theories.

So says Jeffrey Sachs in the *Washington Post* "Outlook" section on Poland. He states that his measures would probably not be easily applied in a country such as the United States, but might be in Poland because the repressive apparatus exists intact, independent of and mobilized outside the ranks of the governing party, Solidarnosc. What he proposes essentially is genocide. It's also insanity. And as I've indicated earlier, there's another implication to this.

This Polish experiment, if the Sachs version were allowed to proceed, would be, over the course of the winter, one of the most hideous and most genocidal experiences Poland has known since the Nazi occupation, maybe worse than the Nazi occupation in some respects, in what it leads to. Thus by the end of winter, if not earlier, this experiment in Poland would become the basis for probably the overthrow of Gorbachov, or at least of Gorbachov as he is presently viewed. This experiment in Poland could ruin everything and could bring us more rapidly toward the brink of Soviet military attack on the world outside, sometime perhaps between the years 1991 and 1992.

Jeffrey Sachs must be reined in. And only sane people, not fascists from Harvard, must lead in helping the Polish opportunity, somehow, to succeed.

sky, and many more are typical of the cosmopolitan or internationalist school of Kremlin leaders. Gorbachov, like his predecessors in this school, typically argues that in order to thrive, Holy Mother Russia must pragmatically adapt to the rules of the game in the gambling casino that is the world of Western finance. The Gorbachov school aims at getting economic and technological assistance from the West to pull the Soviet Empire through its periodic bouts of exhaustion. In order to do this, they propose that Russia make concessions to what they (with some empirical justification) understand to be the essence of Western economics—usury, monetarism, and rapine.

The Russian cosmopolitan school is distinguished in this regard from the fanatics of Moscow the Third Rome and the apocalyptic destiny of the Great Russian Master Race for world conquest, of whom the archetype is of course Josef Stalin. This latter group is the inspiration for today's fascist Pamyat (Memory) movement and for other political expressions in Russia. For the Third Rome Great Russian school, the Western Trust financiers and monetarists are to be cultivated, primarily because their looting practices contribute to the more rapid rotting away of the putrid West, in contrast to the opposite effect of industrial capitalists and production managers. But at the same time, the Third Rome school is

painfully aware that the Western users are committed to the rape and plunder of Holy Mother Russia as well. There the Third Romers draw the line, as in such typical moments as 1927-28, when Stalin ousted Bukharin and abruptly terminated the foreign concessions to Western imperialists that had been permitted under the New Economic Policy (NEP).

One feature of Stalin's victory over Bukharin deserves to be mentioned today because it bears upon the irreversible process that is now leading to the overthrow of Gorbachov within the next six to seven months, at the hands of rivals who will necessarily turn out to be closer to the Third Rome School: A decisive contributing factor for Stalin's ascendancy was the incipient breakdown crisis of Western economy, finance, and banking leading up to the crisis of 1929-33. An economic depression undermines the ability of the Western Trust financiers to deliver the economic goods, and also makes their demands increase in rapacity. Today's breakdown crisis in the West is thus another nail in Gorbachov's coffin.

For Lord Victor Rothschild, Armand Hammer, Dwayne Andreas, Henry Kissinger, David Rockefeller, and the rest of the Western branches of the Trust, the positive aspects of Gorbachov and his fellow Russian cosmopolitans are to be found precisely in their willingness to make concessions to

Western usurious financial practices. The Western Trust exponents are prevented by their own obsessive ideology from realizing that it is precisely the pro-usury side of a Gorbachov which, when superimposed on a communist primitive accumulation war economy already deep in its own lethal breakdown crisis, constitutes the most deadly economic poison known to man. The Western Trust financiers are absolutely purblind to the fact that what they like most about Gorbachov are exactly those policies that doom him to an early and probably violent demise. For the Western Trust and Gorbachov both worship at the altar of the god of usury, and Armand Hammer and Lord Victor simply cannot understand why that should suddenly become such a heresy for a Russian politician. But Holy Mother Russia will not tolerate their god of usury; she tolerates no gods but herself.

### A nation betrayed

Poland is the advanced march of Western civilization, the cockpit of Europe, and fronts on the fault line of demarcation between Latin West and Byzantine East. The Poles were partitioned in the 18th century, brutally repressed in the 19th century, repeatedly rolled over and crushed when they tried to assert their independence in the 20th century. The Poles have been betrayed by the West, and it is no good saying that the Poles are responsible for their own problems. Polish losses in World War II were proportionally greater than those of any other nation; Warsaw was razed to the ground and 1 million residents, virtually the entire population, slaughtered. The crisis of the Polish economy today has two basic causes. The first is that since 1945, Poland, the largest and most populous of the Eastern European nations enslaved by the Soviets in World War II, has been mercilessly squeezed by the Soviet war economy. The looting of Poland began the moment the Red Army crossed the border, and has only increased over the years, with a very notable turn of the screw coming in 1982-83, when Gen. Wojciech Jaruzelski was given new delivery quotas dictated by Marshal Nikolai Ogarkov's war buildup.

### Origins of the current economic crisis

The second looting of Poland began especially during the 1970s, when the government of Edward Gierek attempted to procure capital goods on credit from the West. To modernize the economy, Poland went into debt. Whatever Gierek's problems were, he cannot be blamed for two oil shocks, the Volcker interest rate crunch, the black market hemorrhaging of Poland's currency, the zloty, and unfavorable terms of trade on Polish raw materials exports like coal, and their sequelae. These were the handiwork of the Western Trust financiers. But the result was that Poland was soon being bled dry to service almost \$40 billion of hard-currency debt, especially to the deutschemark area.

According to a statement made in February 1989 by Andrzej Wroblewski, the finance minister in the Rakowski "re-



*Solidarnosc, Communist chief Rakowski, and Mikhail Gorbachov are all backing an austerity program that will mean disaster for Poland. Shown here is a Solidarnosc election poster in Krakow, next to a poster for Communist-backed candidates in the August election.*

form communist" government in power at that time, Poland's foreign debt is \$39 billion, of which \$9 billion is owed to the foreign commercial banks assembled in the so-called London Club. According to Wroblewski, this debt was being regularly serviced under an agreement with the London Club. The Polish debt to the Paris Club, which represents the interests of state-to-state and government-guaranteed credits, was pegged at \$24 billion. During most of 1987 and 1988, Poland was in almost total default on the debt owed to the Paris Club, having paid only certain fees to the amount of \$140 million. In addition, Poland has a hard currency debt to the U.S.S.R., as well as to the CMEA (Comecon) banking system and other East bloc institutions. There are also debts to countries which are not members of the Paris Club.

If Poland were fully to service all this debt, the yearly interest charges alone would be in excess of \$3 billion. As of February, Poland was paying at a yearly rate of interest of \$1.702 billion. (In mid-October, Warsaw television reported that Poland would be forced to default on \$500 million owed to Western commercial banks due at mid-December. Poland was offering to pay 15% and then reschedule the rest, and the banks seemed to be agreeing. Some countries, including notably the Federal Republic of Germany and Austria, have granted Poland various kinds of debt forgiveness.)

But against this \$1.7 billion of debt service stand total export earnings that were running at only \$1 billion per year in early 1989. Whatever ameliorations may have been granted to the post-communist government, it is very likely that Poland, just like Ibero-America, is experiencing a negative net resource transfer toward the Western banks. A comprehensive debt moratorium on all interest and principal owed by Poland is thus mandatory in the name of Western civilization itself.

Paying this debt is pointless for Poland in any case: No matter what is paid, the country is denied normal international commercial credit. Poland is forced to pay cash. According to Rakowski's Minister of Industry, Mieczyslaw Wilczek, speaking at a February 1989 symposium for the foreign press: "For several years we have been buying only for cash. I do not have to explain to you how cumbersome it has been. The whole world is thriving and is made to go 'round by credits." Has the enlightened West changed this policy under the new government?

### Structural weakness

The structural weakness of the Polish economy goes back to the Stalinist period under party boss Boleslaw Bierut. As Zbigniew M. Fallenbuchl told the Joint Economic Committee of the U.S. Congress some years ago, the main features of the modern Polish economy were dictated by Stalinist war planning: "The stress was on coal mining, the iron and steel metallurgy, heavy machinery and metal constructions and on the so-called 'heavy' chemical industry. All 'modern' branches, such as electronics, synthetic fibers, plastics and other sections of the petrochemical industry were neglected, together with agriculture, infrastructure, and the production of all consumption goods industries." The resulting economy could produce "a very large number of manufactured consumption and, above all, producer goods, on a small scale, at a high unit cost, with a relatively backward technology and low quality, as it was impossible to expand research and development in all these fields to a significant extent."

Agriculture was collectivized on the Russian model until the Poznan riots of 1956, when it was mercifully rescinded, but this left a repeatedly subdivided crazy-quilt of small holdings. (Smaller tractors would be appropriate for these parcels, but all governments up to now have insisted on buying the licenses to produce only the largest Western tractors at the Ursus and other tractor factories.)

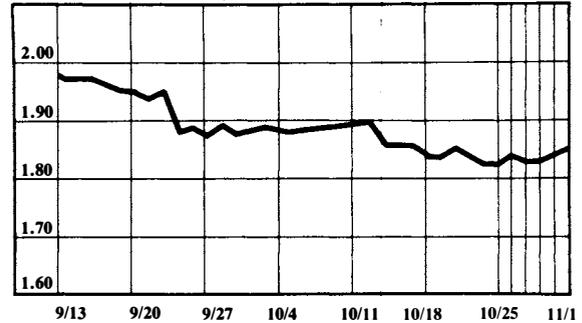
The 1956 Poznan riots brought in Wladyslaw Gomulka, who tried a "selective growth strategy" which led to the Gdansk riots of 1970, which ushered Gomulka out and brought Gierek in. Gierek's policy of going into debt for development imports was overtaken by the first oil shock, in 1973, which deprived the country of foreign exchange and caused the bureaucracy to abort many half-finished projects to save hard currency. A large number of unfinished investments from that period continue to rust away in various corners of Poland. Under Stanislaw Kania, General Jaruzelski, and the December 1981 martial law, U.S. sanctions forced the country to retool more and more towards Comecon. After 1985, Poland was caught in a crunch between declining dollar prices for exports like coal, and a more expensive deutschemark, needed to pay large portions of the foreign debt. The worst conditions prevailed in agriculture, where no significant new investments have been made since the 1940s.

*To be continued.*

## Currency Rates

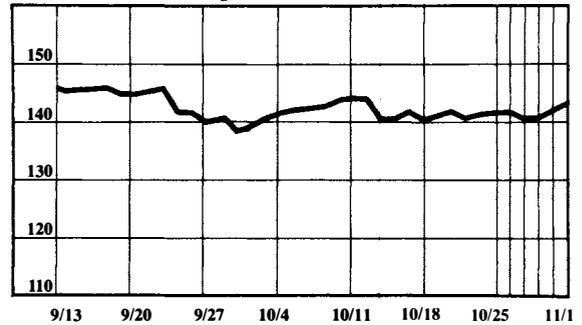
### The dollar in deutschemarks

New York late afternoon fixing



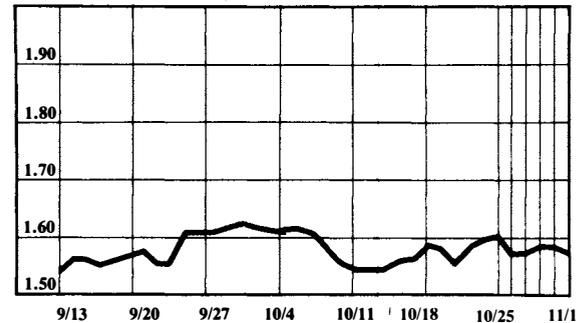
### The dollar in yen

New York late afternoon fixing



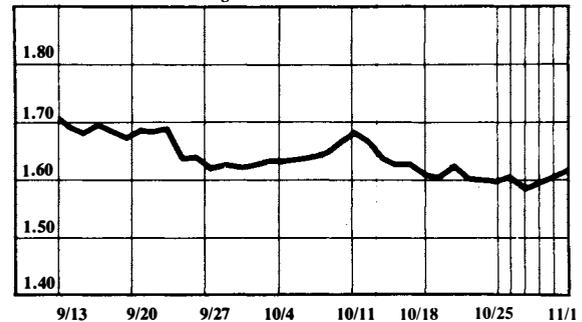
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# Thatcher takes a pounding

by William Engdahl

There are some indications that the surprise resignation Oct. 27 of Britain's Chancellor of the Exchequer Nigel Lawson is part of a well-planned ambush to get Prime Minister Margaret Thatcher. The British press headlines of the following week read like a carbon copy of the same press 22 years before, in October 1967, when the pound sterling crisis triggered the beginning of the end of the postwar gold exchange system of Bretton Woods. The London *Times* financial page blared, "Bank Averts Pound Crisis," referring to intervention by the Bank of England in the wake of Lawson's surprise announcement the day before that he was resigning as Prime Minister Thatcher's principal monetary and finance cabinet officer.

The pound plunged to a two-and-half-year low against the German deutschemark, and London's stock market dropped sharply on Oct. 27 on news of the Lawson crisis. The following week, although the pound for the moment seemed calmer, informed City of London reports were that the ground is being prepared for a direct attack on the prime minister by the powerful financial forces of the world's third most important financial capital.

## Monetarist's dilemma

What is this all about? The real issue has been the subject of intense back-room battles inside the British establishment for months. Britain has been a member of the European Common Market only since 1973. It has continued to waffle between its interests in cultivating its "special relationship" with the United States, and its role as a member of the 12-nation European Community (EC). Key to this ambivalence is Britain's financial links to the dollar and its trade links to the continent of Europe.

"The battle is a replay of the wars of Spanish Succession [in 1702-13], in which the Whig Party argued that Britain's future destiny lay with continental Europe, versus the Tories who demanded Britain play a global role. Thatcher is a classic Tory in that sense, and the modern day 'Whigs' see Britain's future as the dominant financial center of Europe's emerging Single Market," commented senior City of London economist Stephen Lewis in a recent discussion.

Since the October 1987 U.S. stock market panic, powerful financial interests in Europe have moved with unprecedented force to reshape the political and economic map of Western Europe. Under the guidance of French Socialist and former Banque de France official Jacques Delors, a plan

called Europe's Single Market or simply "Europe 1992," has been adopted by all 12 nations, which is supposed to create the world's most powerful economic bloc by January 1993. Borders between member states will go; trade, people, and finance will flow freely.

But the real heart of the Delors plan is the controversial proposal to create a single, autonomous supranational "Federal Reserve"-style central bank with one single currency. Such a scheme would effectively imply surrender of all national economic sovereignty.

Thatcher has been an ardent opponent of the European central bank scheme, and has insisted that 1992 can go ahead with a "free market" instead. Her main backer in the debate has been her Washington-based monetarist adviser Sir Alan Walters, widely mooted in London to be her unofficial policy liaison with the Bush administration. Walters came out with an article the week of Lawson's resignation, in a U.S. economic journal, in which he referred to the European Monetary System and super-central bank plan as "half-baked."

Nigel Lawson had attempted for some years to bring Britain into the EMS, as a first step to full integration into the continental European monetary union. Thatcher reluctantly agreed earlier this year at an EC heads of state summit, to allow Britain finally to join the limited EMS agreement, an initial attempt to stabilize internal European currencies among the European trading partners as a defense against the wild dollar gyrations of the Jimmy Carter presidency in the late 1970s.

The EMS was founded by French President Valéry Giscard d'Estaing and German Chancellor Helmut Schmidt. Stage One, which has been in effect since 1979, calls for member states to maintain currency parities within a tight limit of variance, in most cases within 2.5%. Britain, linked to huge oil earnings and the dollar, has refused to formally peg to the EMS. Thatcher is known to resist, believing that the German deutschemark, as the currency of Europe's strongest economic power, would dictate the value of the British pound.

It's all quite byzantine, but it's at the heart of the future of European and Western economic developments. Some 18 months ago, Lawson tried to peg the pound to the deutschemark instead of the dollar as a first step to EMS entry, but was forced to abandon this when Thatcher was notified.

Lawson has powerful backers in the British financial establishment. Bank of England Governor Robin Leigh-Pemberton told a gathering of City of London bankers as long ago as March 9, "The single European market offers a considerable opportunity for London. . . . I think it will bolster London as Europe's principal international capital market." Some in London say there is a move to abandon the sinking ship of the U.S. financial "casino" and lock into the firmer foundation of continental Europe. They predict that scandals will soon target Thatcher directly if she continues to stonewall on the EMS issue.

# The worldwide impact of Friedrich List's ideas

by Elke Fimmen

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## **Friedrich List—politische Wirkungsgeschichte des Vordenkers der europäischen Integration**

by Prof. Dr. Eugen Wendler

Oldenbourg-Verlag, West Germany, 1989

238 pages with index, hardbound, DM 76.-

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Eugen Wendler's book, which in English would be titled *Friedrich List—The History of the Political Effect of the Forerunner of European Integration* was brought out for the occasion of Friedrich List's 200th birthday on Aug. 6, 1989. Friedrich List was a German who became one of the great "American System" economists in the early 19th century, after spending years in the United States, and working, upon his return to Germany, to forge the institutions of a modern industrial nation there.

Despite one serious flaw—Professor Wendler's mistaken thesis that List was a forerunner of today's European integration movement—this book is well worth reading for anyone with a knowledge of the German language, and merits translation into other languages soon, as well as a paperback edition inside the Federal Republic of Germany, to make it accessible to a wider public. The author sketches an impressive picture of List's international impact, not only in his own lifetime, but also the influence of his ideas after his death.

Wendler writes that he wants to give new stimulus, with his work, to the discovery of List's life and his ideas of national economy, and to reduce the large deficit of information even among students of economic science. This deficit unfortunately exists not only in the academic arena, but also among politicians and captains of industry, who nowadays see their well-being in savage monetaristic adventures instead of, as List demanded, concerning themselves with "the growth of the productive powers of the nation."

The book is subdivided into four thematic areas: The first is concerned with List's influence upon contemporary thinking and statesmen, while Parts 2 and 3 deal with List's influence upon later economic theorists and statesmen, with particular regard to his influence in Asia. In Part 4, Professor Wendler interprets List as the champion of European integration. This last notion, however, does not stand up to serious

scrutiny: List explicitly *defended* the nation-state, which today's "Single European Market 1992" plan will undermine, and *attacked* the harmful effects of free trade, which is the dominant ideology behind the current integration push.

## **List's impact in Eastern Europe, Asia**

Because of the ferment now in the Soviet bloc and China, but also, because the impact of List's economic theories there is so little known, the chapter on List's influences on the eastern countries and on Asia deserves special mention. This is where List's importance even today for developing nations, as the opponent of the Adam Smith-modeled free trade system, becomes particularly clear. Wendler points out that a considerable amount of List's influence can likewise be found to this day in Ibero-America, and apologizes for his inability to follow this up for lack of time and finances.

List's importance for Hungary, Romania, and even Russia, however, is very well documented: This reaches from his direct personal influence upon the Hungarian freedom fighter Lajos Kossuth (1802-94), through the Romanian economist and politician Aurelian (1833-1909) and finally to the Russian statesman Sergei Witte (1849-1915), whose economic modernization program could have preserved Russia very well before the horror of the Bolshevik Revolution. In all these examples it is shown, that List's ideas for the buildup of an independent manufacturing power, combined with his demand for individual freedom and education for the entire populace, are universally valid.

List is appreciated also in Asia for his ideas, which have significantly shaped the economic development of Japan, India, and also China. Wendler points this out in the example of India, and explains that it was precisely the battle against British colonial domination, which caused the Indian freedom fighters as early as the last century to seize upon the doctrines of the strongest adversary of British free trade and colonial politics. They used List's *National System of Political-Economy* in order to develop their own concept for India.

Regarding List's influence on China, it would certainly be worthwhile to follow up still further the direct influence of List's ideas on the founder of the Chinese state, Sun Yat-sen. Beyond doubt, Sun Yat-sen's economic buildup program for China—with its special emphasis on development of infrastructure and of railroad systems as well as the necessity of their own industrial buildup—corresponds to List's ideas. Wendler does mention the economic theorist and politician Ma Yinchu, who was already propagating List's ideas in China in the 1920s, as well as Wang Kai Hua, who translated the *National System of Political-Economy* into Chinese in 1925.

List's self-conception, namely to serve both fatherland and mankind with his ideas, becomes beautifully clear through all these examples. For, as Friedrich List said, a nation's greatest wealth is the intellectual capital of its population. And that can only be achieved through contact with the writings of the greatest German economic theorist.

## The need to invest in 'human capital'

*Economists are seeking ways to remedy underlying fallacies leading to the coming economic crash.*

**I**nvestment in Education and U.S. Economic Growth" was the title of a paper delivered by Harvard economist Dale W. Jorgenson at a conference of the American Council for Capital Formation here in October. Dr. Jorgenson asserted that investment in one year of education—even the below-par standard of education currently available in U.S. schools—contributes more to the growth of the U.S. economy, per capita, than any other form of investment. He cited a trend among scholars to "characterize the benefits of education by means of the notion of investment in human capital," noting that "this idea captures the fact that investment in human beings, like investment in tangible forms of capital such as buildings and industrial equipment, generates a stream of future benefits."

These benefits, he pointed out, are mainly in the form of increased productivity for the economy as a whole. However, he said, national income accounting—the process that generates the so-called Gross National Product (GNP)—does not take this obvious relationship into account.

As a result, he said, priorities get skewed. Instead of measuring "the contribution of changes in the educational composition of the labor force to increased output," this factor "is confounded with a host of other omitted factors that affect productivity," he said. "The most common approach to compiling data on educational investment is to measure the inputs, rather than the output, of the educational system," he added. "Data on the

expenditures of educational institutions for teachers and other personnel, buildings and equipment, and materials can be compiled from accounting records. This information can be supplemented by estimates of the value of time spent by students and their parents as part of the educational process. Costs of schooling and the value of the time spent by students can be used to measure the flow of resources into schools and universities."

He continued, "While costs of education are highly significant in economic terms, the cost-based approach to measurement of educational investment ignores a fundamental feature of the process of education. This is the lengthy gestation period between the application of educational inputs—mainly the services of teachers and the time of their students—and the emergence of human capital embodied in the graduates of educational institutions."

Jorgenson attempted to "present new data on investment in education that will make it possible to analyze the impact of educational investment on U.S. economic growth." Putting together a lot of detailed data and estimates, including "an estimate of the impact of increases in educational attainment on the lifetime incomes of all individuals enrolled in school," Jorgenson concluded, "Our most important finding is that investment in human and nonhuman capital accounts for the largest part of U.S. economic growth during the postwar period."

Jorgenson's paper, presented be-

fore a small group mostly of fellow economists, reflects a growing movement in Washington driven by the reality of impending U.S. economic collapse. Some have developed concepts such as "human capital," and are calling for adjustments in national income accounting methods as a way of getting a better handle on what it takes to achieve real, as opposed to fictitious, economic growth.

Those among this current believe that three categories should be shifted, as Jorgenson's paper suggested, from the "cost" to the "investment" categories in the national income accounting ledger. The three categories are: 1) research and development, 2) education, and 3) national infrastructure. They argue that instead of being viewed as net expenses, and therefore retarding influences on the growth of capital in the economy, these three categories should be seen as inputs that will stimulate growth.

Failure to view them in this way has contributed to a skewed thinking in Washington, resulting in self-defeating decisions to cut funding in these categories, ostensibly in the name of economic prudence. Fully a third of the nation's roads need repair. Chiseling on investment in such infrastructure will cost the nation countless billions in economic output in coming years. Failure to build the visionary "North American Water and Power Alliance" water, hydroelectric, and transportation grid in the western U.S., Canada, and Mexico in the 1960s, when its plans were first explored by Congress, has already cost the U.S. economy enormously.

The basic idea is that it is not nearly as costly to build, as it will be not to. The same goes for development of "human capital" as Dr. Jorgenson said in his paper. But such insights come as far too little, too late unless a crash program for their realization occurs.

## The Bush pesticide bill

*The EPA's new federal food safety bills follow the "green agenda" to drastically cut U.S. food production.*

**A**midst great fanfare on Oct. 26, President Bush and William K. Reilly, head of the Environmental Protection Agency, released a draft bill on food safety, setting new regulations for the use of pesticides in farming, and the presence of residues in food.

Prior to the Bush bill came the Food Safety Assurance Act (H.R. 3292), introduced earlier in October by House Agriculture Committee Chairman Kika de la Garza (D-Tex.) and fellow committee members.

On the occasion of the announcement of the new administration bill, media magpies were all screeching about how the bill didn't go far enough to allow states to restrict the use of chemicals in farming and foods.

What's all the fuss about? Are people falling dead in the streets from unsafe food?

Just the opposite. There is not enough food, safe or otherwise, for all the people in this nation nor for millions abroad. People are becoming sick and are dying from lack of food—not from unsafe food.

These new food bills, and all the media fuss, are part of a "greenie" environmentalist blueprint on how to divert public attention from the domestic and international food crisis, which is worsening by the day.

Congress, the administration and the media are following a script, practically word for word, laid out in documents from the radical ecology lobby, such as the book, *Alternative Agriculture*, released in September by the National Research Council (National Academy of Sciences). The "issues"

set by this book—endorsed by the U.S. Department of Agriculture—are that farmers around the world must forego today's "conventional" farm orientation to producing plentiful, wholesome food, and instead must switch to "alternative" low-energy, low-technology farming, to protect the environment, and to produce less, but "purer" food.

"Less" food is genocide. Worldwide, less grain has been produced than consumed annually for three years in a row. Grain stocks have been drawn down to below danger levels. Domestically, stocks of dairy foods and other vital products are inadequate. Farmers are being driven off the land.

The "pure food" craze has been initiated and is funded by the major international commodities and banking cartel interests who are prepared to see millions die to protect their own perceived financial interests. This circle operates through a front of ecology groups, paid to rant and rave about food safety and the environment.

One of the sponsors of the *Alternative Agriculture* book is the Rockefeller Brothers Fund. When the book was released Sept. 7, its authors stated that most farm chemicals are used only for "cosmetic" reasons on fruits and vegetables—not against pests—and can be eliminated. This is untrue. The authors also imply that the use of pesticides per se is hazardous to human health. This is also untrue. But truth and consequences do not matter to the media or lawmakers.

The new Bush bill streamlines

procedures needed to remove an agricultural chemical from the market from the current four to eight years, down to two years. EPA head Reilly said, "We suspend trading in a bad stock quicker than we suspend a pesticide."

The reception to this bill in the media was to attack it for not going much further to ban farm chemicals. The Bush bill prohibits states from passing more stringent rules on pesticide use and presence, than the federal government specifies. Senate Agriculture Committee Chairman Patrick Leahy (D-Vt.) said, "I believe the states should have the right to set tougher standards on pesticides."

Several states, especially California, New York, and Massachusetts, have been moving toward stronger rules than the ones proposed by Washington, D.C.

Another issue under dispute in this "greener than thou" debate among policymakers is the permissible level of detectable chemicals in food. The President's plan sets a single standard of "negligible risk" for assessing alleged cancer dangers in raw and processed foods. The EPA is to interpret this by guidelines based on the latest scientific findings. Federal authorities also have the discretion to okay a pesticide if economic and health considerations offset a risk from the substance that exceeds the "negligible risk" criterion.

Therefore, this is another bone of contention among those wanting to strike a good greenie pose on the pure foods issue. Rep. Henry Waxman (D-Calif.) and Sen. Edward Kennedy (D-Mass.) recently introduced a bill that would set an extreme standard about pesticide residue, and would allow no consideration of its economic impact on farmers who are to provide food in the future.

### The 'Dorian Gray' economic Pact

*The Salinas government seems to think it can keep the Economic Stability Pact sinning against the economy for ever.*

Since December 1987, the Mexican economy has been ruled by a series of "stability pacts" intended to fight hyperinflation. In December 1988, when the Salinas de Gortari presidency began, the Pact was extended until June 1989, and then to April 1990. The Pact was designed to "freeze" the economy—prices, wages, and exchange rates—so as to shrink inflation. It assumed a reduction in the internal interest rate and, if not a reduction, at least a freeze, of the public deficit, through reduced public investment.

From its results, one could compare the Pact to the one Dorian Gray made with the devil in Oscar Wilde's famous story. Gray would stay young forever and remain as dashing as in a portrait a friend painted of him, but the portrait would grow older and uglier for every sin he committed. His sudden death would occur when his wickedness finally attacked the one he most loved.

The Salinas government has committed so many sins against the national economy that its portrait has grown shabby indeed, but it seems to think the Pact can go on forever, because it apparently loves no one.

The whole premise behind the Pact was "a successful renegotiation of the foreign debt," to obtain financial resources for internal investment. After two years of "sacrifices," the good news promised by government economic forecasts has disappeared into thin air.

The Brady Plan (the "successful renegotiation") has proven a fiasco. The private creditor banks have repeat-

edly denied the new loans, which are supposed to amount to 30% of the total debt renegotiated. The promises of new funds have not even reached 20%.

José Angel Gurría, Mexico's debt negotiator, was as welcome as a dog in church when he toured the world financial capitals. In Paris, the bankers dismissed him with icy skepticism. "Lending money [to Mexico] again doesn't tempt anyone," said Mr. Vienot, president of France's Société Générale. Gurría was almost run out of London, told that the British creditors "prefer SWAPs," an alternative not included in the Brady Plan's three options. In Tokyo, even before Gurría's arrival, the Bank of Tokyo's president stated that it would be "very difficult to convince the banks to participate in new financing."

According to the schedule set by the Bank Advisory Committee, the creditors were to have their answer to the "financial menu" presented by the Mexican government by Halloween. Oct. 31 came and went, and the witches' cauldron of new finances is still barely simmering.

Mexican foreign trade has hit its nadir. According to the government, imports in 1989 were expected to grow 11.6%, or \$20.7 billion. But imports have already grown 35% each quarter, nearly \$2 billion above projections. Despite the fact that a serious trade deficit is predicted for the last quarter, the government is reporting with its usual hoopla that the GNP will grow 3%.

Where will the foreign exchange come from to stabilize Mexico? Private sector economic studies place in-

ternational reserves at \$6.6 billion, less than half of what Mexico had in August 1988. By the end of 1989, the government is promising inflation of 18-20%, and an internal interest rate annualized at 32%. In fact, inflation by year's end will be above 30%, and the financial wizards are trying in vain to keep the interest rate from going higher than 42%. The galloping inflation is due to the hushed-up, selective freeing of the prices of some products, in response to pressure from business circles which are insisting that Mexico has entered the danger zone comparable to that experienced by Brazil's Cruzado Plan and Argentina's Austral Plan. They say a serious financial breakdown and danger of shortages are imminent.

The labor unions are demanding an end to the wage freeze and emergency hikes in the minimum wage, which fell this year by 7% with respect to 1988.

Interest rates have entered into the game of the "financial bicycle," as it is known in Argentina. If rates are lowered or kept fixed, capital flight goes up. If the rates are raised to stop capital flight, the pressure rises on the federal deficit and the internal public debt.

The government's economic wizards are aware of their failures, but say they still have one more card up their sleeve, namely, foreign investment. The Trade Secretary has authorized more than \$2 billion in direct foreign investment in Mexico. The problem is that only \$562 million worth of foreign investment has materialized in the first half of 1989.

The Mexican government's own studies confirm that the "orthodox programs" of other countries have failed miserably in their "final phases." Nonetheless, the wizards hysterically insist, "The Pact will continue at all costs!"

## Can coughing transmit AIDS?

*Some scientists say there's just too much evidence to ignore the possibility of respiratory transmission of HIV.*

The possibility of respiratory transmission of the AIDS virus, HIV, was debated by two Nobel Prize winning virologists at a seminar on virus diseases held this past May in Washington, D.C. In the course of the seminar, Dr. Joshua Lederberg, president of Rockefeller University in New York City, got into a debate with Dr. Howard Temin, of the McArdle Cancer Institute of the University of Wisconsin, on the potential for the AIDS virus to mutate to a form which could be spread by respiratory aerosols, like the common cold.

Expressing concerns about HIV that had been raised in *EIR* over four years ago, Lederberg cited the fact that HIV was now known to infect a group of white blood cells, known as monocyte-macrophages, which are particularly abundant in the lungs, and opined that even a relatively minor mutation would enable the virus to directly infect the lungs, especially since the virus is already known to produce a primary infection of the lungs, known as chronic lymphocytic interstitial pneumonitis (CLIP).

Temin's response was that if the virus did mutate to a form that could be transmitted by coughing and sneezing, it would be more communicable, but would probably no longer cause AIDS and would simply become another cold virus. When Lederberg expressed skepticism, Temin conceded that "anything is possible," but that he "wouldn't lose any sleep over it." Lederberg's rejoinder was, "I'm glad I worry for both of us, Howard."

It is important to understand that

a mutation is not necessary for HIV to be able to infect the lungs. All that is necessary is that the virus is delivered to the lungs. This requires that it be present in aerosolized droplets that are small enough to be inhaled into the lungs, just like tuberculosis. The monocyte-macrophages are present in all body tissues, including the very superficial skin. For respiratory transmission to be efficient, as opposed to simply being possible, requires a patient or patients with active HIV lung disease who are coughing up infected secretions in an environment where other persons can inhale the aerosolized secretions, just as with tuberculosis.

Since the virus has been demonstrated to infect superficial skin macrophages, known as Langerhans cells, the problem is that it doesn't even have to get to the lungs to infect a susceptible cell. So it is indeed possible for it to spread like the common cold which infects the upper respiratory passages, rather than the lungs.

All of this has been known for the last three or four years. In fact, *EIR* published a scientific article written by Dr. John Seale of Great Britain in 1985 which documented the possibility of respiratory transmission of HIV, based on a study by the Pasteur Institute in France which documented that the virus was present in the lung secretions of a patient with chronic lymphocytic interstitial pneumonitis.

What is perhaps more interesting than the question of respiratory transmission of AIDS, is the fact that the debate itself took place and was re-

ported on. The first coverage of the conference, published in May in the *New York Times*, only mentioned the debate between Temin and Lederberg in passing, and gave no details of the actual content of the discussion. In contrast, an Oct. 8 article in the *Washington Post* went into the respiratory transmission issue in much more detail.

It is interesting to speculate on why this issue was publicized at this time, especially as a number of other issues in the epidemiology of mass epidemics, which had been raised by Lyndon LaRouche and his associates, were also raised in the *Washington Post* article, and, to a lesser extent, in the earlier *New York Times* article.

The *Post* piece, adapted from a longer article in *Science News*, was entitled *Viruses: The Next Plague?* and dealt with the more general question of the emergence of new viruses which might threaten the human race. Precisely this possibility was raised by Lyndon H. LaRouche and a Fusion Energy Foundation task force in a 1974 study on the biological effects of the same policies which created the present economic and financial collapse now under way throughout the world. Using the LaRouche-Riemann economic model as a starting point, a model was developed, predicting nonlinear bursts in the spread of AIDS unless economic policies are reversed.

It is probably more than just coincidence that LaRouche's analysis of the biological holocaust, albeit phrased in appropriate establishment terms, is appearing in the media at the same time as recognition of the truth of LaRouche's economic analysis. While the physical economic breakdown is more readily apparent, and hence acknowledged, the fact that the biological issues are also surfacing indicates that we are being prepared for another dose of unpleasant reality.

# Business Briefs

## Corporatism

### Gorbachov reforms assailed as fascist

Marjorie Brady, deputy director of the Russian Research Foundation in London, attacked Soviet leader Mikhail Gorbachov's so-called reforms, in a commentary, "The Fascist Element in Perestroika," published in the *Wall Street Journal* Oct. 31.

Brady wrote, "The new Soviet economic and social structures are intended to conform to a model other than that of the market. . . . While Mr. Gorbachov wishes to move away from some rigid central controls, he is bent on creating economic structures of a kind that would scarcely find favor with the Austrian or Chicago schools of economic thought. . . . Mr. Gorbachov seeks a 'third way.'

"The closeness of Soviet *perestroika* to the fascist social blueprint of Mussolini was evident when Mr. Gorbachov presented his economic vision to the Soviet Congress," she continued. "Contrary to widespread belief, Mussolini failed to live up to his promise to make the trains run on time; it is doubtful whether Soviet-style corporatism will make Soviet trains run on time, or fill the shops with goods that the consumers so desperately crave."

## Post-Industrial Society

### Sony chairman says U.S. economy lacks substance

Akio Morita, chairman of Japan's Sony Corporation, denounced "post-industrial society" obsessions for undermining productive capabilities and turning the U.S. economy into an "economy without substance," in a new book co-authored with Shintaro Ishihara entitled *A Japan That Can Say No*. Excerpts were published in the Oct. 29 *Sunday Times* of London.

"It has been said that America is entering a so-called post-industrial society, where the weight of the service industry sector is growing, yet when people forget how to produce goods, and that appears to be the case in

America, they will not be able to supply themselves even with their most basic needs. Americans today make money by shuffling it around, instead of creating and producing goods with some actual value.

"I delivered a speech in Chicago entitled 'Ten Minutes versus Ten Years.' I stated that we Japanese plan and develop our business strategies 10 years ahead. When I asked an American money trader, 'How far do you plan?' the reply was '10 minutes'. . . .

"The American economy is, then, an economy without substance. It must return to a real production economy, but a 10-minute profit cycle does not permit companies to invest in long-term development. Business, in my mind, is nothing but 'value added'; we must add value and wisdom to things, and this is what America seems to have forgotten—and this is the most deplorable aspect of America today.

"The collapse of the American economy would cause a worldwide disaster; 1987's Black Monday chilled all nations momentarily, I am not a pessimist, but I cannot help thinking that unless the Bush administration handles economic issues very seriously, a worldwide collapse is not just a worry, but a very real possibility."

## Oil

### Bush signs tough law on offshore drilling

President Bush signed into law tough new restrictions on offshore oil drilling and pre-lease preparations activity that will further undermine the ability to produce oil in the United States.

The measure imposes a moratorium on drilling and exploration off the coasts of California, Massachusetts, an area of the outer shelf stretching along the Mid-Atlantic states, the eastern Gulf of Mexico, and the Florida Keys, until a task force conducts studies on the environmental impact of offshore oil development, which could take months to years.

"Environmental concerns are beginning to have as much influence in oil industry spend-

ing plans as the price of crude does," the *Wall Street Journal* reported Oct. 27. The newspaper cited Franco Reviglio, chairman of Italy's ENI oil company, saying he is looking for sweeping structural change in the oil industry—"he calls it a 'revolution' requiring huge investments—as a result of environmental issues."

I. C. Kerridge, vice president of the Houston-based Baker Hughes Inc., which issues reports on the rig count, said that the slight increase in rigs engaged in the search for oil and gas does not make up for the drop in production. In August 1989, there were 5% more rigs in operation in the United States than in August 1988, thus a small increase in exploration. However, in August 1988, U.S. output averaged 8.079 million barrels per day, compared with only 7.545 million barrels per day in 1989.

## Income

### U.S. national wealth increase slowing

The officially tallied increase in U.S. "national wealth" in the 1980s has been increasing at only one-tenth the per capita rate of the 1970s, according to a Federal Reserve study recently published.

The decline in the rate of increase is staggering, even with the phony figures used by the Fed—and if figures for actual wealth and a real inflation rate were used, there would be a substantial *decline*. In current dollar terms, while U.S. domestic net worth, or national wealth, has increased over 200% in the last 10 years (1978-88), "real" wealth—i.e., deducting for inflation—rose only 18.4% (or only 6.7% per person) versus an 84% increase from 1968-78. Last year alone, the increase in domestic net worth was just 1.4% after inflation, even lower than the 10-year average of 1.9%—versus a 7.1% increase from 1968-78.

At the end of 1988, U.S. assets abroad totaled \$738 billion, versus \$1.3 trillion in foreign-owned assets in the United States. Only five years before, U.S. assets abroad totaled \$575 billion, versus \$503 billion in foreign-

owned assets in the United States. From 1968 to 1978, national assets (adjusted for inflation) rose 82% or 6.9% per year on average; from 1978-88, they rose just 13%, or 1.3% per year on average. Last year, they rose only 0.5%.

## Environment

### Canadian study debunks global warming hoax

A team of Canadian scientists released a study in the Oct. 5 issue of *Nature* magazine which shows that vegetation in northern latitudes is not reacting to any "global warming" trend.

From analyses of tree rings and growth forms of subfossil spruces from northern Canada, the authors discovered that at these high latitudes (where greenhouse warming should be pronounced), the spruce flourished during the previous periods of "global warming," between 1435 and 1570. But today they could detect no reaction from the vegetation to an allegedly warmer world.

Scientist Serge Payette of the Centre d'Études Nordiques at the Université Laval in Quebec records the effect of a series of changes over the past 1,000 years, indicating a period of cool weather (1305-1435), a warm period (1435-1570) and the little ice age (1570-1850). Payette says, "Although recent climatic data indicate sustained global warming during this century, no conclusive evidence of a positive vegetation response to such warming has yet been identified at these exposed tree-line sites."

## Science

### Atoms bound together by light

In a discovery expected to have profound implications for science, researchers at Harvard University and the Rowland Institute have discovered a way light can bind matter into molecules. The scientists formed the "optical mole-

cules" by using a previously unknown interaction detected accidentally while conducting other experiments.

Dr. Jene Golovchenko made the discovery in collaboration with Drs. Michael Burns and Jean-Marc Fournier of the Rowland Institute.

Previously, the only known method of binding matter involved the exchange of electrons between atoms. This gives rise to forces that stabilize the matter in everything from pencils to planets. In the new work, laser light focused on tiny plastic spheres caused them to move toward each other and bond.

In explaining the "binding force," the scientists said the spheres act like miniature antennae that pick up and re-radiate light. This scattered light combines with that coming directly from the laser, giving rise to force fields that bind the small spheres together in space. The length and strength of the bonding was controlled by the intensity and wavelength of the laser. When the light was turned off, the matter returned to its original random motion, which means that light-assembled matter falls apart if an entropic reduction in the energy state occurs. Dr. Golovchenko has been able to maintain structures formed by light by freezing or by certain chemical methods.

## Aerospace

### Indian rocket test successful

A major milestone in India's space effort was crossed Oct. 21 when the giant first stage motor of the Polar Satellite Launch Vehicle (PSLV) underwent a successful ground test in Andhra Pradesh.

The motor, 20 meters long and 2.8 meters in diameter, is the biggest ever designed and fabricated in the country and contains 128 tons of solid propellant. It is the third largest solid booster developed in the world. With this test, all the propulsion modules for the PSLV have undergone successful testing on sea-level beds.

Developed at the Vikram Sarabhai Space Center, the 44.18 meter long PSLV is scheduled for its first launch in early 1991.

# Briefly

● **CITIBANK** has agreed to market "perestroika bonds" for the Soviet Bank for Foreign Economic Affairs, according to the Center for Security Policy in Washington, D.C. The center recommended congressional hearings on the implications of the Soviet move, as well as an intelligence assessment of the national security risks involved.

● **THE DEPRESSION** of 1990 officially began on Friday, Oct. 13, 1989, according to Ravi Batra, professor of economics at Southern Methodist University in Dallas. "A mild shock in the stock market leads to a big bang in the economy," Batra said, adding that the level of debt is higher now than in 1987.

● **BUBONIC PLAGUE** has killed five people in Botswana and 19 others have the disease, the official news agency in Babone reported Oct. 25, according to Reuters.

● **MAURICE ALLAIS**, the French Nobel Prize-winning economist, again warned of an imminent world financial crash in an address in Nice, France. "We can have a new stock market crash at any moment. Speculation could be a good thing if we were in a situation of monetary stability. But presently it is fundamentally destructive," he said.

● **JAPANESE WAGES** are increasing, while those in the U.S. are collapsing, according to a study by the U.S. National Bureau of Economic Research. From 1979 to 1987, earnings of recent high school graduates in Japan increased 13% after inflation, while earnings of those in the U.S. declined 17%.

● **THE FRAUD** in U.S. government statistics was attacked in a commentary in the Oct. 29 *New York Daily News* by Irwin L. Kellner, the chief economist of Manufacturers Hanover, who moans that "constant revisions" in statistics make forecasting and planning difficult.

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## Picowave processing can safeguard your food

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*Those who would delay or prevent the use of this technology are condemning millions to unnecessary illnesses and even death! Researcher Niel E. Nielson reports.*

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After more than 30 years of investigation, to a depth of understanding unprecedented in food processing and food safety, the Food and Drug Administration issued regulations in April 1986 enabling the use of electromagnetic energy at picometer (one-trillionth of a meter) wavelengths in the processing of foods. The safety of use of this technology has been confirmed by *every* established, recognized, professional organization and regulatory agency knowledgeable in matters of food safety and the other disciplines concerned with use of this technology. *No* other food processing technique enjoys this level of support for its safety (certainly such long-used processes as broiling, toasting, and baking at high heat don't, because it is now believed that these processes can produce carcinogens). *No* other food processing technique has been so thoroughly investigated! *No* other food processing technique offers the potential for immediately (as its use becomes widespread) reducing the several thousand deaths that result annually from "food poisoning," and the thousands of cases of distress and incapacitation that occur annually as a result of "food poisoning."

Extremely well qualified scientists from many professional and governmental organizations have concluded that use of picowaves in the processing of foods would not, in any way, increase risks for consumers or significantly reduce vitamin content in foods.

In spite of this there have recently been:

- 1) a number of questionable, unacceptably supported, publications questioning the safety of using electromagnetic energy at picometer wavelengths in the processing of foods;
- 2) organizations formed by persons who wish to capital-

ize (in several ways) upon the lack of understanding of the technology by that segment of the public which is distrustful of governmental agencies and/or the scientifically based institutions (both in and out of government) and which chooses to believe unsupported sources of information, and

3) newly formed groups and organizations that have gone to legislatures, boards of supervisors, city councils, and so on, with half-truths, with long-since-discredited scientific works, with quotations from "authorities" who have already been discredited, and with publications by authors not recognized by the respected scientific community—all with the intention of impeding or stopping the use of picowave processing of foods.

In spite of the overwhelming support by the most respected of scientists and organizations throughout the world for use of this picowave food processing technology, the groups that would obstruct use of this technology have "sold" some elected officials and state legislators and even convinced some legislators, city, county, and state officials, and others, to sponsor bills, resolutions, and ordinances to create impediments to or even to block the use of this technology. Apparently there are officials and legislators so totally ignorant of the recognized scientific institutions and the processes they employ in reaching a collective position on matters in which they are expert, that they have "bought" the unsupported allegations of the antinuclear activists. In light of the overwhelming scientific and regulatory agency support for use of this technology, the efforts to impede the progress of the use of this picowave processing of foods are at least misguided. In light of the illness, death, and financial loss that could be

avoided or reduced by widespread use of this technology, the actions of opportunists with any scientific training of significance, who would influence others to prevent its use, are irresponsible.

It is the widespread and authoritative conclusion of the very cautious, established, recognized scientific community, and the regulatory agencies, that use of this picowave processing technology on foods will *not* increase risks for consumers. In addition, there is widespread belief in this knowledgeable, established scientific community that there is strong scientifically undeniable evidence that widespread use of this picowave processing technology will enable very significant improvements in the quality of life for all of mankind.

This author would think that those who have in good faith supported the leaders of the opportunistic anti-food irradiation organizations trying to prevent use of this picowave processing technology would be very angry at being so badly deceived by those leaders.

In congressional testimony given on Nov. 18, 1985, before the subcommittee on Operations, Research and Foreign Agriculture of the House Committee on Agriculture, this author described just how these opportunists and obstructionists use the scientific community's own very thorough and open practices and procedures to twist information contained in scientific publications to suit their own purposes. These opportunists use the classic approaches of half-truths, omissions, out-of-context quotations, and fail to cite any pertinent work except that which they can use to their own advantage, or fail to cite discrediting subsequent work or reviews. In short, these opportunists who would impede or prevent the use of this picowave processing of foods are at least dishonest, and their actions, even if only partially successful, will bring unconscionable, unnecessary grief, distress, and even death to citizens of the United States and other nations.

The purpose of this paper is to substantiate the foregoing, to highlight the important considerations in this involved and sometimes complex subject, and to give some guidance on where to find authoritative information to any reader who is seriously interested in finding more information on any aspect of this subject and in honestly trying to find the truth.

### **The term 'food irradiation'**

For purposes of clarification and accuracy, it must be pointed out that the obstructionists worked very hard to have the FDA require the use of the expression "food irradiation" instead of "picowaved" in the regulations and the labeling, and were successful in having the FDA change the regulations already signed by then-Health and Human Services Secretary Margaret M. Heckler in 1986. They have done the public, as well as the FDA, a very obvious disservice, as this paper will make very clear.

## **Niel E. Nielson**

The author was born in 1929, has a degree in Physical Sciences, and has spent most of his professional career as part of, or as Chief Operating Officer of, organizations and efforts to



bring new scientific developments into practical use. For more than 20 years, he has been involved in providing the public sector with the means to use electromagnetic energy at wavelengths of one-trillionth of a meter (picowaves) for purposes of improving public health and the quality of life for all mankind.

The expression "food irradiation" is an overly broad, unnecessarily alarming name for the application of any specific type or wavelength of radiation to food. Its literal definition includes every form of radiation being applied to food, including effective but safe types (such as electromagnetic energy at picometer wavelengths, which is the principal focus of the regulations), ineffective types (small amounts of visible light), and including dangerous types (exposing foods to high-energy neutron radiations).

Many more knowledgeable authorities use the expression "picowave processing of foods" because of its accurate definition of the type and wavelength—electromagnetic energy (that is, waves) at picometer (one trillionth of a meter) wavelengths.

It is important to point out that picowaves can be generated not only by radioisotopes but also by electronic devices called linear accelerators that have added conversion devices. The accelerator is like a giant version of the "gun" in a television set's picture tube, and the conversion device is like the TV screen which converts the electron energy to light.

There is not much doubt that this electronic technique for picowave generation will be by far the most widespread in large-scale food processing plants of the future. Now, radioisotopes cobalt-60 and cesium-137 are the most prevalent source of picowave energy. A significant fraction of all medical disposables and personal hygiene items, for example, is sterilized with picowaves using these radioisotopes as the source of energy, today. The disadvantages of these radioisotope sources are that they are very limited in availability,

they must be disposed of when their usable lifetime is ended, and they have to be replenished at least annually. In addition, the wavelengths of cobalt-60 and cesium-137 emissions are fixed and can't be varied. Thus, electronically generated picowave energy can be considerably more effective in processing pallet loads of goods, since that energy can be produced with much shorter wavelengths.

Most important, the use of linear accelerators to generate picowaves removes one of the main arguments of the antinuclear obstructionists who make an issue of the use, handling, transportation, storage, production, and disposal of radioactive materials used to produce picowaves in their effort to stop the use of this technology in the processing of foods. Since this author and most of the processors of the future will be involved only in the use of electronically generated picowaves, this argument will be invalid.

Those who would obstruct or prevent use of this picowave processing technology on foods are saying that they have all of the right answers, and that the *recognized* technical and scientific community, worldwide not only doesn't know what it is talking about, but also is trying to deceive and poison the world. Obviously, these recognized scientists and institutions are not incompetent, and it is totally irresponsible of any group to even suggest that such scientists and organizations would advocate use of a technology about which there were any remaining concerns for safety of the consumer. It must be obvious that the objectives of those who would try to prevent use of this technology are suspect

and must be questioned.

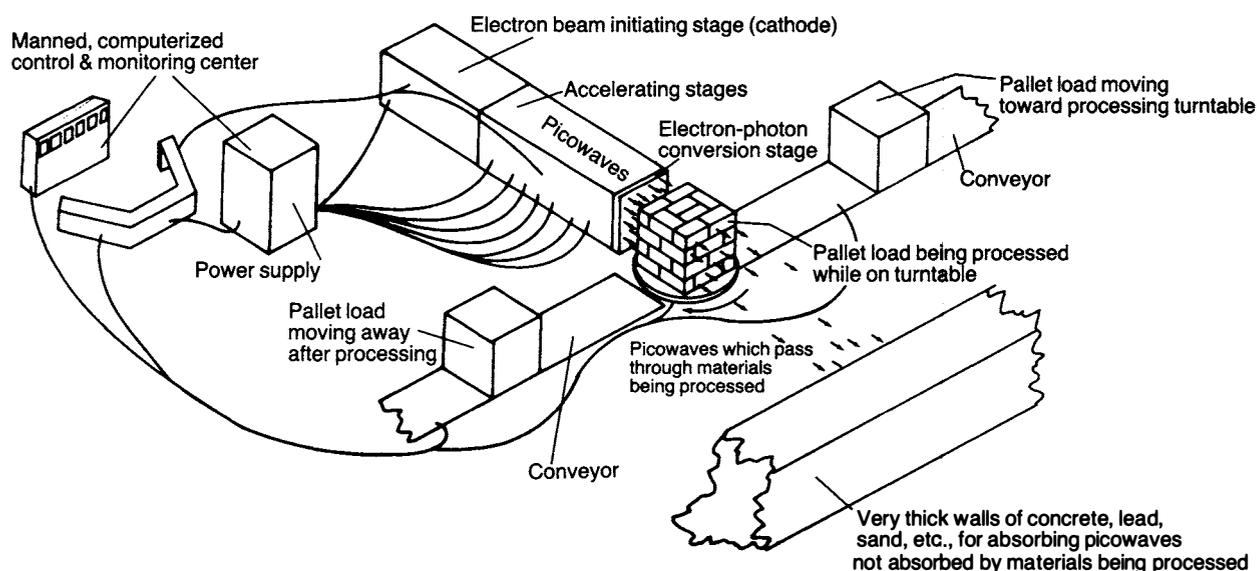
### What are the facts?

Here are some of the facts about the use of picowave technology in food processing that are supported by a great many responsible agencies and individuals throughout the world (see box on page 22):

1) *There are no repeatable, verifiable, acceptable studies concluding that there will be an increase in risk for consumers from eating foods processed with picowaves!*<sup>1</sup>

There is one specific example that is constantly repeated by the antinuclear obstructionists who allege that picowaved foods increase risks, despite the fact that this particular example has been discredited by the scientific community. This example concerns conclusions drawn in several publications (1975 and 1978) on three studies by scientists of the India National Institute of Nutrition (Vijayalaxmi, Sadasivan, and Bhaskaram) which contended that abnormal white blood cells (chromosomal changes—polyploidy) resulted from a small number of badly malnourished children, monkeys, and rats, being fed irradiated wheat. These National Institute of Nutrition (NIN) studies were proven to be incorrect, mutually contradictory, and unacceptable by investigations conducted by a government-convened Committee of Indian Scientists and by officials from WHO, FAO, and IAEA. Of special significance is that the NIN researchers reported a normal chromosomal condition for the children fed the irradiated wheat, and an abnormal situation for those children fed the

FIGURE 1  
Principal elements of the picowave processing centers



Source: Niel E. Nielson.

non-irradiated wheat.<sup>2</sup>

2) *There is no scientifically supportable reason (whether by experimentation or by well-supported theory) to believe that there will be any greater (if as much) destruction of vitamins and nutrients to result from processing foods with the doses of picowave defined in the FDA's regulations than will result from use of various common practices.* Examples of such common practices include letting fruit juices be exposed to light from essentially any source for a few minutes, heating essentially any food (whether in ovens, pans, or pots), boiling essentially any food, heating processes necessarily employed in many fumigation practices and procedures, or letting fruit dry/cure in sunlight. In other words, picowave processing will not do as much to reduce the nutritional content of foods as is now being done by common cooking, canning, or disinfestation processes.<sup>3</sup>

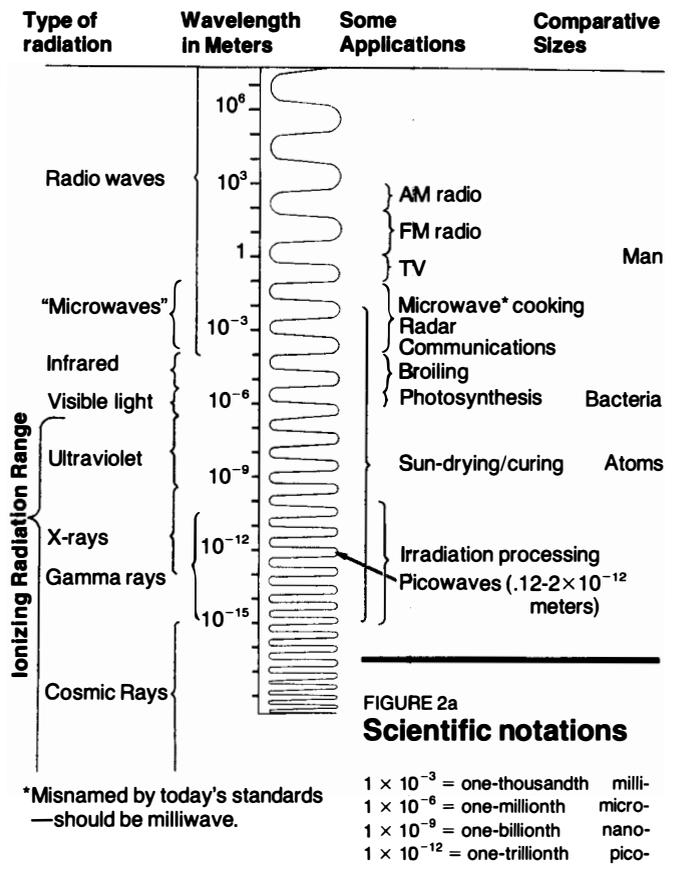
3) *Both the obstructionists and the knowledgeable scientific community know that there is no absolutely safe food known to exist. Therefore, in spite of the obstructionists' devious writings suggesting that the picowave processing of foods should be proven absolutely safe, they know that the proof they purport to want can never be realized.* Anyone who has taken the time to study this subject of food safety will have studied the excellent, updated publication by the National Academy of Sciences "Toxicants Occurring Naturally in Foods" (ISBN 0-309-02117-0) and will have already concluded that the proving of absolute safety in foods is an impossible objective.<sup>4</sup>

Further insight into this food safety question can be realized by reading the publication resulting from congressional hearings on the subject. The Senate Agriculture Committee held hearings on this subject of food safety in 1979 and published "Food Safety: Where are We?" in July 1979.<sup>5</sup> This document should be studied by anyone interested in establishing a true perspective in matters of food safety.

From another viewpoint, annually there are significant numbers of people who are made ill, seriously ill, and even killed as a result of complications resulting from ingesting bacteria and microbes in foods.<sup>6</sup> In the briefest of summaries, the United States enjoys some of the safest food in the history of mankind, but it is not *absolutely* safe, and probably never will be. Those who would obstruct use of this picowave food processing technology fail to tell those who will listen to them about the truth and perspectives in food safety, and hope to block the use of the technology by having an uninformed populace insist upon *absolute* safety.

4) *Another focus of those who would obstruct use of this picowave processing technology on foods concerns "experts" who advocate long-term feeding studies (that is, those more than 20 years) using human beings.* Obviously, there would be no way, in a free society, of having such rigorous controls and tests on thousands of individuals for large fractions of their lives. This condition, therefore, could never be met.

FIGURE 2  
Electromagnetic waves



Source: Niel E. Nielson.

Furthermore, the credentials of the "experts" used by these obstructionists are suspect. For example, one of the antinuclear "experts" most frequently quoted is one Dr. John Gofman, who has advocated these multi-year studies. Here is how Judge Patrick F. Kelley of the U.S. District Court in Kansas characterized Gofman in a 150-page decision that he wrote after 42 days of testimony by 53 witnesses, 5,400 pages of trial transcripts, and 10 months of study: "This Court does find that Dr. Gofman's dramatic conflict with all of the world's experts creates a bias in him which destroys his credibility as an expert witness in radiation cases. His obsession blinds his objectivity."

5) *There are no Unique Radiolytical Products (URPs) produced by picowave processing of food to be ingested by consumers, if by unique is meant that they are not already contained in the air, food, and water we routinely ingest.* The allegation that the obstructionists often make is that there are such URPs—unique chemical forms being produced by picowave processing of foods.

The FDA, years ago, defined URPs as products that are not in the foods prior to "irradiation." This FDA definition of URPs has caused them many hours of explanations, since there are no chemicals produced in foods by "irradiation" that are not already being ingested by mankind, routinely, either because they are naturally found in some foods, or because they are the result of chemical changes caused by cooking, preservation, drying, or curing.

Anyone knowledgeable in food safety matters knows that it is impossible to put any significant amount of energy into foods without causing chemical changes in the foods. *All* forms of energy, all cooking, all drying/curing, and so forth, cause very significant chemical changes in foods, including "destruction" of vitamins. With microwave processing, very small amounts of energy are put into the foods, with the result that very small amounts of vitamins are changed.<sup>7</sup> The amount of chemical change is almost always in direct proportion to the amount of energy put into the foods.

The energy equivalent to that allowed to be put into foods within the FDA's "food irradiation" regulations<sup>8</sup> is extremely small when considering any other processing of foods (that is, 100 kilorads = 1 kilogray is approximately equivalent to one-half BTU: One BTU is the energy required to raise one pound of water one degree Fahrenheit). It is easy to see that, among the other ionizing food processes, pasteurizing milk subjects foods to more than 200 times as much equivalent energy, as microwave processing at 100 kilorads does. Baking foods at 350°F subjects foods to more than 600 times as much energy; microwave cooking subjects the interior of the foods to more than 200 times as much energy to achieve the same degree of microbial kill; and charbroiling subjects the surface of the foods to much more than 1,000 times as much energy. It is easy to understand why processing with microwaves produces far fewer chemical changes than does any of the other ionizing heat-employing processes.

Another perspective can be realized by calculating the theoretical number of molecules in foods that would be affected by 100-kilorad doses of microwaves. A prominent researcher in radiation chemistry and physics at the University of California at Davis calculates that 100 kilorads would cause ionizations in only 1 molecule in 10 million. In contrast, all of the heat-employing processes have to affect *every* molecule in the food.

### The 'ionization' issue

Another issue distorted by the would-be obstructors to use of this technology concerns the fact that microwaves are "ionizing" energy. However, these obstructors fail to tell those who would listen to them that ionizations can be caused by *any* energy source, including heat and many chemicals. Ionizing radiations that cause significant chemical changes in foods begin at the longest of the ultraviolet wavelengths. These are the wavelengths that are closest to the visible light spectrum, but just a little too short for the human eye to see—

close to one-millionth of a meter in wavelength. They go through all of the successively shorter wavelengths of electromagnetic energy, including the shortest of the ultraviolet wavelengths (0.013 millionths of a meter), the industrial and medical x-rays (approximately 200 trillionths of a meter in wavelength), and into the shortest portion of the safely usable electromagnetic spectrum, the microwaves, which include x-rays and gamma rays at almost precisely 1 picometer wavelengths.

In terms of food processing with "ionizing radiation," one must realize that broiling over hot coals or under glowing elements, toasting, and sun drying and curing are excellent examples of processing foods with a great deal more "ionizing energy" than processing foods as the FDA's regulations would permit using microwaves.

We can gain perspective in the amounts of ionizing radiation already being applied to foods in the oldest, and most widespread, worldwide food preservation technique when we consider use of the Sun's ionizing radiations in the curing of foods after harvest. It is a fact that 5% of the Sun's rays that reach the Earth's surface are ionizing radiations in the ultraviolet spectrum. It is also a fact that during the warmer six months of the year (in central California) the amount of solar energy reaching the Earth's surface is something considerably more than 2,000 BTUs per square foot, per day.<sup>9</sup>

From these facts, it is easily calculated that foods absorb megarads (millions of rads) of ionizing radiation when left in the Sun for days for curing and drying (the ionizing ultraviolet radiation from the Sun kills the exposed microbes and causes the ionizations that result in the chemical changes). It is important to note that the "skins" of living plants and animals selectively "shield" the interiors from the harmful ultraviolet radiations, and thus foods processed with the Sun's ionizing ultraviolet radiations must be opened up or have the skins removed, in order to allow the ultraviolet to reach the interior of the foods.

To complete this understanding of "ionization": a) the term simply means the addition or subtraction of the number of electrons normally held captive to an atom or molecule; b) ionization of an atom in a molecule can result in the molecule's atoms dissociating from the molecule while they seek to return to their normal number of electrons held captive; and c) it is well established that up through (in energy levels) microwaves, the shorter wavelengths (higher energy levels of photons) do not cause different ionizations, simply more of them per photon.<sup>10</sup>

For all of these reasons, it should not be a surprise that after years of study of the chemistry of representatives of every major food group, before and after processing with microwaves, highly respected scientists found *no* chemical species that were not already in the air, food, and water that mankind routinely ingests.<sup>11</sup>

Those who would obstruct use of this technology, and

who would attempt to frighten the public with unfamiliar terminology, fail to tell the public about these true perspectives in "ionizing radiations" and to explain to those who will listen to them what ionizations are.

Because of more than 30 years of intense study and hundreds of millions of dollars invested in those studies and research by highly qualified scientists in academia, industry, and regulatory agencies worldwide, it is a fair statement to make that the scientific community knows more about the chemistry and microbiology of processing foods with picowaves than it does about processing foods with any other technology, including all of those commonly used by industry, commercial kitchens, and domestic kitchens. From all of this study and research comes the learned consensus among those truly knowledgeable in this field, that there is *no* reason to believe that there will be any increase in risk for consumers of foods processed with picowaves under regulations issued by FDA.

### Decrease in illness and death

But there is more! In addition to knowing with the highest possible certainty that there is *no* reason to believe that there will be *any* increase in risk from eating picowave processed foods, it is also widely known in the scientific community knowledgeable on this subject that there is great promise held for *reducing* risks for consumers from food-borne disease (both serious and inconveniencing) and even for preventing

thousands of deaths per year, in the United States alone, by routine processing of a great number of foods with this technology.

The USDA, the U.S. Centers for Disease Control, and others have published the results and statistics of studies of the incidence of infections resulting from eating foods containing the more frequently encountered disease-causing bacteria and parasites. The USDA has attempted to assign a dollar value to the cost to the nation's citizenry for the infections of these food-borne diseases, and the number is in the range of \$1 to \$10 billion annually, without taking into consideration the costs of the human suffering involved.

In terms of the diseases salmonellosis, campylobacteriosis, toxoplasmosis, and trichinosis, the statistics and projections can be summarized as follows:<sup>12</sup>

Mild cases => 4 million cases/year

More acute, or very serious => 140,000 cases/year

Deaths => 4,500 cases/year.

Three factors are important to understanding just how routine processing of foods with picowaves could materially reduce the incidence of disease and even death from a too high count of disease-causing bacteria and parasites in the foods, in the United States alone:

1) Most of the bacterial infections that occur are caused by organisms with 90% kill sensitivities of much less than 100 kilorads (1 kilogray) of picowaves (the upper limit for most foods as defined in the FDA regulations.)



Free food distribution in Washington, D.C. The already dwindling food supply is under further attack from groups spreading hysteria against picowave food processing, such as the one that circulated this leaflet (inset) in New Jersey, targeting a food irradiation plant. Are you gullible enough to let the anti-nuclear freaks ready a hungry future for your family?



## Who is backing food irradiation?

Some of the institutions, organizations, and agencies which have gone on record with conclusions to the effect that there will be no increase in risk for consumers from "irradiated" foods include the following:

**FDA:** The U.S. Food and Drug Administration, and in this matter, especially, the Center for Food Safety and Applied Nutrition (formerly, the Bureau of Foods). FDA is part of the Public Health Service, a division of the Department of Health and Human Services, and under the Federal Food, Drug and Cosmetics Act, has jurisdiction on the applications of radiation to the processing of foods.

**USDA:** U.S. Department of Agriculture, especially the Food Safety Inspection Service (FSIS)

**EPA:** Environmental Protection Agency

**NFS:** National Fisheries Service, within the U.S. Department of Commerce

**WHO:** World Health Organization  
**FAO:** Food and Agriculture Organization  
**IAEA:** International Atomic Energy Agency  
**AMA:** American Medical Association  
**CAST:** Council for Agricultural Science and Technology  
**IFT:** Institute of Food Technologists  
**ACSH:** American Council on Science and Health  
**NAS:** National Academy of Sciences  
**NSF:** National Science Foundation  
**NIH:** National Institutes of Health (another branch of FDA)  
**R&DA:** Research & Development Associates  
**NFPA:** National Food Processors Association  
**CFI:** Coalition for Food Irradiation  
**AIF:** Atomic Industrial Forum  
**CRA:** Committee on Radiation Applications  
**ESNA:** European Society for Nuclear methods in Agriculture  
**OSTP:** The President's Office of Science and Technology Policy  
**ANS:** American Nuclear Society

2) Most of the parasites (for example, trichinae and other worms) are made incapable of reproduction and thus incapable of causing problems in human beings with doses of much less than 100 kilorads of picowaves.

3) Most of the bacterial infections require some minimum number of infecting organisms to be present (that is, salmonella are believed to have to be in concentrations of approximately 10 cells per gram of food) before a normally healthy person's immune system cannot prevent discomfort or serious illness, or death.

4) Most food contaminations are in low enough concentrations (that is, number of cells per gram) that a greater than 90% kill of those bacteria present would reduce the incidence of disease by very significant numbers.

One conservative, highly respected European scientist and researcher in food irradiation makes the statement in a paper dated May 1986, "Extensive literature supports the conclusion that radiation treatment at doses that do not cause unacceptable changes in organoleptic qualities can effectively eliminate potentially pathogenic non-sporing bacteria from red meat, poultry and fishery products under normal commercial conditions for products which are marketed in both fresh and frozen stage."<sup>13</sup>

The FDA regulations issued on April 18, 1986 concerning food irradiation are extremely well supported by the scientific community, but still are drafted with an ultra-conservative approach to use of this picowave processing technology. The regulations will allow a reduction in the quantities

of unwanted post-harvest chemical additions to the foods for insect disinfection, but they still do not allow the higher doses or applications to meats, poultry, or fish and seafoods (although petitions for these are reportedly now in the works), which will be necessary for this technology to reach its full potential in terms of improvements in public health and in the quality of life.

Still another public health benefit, and reduction in risks for consumers from eating foods, comes from the ability to use this picowave food processing technology to control the post-harvest movement of insects from one region to another, thus reducing the need to disinfect the fresh fruits and vegetables by using chemical fumigants.<sup>14</sup> Further reductions in chemical additives such as nitrites to the foods could result from use of picowaves in preservation processing.<sup>15</sup>

### Summary

From all of these studies and authoritative conclusions, by recognized scientists and institutions throughout the world, and the many references each of these publications makes, the following obvious conclusions can be drawn:

1) There will be no increase in risk for consumers as a result of eating picowave processed foods!

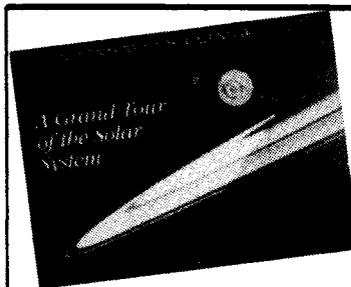
2) Those who would delay or prevent the use of this picowave processing technology on foods are condemning a statistically significant number of people in the United States (and in the many other nations of the world who use the FDA's food laws as their own) to unnecessary distress, ill-

nesses, and even death!

3) In order for *anyone* to *not* agree with the preceding two conclusions, they must believe that the established, most highly respected scientists and scientific institutions in the world are incompetent and do not know what they are talking about. Such a belief is obviously an absurdity, and thus it must be concluded that: These people who are working to obstruct or prevent use of this picowave processing technology on foods must have objectives which have nothing to do with real, actual improvements in public health, improvements in environmental health, and/or improvements in the quality of life for all of mankind, since all of these benefits are sure to be realized by widespread, expanded use of this picowave processing applied to foods!

### Notes

1. See the World Health Organization, Food and Agriculture Organization, and International Atomic Energy Agency's joint publication, "Wholesomeness of Irradiated Food," WHO publication Technical Report Series 659, WHO, 1981. See also the U.S. FDA's Rules and Regulations publication in the *Federal Register*, Vol. 51, No. 72, "Irradiation in the Production, Processing, and Handling of Food"; Final Rule, April 18, 1986.
2. "Wholesomeness of Irradiated Foods: A Review," by Ari Brynjolfsson, Department of Biological Sciences, Massachusetts Institute of Technology, April 1985.
3. See the aforementioned FDA and WHO publications, and their several references.
4. See the aforementioned FDA publications of April 1986 and December 1988.
5. Stock No. 052-070-050232-3.
6. See the FDA's "Workshop on New Microbiological Concerns," April 8-9, 1986. A presentation abstract is available from FDA, Center for Food Safety and Applied Nutrition.
7. See the FDA's aforementioned April 18, 1986 and Dec. 30, 1988 publications in the *Federal Register*; see the WHO 1981 publication "Wholesomeness of Irradiated Food"; see "Nutritional Aspects of Food Irradiation: An Overview," by E.S. Josephson, M.H. Thomas, and W.K. Calhoun, MIT, Dec. 18, 1978.
8. See the FDA publication of April 18, 1986.
9. See ASHRAE *Handbook of Fundamentals*, and "Input Data for Solar Systems," a U.S. Department of Commerce National Climatic Center publication, 1978.
10. See "Preservation of Foods by Ionizing Radiation," E.S. Josephson and M.S. Peterson, eds., sections by Simic, M.G., Taub, I.A., and other sections, CRC Press, 1983. See also, "Wholesomeness of Irradiated Foods: A Review" by Ari Brynjolfsson, the aforementioned FDA publications, and the many references in all of these publications.
11. See "Chemical clearance of Food Irradiation Process: Its Scientific Basis," by A. Brynjolfsson, a reprint from "Combination Processes in Food Irradiation," published by IAEA, Vienna, 1981; "Radiation Chemistry and Radiation Preservation of Food," by Irwin A. Taub, *Journal of Chemical Education*, Vol. 58 No. 2, February 1981; "Radiation Chemistry of Major Food Components," by Elias and Cohen, Elsevier/North Holland Biomedical Press, ISBN 0-444-41587-4, as updated, original copyright in 1977.
12. See "Food Irradiation: New Perspectives on a Controversial Technology," by Morrison and Roberts, Economic Research Service, USDA, December 1985, prepared for the Office of Technology Assessment, the U.S. Congress.
13. J. Farkas, Central Food Institute, Budapest, Hungary, "Disinfection, Including Parasite Control of Dried, Chilled, and Frozen Food by Irradiation."
14. See EPA's RPAR listings and attendant reports.
15. See paper 8.2, "The Use of Irradiation to Reduce or Eliminate Nitrite in Cured Meats," by Eugen Wierbicki and Ari Brynjolfsson, U.S. Army Natick R&D Command, 25th European Meeting of Meat Research Workers, August 1979.



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## Bankruptcy judge: U.S. acted illegally against LaRouche

"It's springtime in November for the LaRouche political movement," announced Warren J. Hamerman, the chairman of the political action committee of the LaRouche wing of the Democratic Party, at the National Press Club in Washington, D.C. on Nov. 2. He was commenting on the ruling by a federal bankruptcy judge, exactly one week earlier, that threw out as illegal, the involuntary bankruptcies initiated by the U.S. government against three publishing and distribution companies associated with former presidential candidate Lyndon H. LaRouche, Jr. on April 21, 1987.

"The bankruptcy action taken against Campaigner Publications, Caucus Distributors, and the Fusion Energy Foundation two and a half years ago was the first junction on the LaRouche railroad," Hamerman stressed.

On Oct. 25, 1989, Judge Martin V.B. Bostetter dismissed the bankruptcies, finding that the government had committed fraud, and acted in "bad faith" in the action. The ruling came 15 months after a trial in Judge Bostetter's court in early May 1988.

Lyndon LaRouche was reported to have commented on the Bostetter decision, that although it comes two and a half years late, "it is important not only for us"—the LaRouche political movement—"but also for the country. It means that the principle of law can still be defended." Warren Hamerman told the press, that attorneys are now in non-stop planning "about how to take this victory and press forward to reverse all the unlawful atrocities that happened to LaRouche and his supporters."

Attorney David Kuney, who represented Campaigner, Caucus, and Fusion in the case, also addressed this Washington press conference. Speaking as a professor and as a bankruptcy practitioner, he said, "This is a great victory for the entities involved, and for the legal system and the bankruptcy system," and he hailed the 106-page decision by Judge Bostetter as both "judicious" and "courageous."



Philip Ulanowsky



Philip Ulanowsky



Stuart Lewis



Don Baier

The "Get LaRouche" task force has received its first major defeat in the courts. Shown here are some leading operatives of the task force: (left to right) Boston FBI agent Richard Egan; U.S. Attorney Henry Hudson of Alexandria, Virginia; William Weld, who as U.S. Attorney in Boston started the federal prosecution of LaRouche, before being transferred to head the Criminal Division of the Justice Department; Chief Judge Albert V. Bryan, Jr., of Alexandria, who boasted that he "should have gotten a cigar" for railroading through the December 1988 criminal conviction of LaRouche and six associates.

"Were it not for the bankruptcies, not only would Lyndon LaRouche and six others, who have now served over 300 days in jail, never have been imprisoned, but they would never have been indicted in the first place," Hamerman, the chairman of the National Democratic Policy Committee, pointed out. As for the other LaRouche associates being tried for alleged fraud in New York and Virginia, and other trumped-up cases hinging on the failure of the LaRouche political movement to pay debts after the companies were bankrupted, Hamerman asserted, "they would never have gone to trial."

He pointed to a passage in the book *Railroad! U.S.A. vs. Lyndon LaRouche, et al.*, part of the preface written by LaRouche from prison in June 1989, which pinpoints the role of the bankruptcy in the frameup: "In April 1987, Alexandria U.S. Attorney Henry Hudson sent his minions to padlock the doors of the three firms, and to cut off all further repayment of these firms' creditors. This action by Henry Hudson's section of the 'Get LaRouche' strike-force, was carried out through Chief Judge Albert V. Bryan, Jr.'s Eastern District of Virginia Federal Court; Bryan, who personally supported that bankruptcy, knew that the prosecution's indictment was a big lie.

"On Oct. 14, 1988, Henry Hudson presented an indictment of LaRouche and six others in Judge Bryan's Eastern District of Virginia, accusing LaRouche and these six others of intending, during as early as 1983-84, to bring about that non-repayment of personal loans which Henry Hudson and Bryan's District Court caused to occur on April 21, 1987. When Hudson's office prosecuted the indictment, and when

Bryan ordered that these facts of financial warfare and the bankruptcy not be revealed to the jury, both the prosecutors and that judge knew the indictment and prosecution were one giant lie. Judge Bryan knew it was all a big lie," LaRouche had written.

### Hudson's bad faith

Judge Bostetter has determined that the forced bankruptcy was an *unlawful* act, in "bad faith," conducted by U.S. Attorney Hudson, who knowingly perpetrated a fraud on the court on April 20, 1987, Hamerman announced. Twice in the ruling, on page 14 and on page 42, Judge Bostetter wrote that he found Hudson's admission, as a U.S. Attorney, that he knew there were more than 12 creditors involved, to be a crucial fact. Technically, this would require that at least three of the creditors would have to bring the request for involuntary bankruptcy, but the U.S. government ignored this requirement and, with what Hamerman described as "unparalleled arrogance of power," moved *alone* to have the companies closed down, put under interim trustees, and all operations ceased for two and one-half years.

In the lengthy footnote 25, on page 42, Judge Bostetter supplied the court record of a number of such admissions by Hudson and his office, and concluded: "On the basis of the above, the government's actions could be liken[ed] to a constructive fraud on the court, wherein the court may infer the fraudulent nature of the government's conduct." (See p. 28 below for text.)

Hamerman said that another individual whose miscon-

duct stands exposed by the decision is U.S. District Judge Albert V. Bryan. Bryan was told by the companies targeted for the forced bankruptcy, that he was the more appropriate judge to hear the constitutional issues involved, including the potential violation of the Fifth Amendment protection against self incrimination, the companies were targets of a federal criminal investigation *before* the bankruptcy occurred. But Bryan said that the bankruptcy proceeding should stay in bankruptcy court, and that it was in good faith.

Then, in the criminal case, the same Judge Bryan granted a pre-trial *in limine* motion presented by the government, which excluded from the trial all mention of the U.S.-instigated forced bankruptcy. Thanks to this motion, “the defendants were forced to *lie* in court about the bankruptcy, by not being allowed to say the government bankrupted them,” Hamerman pointed out. “Hudson cleverly shaped the indictment to end on April 19, 1987”—two days before the bankruptcy—he went on, but “there is no way that LaRouche and his friends would have been indicted

if the bankruptcy had not occurred.”

He promised, “This decision will have a tremendous effect on the appeals for the defendants” in the Alexandria case, which is currently before the Fourth Circuit Court of Appeals.

## Vindication

“Lyndon LaRouche and his political movement have constantly said, especially over the past half-decade, that the federal government of the United States has engaged in an unlawful series of actions to put a political movement out of business,” Hamerman noted. “I am overjoyed that this press conference is taking place in the First Amendment room of the National Press Club, because Judge Bostetter’s decision defends, by implication, a basic constitutional principle. A scientific association and a national newspaper were put out of existence simply because of their political agreement with Lyndon LaRouche’s ideas.”

Although the First Amendment issue was not explicitly

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## 1987 bankruptcy: first stop on the railroad

*The following is adapted from the opening section of Chapter 2 of the book, Railroad! U.S.A. vs. Lyndon LaRouche et al. (Washington, D.C., 1989), pp. 219-251.*

To understand the Alexandria case, it is first necessary to understand the government’s unprecedented use of an involuntary bankruptcy against the LaRouche political movement.

This was the opening shot of the Alexandria trial. First, the Alexandria U.S. Attorney shut down three publishing companies, operated by associates of LaRouche, throwing over a hundred employees out of work and freezing the business’s debts. This action was upheld by Judge Albert V. Bryan. Then, the very same U.S. Attorney indicted LaRouche and six associates for not repaying the companies’ debts—the same debts which the companies were legally prohibited from paying! And then Judge Bryan ordered the defendants to lie about what had happened in the bankruptcy.

Three court documents summarize the facts of the bankruptcy. One is Judge Bryan’s July 15, 1987 order on the bankruptcy. The second is the opening section of the pre-trial brief filed by attorneys for the three victimized companies. This memorandum was filed just prior to the trial of the bankruptcy case, which ran from May 4-9, 1988. The other is the “Proposed Findings of Fact” filed

after the trial by attorneys for the three companies. These provided a documented, detailed, step-by-step description of how the U.S. Department of Justice planned and carried out the involuntary bankruptcy, in which every proposed finding is documented by reference to testimony or other evidence adduced at trial.

The central argument presented is that the bankruptcy—a civil proceeding—was actually conducted as part of the government’s criminal prosecution against the LaRouche movement. The involvement of the Alexandria prosecution team—U.S. Attorney Henry Hudson, Assistants Kent Robinson and John Markham, and FBI agent Tim Klund—in the planning and execution of the bankruptcy, is documented from the evidence presented at the bankruptcy trial.

Prosecutor John Markham confirmed the truth of this argument when he subsequently declared that the bankruptcy had helped to accomplish the prosecutorial objectives of the government. Shortly after the Alexandria convictions the Boston U.S. Attorney submitted a motion to Judge Keeton in Boston seeking to dismiss the Boston indictment. In addition to the Alexandria convictions of LaRouche, Spannaus and Billington, and over 20 other indictments, he cited the shutdown of Campaigner Publications, Caucus Distributors, and the Fusion Energy Foundation as evidence of “the interests of the United States in effective law enforcement having thus been served from the point of view of both deterrence and punishment.” Later in the same memorandum, under the section captioned “Deterrence Has Been Achieved,” the argument says: “Three . . . of those entities have been placed in bankruptcy and their assets have been seized.” Campaigner and Caucus had been indicted in Boston. All three were targets of the Alexandria grand jury investigation at the time of the bankruptcy.

raised in the bankruptcy trial, the illegal federal action shut down *New Solidarity* newspaper and *Fusion* magazine, each of which served over 100,000 subscribers. Judge Bostetter did rule that the Fusion Energy Foundation and Caucus Distributors, Inc. cannot be the subject of an involuntary bankruptcy proceeding. As "eleemosynary" institutions, whose primary purpose was the dissemination of educational ideas and political views, they are not "truly commercial in nature," the judge wrote.

It could be called poetic justice, Hamerman remarked, that Judge Bostetter cited precisely the same paragraph from an internal memorandum that had been repeatedly used in the trials against LaRouche and his associates to charge fraud, as evidence that "the debtors strived more to expose the world to its political viewpoint than attain private monetary gain. While the government has alleged that their methods of fund raising were reprehensible, that alone does not change the debtors' status and provide the appropriate basis for the invocation of *this* Court's jurisdiction."

### 'Courageous, scholarly decision'

"Judge Bostetter has made a courageous and scholarly decision," attorney David Kuney said. "He had to resist tremendous pressure by the government, which was asserting that because the cited companies were linked to someone they considered a 'political extremist,' they are therefore not entitled to the protections of the Bankruptcy Code.

"The government will probably defend itself by saying they lost on a mere technicality," Kuney went on. In fact, in his public statements after the decision, U.S. Attorney Hudson has tried to present it in that light. "But the three creditor requirement is not a technicality; it is what prevents the oppressive use of the Code."

Moreover, Kuney pointed out, Judge Bostetter also found that the government failed to fulfill another requirement of the Bankruptcy Code, as it failed to prove its contention that the three companies were not paying their debts.

Also, although Judge Bostetter made an "almost academic" distinction between the "objective" and "subjective" bad

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### Involuntary bankruptcy

A word of explanation, as to how an involuntary bankruptcy proceeding works, is in order. It is normally initiated by a petition of three or more creditors, and is opposed by the "alleged debtor"—called "alleged" because the allegations of the petitioning creditors that the debtor is insolvent must be proven in court. It is an adversary proceeding, operating like a civil case, with pre-trial discovery and a trial. Normally, only after the debtor is proved insolvent (either through summary judgment, or at trial) is the debtor company liquidated.

Here, in a highly unusual procedure, the three alleged debtor companies were seized and shut down before any trial; Bankruptcy Judge Martin V.B. Bostetter ordered the companies padlocked in a secret, *ex parte* proceeding, of which the companies had no notice.

At the May 1988 trial, the chief arguments made in opposition to the government's petitions were:

- 1) that the procedure was illegal because there was only one petitioning creditor (the United States government), not three as required by law;
- 2) that the petition was brought in bad faith, and for an improper purpose;
- 3) that two of the three debtor companies were non-profit organizations, therefore not subject to an involuntary bankruptcy.

A critical aspect of the bankruptcy proceeding was the government's efforts to use it to extract and compel testimony from the officers of these companies. Many of the officers were already under indictment, and all were under investigation by Hudson's office. Because of the pending criminal proceedings their lawyers all advised them not to testify when the government tried to take their depositions. But if

they exercised their Fifth Amendment right not to testify, their silence could be used against them—and the companies—in the civil (bankruptcy) proceeding. This issue, among others, came before Judge Bryan.

Bryan was an active participant in the bankruptcy proceeding, fully aware of what the government was doing, and indeed, approving it. The Bankruptcy Court in which the case was brought is part of the Eastern District of Virginia federal court, where Bryan is the Chief Judge. He personally made two rulings in the bankruptcy case. (Decisions of a Bankruptcy Judge, like decisions of a U.S. Magistrate, are first appealed to the U.S. District Court before going to the Court of Appeals.)

The first motion before Bryan was to appeal the April 20-21 *ex parte* order and seizure. The grounds for appealing Judge Bostetter's order included the secret *ex parte* nature of the proceeding, and the fact that the U.S. government was exercising prior restraint against these companies' First Amendment rights to publish. The hearing was so secret that it was not even stenographically recorded as is standard operating procedure. Judge Bryan denied the motion.

Later, attorneys for the debtor companies sought to utilize a provision which allows the entire case to be "removed" to federal court, when important legal or constitutional issues are involved. This motion was also heard by Judge Bryan. The major argument for removal was the constitutional conflict created by the efforts of the U.S. Attorney to compel testimony of company officers in the bankruptcy proceeding, at the same time the U.S. Attorney was conducting an active grand jury investigation of those same companies and individuals. Judge Bryan denied the motion for removal on July 10, 1987, saying he would consider the matter anew if it later became a problem.

faith of the government, ruling that he did not have the evidence to impugn the U.S. Attorney's *intentions*, the entities' contention that the government did act in bad faith was vindicated.

Mr. Kuney said that he was evaluating the decision also from the standpoint of a professor of bankruptcy law (he is Adjunct Professor of Law at American University in Washington). He answered affirmatively when asked whether he thinks this ruling may become a "classroom text." It "will become a leading, seminal decision."

"They shut down three companies for two and a half years, and put them under interim trustees. Can the government now just walk away and say, 'We're sorry?'"

Attorney Kuney was asked whether he believed the government will appeal the Bostetter ruling. He replied that Hudson has said that they will, "but I do not think they will."

### **Hudson should be investigated**

One reporter at the press conference asserted, "I happen to know of well-substantiated allegations about a major Vietnamese mafia operating in the northern Virginia area, which Henry Hudson refused to allocate the manpower to investigate. Do you have any idea of the amount of investigative manpower Hudson applied to this case, that was taken away from such serious cases?" Hamerman replied that he thought the Government Accounting Office ought to be called upon to do an audit of U.S. Attorney Hudson's misuse of manpower and funds for the fraudulent bankruptcy action, as well as other "Metro-Goldwyn-Mayer-style actions by Hudson, such as the June 1988 Pentagon raid conducted under Operation Ill Wind."

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## **Documentation**

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## **From Judge Bostetter's decision of Oct. 25**

*Below are excerpts from the 106-page ruling in the United States Bankruptcy Court for the Eastern District of Virginia, Alexandria Division, In re: Caucus Distributors, Inc., debtor, Campaigner Publications, Inc., debtor, and Fusion Energy Foundation, Inc., debtor. Footnote numbers have been omitted, except for the instance where we are reprinting the relevant footnote.*

### **Memorandum opinion**

This matter is before the Court upon the involuntary petitions in bankruptcy filed by the United States against Caucus Distributors, Inc. ("Caucus"), Campaigner Publications,

Inc. ("Campaigner"), and Fusion Energy Foundation, Inc. ("Fusion"). The involuntary petitions, which request relief under Chapter 7 of the United States Bankruptcy Code ("the Code"), were filed on April 20, 1987. . . . The United States based the petitions upon claims outstanding against the debtors totaling approximately 16-million dollars. The claims consisted of contempt fines imposed upon the debtors for their failure to comply with grand jury subpoenas. The United States filed the petitions as a sole petitioning creditor and did not make reference to the total number of creditors of each debtor.

Upon the denial of two motions for dismissal, answers to the petitions were filed on June 25, 1987. The government then filed a motion for summary judgment in each case. After the filing of the debtors' answers but before the Courts' disposition of the motions for summary judgment, creditors intervened in each of the petitions, bringing the number of petitioning creditors to a minimum of three in each case.

On March 8, 1988, this Court issued a memorandum opinion, which clarified that the United States was the holder of a claim, which was not contingent as to liability, nor subject to a bona fide dispute. . . . This Court denied the government's motion for summary judgment, however, on the basis that a genuine issue remained as to whether Caucus and Fusion were debtors against whom the United States may proceed, and whether the debtors were generally not paying their debts. . . . Accordingly, the Court declined to rule on the issue of whether the government filed the involuntary petitions against the debtors in bad faith. . . .

A trial on the issues remaining for adjudication was held and at the close of the government's case, counsel for the debtors moved again to dismiss the involuntary petitions. . . .

The first basis asserted by the debtors in support of the instant motion to dismiss is that the government should not be allowed to proceed as a matter of law in an involuntary bankruptcy proceeding against parties whom the government also is prosecuting for criminal violations in another forum. Secondly, the debtors assert that an involuntary petition filed by a sole petitioning creditor *with* the knowledge that a debtor has in excess of twelve creditors warrants dismissal as a matter of law. We consider these grounds in the order proposed.

### **Parallel criminal proceedings**

At the time the involuntary petitions were filed, the alleged debtors had been the subject of criminal investigations for approximately two and one-half years. . . .

With respect to the alleged debtors' contention that they were unable to defend themselves adequately in the instant proceedings, we note that such an argument only has merit, if any at all, if the outcome of these cases is unfavorable to the debtors. We, therefore, decline to consider this argument as a proper element of the debtors' motion to dismiss.

Accordingly, we find no improprieties in the prosecution

of parallel criminal and civil proceedings against the alleged debtors in the instant cases, and deny the debtors' motion to dismiss on this basis. Whether the government acted in "bad faith" by pursuing relief in this Court with a "prosecutorial mind-set" is a different question entirely and must be examined in view of the totality of the circumstances in these cases. We, therefore, defer our examination of the issue of bad faith until we have evaluated the defenses of the alleged debtors to the instant petitions.

### Three creditor requirement

. . . We note, however, that it is precisely because the jurisdiction of this Court may be invoked so easily, thrusting an unsuspecting debtor into the uncertain status imposed during the "gap" period of an involuntary petition, that this Court has the obligation to determine once a petition is filed whether to *retain* jurisdiction if the circumstances of the filing indicate a dismissal is warranted. Moreover, despite the government's having avoided a finding of actual fraud, by making no statement regarding the number of debtors' creditors, we find the government's deliberate actions and omission of an allegation pertaining to the number of the debtors' creditors to evidence the improper use of the statute and invocation of this Court's jurisdiction.<sup>25</sup>

In contrast to the narrow legal issue of whether a deficient petition intentionally has been filed, the issue of bad faith is factual, *see United States Fidelity & Guar. Co. v. DJF Realty & Suppliers*, 58 B.R. 1008, 1011 (N.D.N.Y. 1986) (bad faith in an involuntary petition is a factual issue), and based upon the totality of the circumstances, *see In re Elsub Corp.*, 66 B.R. 189, 193 (Bankr. D. N.J. 1986) (existence of bad

faith is determined by the totality of the circumstances). It may well be that a creditor who filed an involuntary petition with knowledge that the debtor has more than twelve creditors acted in bad faith, but the two issues are not necessarily one and the same. . . .

On the basis of the foregoing, we find that the government had actual knowledge that each of the debtors had in excess of twelve creditors on the date the petitions were filed. The government's decision to file the petitions despite that knowledge constituted an improper use of the involuntary bankruptcy statute and consequently an improper invocation of this Court's jurisdiction; we, therefore, dismiss the involuntary petitions pending against the three named debtors. We again note that to determine whether the government acted in "bad faith" in filing these involuntary cases, we must examine the totality of the circumstances surrounding the decision to file. We, therefore, proceed at this time to examine the merits of the government's cases against the debtors.

### Moneyed, business, or commercial corporation

. . . Turning to the evidence proffered by Fusion Energy Foundation, the exhibit upon which it primarily relies is its corporate charter. . . . The charter reflects that Fusion was founded in August 5, 1975 and provides in pertinent part:

3. The purposes for which the corporation is to be formed are for scientific, educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954 and in this connection are:

<sup>25</sup> Although the government ultimately conceded that it knew that the debtors had in excess of twelve creditors, the government was less than forthright in revealing its actual knowledge.

On April 21, 1987, the day after the petitions were filed, counsel for the alleged debtors argued specifically that the government alone could not file the involuntary cases in view of the references to "numerous creditors" in the petitions. Transcript of Hearing on April 21, 1987, p. 18. In responding, counsel for the government addressed not the issue of the government's actual knowledge, but rather its right to file a petition as a single creditor, and wait for the debtors to state in their answers that they had more than twelve creditors and file a list of creditors in accordance with Bankruptcy Rule 1003 (b). *Id.* at 42; *see* Bankr. R. P. 1003 (b), *supra* note 9. The government noted that until that was done, "there [wa]s no jurisdictional argument to make." Transcript of Hearing on April 21, 1987, p. 43.

On June 15, 1987, United States Attorney Henry Hudson testified:

[T]he Government would be less than candid with the Court if we were to mention to you that we weren't aware or suspect (sic) that there were more than 12 creditors at the time this petition was filed.

Transcript of Hearing on June 15, 1987, p. 21.

The Court at that time formed the following opinion:

[T]he Government concedes that they suspected that there were more than 12 [creditors]. I don't have any evidence that they know there are more than 12, but certainly from their pleadings one would have to draw the inescapable conclusion that they suspect there are more than 12 creditors.

*Id.*, p. 24.

In March of 1988, the government indicated in answers to interrogatories that it "reasonably believed the alleged debtors had other creditors[.]" and that "the documents seized in the October 1986 search do contain what appear to be numerous loan files indicating many creditors."

(Responses to Interrogatory No. 4, Interrogatory No. 5, respectively, filed March 15, 1988).

On March 23, 1988, the Court addressed in a telephone conference call between the Court and counsel what the Court believed to be an admission in the answers to the interrogatories:

COURT: In this connection, the government has admitted it, as I understand it, and they can say "No" now if they don't, that the debtor has more than twelve creditors.

MR. SZYBALA: Yes, your Honor, that's been our position at the outset. We have already stated that at the first hearing.

Transcript of Hearing, March 23, 1988, p. 3. The government did not state affirmatively the extent of its knowledge to the Court until the second day of trial, May 6, 1988. Tr. Vol. III, pp. 83-85 (*see* text, *supra* p. 14-15).

On the basis of the above, the government's actions could be likened to a constructive fraud on the court, wherein the court may infer the fraudulent nature of the government's conduct. *See Kitchen v. Throckmorton*, 223 Va. 164, 171, 176, 286 S.E.2d 673, 676, 679 (1982) (court adopted definition of constructive fraud as a "breach of legal or equitable duty which, irrespective of the moral guilt of the fraud feisor, the law declares fraudulent because of its tendency to deceive others, to violate public or private confidence, or to injure public interests[;]" and determined that administratrix had perpetrated a constructive fraud upon the court).

a. To provide sustained intellectual and financial support and direction to educational and scientific activities directed to the achievement of industrial-scale fusion power, and to initiate and conduct campaigns in its own name to that end.

b. To sponsor and receive studies relevant to scientific and technical strategies for the achievement of a Manhattan Project-type crash program for the development of fusion energy on an industrial scale, and relevant to the economics of fusion-based production.

c. To disseminate the results to government and international officials and bodies, the press, and the population-at-large.

d. To establish liason (sic) with representatives of labor, farms, anti-fission and environmental groups, scientists and other professionals, and governmental and international agencies.

e. To produce, buy, distribute and lease film and related media and material on the nature and necessity of fusion power for the achievement of purposes stated above paragraphs a, b and c. . . .

In one of the internal documents to which the government has directed our attention in connection with the issue of the debtors' eleemosynary status, we took note of the following excerpt:

1984 was the "Year of the Loan" in which a majority of income was comprised of loans. Infrastructure loan principal (including the first quarter of 1985) now stands somewhere around \$10,000,000. About 90% of these notes come due in 1985. The attempt to change the composition of income is not only necessary from the standpoint of expanding our numbers and educating our base. It is also the case that we are losing a large number of supporters (and some quite bitterly) who made 1984 loans in the \$1000-\$5000 range.

Exh. 79, p. 1. This passage is representative of many within the internal documents seized by the government, which has led this Court to conclude that the debtors strived more to expose the world to its political viewpoint than attain private monetary gain. . . .

In view of the foregoing, this Court finds that the government could not proceed against the alleged debtors, Fusion and Caucus, in an involuntary bankruptcy proceeding. In so holding, we seek not to protect the promotion of a particular ideology, but to preserve the intention of the Act and now the Code to limit the application of involuntary bankruptcy proceedings to only those entities truly commercial in nature. . . .

### **Bad faith**

We examine first whether a "reasonable person in the position of the petitioning creditor would have initiated the

bankruptcy proceeding." . . . With respect to [the petitioner's pre-filing inquiries—ed.], this court need not dwell upon what inquiries the government made and whether the government should have known that the alleged debtors had in excess of twelve creditors, in view of its admission on this issue. It is clear that the government knew of the number of the debtors' creditors, and chose to file as a single creditor. . . .

With respect to the pre-filing inquiries into the substantive aspects of the instant petitions, we note summarily that the government's decision to file in the instant case reflected less the good faith extension of the law, than a questionable reliance upon existing law. While one court has indicated that the lack of time may justify a less than complete examination of the law on involuntary bankruptcy petitions, the government did not face an inflexible deadline in the instant cases. *See In re Turner*, 80 B.R. 618, 620, 626-27 (Bankr. D. Mass. 1987) (existence of the first of two *ex parte* court orders approving attachments on debtor's homes required counsel to make a quick decision to prevent attachment from becoming immune from attack as a preference.)

Accordingly, an evaluation of the government's filing on an objective level leads this Court to conclude that the alleged debtors have established that the government filed the petition in bad faith. It is not the filing of an involuntary petition by the United States that constitutes bad faith, as suggested by the debtors, in that we are aware of at least one instance where the government filed an involuntary petition without notoriety in *Missco Homestead Ass'n v. United States*, 185 F.2d 280 (8th Cir. 1950), but the failure to comply with the applicable provisions of the Code that compels this conclusion with regard to the objective prong of the bad faith test.

It is quite apparent that a determination of the subjective motivations of a petitioning creditor is a most difficult task. While in some instances courts may have the benefit of direct evidence or testimony regarding the creditor's decision making process, it is the more usual situation that courts must surmise the petitioning creditor's intent based upon the circumstances of the case. In this regard, one avenue of the courts has been to grant liberal discovery requests to enable a debtor to determine better what the petitioning creditor's motivations were. *See In re Elsub*, 66 B.R. 189, 196 (Bankr. D. N.J. 1986) ("[I]t is clear that this court must permit [the debtor] to conduct further inquiry into the pre-filing inquiry and objective and subjective motivations of [the petitioning creditor] in filing the involuntary petition[.]"); *see also In re Turner*, 80 B.R. at 620-28 (reviewing extensively the pre-filing considerations of petitioning creditors and their counsel). This Court in an effort to understand fully the basis for the filing of these involuntary petitions, agreed to review research notes and documents created in preparation for litigation by the government *in camera*. While declining to reveal in detail the contents of each document, we have incorporated our *in camera* review into our findings.

The alleged debtors have in their post trial memoranda outlined extensively their perceptions of how the government conceived and developed the idea to file these involuntary petitions. Essentially, the debtors maintain that the government has initiated criminal investigations of organizations affiliated with Lyndon H. LaRouche because of the government's belief that Mr. LaRouche is a "political extremist."

Accordingly, the debtors assert that the civil division of the United States Attorney's Office derived its inspiration to file these petitions from the criminal division, and thus proceeded to file these petitions with a "prosecutorial mind-set." The debtors maintain that evidence of this mind-set is found not only in the lack of evidence to support the filing of the petitions and in the decision to ignore more traditional means of collection, but by the testimony of the officials who shared responsibility for the decision to file.

The government consistently has responded to these allegations by noting that it was not operating under the direction, or on behalf of the criminal division, and actually had three very distinct policy reasons for filing these petitions. . . .

Upon a review of all of the evidence, and the serious concern of the debtors that they have been targeted by the government in view of their association with a figure of allegedly "political extremist" views, we find that it is mere speculation that the government was influenced by the media, and/or the criminal division of the United States Attorney's Office, and that the alleged debtors have not proven their theories by a preponderance of the evidence. Rather, we are impressed by the government's primary motivation that the involuntary mechanism was the most appropriate under the circumstances. Where the government's motivations may have been suspect to the alleged debtors, but the primary basis for filing the instant petitions was consistent with the Bankruptcy Code, it does not appear appropriate to condemn the government's action as constituting bad faith. *See In re Turner*, 80 B.R., 618, 627 (Bankr. D. Mass. 1987) (noting that suspicions of debtors did not taint petitioners' actions with bad faith). . . .

A petition may be deemed to have been filed in bad faith where the petition does *not* accomplish the goals of bankruptcy and alternatives methods were available to the petitioning creditor. *In re McDonald Trucking Co.*, 74 B.R. 474, 478-79 (Bankr. W.D. Pa. 1987) (noting that no evidence was offered to indicate that petitioning creditor considered any of the less radical and more traditional methods of debt collection); *In re FRP Indus., Inc.* 73 B.R. 309, 313 (Bankr. N.D. Fla. 1987) (noting that petitioning creditor made no effort at all to avail himself of collection remedies provided under state law and true motive was to use Bankruptcy Code as a means of effectuating a takeover of the debtor corporation). After reviewing all of the evidence, it appears that the decision to file the instant involuntary petitions by the government may not have been the best one in hindsight, but was made with the attempt to accomplish goals

consistent with the Bankruptcy Code. . . .

In determining that the bad faith of the government has not been established on the facts of this case, we do not diminish the concerns of the alleged debtors who sought vigorously to expose the allegedly improper motivations of the government throughout this litigation. We note here that the government itself may have fostered suspicions by its choice of words, and litigative zeal. An excerpt from one of the government's pre-trial filings is revealing:

The United States filed pursuant to the Court's pre-trial order, April 20, 1988, United States' exhibits 1-129 in support of its involuntary Chapter 7 bankruptcy petitions against the debtors. As a whole, the exhibits demonstrate beyond any reasonable question that the debtors have consciously and maliciously engaged in a scheme to defraud banks, merchants, suppliers, and most cruelly the elderly by incurring debt without intent to repay the indebtedness. The Court is not likely to see an involuntary case where entry of the orders for relief is more appropriate than these cases. With the debtors, the facts mandate entry of orders for relief.

Memorandum of Law in Support of Admissibility of United States' Exhibits, Filed April 29, 1988, p. 1.

It is possible that mixed with the government's conviction that the bankruptcy forum was the best one to address all of the alleged claims against the debtors was its sense of obligation to enforce the laws of this country. With this possibility, the question arises as to whether a bankruptcy court is a permissible forum for the government to enforce its claims and the claims of other citizens by seeking an involuntary liquidation. This question was of grave concern to the instant debtors who maintained that by considering the status of other "aggrieved creditors," perhaps even before its own standing as a creditor, the government somehow corrupted or exploited the involuntary bankruptcy process. . . .

. . . [T]his Court is without authority to determine that *any* involuntary petition filed by the United States Attorney's Office against a debtor who is the subject of a parallel criminal proceeding is by its nature improper, or executed in "bad faith." We suggest, therefore, that the policy considerations cited by the debtors may only be addressed by Congress.

Accordingly, this Court grants the motions of Caucus Distributors, Inc. Campaigner Publications, Inc., and Fusion Energy Foundation, Inc. to dismiss the involuntary proceedings pending against them. Upon the filing of an appropriate motion and a hearing thereon this Court will consider the alleged debtors' request for cost and fees under 11 U.S.C. § 303(i).

An appropriate order shall enter.  
Dated: October 25th 1989  
Martin V. B. Bostetter, Jr.  
Chief Judge

## Soviet High Command sounds alarm, as crisis deepens

by Luba George

The Soviet Military High Command has broken its silence to announce that it is fast losing patience with the breakdown of authority in the country.

This breakdown derives from the ongoing discreditation of the civilian Communist Party and state leadership, which has been unable to prevent the empire's shattering economic and social crises from worsening every month.

Throughout October, the alarm was sounded by leading Soviet military figures. The Army is saying it has had enough; that the breakdown crisis in society is spilling over into the military itself, as reflected in the growing number of draft dodgers, pacifists, as well as a growing pattern of physical assaults on military personnel. At Soviet institutions of higher learning, protests and boycotts have been spreading against military preparatory departments on campuses from Riga to Irkutsk. Besides the Baltic and Siberian cities, student protests have been reported in Tomsk, Leningrad, Moscow, Kiev, Odessa, Voronezh, and Tashkent.

The most poignant warning was delivered in the Oct. 18 *Sovetskaya Rossiya* by General of the Army Vladimir Lobov, the Warsaw Pact Chief of Staff: "We soldiers and generals are worried, we are very worried indeed . . . the military press has recently and justifiably raised the alarm . . . the Army must be protected from outrages against its history and desecration of its relics. . . . We must restore the centuries-old principle of honor in service."

This message was also explicit in an Oct. 21 speech by Defense Minister Dmitri Yazov to a military conference on ideology, in which he denounced the growing ridicule and attempts to "besmirch" the Armed Forces. Yazov demanded a restoration of the image of the "glorious army," and an end

to the spread of "pacifism."

The Soviet military is not acting alarmist for propaganda reasons. October has indeed witnessed a qualitative shift in the scope of mass resistance against military service among especially non-Russian populations.

### Mass draft resistance

**Oct. 17:** Mass demonstrations against military service started in cities and towns throughout the Muslim Transcaucasus republic of Azerbaijan and continued for at least six days.

The protests were also against severe mistreatment in the military of Azerbaijani conscripts, most of whom are relegated to hard labor construction battalions. More than one-half of the recruits in the battalions belonging to the Road and Railroad Construction Troops are from Central Asia. Jews and recruits from the Caucasus, Baltic republics, and the Western Ukraine (with its strong anti-Russian, anti-Soviet sentiments) are disproportionately high as well in the construction battalions.

The demonstrators included both youth and relatives of Azerbaijanis serving in the Soviet Army. Azerbaijan Muslim conscripts have been subjected to especially brutal treatment. According to the Azerbaijan Popular Front, in the past year alone, nearly 100 Azerbaijani conscripts died as a result of beatings and punishments they received in the military.

**Oct. 11:** In the Georgian capital of Tbilisi and other major Georgian cities, demonstrations were held against the military draft. Demonstrators included young conscripts.

**Oct. 12:** In the Armenian city of Idezhevan, students went on strike in support of Armenian conscripts who have been demanding that they be stationed and serve only in

Armenia. This was followed by a demonstration of 30,000 in the Armenian capital of Yerevan Oct. 19, supporting the conscripts' demands and calling for the establishment of national military forces for the respective republics of the U.S.S.R.

**Nov. 1:** Hundreds of protesters staged a sit-down strike in Tbilisi at the site of the April 9 massacre, when dozens of innocent Georgian women and children were slaughtered by Soviet troops. The protesters accused Defense Minister Yazov of responsibility for the massacre.

This autumn, 1,000 Lithuanians refused to serve in the armed forces. On Oct. 7 in Kaunas, the republic's second largest city, there was a congress of draft opponents which issued a declaration calling military service in the Soviet Armed Forces illegal, based on the 1949 Geneva Convention, which forbids forced service in an occupation army. Protesters have been filling out printed slips citing the provision, and refusing to serve their terms of conscription in the Red Army. The Soviet news agency TASS charged that the procedure "distorts" the Geneva convention. The demonstrators also demanded the establishment of national military formations.

The West German newspaper *Süddeutsche Zeitung* reported Nov. 2 that in Latvia, young soldiers continued to stage protests. Part of the protest was that members of ethnic minorities were brutally mistreated by Russian nationalists in the military.

In the Ukraine, too, Lviv, Odessa and Kiev were the scenes in October of anti-Soviet military protests and boycotts. Demonstrators protested the barbaric mistreatment of non-Russian Orthodox conscripts—especially Ukrainian Catholics (Uniates) and Jews—in the military. They demanded freedom from religious and ethnic discrimination and the right to be able to attend religious services.

Writing in *Krasnaya Zvezda* Oct. 28, the daily of the Soviet Defense Ministry, Gen. Lt. Norat Ter-Grigoryants, deputy chief of the Ground Forces Main Staff, warned of an alarming pattern of young recruits tearing up their induction cards. "All the more worrying," he said, "is that the geographical map of those refusing completely overlaps the map of nationalist activity." At the same time, there are "frequent violent encounters between soldiers of different nationalities." He added that this was occurring "in the full view of the party and the law enforcement organizations," who "pretend that nothing is happening." In one case, Soviet General Major Arutinian (head of the Military Commissariat, or the draft board military manpower pool agency for Armenia, was nearly beaten to death by a mob: "For more than 20 minutes the enraged crowd beat him. It was just luck they did not kill him."

Following the Ter-Grigoryants article, Gen. Grigori Krivosheyev, deputy chief of the Soviet General Staff and head of its Main Directorate for organization and mobilization, and thus in charge of military manpower, wrote in *Krasnaya Zvezda* warning that "conscripts are being poisoned by all

kinds of pacifist sentiments." Responding to demands of non-Russian nationalists calling for the establishment of national military formations, Krivosheyev said: "The task of defending the Soviet Union is a national task." Moreover, the increasing number of deferments of military service for students was putting undue strain on the rural and industrial working classes to defend the U.S.S.R. In addition, the sudden withdrawal of all mid-term students, he wrote, had deprived the Armed Forces of "crew and unit commanders, radar operators, high-class specialists on surface ships, submarines and in combat units. . . . There are actually no personnel to replace them at present."

### Civilian incompetence blamed

On July 11, the Supreme Soviet passed a decree releasing all Soviet students serving in the military. In an interview with *Krasnaya Zvezda* Aug. 31, General Krivosheyev attacked the decree on two counts: for the chaos it had caused in the Armed Forces, which lost in August and September their 200,000 best-educated conscripts. The other reason was "social inequality"; that the new law was creating an army almost solely based on poorly educated youth from the urban working class and rural areas.

The most significant feature about the interview was that it marked a watershed in the military's current resurgence. It was a direct attack on the civilian elite strata which, in one stroke, through the July 11 decree, freed themselves and their children from military service. Krivosheyev attacked by name "representatives of the administrative and governmental apparatus and of the scientific, creative, and technical intelligentsia." He concluded by warning that the civilian elites' interference in the military was forcing a reversion to "the old, romantic designation of the Armed Forces in our society—the Workers' and Peasants' Red Army" of the 1920s. By referring to the army of that day, Krivosheyev was invoking the army of the period before Marshal Tukhachevsky modernized the armed forces in preparation for war—a time, in other words, when the Red Army was puny in size and technically incapable of waging war effectively.

The same precise denunciation, not accidentally, was voiced by General Lobov in *Sovetskaya Rossiya* of Oct. 18: "The military press has recently and justifiably raised the alarm about the Soviet Army's possible transformation into a Workers' and Peasants' Red Army."

These attacks by the Soviet Military High Command come to the very heart of the crisis facing Moscow: that the systemic crisis and civilian incompetence have not only created an abominable mess economically and socially in the empire, but incompetent tampering inside the military's own sphere, which through measures like the July 11 decree are threatening to destroy what is primary to the military leadership: the military's ability to retain a sufficient pool of technically qualified cadres, the precondition to waging and winning future wars of expansion.

# The neutralization of NATO's southern flank

by Thierry Lalevée

George Bush's planned meeting with Mikhail Gorbachov on Dec. 2-3 in the middle of the Mediterranean, just off the coast of Malta, is symbolic in many ways. One of them is the implicit acknowledgement of the Mediterranean as a common American-Soviet *Mare Nostrum*, though neither country has any common shores with that sea. Having nothing to do with symbolism, but a very concrete matter, is the fact that by the time they meet, the process of military neutralization of that region, under their joint overlordship, will have moved a step further.

For example, whatever the results of the national parliamentary elections in Greece, the process leading to the evacuation of the U.S. Air Force base near Athens, is unlikely to be reversed. And even if the next Greek government were to prove a hardened supporter of the old NATO line, the American Congress has announced that 12 U.S. military bases abroad are to be closed down. The bases on NATO's Southern Flank are high on the list.

## Crisis brewing over Turkey

This is also the rationale that stands behind the sudden outburst of crisis between Washington and Ankara. Publicly, the crisis is over the fact that Sen. Robert Dole (R-Kan.) succeeded in getting a bill through a Senate committee, calling for April 24 to be designated Armenian Genocide Day. The next step should be for Congress to ratify the proposal and for President Bush to sign it. This is unlikely to happen, in the present circumstances; but what is at issue is not so much the question of Armenia in itself, as the timing and the political will behind the move. Dole's intentions have not been lost on Turkish officials. Last July, he made headlines through a violent denunciation of Israel for its kidnaping of a terrorist Hezbollah sheikh, a denunciation which, in retrospect, was all the most cynical and hypocritical, given that only two months before, the Department of Justice and Congress had just approved a proposal allowing the FBI to kidnap and arrest anyone, anywhere, ignoring the national sovereignty of the territory they were operating in. What Bush could not say publicly, Dole did for him.

So, such a slap in the face could not go without retaliation. On Oct. 18, Ankara started to implement five counter-measures, including bringing down to 24 from 36 the number

of U.S. jet fighters deployed in Turkey; reduction of U.S. military training flights; restrictions on U.S. war vessels anchoring in Turkish ports; and restriction of the movement of U.S. military personnel on Turkish territory. Should the Dole bill pass Congress, it will generate "the worst crisis between Turkey and the United States since World War II," in the words of a senior Turkish official—even greater than the mid-1970s U.S. military embargo against Turkey following the Cyprus crisis.

Congress is to vote next spring on renewing the bilateral treaty of military cooperation between the two countries. Should Turkey maintain its sanctions against U.S. military activities by then, Congress will certainly veto the treaty. Formally, this may not mean ending Turkish membership in NATO, just as the 1974 embargo did not hinder Ankara's commitment to Western defense. But the situation has changed a great deal since.

From a Turkish point of view, it ominously coincides with assaults on several fronts. For example, by breaking its agreement of 1987, Syria has dropped all pretenses and is publicly harboring the Kurdish terrorists of the PKK. Since the beginning of this year, there has been again a continuous escalation of PKK terror actions against Turkey, on a scale not seen since early 1987. It reached a point critical enough for Prime Minister Turgut Özal—who is to become Turkey's eighth President on Nov. 9—to warn that Turkey may simply cut off the water from the Euphrates flowing into Syria, as a retaliation. The threat for Syria is serious enough. There is an additional rationale for the move from Turkey's standpoint: Because of the spring and summer drought, Turkey is very short of water this year, and will have to import close to \$1 billion worth of agricultural goods.

At the very same time that the PKK was going on a rampage, Socialist International networks gathered around the mercurial Danielle Mitterrand, the French President's wife, met in Paris to herald the cause of Kurdistan. She then went on to Washington to lobby for the Kurds. Earlier this year, she had created a scandal by visiting Turkey for several days without making any public comments, but as soon as she got back to Paris, she had held a press conference to blast Turkish treatment of the Iraqi Kurdish refugees. In the polemics that ensued, many forgot that Turkey has welcomed tens of thousands of Iraqi Kurds—who have been rejected by most members of the European Community (EC). Adding insult to injury, Amnesty International has just put out a report on "Torture in Turkey," and the European Parliament is calling for suspension of economic aid to Turkey.

According to Turkish officials, the name of the game is simple: Isolate Turkey. "It is a game which is sponsored by both the U.S. and the Soviets, just as they are sponsoring the creation of a disunited state of Europe, which they would totally control." From all evidence, the EC members, for their own reasons and shortsightedness, are playing that dangerous game.

# Mitterrand defines a grand design

*The acting President of the European Community calls for aid for freedom in Eastern Europe, development in the Third World. By Christine Schier.*

French President François Mitterrand broke with the supranational plans for a Single Europe 1992 during his speech to the European Parliament on Oct. 25. For the first time, Mitterrand defined Europe's role as a pole of development for the rest of the world, bypassing the sterile internal discussions on what institutions and agencies the 12 countries should set up and when. At a time that Eastern Europe's hopes center on Western values, and the Third World looks toward Europe for a solution, the European Community (EC) must find the means to respond to these expectations, Mitterrand insisted, often with verve.

Internally, Europe's main objective is to accelerate economic and monetary union. Abroad, he insisted on the urgency of solving the debt crisis in the Third World and granting new credits for development, citing two main areas of grave concern: the fight against drugs and stopping AIDS. He announced two concrete initiatives, a summit between Ibero-Latin American countries and the EC, and another between Arab countries and the EC before the end of 1989. As for Eastern Europe, "What élan! What hope!" We are "witnessing the undoing of the order of Yalta."

"As during the great moments of 1789, it is the people who raise their outcry. It is the determination of a people taking control of events which forces walls and borders to collapse. The people themselves are now defining the path upon which our century will draw to a close and future times will embark. This, in itself, is great news. Once again, the people are on the move, and when they move, they decide. For the sake of what? For freedom, very simply."

The challenge for Western Europe is to help those countries out of their crisis. "Why not create a bank for Europe which, like the European Investment Bank, would finance great projects, including on its Board the 12 Europeans [EC member nations] and others, Poland, Hungary . . . why not the Soviet Union?" There are echoes here of proposals made over the past years by Lyndon LaRouche: to set up new institutions to finance specific development projects at preferential conditions and penalize purely speculative uses of money.

Mitterrand limited himself to one concrete case during his speech: Poland. "I suggest a Euro-Polish solidarity loan, a kind of emergency plan for each country, for each city, which could take responsibility for a region or city of Poland and supervise the delivery and distribution of aid. . . . This

should be a coordinated mission of the 12 member countries." The French government had announced that morning a program of emergency aid worth \$630 million for three years. Mitterrand proposed to the EC "some coherent great projects, as priorities: agriculture, transportation, telephone. How to finance them? I thought for my country of a Franco-Polish center for promoting investments, with an initial endowment of 300 million francs per year." Together, Europe could do much more.

To those who predict that the collapse of Eastern Europe will bring a dislocation of Western Europe, Mitterrand replies: "Shouldn't this destruction of structures in the East produce the contrary effect in the West? Strengthening and accelerating the political construction of Europe is the only answer to the political problem." As for German reunification, a legitimate wish of the German people, French policy is to firmly anchor Franco-German cooperation and pull the East toward it.

Now, as *EIR* has often pointed out, the "Europe 1992" proposed until recently would only lead to a loss of national sovereignty. However, the premises of those plans have been changed, on the one hand by the events in the East bloc and, on the other hand, by the complete lack of confidence in the Bush administration. European leaders have no illusions that the U.S. government will be able to avoid a financial crash or solve the monetary chaos. A Soviet-U.S. condominium is not to the liking of the Europeans—especially not the French government.

So the challenge is to give political content to the new European institutions. This poses basic problems, including to what extent national independence should be subordinated to interests of the European Community. President Mitterrand made clear to the European Parliament in Strasbourg that the Single Europe Act of 1992 must not be based on financial deregulation, nor on "survival of the fittest" in the monetary jungle.

He scored attempts to "create, under the pretext of deregulation or liberalization, unfair competition and new barriers. This remark pertains especially to the liberalization of capital flows and the concentration of companies. . . . I draw your attention to the danger of a competitive lowering of taxes on savings. I am sorry to say that the policy of withholding taxes proposed by the [European] Commission, is not unanimously

approved." In France, those taxes are used to finance infrastructure and public investments in schools, hospitals, research, etc., and France is opposed to lowering them. "The absence of harmonization contradicts in any case the spirit of the Community. But we must avoid emphasizing differences, or accepting, for example, that banking secrecy cover up fraudulent operations, or, worse still, dirty-money laundering." This clarification is of the utmost importance, since the free flow of capital and of goods could also lead to free flow of drugs and drug money.

A true economic and monetary union should lead to "a common monetary policy, a common currency, and a central bank," he said. "This union will be a decisive step toward the objective of a political union of the Community." Mitterrand insisted then on the importance of a social policy for Europe and protection for workers. "Building Europe without the help of the workers would be building it against their interests. This hypothesis is all the more absurd since social policy is . . . indispensable for economic progress."

The French President's view of Europe goes against that of British Prime Minister Margaret Thatcher and the Anglo-American financial interests, and opposition from that quarter will be enormous. Although Mitterrand's attacks remained oblique, they have certainly been clearly understood.

### The developing sector

Relations between developing countries and the EC was another major aspect of Mitterrand's considerations. "I find it intolerable that Europe, our Europe, is not always as active, as alert, as prompt as some other powerful forces in the world. . . . We have our say, but generally in an isolated fashion. . . . This is where the political absence of Europe is sorely felt." On the international debt crisis, "the case-by-case approach, in favor today"—especially in Anglo-American circles—"is not enough, since it exposes developing countries to economic and strategic pressure. . . . We need a global approach. . . . We need to create a multilateral fund with new money."

He also appealed to all European countries to intervene much more fervently on behalf of Lebanon, a nation fighting for its very survival.

"Europe of the Economic Community is not a fortress. She has no drawbridge. She has no weapons in the nooks, nor thick walls of protection. She rather wants to tear down walls." François Mitterrand has outlined a political project for Europe, one which fosters a Grand Design for the East, economic growth for the South, and a pole of development hostile to speculation in the West. This perspective, adopted by a head of state, is promising. Now translating words into actions must begin. The political battle to bring such a Europe into being will be tough—very tough—and a firm, principled alliance among France, Germany, Italy, and Spain is a precondition for victory.

## Australian patriot is frameup target

by Allen Douglas

Readers of *EIR* may remember the humorous but devastating exposé of the "greenhouse effect" and "ozone hole" frauds in our Oct. 27 issue, by Australian publisher Peter Sawyer. The exposé, one of the most effective on the subject produced anywhere, was particularly useful coming from "down under," since the Fabian Socialist governments of Australia and New Zealand have been leading the charge in international forums for supranational police-state measures to be enacted to "save the environment."

In his *Inside News* newspaper, over the past couple of years, Sawyer has produced several similar exposés which have rocked Australia and have forced themselves onto the floor of the Federal Parliament. Most pointed have been his revelations on Soviet penetration of Australian politics, and on the buildup of police-state measures in the country.

For instance, Sawyer first blew the whistle on the true role of the Deakin Center in the nation's capital of Canberra. The Deakin Center was alleged by the government to be a telephone exchange, but it turned out to be a massive computer center with centralized data on all Australian citizens and satellite links to the U.S. National Security Agency. In another article, *Inside News* exposed the now-defunct National Safety Council as a CIA-funded private political police force. The NSC's exotic range of weaponry, as well as facts which came out in March 1989—when NSC head John Friedrichs disappeared, leaving a \$35 million-plus hole in the NSC's accounts—confirmed Sawyer's charges.

*Inside News* has caused a great deal of grief to Australia's establishment, and to its Fabian foot-soldiers in government. Now, according to reports reaching *EIR* from several sources, that establishment has decided to get rid of Sawyer, with help, in particular, from the CIA and from British MI-5 and MI-6, agencies which have always been extremely active in Australia.

The plot is fairly simple.

Several months ago, these sources report, bank accounts were opened up in the names of Sawyer and nine others loosely associated with him in what Australians refer to as the "Freedom Movement," a loose-knit grouping of individuals and organizations bitterly opposed to the economic and political destruction being wreaked on the country by its

Fabian leadership. Funds have regularly been put into these bogus accounts over the past few months, and some time soon, a raid will take place on Sawyer's house in the state of Queensland, coincident with raids on the houses and businesses of others being so framed. Lo and behold, drugs will be found, and Sawyer and his *Inside News* will be trumpeted in the press as a drug distribution network. It will be announced that "hundreds of others" of Sawyer's subscribers are also under investigation. That the charges will ultimately be thrown out, is not of concern to those arranging the frame-up; the idea is to put Sawyer and others like him out of commission in the period between now and the expected national elections in February or March, so that no new political force emerges in those elections.

One inside source who had details on the plot was scheduled to expose it on the popular Brian Wilshire show on Radio 2GB in Sydney, on Monday, Oct. 23. On the way to the station, that person was shot.

### The setting

To understand the priority that Australia's establishment puts on getting rid of Sawyer et al., it is necessary to appreciate the extraordinary rate of economic collapse in the country. Australia, a nation of only 16 million people, has a federal foreign debt of over \$100 billion, which makes it a vastly more indebted country per capita than Brazil (population 145 million, debt of \$120 billion) or Mexico (population of 85 million, debt of 105 billion). Interest rates for farm loans are currently at 23.5% (25% for overdraft), and are only slightly lower for businesses; home mortgages are running at 17%, an all-time high. Prices for wheat and wool, two of the country's three top exports, have collapsed over the past six months; wool revenue dropped from \$6 billion to \$4 billion annually. This, together with the stratospheric interest rates, has produced record failures among Australia's businesses and farms. The situation is so bad, that there have already been rumors of the formation of a "national unity government" among the existing major parties, i.e., Labour and the Liberal-National coalition.

### Parties in crisis

Both the unpayable foreign debt, as well as the collapsing standard of living, are causing disgust with the existing political parties. This disgust registered loud and clear in the early 1989 elections for the newly established Legislative Assembly of Canberra. Independents running on a variety of slates, from the "Abolish the Self-Government Slate" to the "Sun-Ripened Tomato Party," received more votes than both of the major parties combined, and this in a situation where an unprecedented balloting procedure was used precisely to try and avoid this result.

In this situation, Sawyer's *Inside News*, read by an estimated 200,000 Australians each issue, is acting like matches tossed onto gasoline-soaked rags.

In addition to his political exposés, Sawyer has been predicting an economic collapse, both for Australia and globally, for some months now. As that collapse accelerates, he has an excellent chance of being elected to the Australian Senate, for which he is expected to run.

Of course it would not only be Sawyer who might be elected as an independent, but enough other groups and individuals are now preparing to run as independents, that they could possibly hold the balance of power between Labour and Liberal-National, giving them great political clout far beyond their numerical strength.

A foretaste of what might be expected in the national elections may appear in the state parliamentary elections in the key state of Queensland on Dec. 2. Establishment newspapers such as the *Sydney Morning Herald* have voiced their anxiety that some "new force" might take several seats, the most likely candidate being the Citizens' Electoral Councils (CEC), which are running several vigorous campaigns. The CEC, also loosely part of the "Freedom Movement," burst into national prominence in 1987 when it swept to victory in the Barambah electorate, the most entrenched National Party seat in the country. The CEC now has over 150 councils spread across Australia, and has been under intensive attack from the same forces trying to eliminate Sawyer politically.

The alarm with which the Australian establishment views Sawyer and the hundreds of thousands, or millions, of independent-minded "Aussies" who think like him, is best captured in the words of one of its spokesmen, Labour Member of Parliament Keith Wright. Last year, Wright called for an all-party inquiry into a plot to take over the country by "the most sophisticated political structure in this country [which] has carefully and strategically infiltrated what could add to hundreds, if not thousands of organizations and associations across the country." Wright branded this movement of ordinary Australians as "the most insidious, sinister, and extremist threat coming from the most extremist force that this nation has ever seen or witnessed."

Despite the fact that all parties in the Parliament agreed that such an investigation should take place, one year later precisely nothing has been done. As Sawyer has noted, one of two possibilities accounts for this: Either the Australian Parliament has been criminally negligent in not following up on this "extremist threat," or, no such threat in fact exists. In the latter case, an attempted political witchhunt is under way, and all the bluster about "extremism" is to set the stage for eliminating political opponents.

In a recent issue of *Inside News*, Sawyer exposed the joint CIA-KGB operations to blame then U.S. presidential candidate Lyndon LaRouche for the murder of Swedish Prime Minister Olof Palme. He argued that if the CIA would do this to a patriot of its own country, what might they not do abroad?

# NATO Autumn Forge exercises: victim of Vienna conventional forces talks?

by Dean Andromidas and Chris Lewis

NATO recently completed its annual Autumn Forge series of military exercises, the smallest in over a decade. The contrast to previous years was dramatic:

- The United States canceled Reforger, an exercise that for the last 10 years demonstrated U.S. commitment to reinforce Western Europe.

- In 1989, only a little more than 200,000 troops took part in the Autumn Forge exercises. In 1988, over 280,000 soldiers participated.

- NATO's Air Forces Cold Fire Exercise, which exercises air support for NATO ground forces, was cut in half, conducting 400 sorties a day this year, down from 800 sorties a day last year.

- Both the West German and U.S. field training exercise lasted only one week, down from two weeks last year.

- Citing concern over possible damage to the environment, the American exercises employed only 50% of the vehicles normally deployed for such maneuvers.

The cutbacks must be seen in the context of ongoing negotiations between Washington and Moscow, which could very well lead to an American strategic withdrawal from Western Europe. The Conventional Forces in Europe talks being held in Vienna are going into their second year. On the table are American proposals for parity between NATO and Warsaw Pact troop and air forces at a level 15% below current NATO levels. This would leave 20,000 tanks, 16,500 artillery pieces, 28,000 armored personnel carriers, and 5,700 combat aircraft. The proposals also call for U.S. and Soviet troops stationed outside their national territory in Europe not to exceed 275,000 each. Although this would entail deep cuts by the Warsaw Pact, it would also mean withdrawing 30,000 American soldiers, or a 25% cut in the fighting strength of American ground forces in West Germany. A withdrawal of U.S. troops would extend 6,000 kilometers back to American territory, whereas Soviet troops need only withdraw 600 kilometers to reach Soviet territory.

Proposals are being made both without regard to military strategy or doctrine, and without consulting the relevant military commands.

One such proposal was reported by the U.S. Armed Forces daily paper *Stars and Stripes*. On Sept. 8, the Bush admin-

istration notified British Prime Minister Margaret Thatcher that, under an agreement that could emerge from the Vienna talks, the United States would pull out of four Air Force facilities based in the United Kingdom. According to the report, the U.S. Defense Department expressed "incredulity" about such a proposal, and a spokesman for the Third Air Force stated that its command was never notified of it. Over 32,000 servicemen and their dependents are based at the facilities, and one of these is the headquarters of the Third Air Force. Another is the home base for six squadrons of A-10 aircraft that are the backbone of American ground support fighter capability for two U.S. Army Corps based in West Germany. Still others have important logistics functions for both U.S. and NATO capabilities. Nonetheless a State Department source is quoted saying the bases were definitely on the cutback list, because they "are just excess real estate!"

Although, officially, NATO cites environmental and political reasons for the scaling down of the exercises, their smaller size conforms with proposals the United States presented to the Vienna conference in September. One proposal was to limit exercises to 40,000 soldiers and 800 tanks, which coheres precisely with the size of the American Fifth Corps maneuver, Caravan Guard '89. The West German national exercise "Offenes Visier," was also held below the 40,000 soldier count.

## Soviet threat still visible

*Perestroika* and *glasnost* may have lessened the "perceived" threat, but not the real threat. The Soviet arms control initiatives are coordinated with an ongoing reorganization of Soviet armed forces coherent with a new, evolving Soviet military doctrine (see *EIR*, No. 42, Oct. 13, 1989). This much-touted "defensive military doctrine" is, in fact, a war-winning strategy based on a "leaner, meaner" force structure. Furthermore, equipment modernization programs continue unabated, with growing numbers of modern T-72 and T-80 tanks as well as even more modern tanks coming on line. Many thousands of TOWed artillery pieces are being replaced with new and more capable, tank-like self-propelled artillery, such as the 122 millimeter 2S1 and the 152 millimeter 2S3 self-propelled howitzers, and the 240 millimeter self-pro-

pelled mortars. Many of these are nuclear-capable. While the number of Soviet tanks in Soviet regiments has decreased, the number of armored personnel carriers is increasing. This conforms with putting even greater emphasis on *spetsnaz* (special forces) and airborne assault forces armed with post-nuclear weapons, such as radio-frequency devices and hand-held nuclear devices for deployment deep into NATO's rear areas. The military responsibilities of East Germany and Czechoslovakia have been dramatically upgraded, with these forces receiving more T-72 and T-80 tanks, and SS-21 rocket launchers. Their air forces have also been upgraded with MiG-29s, the Soviets' most modern fighters.

A far more unpredictable danger is the growing economic and political instability of the entire East bloc. A deep concern about lowering NATO's profile in this climate was expressed during Autumn Forge by Lt. Gen. Sir Peter Inge, Commander of the First British Corps in Germany. Quoted in the British press, the British commander declared, "I agree that in the present climate of East-West relations the threat of war seems far less likely. But we simply don't know if Mr. Gorbachov will overcome the horrendous problems he faces. . . . In the meantime we could be moving into a period of great instability.

"As a military commander I must deal with realities, not wishful thinking. History has shown us that it takes a long time to build up economic and military capabilities—but intentions can change overnight."

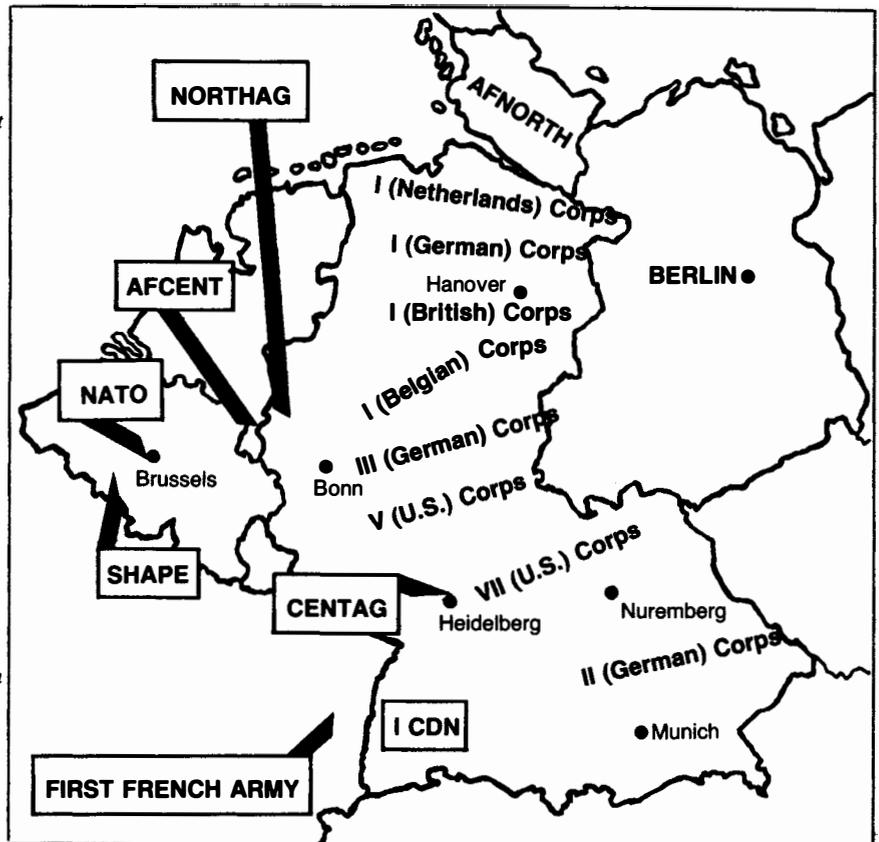
### Defending NATO's Central Front

The purpose of Autumn Forge is to deter war through accomplishing three missions: 1) *Training NATO's ground forces*. These exercises are a cornerstone of training the common soldier, giving him an opportunity to exercise in large formations on the same territory he might one day have to defend. 2) *Providing a vital example of alliance cooperation in large-scale joint exercises*, which only occurs during Autumn Forge. One of NATO's greatest assets is its determination to fight as a multinational force. 3) *Politically demonstrating alliance cohesion* by showing that all 16 nations of NATO are committed to the common defense of Western Europe and Turkey.

This year's Autumn Forge provided some very important and innovative training. One of the most outstanding exercises was the Franco-German Champagne '89 Exercise, which, although not formally part of the Autumn Forge series, witnessed an "invasion" of France by German tanks, simulating

### NATO forces in Central Europe

NATO's central region—the Federal Republic of Germany, Belgium, Netherlands, and Great Britain—is the keystone to the defense of Western Europe. The basic operational formation on the Central Front is the corps, comprised of 2-4 divisions. Each nation deploys 1 or more corps along the German-German and West German-Czech borders. The U.S. deploys 2 corps and the Canadians maintain 1 brigade. While each corps is under its respective national command, in wartime they come under the command of higher multinational NATO Army Groups, the Army Group North, (NORTHAG) based in Munchengladbach and the Central Army (CENTAG) group based in Heidelberg. These are, in turn, integrated into the Allied Forces Central Europe Command, a multinational command based in Brusseum, Netherlands. Although France is outside of NATO's intergrated military command, in wartime, France would almost automatically reintegrate itself. It maintains its own corps on German soil, under the Allied Powers occupation rights. NATO's air forces are organized along a parallel command structure, with the mission to defend the Central Region's airspace as well as to provide air support to the ground forces.



a Soviet invasion, attesting to the growing Franco-German cooperation of the last few years.

Another first was a series of exercises conducted by the British Army of the Rhine whose purpose was to test the transport of a British brigade and other reinforcements from the United Kingdom to the continent.

But the most interesting of this series was Exercise Key Flight, which included participation from the new 24th Air Mobile Brigade, which was created to counter Soviet airborne tactics. Key Flight demonstrated how Soviet methods of combined airborne and armored warfare tactics could be countered. During the exercise an enemy tank column was destroyed while attempting to link up with a group dropped by air in the British rear area.

The 24th Air Brigade itself is quite an impressive operation and this exercise enabled its commander, Brig. George Kennedy, to really determine what was needed to move the entire brigade and deploy it into fighting positions: It took 40 Army helicopters, 12 Royal Air Force Pumas, and 10 Chinook helicopters. Despite the great success of the maneuver, the future of the brigade is up against a lack of resources because the British government is pressing for cuts in the defense budget.

*EIR* had the opportunity to directly observe the American V Corps' Caravan Guard '89. The original plan was to include troops brought over to Germany as part of Reforger '89, which was canceled.

Caravan Guard is the V Corps' annual field training exercise; this year the Corps' Third Armored Division squared off against the Eighth Infantry Division. The Corps' Eleventh Armored Cavalry Regiment took time off from its full-time mission of patrolling the German-German border, which other units took over for the duration of the exercise. Also involved were the Fifth German Grenadier Brigade and the Fourth Canadian Brigade.

The exercise saw sharp reductions in men and equipment deployed in the field. Only 40,000 troops, 12,000 wheeled vehicles, and 600 tracked vehicles participated. This is a fraction of the number of tanks and armored personnel carriers for such exercises, which usually exceeds 3,000.

The sharp reductions appeared to be a concessions to the environmentalists. They were the result of the so-called "Train Smart—Maneuver Smart" concept handed down by NATO Commander Gen. John R. Galvin, aimed at limiting damage to the environment by tank and armored personnel carriers. The reductions were accomplished through combining what are called "command post exercises" and "command field exercises" with field training exercises. The interface was provided by the Joint Exercise Simulation System (JESS), which employs military computer-driven simulators, where the simulators replace real men, vehicles, and even entire regiments in the field. Everything from firepower and attrition rates, to the logistical requirements such as refueling and even dinner breaks, is programmed in. The simula-



*Welcome guests: NATO tanks in autumn 1989 maneuvers in West Germany.*

Chris Lewis

tion is interfaced with the "real" action in the field.

Although the U.S. commanders were very confident of the success of the "Train Smart—Maneuver Smart" concept, this confidence was apparently not shared by other national commanders. Lt. Gen. Sir Peter Inge, Commander of the British Army of the Rhine, was quoted in the British press as saying, "I have a lot of sympathy with the need to protect our environment, and I am equally conscious that some of our exercises considerably inconvenience the population and can damage the environment. . . . But I have to live in the real world. Soldiers have to train, because, if they failed to do so, they would not only be wasting taxpayers' money, but also failing to provide NATO with effective military force.

"People say that we can use computer simulators to replace our field exercises—but this is not so. Simulation has a very important part to play—but in the end, all you are doing is playing against a computer, and you know you are. You can never replace the divisional commander and his staff having all the nightmares of having to actually move thousands of men and vehicles in the middle of the night when the men and the commanders are tired and cold and wet."

The success or failure of using computer simulators will have to measure up to how well they succeed in accomplishing the training goals for the common soldier.

Traveling out to the field, *EIR* did not experience any hostility from local inhabitants toward the maneuvers. In fact, as is the case in all these maneuvers, their biggest supporters appeared to be the children who would take every opportunity to view if not climb all over the huge tanks and armored personnel carriers rumbling through their neighborhoods and surrounding countryside. From among many of the older farmers, we could often overhear, "better American than Russian." The most important participants are the soldiers themselves, whose predominant mood is enthusiasm for their mission, and the conviction that the most serious danger to the environment is the Warsaw Pact and not their Abrams tank or their Bradley Infantry Fighting Vehicle.

# Beijing declares war on China's elites and peasantry

by Linda de Hoyos

In its zealous drive to re-establish the central control of Beijing over the economic and political life of the 1.2 billion people of the People's Republic of China, the Chinese Communist leadership has taken upon itself a formidable, and likely impossible, task. With the exception of the military and urban workers, the Beijing regime has effectively declared war on every stratum of society.

The lead-charge for this assault is the Aug. 19 announcement by Communist Party General Secretary Jiang Zemin that the party leadership will carry out a thorough purge of the 48-million-member party. In particular, Beijing reports indicate, the party doors will be closed to "entrepreneurs"—that is, those who have engaged in private enterprise, including the bringing in of foreign investment. The party leadership is determined to root out all those who have shown sympathy with the democracy movement, including many of the intellectuals in the party itself. Given that that support for the democracy movement was widespread in the party, especially in Beijing and Shanghai, the party will be axing many of its previous policymakers—those who have formulated and implemented the Deng Xiaoping reforms. Those expelled, the Beijing leaders might note, however, represent an alternative leadership base as the Chinese political and economic collapse ensues.

Students—the future leaders of the party—have also come under strong attack. The student population has been decreased this year by approximately 20%, particularly enrollment in Beijing University. Prospective students must first do a stint in the military before being accepted in schools. Once enrolled, students must participate in "political seminars" three to five times a week on the lessons to be learned from "Mao Zedong Thought." No students will be permitted abroad, until they have worked in the country for seven years. Latest reports from Chinese students in the United States also indicate that those who have been given permission to go abroad—hoping to continue their education in the United States—are instead being shipped off to the Soviet Union, a country Chinese students view with deep distaste.

Aside from the bureaucratic maneuvers against students, repression has been coming down hard since the June 4 massacre at Tiananmen Square. According to the *South China*

*Morning Post* Oct. 21, students are being required to give daily accounts of their movements during April 15-June 4, the period of the Beijing demonstrations, and to write long essays on what they think about the democracy movement. They are also being encouraged to report on each other. Many students have "disappeared" since June 4. Many students who fled Beijing have been summarily killed by local police when found. Other students, the *Post's* source said, have succumbed to mental illness under the pressure brought to bear on them; such victims are simply tied to a bed and given tranquilizers.

In the aftermath of the Tiananmen Square massacre, the party's lenient attitude toward religion inaugurated over the reform years, has also been reversed. The *Peasants Daily* Oct. 18 declared, "We cannot underestimate such bad influences" as religion, which are "feudal and superstitious" in their nature and which "have poisoned the masses." The East Asia Buddhist Society has been banned and its leader incarcerated for suspected involvement in the democracy movement. Another target is the Roman Catholic Church. More than 10 priests have been arrested in northern China since June 4, with prime targets being those clergy who confess their loyalty to the Vatican. In Hebei province, priests are no longer permitted to say mass.

## Command control of the economy

Under the direction of Vice Premier Yao Yilin, a comrade-in-arms of the pro-Moscow Premier Li Peng, the leadership is attempting to re-assert its control over the economy. In the last 10 years, regions, provinces, and districts have been given broad powers to seek investment and determine how that investment is used—once their obligations to Beijing have been met. (This arrangement has also given locals the opportunity to significantly skim off investment monies.) Now plans are afoot for Beijing to take back such powers. According to reports in the *South China Morning Post*, the State Planning Commission, under Yao Yilin's direction, is devising a plan to place all areas under the strict control of "regional bureaus" controlled through Beijing.

The *Post*, citing a Beijing economic source, says that "the heads of the bureaus will function as economic czars who will tightly oversee economic and business activities

within their jurisdictions. The insertion of an administrative tier between the provinces and central party and government authorities will enable the Politburo and State Council to ensure that their orders are obeyed throughout China.”

The plan revives the wartime regional system used by the Communists up to the mid-1950s, and is believed to be a step in the militarization of the economy.

The central-command policy is ostensibly being carried out to permit Beijing to reorder economic priorities. Instead of seeking foreign investment for construction and trade-related production—the policy of ousted General Secretary Zhao Ziyang which favored the coastal provinces—Beijing is seeking to establish tight control over investment and funnel it toward basic industries and infrastructure, particularly the development of energy and transport. In itself, the economic content of Beijing’s desires is not in the wrong direction; however, politically, the Beijing regime can expect difficulty implementing it.

The *World Journal* has reported that the provincial governor of Guangdong, Yie Xianpeng, the southeast province that is home to Canton, has refused to carry out Beijing’s order that people buy government bonds. According to the London *Financial Times*, Yie told reporters that he would not allow political ideology to interfere with business management in Guangdong. He has refused offers to take a position in Beijing. In addition, a senior official in Guangzhou (Canton) has proclaimed that his city will forge ahead with a HK\$18 billion investment plan, despite Beijing’s order for austerity. The investment package is for 10 projects, including an electrical plant and a steel factory. Guangzhou does not intend to lose its status as the most developed commodity economy in China, the official said.

Guangdong’s resistance to Beijing’s austerity and command-control demands is likely backed by the regional military commanders, who traveled to Beijing in August to lobby that Guangdong’s economy not be throttled.

## War on the rural population

Having declared war on the party elites and the local bosses, Beijing is also training its eyes on the countryside. Contrary to its credentials as the product of a peasant revolution, the Beijing regime has always subsisted through brutal accumulation off the backs of the peasantry. There remains a vast gap between the standard of living in the cities and that in the countryside.

The Deng Xiaoping regime gave peasants their first “break” by dissolving the communal system and placing the farmers under contract. Under this system, peasant families were given back their land to become tenant farmers for the state. Once the family has coughed up its quota to the state, it is permitted to grow whatever it likes. This social policy boosted agricultural productivity, but only up to a point; overall investment in agriculture *decreased* during the Deng years.

The strongest opponent of the contract responsibility system has been octogenarian Chen Yun, the political godfather of Li Peng and Yao Yilin. In 1985, Chen Yun argued vociferously from his wheelchair that the contract system would result in a dangerous decrease in grain production, as peasants sought to diversify into more profitable ventures requiring less input. Accordingly, Beijing is now mooting that it will rip up the contract responsibility system to once again place the countryside under central control.

The rationale for this assault on the peasantry is that the family holdings are too small to permit an increase in productivity. This is seen to be an urgent problem, since Beijing’s grain production has not risen above 400 million tons since 1984, while the population has risen by 75 million. As the *Zhongguo Tongxun She* daily explained Oct. 18, the contract system was actually only “Step 2” in Beijing’s revolutionary policy for agriculture. “Step 3” is the transition to fairly large scale land operations. The smaller plots have caused the “disintegration of the system of water conservancy facilities and made large farm machines unable to play their part.” The daily cites the success one Xinmouli village in Liaodong peninsula, where only 30 peasants are operating all the village’s land, while the rest have been sent to work in village-run factories.

However, the article admits that the large-holding system will drive millions of “superfluous agricultural workers” off the land. How are they to be absorbed? For that, Beijing has no plans at all. The rural enterprises that have sprung up over the past five years, which have concentrated on low-technology, labor-intensive industries for export, have come under attack since June. The complaint is that they drain off investment which would be put to better use in centrally-controlled large projects. Over 18.8 million township enterprises have sprung up, absorbing 100 million peasants. Now, as Beijing prepares to throw millions off the land, 15% of the country’s rural enterprises have shut down, and that is just the beginning.

Hence, mainland economist Song Ja Wu warned with good reason Oct. 27 in a conference with international businessmen that unemployment in China will soon soar. Song expects that 80 million more farmers will become unemployed, and that another 20 million will be laid off from state enterprises. Given Beijing’s overall plans, that is an underestimation.

The only constituency Beijing has attempted to “keep on its side” are city workers. Inflation of food and other commodity prices in the cities has been stopped, through government intervention with large subsidies. Reports are that the announcement in mid-May of the formation of an autonomous trade union in Beijing panicked the Communist leaders, and is the incident that prompted the imposition of martial law. Beijing is reportedly terrified that it could meet the same fate as Communists in Poland, where the workers have turned against the party.

# Jammu and Kashmir crisis threatens Indian Subcontinent's stability

by Ramtanu Maitra

With less than two weeks left before millions of Indians exercise their franchise for the ninth time since India's independence to elect a representative government, parts of India are undergoing convulsions. Violent riots involving the two dominant religious groups, Hindus and Muslims, have taken place in the states of Uttar Pradesh, Madhya Pradesh, Rajasthan, Bihar, Gujarat, and Jammu and Kashmir. While these riots are sporadic and incidental, due to a steady growth of militant Hinduism and the role of opportunistic politicians, the case of the strategically located Jammu and Kashmir is somewhat different. Jammu and Kashmir has been volatile for a long time, with Kashmiri secessionists and Muslim fundamentalists joining hands.

Kashmir, located just south of the Sino-Soviet borders, has remained a disputed territory since 1947 when the British partitioned the Subcontinent between India and Pakistan, and left. The state was one of the 500-odd Indian princely states ruled by feudal kings whose status remained theoretically ambiguous, because the British, prior to their departure, took the view that the rulers were free to accede either to India or to Pakistan. In most of the princely states, the choice was dictated by geographical considerations. But Kashmir was located along the borders of the two newly founded countries, whose birth had brought indescribable misery to millions and institutionalized immense hostility in the process.

Just before the Kashmir Maharaja, Hari Singh, could announce his preference to align with the Indian Union, the state was invaded from the west. The Pakistani invaders, dressed in tribal attire, were eventually stopped by Indian troops, but not before almost half of Kashmir was occupied by the so-called tribals. This part of Kashmir aligned with Pakistan and came to be known as Azad Kashmir, while the other half, under India, came to be called Jammu and Kashmir. Despite prolonged debates in the United Nations and prompt side-takings by the superpowers in the 1950s, the Kashmir issue has remained undecided, and the territory is still under dispute. Neither India nor Pakistan has shown any inclination to give up any part of Kashmir; it remains the most difficult barrier to normalized relations between the two countries.

The dispute over Kashmir has provided ample opportunity to various groups—including the superpowers and Communist China—to fish in troubled waters, particularly in the

Indian part of Kashmir, where the Muslim community is a large majority. Over the years Kashmiri chauvinists seeking to form an independent Kashmir have manipulated the Muslim population, and brought into their fold the fanatic mullahs with the aim of disrupting law and order in the state. In recent years, on a number of occasions, the Indian tricolor was denigrated and the Pakistani flag hoisted to give expression to their solidarity with the Islamic Republic of Pakistan.

During the last five years, since the Khalistani secessionist movement in the Indian state of Punjab took a violent turn, Jammu and Kashmir has become the safehouse of Punjabi secessionists fleeing from the Punjab police. There, the Kashmiri secessionists have developed a wide network of anti-national forces, and Indian security forces have less capability. Terrorism in Kashmir, in the form of bank robberies and murders, began long before the secessionist movement in Punjab gained momentum. Events, for example, such as desecration of the Al Aqsa Mosque in Jerusalem, the hanging of Pakistani Prime Minister Zulfikar Ali Bhutto by the Pakistani military strongman Mohammed Zia ul-Haq, and the sudden death of Gen. Zia ul-Haq himself, unleashed waves of rioting in Kashmir. In the spring of 1988, when the Ojheri ammunition depot at Rawalpindi, Pakistan, was blown up, Jammu and Kashmir experienced arson and violence.

## Who fishes in troubled waters?

But although the violence in Kashmir often has little to do with any event that occurs *within* Kashmir, incidents are often triggered by the separatists on-the-ground to stage anti-India demonstrations and polarize the population. Kashmir is therefore not simply an India-Pakistan issue. Long before Kashmir became a disputed area, the British rulers had pressured Maharaja Hari Singh to lease the northern part of the state, Gilgit, for 60 years for strategic reasons. Although the lease is now void, the British interest in watching the Chinese and the Russians, *and* Indians and Pakistanis, from a "neutral nation" like Kashmir, has far from waned. It may be no coincidence that top Kashmiri terrorists have found London an effective base of operations.

At the same time, Pakistan has considered Kashmir to be the proverbial feet of clay of the Indian giant. Because of its large Muslim population and mountainous terrain, Kashmir has been considered by all Pakistani leaders to be an ideal

location for subversive actions against India. Every Pakistani leader has sworn to recover Kashmir from the clutches of "Indian infidels," and as late as 1987, the late President Zia ul-Haq was planning a military operation to "liberate" Kashmir from India. It is also widely known that most Kashmiri secessionists travel freely between India and Pakistan through the state's porous borders, and find refuge in Pakistan.

### **Neutrality talks go nowhere**

A recent spate of intelligence reports in India indicates that in the first week of August, an important meeting was held in the Kashmir Center at Rawalpindi—a garrison town in Pakistan under the control of virulently anti-India military officers. The meeting was organized and hosted by Sardar Abdul Qayyum Khan, president of Azad Kashmir. Sardar Qayyum Khan, who worked hard to bring down the late Prime Minister Zulfikar Ali Bhutto and became a close associate of President Zia ul-Haq, is now a close friend of Punjab Chief Minister Mian Nawaz Sharif (whose only political identity is that he wants "to dump the remaining Bhuttos in the Arabian Sea"). Sharif has often accused Prime Minister Benazir Bhutto of selling Kashmir away to India.

What emerged from the meeting, which was attended by 12 political and religious organizations within Azad Kashmir and a number of secessionist groups, was a clear signal that the so-called liberators are becoming less interested in aligning Kashmir with Pakistan, and instead, plan to carve out an independent Kashmir. The concept is to make this "independent Kashmir" a "neutral" nation along the lines of Switzerland. Reportedly, Hashim Qureshi, a founding member of the Kashmir Liberation Front who achieved notoriety in the early 1970s following the hijacking of an Indian Airlines aircraft to Pakistan, condemned some of the violence allegedly organized by the Pakistani Inter-Services Intelligence (ISI). "Explosions in buses and bathrooms and causing death and injury to hundreds of innocent Kashmiris can hardly be described as an armed struggle for the liberation of people justifying an expenditure of crores [tens of millions] of rupees by Pak agencies," he is said to have told the gathering.

The depth of Pakistani or other foreign agencies' involvement in Kashmir is difficult to pinpoint. The recent arrest of Shabir Shah, a top terrorist belonging to the so-called People's League faction, at Ram ban, Jammu and Kashmir, which sparked off large-scale arson and looting, revealed that Shah was on his way to Pakistan when he was apprehended. It was also reported that Shah had with him a significant sum of money in both Indian and Pakistani currency.

### **Terrorist-fundamentalist nexus**

Almost a decade ago, in 1980, then chief minister of Jammu and Kashmir, the late Sheikh Abdullah, had warned the Jamaat-e-Tulaba, the militant youth wing of the funda-

mentalist Jamaat-e-Islami, to give up its anti-India activities. It was then that the government of India, armed with the information that the Tulaba was being funded by Libya's Muammar Qaddafi, called off an international Islamic Students' Conference organized by the Jamaat and which was scheduled to be held in Jammu and Kashmir. Recent reports indicate that the Jamaat-e-Islami has issued instructions to its own student outfits, such as the Islamic Student League, to carry out their activities independently of groups like the Kashmir Liberation Front "which believes more in the creation of independent Kashmir than in its accession to Pakistan."

The kingpin of the notorious Jamaat organization is Syed Ali Shah Gilani, who was once arrested but released dramatically in 1984. Gilani has consistently eulogized Pakistan and has been promoting secessionism. Gilani's main demand is for a free plebiscite whereby the Kashmiris will be given the option to vote on a referendum on whether to stay with India or accede to Pakistan.

Beside Gilani, two other fundamentalist leaders, Mirwaiz Maulvi Farooq and Mirwaiz Qazi Nissar, are extremely active in fomenting trouble within the Indian state. Mirwaiz Farooq is a nephew of Maulvi Yusuf Shah, who had been actively promoting an independent Kashmir under the Maharaja of Kashmir in 1947. Mirwaiz Farooq has grown in stature significantly in light of the weak political leadership that the state presently offers.

Mirwaiz Qazi Nissar, who enjoys the support of the fundamentalists in the southern part of the state, is generally described as the "Bhindranwale of the valley"—a reference to the Sikh fundamentalist leader who died when Indian troops stormed the Sikh religious temple at Amritsar in 1984. While there is very little difference between Maulvi Farooq and Qazi Nissar, it is said that Farooq equivocates when asked his opinion about the accession to India. Qazi Nissar apparently considers accession to India final, and calls organizations such as the Kashmir Liberation Front "anti-national."

Jammu and Kashmir, because of its strategic location, will continue to remain a trouble spot unless a mutually beneficial understanding, which rules out the formation of an "independent Kashmir," is reached between India and Pakistan. Only then can the threat of terrorists and fundamentalists be negated through the political process and imposition of strict law and order. The present situation, however, does not allow any politician to speak out freely or organize against the terrorists.

Over the years, political forces in the state have become weaker and fragmented, and despite their intentions, many have had to align with the fundamentalists and secessionists to survive. Today the ruling National Conference, a mish-mash of nationalists and chauvinists, is being put under increasing pressure from the militant factions and shows signs of caving in.

# The 'Tiny' Rowland file

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*Part II of an EIR investigative series follows the trail of the Israel British Bank and Lonrho.*

On Sept. 23, 1974 the London and Tel Aviv-based Israel British Bank (IBB) declared itself bankrupt with over \$103.3 million in losses to its creditors. Seventy international banks and the U.S. Federal Deposit Insurance Corporation were hit by the shockwaves of its fall. It was the largest collapse of a British bank since the early 18th-century South Sea Bubble, and it caused a major international diplomatic incident among the United States, Great Britain, and Israel. Right in the middle of it all, sat Tiny Rowland, chief executive of Britain's Lonrho multinational.

The bank collapsed because two of its principal officers siphoned off tens of millions of dollars in loans to dummy corporations in Liechtenstein. The results of an investigation by the British government were suppressed. No one knows where the \$100 million went.

Some things, however, are known:

- Tiny Rowland was and is intimately associated with the two figures who swindled the bank: its London branch head, Harry Landy, and its Tel Aviv branch head, Joshua Bension. Harry Landy is today employed by Rowland, who put up £100,000 bail for him during his trial. Many other members of the Landy family are on the Lonrho payroll as well.

- When the IBB collapsed, Rowland wound up with many of its key pieces. For instance, Rowland became the chairman (and Landy the managing director) of London City and Westcliff Properties, an IBB subsidiary and one of the largest real estate companies in London. Under Rowland, the LC&W provided free apartments for Rowland and other Lonrho executives.

- In 1971 Lonrho, although it was in a severe liquidity crisis, was negotiating to buy production rights to the Wankel rotary engine, which were owned by an IBB subsidiary. The IBB group was led by Capt. Stefan Klein, reportedly once a homosexual lover of Rowland. Somehow Lonrho's liquidity crisis—which was so severe that its merchant bank, Warburg's, quit Lonrho—was not only solved, but the Wankel rights acquired as well, precisely at the same time that Rowland's partners in negotiating the Wankel deal, Landy and Bension, were swindling \$100 million out of the IBB. To this day, IBB's attorney, Mossad-connected Tel Aviv attorney, Eliahu Miron, is a

close friend of Rowland and visits him whenever he is in London.

## **Who killed Walter Nathan Williams?**

There were even more disturbing events which arose in the Rowland-IBB connection. The founder of the IBB was Walter Nathan Williams, a prominent figure in Jewish philanthropic circles who had played a role in founding the nation of Israel. Williams had four daughters, two of whom married Harry Landy and Joshua Bension. As Williams got older, Landy and Bension assumed control over the day-to-day functioning of the bank. According to one of Williams's granddaughters, Francesca Pollard, in 1970-71 Williams was complaining about how Landy and Bension were handling the IBB's affairs, about their "new friends" (i.e., Rowland), and about their plans to sell the production rights to the Wankel.

Williams fell seriously ill in 1971, but was recovering fine when he suddenly died in October. His daughter, Pollard's mother, charged that he had been murdered. The circumstances of his death were certainly curious. His death was not registered for one year afterward, and his will was not probated until 1976. In 1974, his sons-in-law Landy and Bension suddenly produced a document to which they had been the only witnesses, allegedly written by Williams, which stated that all of Williams's estate should be used to back up any loans whatsoever, either then or in the future, which any family members might take from the IBB. Thus, Williams had ostensibly issued Landy and Bension, with whom he was having sharp disagreements, a blank check to loot the IBB, with the knowledge that his own estate be used to guarantee the "loans." His sudden death on Oct. 30, 1971 occurred in the same month when Lonrho's liquidity problems were at their most severe. And in November, Rowland acquired the Wankel engine, to which Williams had been opposed.

Even more curious, the law firm which probated Williams's estate was the same which had handled the estate of Tiny Rowland's father, who died in London in 1974 at the age of 93. And it had been Rowland's own attorney, John Cama of Cameron Markby, who under false pretenses convinced members of the Pollard family to sign away their

rights to the Williams estate, thus freeing it up to be sucked into the IBB which Rowland's pals were looting.

Francesca Pollard claims that Rowland himself may have forged her grandfather's signature on the guarantee witnessed by Rowland's two cronies, Landy and Bension. The claim can not be dismissed out of hand, because not only has Rowland always refused to provide Pollard with a specimen of his handwriting to make a comparison, but a former Lonrho board member was emphatic in stating that Rowland regularly used to forge Angus Ogilvy's signature on bank papers and other documents.

Pollard has been on a campaign for years against Rowland. Insiders report that Rowland is terrified of her, and what she might bring forward were he to ever wind up in court with her. She has been offered £1 million to relinquish all claims to the Williams estate and cease her attacks on him as the looter of that estate. Besides that carrot, Rowland is apparently brandishing a stick as well: a series of break-ins and beatings have struck Pollard's family recently, in an obvious attempt to shut her up. But as one City of London insider who has examined the case in depth remarked, "It is perfectly clear to me that he has ripped off her and the Israeli British Bank and taken over all that company at virtually no cost to himself. Enormous assets, in what could only be a criminal conspiracy. And he has never been prosecuted." Or, as a former longtime Rowland associate commented, "You do not blow up a bank that size without assurances that there won't be repercussions." Clearly, those assurances were given: The IBB (London) is the only fully authorized British bank ever allowed by the Bank of England to collapse.

Not only was the money never found in this unprecedented bankruptcy, but Rowland's two cronies who swindled the money were let off virtually scot-free. Harry Landy was acquitted upon appeal, and Joshua Bension was set free after serving only two years, due to the personal intervention of his in-law, Israeli Prime Minister Menachem Begin.

### **The House of Fraser investigation**

The cast of characters in the IBB affair re-emerged in a curious way in Rowland's long, obsessive battle to win control of Harrod's department store and its holding company, House of Fraser. During an investigation by the British government's Department of Trade and Industry (DTI) into the takeover of the House of Fraser, IBB attorney Eliahu Miron and some of his friends were investigated to see if they had illegally bought shares in the House of Fraser on Rowland's behalf. Miron, who counts many very wealthy Israelis among his clients, admitted that he had offered to do so, but insisted that Rowland had turned him down.

The connections of Rowland and his IBB friends, particularly the Landy family, to the House of Fraser saga did not end there.

In 1987, Paul Shannon, the head of the DTI, recused

himself from major responsibilities in the department, because he was a distant cousin of the Guinness family, whose brewing empire was then under investigation for substantial fraud. With Shannon's recusal, a great deal of power fell into the lap of the DTI's number-two man, its minister of corporate affairs, Michael Howard. Abruptly, charges which Tiny Rowland had made against the takeover of the House of Fraser by the Al Fayed brothers, which had been examined by several successive DTI heads and deemed not actionable, were accepted by Michael Howard, and an investigation was launched into the Al Fayed's.

Why had Michael Howard acted, in effect, on behalf of Tiny Rowland? Howard, it emerges, is not merely a personal friend of Rowland employee (and, some would say, co-conspirator) Harry Landy, but is Landy's first cousin! The close ties between the Landy and Howard families go back to the early part of this century, to the same little Welsh town from which both families come. Rabbi Morris Landy, Harry Landy's cousin, married Michael Howard's parents. Harry Landy owns a reported £500,000 worth of Lonrho stock; Rabbi Morris has been a big Lonrho stockholder. And when one of the Landy clan died recently, a big notice of sympathy was inserted in the London *Times* by Michael Howard and his family.

### **The Meyer Lansky connection**

According to sources intimately familiar with the Bension family, Tiny Rowland's friend and business partner Joshua Bension was on very close terms with the late underworld kingpin Meyer Lansky. So close were the two, that Lansky was a guest in Bension's home during his early 1970s stay in Israel. Lansky at the time was heavily funding the country's "religious right," in hopes of being granted the right to stay in the country. The Bensions were also reported to be squiring Mandy Rice Davies, of Profumo sex scandal fame, around Israel, introducing her into the best country clubs, etc.

One of Lansky's associates during his stay in Israel was a man named Richard Amsterdam. In 1981, as Lonrho was preparing to raise \$1 billion to buy the House of Fraser, Amsterdam's name would surface again. According to informed sources, in September 1981, Lonrho chairman William DuCann was attempting to raise \$1.1 billion, part of which was reportedly for an unspecified "operation" concerning the House of Fraser, and part for Lonrho's Beira pipeline in Mozambique. In January 1981, Lonrho had launched a bid for the House of Fraser, and by the autumn of that year was expecting a go-ahead from the Monopolies Commission, at which point it would need massive funds to augment its 29.9% stake in House of Fraser.

The loan DuCann was working on was most curious. Normally one might expect that Lonrho, one of the top 40 corporations in Britain, would go to a regular bank or insurance company to secure the funds. Nor was DuCann raising

the money openly on Lonrho's behalf. The intended recipient of funds was a company represented by DuCann, the Jersey Island-based West of England Development Co. (Jersey) Ltd., had a paid-up share capital of \$9. The company from which he was trying to secure this huge loan was an equally shadowy entity, the Liechtenstein-based Linsher Anstalt, with a tiny share capital of 20,000 Swiss francs. Linsher was controlled by Joseph J. Hirsh, the true party with whom DuCann was negotiating. Hirsh, an American financier and reputed licensed gold bullion dealer, was the senior partner in Joseph J. Hirsh Associates of 201 E. 79 St. in New York City. To establish his bona fides, Hirsh provided a list of nine personal references, the last four of whom were Richard Amsterdam, Raymond Johnson, Jack Pearlman, and Max Gross—all reputedly longtime associates of Meyer Lansky!

### Rowland and the Iran-Contra scandal

In 1987, and again in 1988, an independent team of accountants (as opposed to Lonrho's "in-house" firm of Peat, Marwick) undertook a review of Lonrho's accounts. They not only found the company to be in possibly shaky financial condition, but made one additional observation. In the words of a source familiar with the review, "The accountant certainly took the view that the whole structure of the company, with its 800 or so subsidiaries, could only be explained by a desire to *confuse*."

Much of the "desire to confuse" has to do with gun-running. Though Rowland has always claimed, as he did in 1986, that "Lonrho has never been involved in arms movements," a quick overview of Lonrho subsidiaries shows how ridiculous that statement is.

Most notorious is the case of Lonrho's Tradewinds subsidiary, which has been sold off since then. From 1969-75, Tradewinds made huge losses as it worked with CIA agents Frank Terpil and Ed Wilson in arming Libya's Muammar Qaddafi. Since Rowland has always claimed with great pride that all subsidiaries of Lonrho are profit-making, and Tradewinds was racking up losses year after year, clearly Tradewinds was not merely, or even mainly, a normal commercial company; nor is the mysterious Lonrho North Africa, which also runs at a loss year after year.

Another Lonrho subsidiary, Armitage Industrial Holdings, Ltd. is a company whose annual report, every year, states: "The company did not trade this year." Its only asset is one airplane. The airplane is used, and has been for years, to shuttle between Mozambique and Libya with weapons on board. Still another Lonrho subsidiary (through Lonrho's 50% ownership of the German freight forwarder Kuhn and Nagel), Red Baron, was caught red-handed in 1980 at London's Gatwick Airport trying to smuggle arms to South Africa. In addition, numerous of Lonrho's subsidiaries are cloaked in "national security" secrecy, where the only information on file is a "dispensation not to file." This is the case with Lonrho's three arms producers in South Africa—Matrix

Products, Matrix Transvaal, and Matrix Natal—all of which are closely linked to the state arms company, Armscor.

That Rowland's name should therefore emerge in the Iran-Contra hearings, as it did in the U.S. Senate when Sen. William Cohen (R-Me.) exclaimed in a horrified voice, "Didn't any alarm bells go off within the administration saying, 'If Tiny Rowland is involved, my God, who else is involved?'" should not be surprising. For several years Rowland has been deeply involved with Iran, of which his gun-running there is but one aspect. The following are some features of this Rowland-Iran connection.

- Rowland's New York attorney is Sam Evans, who is also a close friend and partner of Rowland pal Adnan Khashoggi in gun-running ventures. In 1986, U.S. Customs officials caught Evans in connection with an undercover sting operation which also netted Cyrus Hashemi, Israeli Gen. Avraham Bar-Am, and others, who were supplying guns to Iran. Though caught red-handed, all charges were subsequently dropped.

- In 1987, Lonrho took a 50% holding in a trading subsidiary of the West German steel firm Krupp, forming Krupp-Lonrho, and making Lonrho in effect a partner with Iran, which owns 25.01% of Krupp. In 1988, Lonrho negotiated with Teheran to buy its stake as well.

- Throughout 1987 and 1988, Rowland was flying in and out of Teheran, often accompanied by German arms dealer Wolfgang Michel or the former United Arab Emirates ambassador to the United Kingdom, drug smuggler Mahdi Al Tajir. His aim was to set up a \$1 billion South African arms-for-Iranian-oil deal, and he had two people from Matrix Products in Teheran earlier this year working on the deal.

- The first recorded weapons shipment to Iran, the one credited with having kicked off the whole Iran-Contra affair, was financed by a \$7.5 million loan from Rowland to Adnan Khashoggi to purchase arms. Rowland later claimed he had no idea what his longtime business partner Khashoggi was doing with the money, for which he took mortgages on Khashoggi's planes and yacht.

- The three key figures from Israel involved in the Iran-Contra affair were: David Kimche, former director of Israel's Foreign Ministry and head of the Mossad for Africa; Amiram Nir, former security adviser to the Prime Minister; and Yaa-cov Nimrodi, former station chief in Teheran of the Israeli intelligence service, Mossad. Kimche is now employed by Lonrho's African Investment Trust Ltd.; Nir, according to Israeli sources, was employed by Lonrho at the time of his sudden death in Mexico in December 1988; and Nimrodi is currently the broker for Lonrho in its attempt to acquire the Aviya Sonesta five-star luxury hotel in Taba on the Red Sea.

The Dec. 5, 1986 *Jerusalem Post* reported that Rowland, Israel, and the CIA were going to ship arms to Iran via Zaire. Rowland claims that the deal did not go through.

*Next week: Whom does Tiny Rowland really work for?*

# Simon Wiesenthal: A real Nazi-hunter draws the lessons of history

by Laurent Murawiec

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## **Justice n'est pas vengeance: une autobiographie**

by Simon Wiesenthal with collaboration from Peter Michael Lingens, translated by Odile Demange  
Robert Laffont, Paris, 1988  
394 pages, 115 French francs

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The autobiography of Simon Wiesenthal has just been published in French, in translation from the original German written in collaboration with Austrian journalist Peter-Michael Lingens. What impressed me reading it is the passion for the Law displayed by the famous "Nazi-hunter." Wiesenthal considers himself a survivor, one that only chance and accident saved from the Holocaust, and one indebted to those who did not survive; it is in their name, and to repay that debt, that he has since the war worked against the barbarism that caused the slaughter. His book of memoirs shows it.

Let us see him in the Eichmann affair and the Waldheim affair: Great crises reveal personalities. In the first case, his meticulous intelligence work gave Israeli intelligence the data required to locate and identify, and then snatch the bureaucratic organizer of the "Final Solution." Wiesenthal specifies that Israel must be thanked for having given Eichmann due process. That trial established concretely that there is a Law higher than the victors' law (contrary to the Nuremberg trials), a law higher than "might makes right." The Eichmann trial showed that crimes against mankind can be tried, and the criminals brought to justice—justice is not based on territorial or jurisdictional considerations. Concluding this chapter, Wiesenthal reports Eichmann's final statement at the trial, "I must admit that, today, I consider the extermination of the Jews as one of the worst crimes ever committed in mankind's history. We must do all in our power to prevent such a thing from happening again." Wiesenthal's comment: "I do not know whether this sentence was sincere or if his lawyer had suggested that he squeeze

it in in the hope of saving him from a death sentence. Ultimately, this does not matter, I am glad he said it."

This makes the point, as does the book's title, that Wiesenthal seeks justice, but not revenge. Is "revenge" not incommensurable with the crime, anyway? The author expresses the same when he reports on a debate with young Germans: "Try to disassociate this question from the Jewish question—it is genocide per se that interests me. . . . Genocide is the crime that most fatally threatens mankind."

## **The Waldheim affair**

Some courage was required for Wiesenthal to tackle the true causes of the ruckus raised against Austrian President Kurt Waldheim: He shows how the Austrian Socialist Party, even before Bruno Kreisky was its leader—and especially under Kreisky, and ever since—had bought a good chunk of its political success on an armistice with Austria's Nazis, and, worse, with Nazism. He proves that the Austrian Socialists could not have cared less about justice on that account, but launched the Waldheim affair for despicable reasons of gutter-level politics. He details the abhorrent complicity [Mittäterschaft] and role of the so-called World Jewish Congress and its head Edgar Bronfman—those who issue charges first and investigate last, to quote Wiesenthal's scathing characterization. He shows how Bronfman and his clique merely used that one piece of dirty Austrian political laundry to serve their own ends and goals, which have nothing to do with Jewry, justice, or hunting Nazis, but everything to do with Bronfman's stinking businesses.

This being said, Wiesenthal has no love lost for Waldheim—the lily-livered, flabby opportunist, always crawling to curry the mighty's favor—but demands that the defendant be given due process: presumption of innocence, fair and equitable trial, the right to defend himself and prove himself innocent, if he be so. He concludes that the Austrian President had never been a Nazi, but showed by his very attitude how unworthy he was of his high position.

The gallery of portraits drawn in the book is not very inviting. The reader encounters the banal monsters, the bureaucrats of crime, the professionals who commit slaughter without batting an eyelid—they kill, for such is their job,

what their superiors ordered them to do. Wiesenthal describes them as socially well-integrated, acting within the guidelines set by institutional power, allowing them later to argue, "I was only obeying orders"—not to speak of the cowards who knew nothing, saw nothing, and guessed nothing—quite a lesson for today's events!

Some portraits are overwhelming testimonies to the moral beauty of mankind: concentration camp inmate Dr. Adelaide Hautval, who put her life at stake when she flatly refused to take part in the atrocious "medical experiments" inflicted upon prisoners, and did not hesitate to drive home her point in the following exchange with SS doctors: "What do you mean, you do not want to operate on healthy human beings? Don't you know that there is a difference between human beings? You're being told to operate on Jewesses." She answered: "Of course there are differences between human beings. Between you and me, for example."

Wiesenthal also introduces us to two members of the Nazi Party, Chief Inspector Kohlrautz and Heinrich Guenther, both of whom saved his own life. The lesson as he draws it: "They are the evidence that it was possible to go through the Third Reich without dirtying one's hands. They prove the absurdity of the idea of collective responsibility." Let us also note the remarkable 1983 manifesto Wiesenthal co-authored with two other Polish Jews and three Poles: The document lays the basis for a renewal of relations between Poles and Jews, grounded in the understanding of history.

The author is not always soft on his own people: His damning narration and diagnosis of the crass indifference encountered amongst Jews on the subject of the other genocide perpetrated by the Third Reich, against the gypsies. In whose name should *that* genocide be neglected, omitted, forgotten, he asks? There is no "small" genocide.

### **Against euthanasia**

May the great consciences with a small radius, those who wiggle with petitions and humanitarian appeals, meditate on the precious distinction drawn by Wiesenthal. As he discusses the concept of law and the theory of law applicable to his subject, he forcefully rejects "any theory that considers that law is always but what the state defines as such through its legislation," that is, the so-called historical theory which subjects moral law, and law itself, to the vagaries of history (*Zeitgeist*, Will of the People) and its fetishistic cult-notions (class, race, etc.).

Far from that, he underlines the eminent truth contained in "the Christian idea of a 'natural law' imposed by God," in short, the legacy of the entire Judeo-Christian culture. Based on this idea, Wiesenthal may then vehemently assail the recent wave of "new-style" euthanasia, the "death with dignity" movement.

First and foremost, Wiesenthal lashes at the murderous practitioner of euthanasia Dr. Julius Hackethal, whom he charges with destroying the fundamental inhibition of human

society, that expressed in the Commandment "Thou shalt not kill." "Professor Hackethal demands of himself and his colleagues to overcome this inhibition. This frightens me. I do not like hasty comparisons, but this self-same argument had already been raised by some doctors under the Third Reich: It was medical ethics that demanded murder, in order to avoid something worse—in the event the Judaization of Germany, or the spread of hereditary diseases." He correctly points out that there was no difference between the Nazis' "T4" program that prescribed euthanasia against the so-called "incurables," and then against the "mental defectives," the elderly, and finally, Jews and gypsies.

### **Nazism equals Bolshevism**

From Wiesenthal's narration, the Soviet Union and its satellites emerge branded with the Mark of the Beast. The book shows unambiguously that Soviet Russia is in no way second to the Third Reich, that Moscow after the war systematically recruited Nazi dignitaries, big and small—whenever those were of use—and that these newcomers did not find it difficult to adapt. He shows how Warsaw Pact countries hindered the search for Nazi criminals, and only used "anti-fascism" as a convenient and hollow slogan. Note incidentally the sickening ploy used years ago by Polish intelligence and the KGB, who spread the hoax that Wiesenthal had only saved his skin in concentration camps by collaborating with the SS. As it happens, it was incumbent upon Socialist International dignitary Bruno Kreisky to be the principal propagandist for this particular lie.

Much more information will be found in this book concerning the love affair between the FBI and the Nazis who ran Interpol, concerning the role played by some religious orders, and so on. But the reader will also find a call to Resistance, an appeal to act before it is too late, to combat and beat barbarism before it can crush the rest of us.

Why "hunt down the Nazis," when most of them today are doddering and ancient? Not for purposes of individual revenge, but to assert and strengthen the principle that justice has a concrete reality and efficacy. Short of respecting this commitment, there is no moral basis to hunt down the culprits of the Cambodian genocide, of the massacre of the Lebanese Christians by Syria, or the genocidal uses of the AIDS pandemic.

Unfortunately, the "Nazis" who are being hunted down today are not those who sit on the supervisory boards of major international banks as honorary chairmen. The small fry around which so much absurd noise is being made, guilty or not guilty, are but pawns in the psychological warfare exercises of powers and intelligence services, including the U.S. Justice Department's Office of Special Investigations (OSI).

I do not always agree with every particular judgment or estimate of Wiesenthal's. Respect and tolerance make me listen, though.

## Report from Bonn by Rainer Apel

### East Berlin's race for time

*Both the East German regime and the opposition are under time pressure, to escape economic and social chaos.*

The leadership of East Germany's communist party, the SED, is trying to contain the public protest movement and to have reforms, if only to stabilize the one-party rule, but seems to be provoking ever greater protest rallies and marches against the regime. Refugees are still leaving the country as well, with almost 4,000 crowded into the West German embassy compound in Prague, Czechoslovakia.

There are no illusions among refugees or those who are still engaged in protest actions, about the new man at the top, Egon Krenz, whose remarks at an international press conference after talks with Gorbachov in Moscow Nov. 1 revealed that he does not conceive of himself as a "reformer."

Krenz's Moscow remarks in response to press questions from the floor read like a Stalinist consolidation program: "Whether or not I am a hard-liner in your eyes, is not the question. I am a Communist, in the first place. . . . I have had, and still have, to fulfill certain tasks in my function at the party top, for which I am held responsible at the party; the aim of my policy is to make socialism stronger on German soil."

Krenz reiterated his "firm conviction that the system of socialism is the better one, a real alternative to capitalism." He said his offer of "dialogue is addressed to all those that share the postulates of our constitution for socialism."

Two days earlier, Krenz addressed a meeting of cadets from Warsaw Pact military academies in East Berlin, emphasizing the impor-

ance of the armed forces. "There are, nowadays, mass protest actions where the slogan 'We are the people' can be heard. I want to emphasize that the 'people' includes everybody—also the members of the army, the border troops, and other armed forces, who are seeing to it that normalcy rules at the dividing line between socialism and capitalism every minute of the day.

"Generations of socialists and communists have worked for this first socialist state on German soil, and we will not give it up, just to hand it over to the forces of capitalism as if it were a bankrupt venture. We will work on, with joint forces, to make socialism more perfect."

Krenz knows he doesn't have much time to get the explosive social situation in East Germany back under control. True, he is in command of a powerful police-state apparatus, but even a Communist with 25 years of training in the hands of the Soviet KGB like him, has to weigh the question whether it is opportune to go the Chinese way and order a bloody crackdown on the opposition, provoking a stream of refugees which brings down the regime by mere desertion to the West, or to grant concessions to the growing anti-regime movement.

Opposition leaders are also under time pressure to get reforms on the way, but their prospects are dim. Upfront in the demands of the movement are calls for substantial modifications in the political and judicial system, the economy, and the education sector.

The proposed political reforms

aim at a redefinition of the key "treason" and "political crime" articles in the penal code of law, a relic from the Stalinist period of the 1930s and 1940s. The ban on unauthorized travel abroad—still considered "illegal border-crossing" and a crime against the state—is to be lifted. The one-party rule of the SED would yield to a degree of pluralism that permits other, non-Communist parties to emerge and grow, and to have free elections to a free parliament. Also new legislation defining the role of the police and state security forces (operating in an absolute gray zone now), and a "freedom of information act" for the citizens, are urgent.

Furthermore, the movement is calling for free labor association outside of the hitherto SED-controlled labor federation. There are calls for the deregulation of the monstrous but inefficient industrial combines, to make way for the growth of productive private sector initiatives like crafts shops and medium-sized ventures. Also the agricultural cooperatives are to be deregulated, for the sake of establishing private sector farming.

The restoration of the ailing railway system, the development of strong sectors producing consumer goods, civilian electronics and machinery, is another demand on the movement's priority list. Over the past 20 years, hardly any new investment has been made into these sectors, while massive investments were pumped into the military sector and cash-oriented export industries producing for dumping offensives on Western markets.

Finally, the demilitarization of the education sector is being called for, aiming at the withdrawal of the pre-military training from the curricula and an end to the mandatory training in special camps for secondary and university students.

## Invasion mooted at summit

*Panamanians warned Bush that Noriega's assassination will bring reprisals from all Ibero-American nations.*

The assassination of Gen. Manuel Noriega, commander of the Panamanian Defense Forces (PDF), and plans for a military intervention against Panama were among the topics discussed by President George Bush and Ibero-American leaders at the hemispheric summit held in Costa Rica Oct. 28-29. At a press conference in San José, the Costa Rican capital, Bush claimed that Noriega is doomed. "The day of the despot, the day of the dictator is over," he ranted.

Venezuela's President Carlos Andrés Pérez, along with Costa Rican President Oscar Arias, who hosted the summit, worked with Bush to provide a cover for a U.S. military intervention. The plan would "enlist token Latin American military forces or aid in any U.S. armed action against Panama," reported the *Baltimore Sun* on Oct. 28.

Pérez, who collaborated with Bush in the failed Oct. 3 coup attempt against Noriega, worked with Arias to draft statements condemning Noriega for adoption by the summit. Among the proposals was a plan for the nations of Ibero-America individually to break diplomatic relations with Panama.

But the summit concluded without issuing any declarations on Panama or any other topic. President Carlos Salinas de Gortari of Mexico did not show up. Neither did the Presidents of Bolivia, Guatemala, the Dominican Republic, Paraguay, or Peru; and without their public endorsement, any condemnation of Panama would be meaningless.

The summit was doomed to failure long before those nations decided to

stay away. Billed as a celebration of the centennial of Costa Rican democracy, the summit was really intended to provide a forum for Bush to tell Ibero-American leaders to get behind the U.S. power-sharing arrangements with the U.S.S.R. The expectations were that the U.S. ouster of Noriega would serve as an object lesson for any other leader who dared to challenge the new order. This scenario, of course, fell through after the Oct. 3 attempted coup fiasco.

In the end, the summit degenerated into a circus, with no substantive discussion of any of the serious points on the agenda: debt, development, drugs, and "democracy." And while Panama's President Francisco Rodríguez was not invited because "he was not democratically elected," the head of Nicaragua's Sandinista regime, Daniel Ortega, was.

Bush and Ortega engaged in a silly game of "photo opportunity," with Bush doing his darndest to avoid being photographed with Ortega. "He's always sidling up to me looking for some kind of photo op," said Bush. Ortega, who presides over a Soviet client-state, got his picture. He also hogged the headlines by first canceling, then reinstating, and then canceling again a cease-fire with the Nicaraguan Contras, whom the United States is sacrificing in the horse trading with the Russians.

While in Costa Rica, Bush met with Guillermo Endara and other leaders of the Panamanian version of the Contras, the CIA-financed Panamanian Democratic Opposition Civic Alliance (ADO-C). After the meeting, Endara "practically called for the as-

sassination" of Noriega during a televised interview, charged Panama's Interior and Justice Minister Renato Pereira. Reportedly Endara said that Noriega would leave office "dressed in wooden pajamas before the end of the year."

Hauled before the authorities upon returning to Panama, Endara denied that he had called for Noriega's assassination, but admitted to making "joking" remarks that could have led to that conclusion.

For the Panamanians, the murder of Noriega is no laughing matter. The national committee of the ruling Democratic Revolutionary Party approved a resolution on Oct. 28 saying, "We hold the Bush administration and its internal allies responsible for the unfathomable consequences which the plans to murder Commander Manuel Antonio Noriega imply for Panama and the continent." They warned that any attempt against Noriega would be countered in such a way, "that no place in our country or Latin America will be safe for the enemies of national liberation."

In an open letter to the Presidents of Latin America, President Rodríguez repeated the offer he made to the United Nations on Oct. 3, for Panama to be the headquarters of a multinational force against drug trafficking, provided "that such a force is established through an international treaty that guarantees that the sovereignty and territorial integrity of nations is respected."

The Panamanian President chastised his Ibero-American colleagues for calling for democracy in Panama, "without once mentioning the merciless economic, political, and diplomatic aggression that the U.S. has launched against us, and without mentioning the permanent harassment by U.S. armed forces against our territory."

## 'Green terrorism' looms

*Brazil's terrorists from the 1970s are suddenly very concerned about saving the ecology.*

The Brazilian environmentalist movement is getting ready to enter into a pre-terrorist phase, with its most visible targets being advanced science research centers, military technology, and energy production facilities.

In October, several ecologist groups attempted by legal means to block military maneuvers in the state of Mato Grosso do Sul, with the argument that those maneuvers would damage the environment. They also attempted to halt the operations of the Angra I nuclear plant, and to shut down the army's Technological Center in Rio de Janeiro. On Oct. 26, a horde of greens "occupied" a hydroelectric plant in São Paulo. Approaching the plant by river, they attempted, without success, to disconnect the motor on a water pumping device.

As elsewhere in the international ecology movement, the leadership nucleus of Brazil's "greenies" is made up of a group of "former" terrorists from the 1970s. Among them is Fernando Gabeira, head of Brazil's Green Party, and various militants of the old Aliança Libertadora Nacional (ALN), the best organized terrorist group of that decade, led by urban guerrilla expert Carlos Mariguella.

Recently, the Brazilian Green Party formalized its relations with its West German counterpart, the Greens, who already hold seats in the West German parliament. Both parties decided to combine their fascist goals. At a press conference given Oct. 24, the general secretary of the German Greens, Eberhard Walde, an-

nounced that the two parties would dedicate their efforts to sabotaging the continued nuclear deal between Brazil and West Germany. That deal has already been shrunk to a mere shadow of its former self, a result of the financial straitjacket that has been imposed by the International Monetary Fund on Brazil.

The Greens in both countries advocate the installation of small hydroelectric and thermal plants—part of the "appropriate technologies" strategy encouraged by the World Bank—and urge rationing of energy consumption by 20%. Such rationing will be the inevitable catastrophic result, in any case, of the serious lack of investment that Brazil's energy sector is suffering—another consequence of the genocidal colonial policies imposed on Brazil by its international creditors.

It came as no surprise when Tani Marilene Adams, the Ibero-American representative of the international ecological terrorist movement Greenpeace, announced Oct. 16 that that organization will be opening offices in Brazil, its first in a developing sector nation. Adams said that Brazil's participation in "the world debate on the environment is indispensable," and that Greenpeace in Brazil would serve as a major distribution center for information to other groups throughout the continent.

In the 1970s, Greenpeace boasted of being "the ecology movement's shock troops." Now, Greenpeace serves as an intelligence agency for several countries, but principally the Soviet Union and the British Com-

monwealth. Since its founding, Greenpeace has accumulated capabilities quite atypical of an international lobbying effort. For example, it possesses an international fleet of ships, which enables its forces to deploy globally to any point of military or commercial interest; it has sophisticated electronic surveillance equipment and a complex computer network worldwide.

To these ecologist pressures on Brazil can be added that of the United States, which is determined to block development of the Brazilian aerospace program, and the rantings of the international ecological-fascist hordes who seek to impose the concept of "limited sovereignty" over the Brazilian Amazon. It was this "Amazon" lobby which sponsored the demonstrations in front of the Brazilian embassy in London on Sept. 13. The entrance of the embassy was blocked by a mountain of mailbags containing letters demanding that the Amazon region be treated as "the common patrimony of humanity," instead of as the territory of a sovereign nation.

Participating in that demonstration were, among others, Greenpeace, Survival International, and Friends of the Earth—all coordinated by the Brazilian Network. Some of these are also connected to the Ecological Assembly, an entity in Mato Grosso do Sul which has sought to prevent the holding of military maneuvers.

The intent of these coordinated actions is to force the Brazilian government to abandon its commitment to researching and implementing modern technologies, such as nuclear and aerospace. They want to force the government, by means of terrorist blackmail, to sign the nuclear Non-Proliferation Treaty, which has been properly viewed by the majority of Brazilians as a clear violation of national sovereignty.

## Peru doesn't have to lose cocaine war

*The Catholic Church and some military and political factions are resisting the surrender to narco-terrorism.*

Peru is being destroyed as a sovereign nation by the idea that it is "too poor" and "too dependent on the cocaine industry" to eradicate it. When Alan García became President in 1985, he rallied his nation to fight drugs, usury, and communist terror. The drug mafia was hit hard. If he does not soon resume the moral initiative, Peru will be destroyed.

Peru has stopped coca bush eradication. Prime Minister Guillermo Larco Cox cynically suggested that the United States should buy the coca leaf crop. President George Bush equally cynically stated on Nov. 1 that the Andean countries, the front line in the cocaine war, could only get U.S. aid "to encourage and support fundamental economic reform in the countries of the region on the basis of market-driven policies." Such policies are precisely what has facilitated drug trafficking.

García is doing just what Bush demanded. In the next few months, Peru will take investments in exchange for relief on its foreign debt, open up free ports, and host an International Monetary Fund mission.

The García government's cutting farm subsidies is "contributing to the propagation of narco-terrorism," a faction of his own APRA party charged. In an Oct. 24 newspaper ad, the Cultural Association for the Social Protection of Youth and the Population demanded "a radical change in our agrarian policy." It urged Peru to join "the total war on drug trafficking" declared by "our sister Colombian republic."

García's policies caused econom-

ic output to drop 20% in the past year. Poverty and misery are ubiquitous. A senior Bush administration official admits, "This country is in the middle of an economic crisis" and "doesn't have the money" to stop a 20% increase in coca production this year. The politicians—from left to right—conclude that Peru needs the \$3 billion brought in yearly by cocaine exports. But an *EIR* study has demonstrated that Peru's dependence on coca dollars caused rather than alleviated the economic collapse.

The war on drugs has ground to a halt. Gen. Alberto Arciniega, army commander in the major coca zone, argues, "Most of my troops come from this area. In effect, the police were wiping out their families' livelihood while I was asking them to fight the Shining Path [terrorist gang], which was sworn to protect growers. Shining Path looked like heroes. It was a crazy idea."

The Bishops Council of the Catholic Church condemned the politicians in the United States and Peru hankering for "dialogue" with narco-terrorists and legalization of drugs. It demanded "radical action against the cocaine traffickers and the corrupt civil and police authorities implicated by omission or commission in the perverse drug trade." It noted that the terrorists "ally with the heads of the drug trade, to expel civil and police authorities from the zones where they operate. In exchange for protection and services given their business, the drug traffickers supply the terrorist groups with weapons, money, food, and transport."

Shining Path called an "armed strike" for Nov. 3 and is well on its way to disrupting the Nov. 12 municipal elections. Over 60 candidates and office holders have been assassinated in the past month. Hundreds of others have quit in the face of death threats. Security sources say the terrorists could prevent elections in a third of Peru's territory.

"Tell Luis Vásquez we will put a bomb in your offices at any moment," an anonymous caller to the offices of the Peruvian Labor Party threatened on Oct. 17. Vásquez, Secretary General of the PLP, is an associate of American statesman Lyndon LaRouche. Since the Colombian government went to war against the drug cartel in August, the Labor Party has been campaigning for Peru to do the same.

Two weeks before, PLP organizers had found painted on their office door, "Death to Informers—Shining Path," and a hammer and sickle. Later, the telephone lines in the office of the PLP were suddenly disconnected. Telephone company technicians reported there had been "an act of sabotage, deliberately disconnecting the lines."

Retired military officers have issued a call for immediate action to save Peru while it is still possible. "President Alan García [must] make the political decision . . . to combat terrorism before it is too late," the Association of Retired Armed Forces Officials demanded in an Oct. 17 release. Peasants, local officials, and members of the Armed Forces and police are being massacred, while the Military High Command and politicians look out for "their personal political interests," they charged.

The retired officers blasted the "cowardly attitude" of the military brass, which sends soldiers to battle without equipment.

# International Intelligence

## **British SAS training Cambodian guerrillas**

British Special Air Service troops have been training Cambodian guerrillas who are now fighting with Pol Pot's Khmer Rouge, *Jane's Defence Weekly* reports.

At the behest of the United States, the British Ministry of Defense approved the SAS involvement in 1985, and Hong Kong sources report that Malvinas War veterans were flown to Thailand to create a "sabotage battalion" ostensibly commanded by troops loyal to former Cambodian ruler Prince Sihanouk. These troops are now integrated in the "national army" of the four-party Cambodian resistance dominated by the Khmer Rouge, by far the best armed and most powerful of the groups. Under dictator Pol Pot, the Khmer Rouge killed 3 million Cambodians during its brief rule.

On Nov. 15 Britain will co-sponsor a resolution at the U.N. General Assembly which "deplores foreign [i.e. Vietnamese] armed intervention in and occupation of Kampuchea," the *Independent* newspaper reported Oct. 31. The U.N. resolution calls for a "comprehensive solution" in Cambodia, and refers to the U.S.-Chinese plan for including the Khmer Rouge in a coalition government in Phnom Penh.

## **Argentina's Seineldín forced to retire**

Col. Mohamed Alí Seineldín, leader of the nationalist wing of the Argentine Army, has been forced into retirement by a decision of the Army Promotions Board and Army Chief of Staff Gen. Isidro Cáceres. Colonel Seineldín was eligible to be promoted to the rank of general in December of this year, but in a decision announced Nov. 1 in Buenos Aires, General Cáceres said that Seineldín was "unfit to continue in active service."

The decision is the work of the High Command, which has long wanted the colonel removed from active duty. Its action is a slap in the face to President Carlos Menem,

who recently pardoned Seineldín and 181 other officers who were involved in military uprisings during the 1983-89 regime of Raúl Alfonsín.

Seineldín has stated that he will not contest the decision, but Menem can disapprove it.

A hero of the 1982 Malvinas War, Seineldín led a December 1988 uprising against Alfonsín's anti-military policies and demanded that steps be taken to restore dignity to the institution of the Armed Forces. At the time, Seineldín was stationed in Panama, serving as military attaché and adviser to the Panamanian Defense Forces.

The board charged Seineldín with having abandoned his post in Panama "without authorization," with "surreptitiously entering the country," and with formulating "demands . . . referring to the government's military policy." The effect of the decision is to nullify the recently granted pardons for the nationalists, while leaving them in effect for those who "disappeared" thousands of citizens in the 1970s war against subversion, and for the leftist terrorists they were fighting.

## **French minister calls for total war on drugs**

"A total war must be waged against drugs, the plague of modern times," wrote French Deputy Foreign Minister Edwige Avice, in the French daily *Le Figaro* Oct. 25.

Avice demanded that "economic, public health, social, and public order solutions" be adopted. "The U.N., the Americas, and Europe resound with the echoes of President Barco's speech . . . it is impossible not to choose sides."

The Socialist minister explained that "the drug trade reportedly has a turnover of \$500 billion, that is 40% of the entire Third World debt, or the entirety of Latin America's debt. The collapse of the price of Colombian coffee has caused an immediate increase in coca cultivation in Colombia. But, the income received by the farmers cannot compare with the millions of dollars drawn

from the resale of the drugs. The money is laundered through tax havens and offshore banks."

## **Bonn official attacks Sachs's role in Poland**

West German Chancellor Helmut Kohl's National Security Adviser Horst Teltschik attacked the role of "Harvard economists" in giving advice to Poland, while Western governments have come up with precious little in the way of financial aid.

The criticism was directed notably against Jeffrey Sachs, whose widely touted plan to "save" Bolivia turned that nation into a drug plantation, and who has drawn up an austerity program for Poland at the request of the new government there (see *EIR*, Sept. 21, 1989 "The 'orthodox' road to a dope economy").

"The Poles don't need Harvard professors telling them what to do," Teltschik said. "What is really important is to give the Poles the means and chances for reform, and time is pressing."

Hinting that Kohl will give credit guarantees for a new 3 billion deutschemark emergency investment package when he visits Warsaw on Nov. 9, the chancellor's adviser called for "assistance also by other Western countries."

## **Two Franco-German military projects cut**

The West German government has eliminated two joint German-French military projects for "budgetary reasons."

The cuts are occurring against the background of stagnating Franco-German relations. But Horst Teltschik, West German Chancellor Helmut Kohl's national security adviser, was at pains to stress how greatly Bonn values its ties to France. "Next to friendship with the United States, the top priority in our policy is friendship with France." The chancellor went to France on Oct. 24 for meetings with French President Francois Mitterrand.

The projects affected by the cuts imposed by the fiscal commission of the parliament, are the PAH-2 anti-tank helicopter (night combat-capable) and a modernized version of the French Exocet air-launched missile.

### ***Hungarian defense chief 'cannot exclude' civil war***

Hungarian Defense Minister Gen. Ferenc Karpati stressed how grave the Hungarian crisis has become, presenting a picture in which bloody civil war cannot be ruled out, in an interview with the French daily *Le Figaro* Oct. 26.

"Politically, we have many problems, many conflicts. And there is little hope our situation will get better. Therefore we're very concerned," Karpati said. Asked whether the crisis in Hungary could become an armed conflict, he replied, "I can't exclude the appearance of an armed conflict. Theoretically, everything is possible."

Karpati's remarks were the first time that the defense minister of a Warsaw Pact nation has publicly stated that bloody civil wars could erupt from the East bloc crisis.

### ***Soviet shipping agency exposed as spy center***

A Soviet shipping agency, Transworld Marine Agency, based in Rotterdam, the Netherlands, regularly plays host to KGB agents, according to a leading Rotterdam financial daily, *NRC Handelsblad*, on Oct. 21.

Last April, G.S. Karpensyankov, a known KGB officer who used his position as a trade representative at Transworld Marine as a cover, was expelled from the Netherlands for engaging in espionage, after trying to bribe a police officer who was involved in monitoring Soviet seamen and other Russians there. Europe's largest-ever seizure of heroin was from a Soviet ship in the Port of Rotterdam in 1986—a shipment arranged through Transworld Marine Agency.

In addition to trying to bribe police and

monitoring military activity in the Port of Rotterdam, which is NATO's most important logistical port, the spies were trying to recruit technical and university students as spies.

### ***Angry reception greets Samper Pizano in Europe***

Ernesto Samper Pizano, the Colombian presidential candidate who is a top international promoter of drug legalization, found a less than friendly reception during a European tour at the end of October and beginning of November. Wherever he went, and tried to pass himself off as an "anti-drug fighter," the Schiller Institute blew his cover by circulating the facts on his pro-legalization stand.

In one such instance, in Stockholm, Sweden, the institute distributed leaflets around government buildings prior to a meeting between Samper Pizano and the Swedish foreign minister, denouncing the Swedish government for sabotaging the Colombian government's war on the drug cartels.

Swedish National Radio news on Nov. 1 picked up the campaign and blasted Samper Pizano as a proponent for legalization of drugs: "If legal and police efforts fail, I am for legalization of drugs, says Samper Pizano from Colombia, on a visit to Sweden. But legalization of drugs, he claims, is not something that can be done unilaterally; it has to be a multilateral decision. . . . His critics claim that he is serving the drug traffickers' interests by his unclear stand on drugs and his demand for a dialogue with the drug barons."

Samper Pizano is fraudulently trying to portray himself as a close friend of Luis Carlos Galán, the presidential candidate whose assassination by the drug mafia last summer triggered the government's shift toward a military war on drugs. But as the Swedish radio broadcast pointed out, "Galán had a very clear standpoint on fighting the drug barons. The man who is going to succeed him is much more unclear in his stand on drugs."

## ***Briefly***

● **ISRAELI FINANCE** Minister Shimon Peres will visit the Soviet Union in December, on the first visit there by an Israeli minister since Moscow severed diplomatic relations with the Jewish state in 1967. "The Soviet Union has changed its aims also in regard to the Middle East," Peres said. "They have a keen interest in economic ties with us, and we have a keen interest in economic ties with them."

● **THE FIRST 'CENTER** for International Environmental Law" has been opened in Great Britain, based at King's College, London, and will have an office in Washington, D.C. the *Times* of London reported Oct. 31.

● **SHINTARO ISHIHARA**, politician and co-author of *A Japan that Can Say No*, writes that he is afraid that one day the United States and Soviet Union will decide to gang up on Japan, which has no nuclear arms, "since both Americans and Soviets are white," the *Daily Telegraph* reported Oct. 31.

● **CHAIRMAN MAO** is making a comeback in Communist China, according to Reuters, which reports that Beijing's hardline leadership is trying to resurrect him as a national hero, in order to defuse popular resistance to the Communist regime.

● **FIDEL CASTRO** told the Papal Nuncio in Havana that he would welcome a visit by Pope John Paul II.

● **THE TRILATERAL** Commission's European branch met in London Oct. 27, with a specific agenda to consider the British political situation. It was hosted by Sir Michael Palliser, a senior Foreign Office influential who has long been active in Anglo-Soviet "Trust" circles and is now a director at the Midland Montagu investment bank.

## His presidency adrift, Bush embarks on summit at sea

by Nicholas F. Benton

Just as critics of President Bush began taking their gloves off to condemn his lack of leadership, the President announced an unstructured December “non-summit summit” with Soviet President Mikhail Gorbachov at a White House press conference Oct. 31. The summit, or “meeting,” as Bush officials insist on calling it, is scheduled to occur aboard two ships, one U.S. and one Soviet, off the coast of Malta in the Mediterranean on Dec. 2-3.

The “non-structured” character of the meeting, as described by Bush during his rambling press conference, has experts alarmed. One journalist could not help raising the spectre of the close call at Reykjavik, Iceland in October 1986, when Gorbachov nearly took President Ronald Reagan to the cleaners in a similar “non-summit” called on short notice. Although the U.S. administration denies that there have been any pre-set agenda items, and that “both sides will be free to bring up whatever ideas they want,” there are widespread reports that the Soviets will be coming primarily with economic demands.

Gorbachov will be looking to come out of the December meeting with promises of an economic bailout to salvage his position within the Soviet Union, where he faces the gravest challenge since he took power in March 1985. Despite seeking support within the Supreme Soviet for a ban on strikes during the severe Soviet winter, Gorbachov has already seen some potentially crippling strikes break out. If they spread to the transportation sector, the country will be paralyzed, and the growing legions of Gorbachov enemies will use the occasion to dump him.

Soviet expert Gen. Paul Albert Scherer, the retired head of West German military intelligence who was in D.C. to brief officials for two weeks just before the announcement of the December summit, said that Gorbachov has no more than seven months left. He warned that Gorbachov would be

replaced by a racist, hardline regime that would resort to the “Beijing solution” of brutal internal repression, and renewed military threats to the West. He cautioned the U.S. to take adopt a “wait and see” posture, making no commitments, especially in arms control or economic bailouts, until at least next summer.

### U.S. asked to accept crackdown

For his part, Gorbachov has let it be known that he is prepared to adopt “Beijing solutions” of his own against dissenters. As the Soviets announced the Dec. 2-3 meeting in Moscow simultaneously with Bush’s announcement in Washington, senior U.S. administration officials noted that Gorbachov has privately told Bush to expect “some steps to be taken within the Soviet Union that might be inconsistent with democratization.” Gorbachov will repeat this line during the December meeting, according to the administration source quoted in the Nov. 1 *Washington Post*. He will “appeal for U.S. understanding and restraint” as “he may be obliged to take steps that seem inconsistent with his goal of democratizing Soviet society”—namely, a domestic crackdown.

Citing the economic crisis within the Soviet Union as the cause for the unrest requiring the repressive measures, Gorbachov is expected to press Bush for an economic bailout, which would include removal of the U.S. Jackson-Vanik Amendment that prohibits granting the Soviets “Most Favored Nation” trading status with the U.S., and relaxation of the COCOM restrictions on high-technology trade between the West and the East bloc.

Western experts fear that, given what they call Bush’s “almost pathological inability to make command decisions,” displayed over recent months, he might cave in under the pressure of long, arduous, unstructured private talks with

Gorbachov and give the Soviet leader almost everything he wants—much as Reagan did in Reykjavik. Under such circumstances, Gorbachov could also commit Bush to huge reductions in conventional forces in Europe. Helping to convince Bush of the virtues of such a deal will be the impact of the Fiscal Year 1990 budget sequester, which his vacillation permitted to extend more than a month into the new fiscal year, and which could become permanent. The budget sequester could force a U.S. military manpower reduction of as many as 120,000 in 1990, and Bush might look at a new, sweeping conventional forces reduction offer by Gorbachov as an answer to his budget dilemma.

Experts fear, of course, that such a development, combined with anticipated rapid progress toward a strategic nuclear arms (START) accord by early next year, could result in restoring to the Soviets a decisive war-winning military margin over the West, which could be lethal in the hands of either Gorbachov or his successor.

What experts fear most in the context of the superpower relationship is the overall pattern of Bush's behavior since taking office last January. The most common expression circulating in Washington currently is that Bush "still thinks he is the vice president." Namely, he still thinks he is in a job that requires only ceremonial, but not decision-making duties. He has the travel schedule of a vice president, hitting the road almost weekly to stump for a candidate or push some symbolic program, while refusing to make command decisions.

As a result, the nation has ground to a virtual standstill domestically, with the failure to resolve a FY90 budget resulting in the looming threat of a permanent across-the-board "sequester" under the Gramm-Rudman deficit reduction law, and the inability to pass legislation to raise the U.S. debt ceiling to \$3.2 trillion threatening to push the government into formal default. Sale of individual U.S. treasury bonds was already suspended Nov. 1.

By reacting to events rather than taking initiative, as other critics have seen him, Bush is particularly vulnerable to manipulation by Gorbachov. This is particularly true because of Bush's continued insistence that it is his duty "to help *perestroika*" (Gorbachov's military reform program) succeed. In his press conference announcing the Dec. 2-3 meeting, Bush categorically refused to entertain the thought that, even with the threat of unrest and coups in the Soviet Union, the progress toward positive reform would fail to occur.

### **Bush thinks *perestroika* irreversible**

In a tell-tale exchange, this reporter asked Bush: "There's been a lot of talk around town about the survivability of Gorbachov, especially going into the winter months and the prospect of strikes and so forth. When you say you would like to see *perestroika* succeed in the Soviet Union, do you equate that with the success of Gorbachov personally?" Bush replied, "I think it's tied up in that right now, yes."

This reporter followed up: "Do you think if there is anything that you could do to help strengthen his position in the Soviet Union that you would do it?"

Bush answered, "Well, I think we've got to know what 'it' is. But this is the kind of discussion we can have. I say this: I don't think you base the foreign policy of a great power like the United States on one personality."

Later in the press conference Bush repeated, "We are not basing the foreign policy of the U.S. on any individual," adding, "We've got to look at broad changes, we've got to look at commitment from all elements of leadership in the Soviet Union, where they come from—fascinating meeting the other day with Mr. Primakov here—and assess all of this and spell out as clearly as you can what's in the interest of the U.S. and the Alliance.

"And this meeting will help in that regard. But it's not predicated, our whole arms control agenda, on Mr. Gorbachov. Similarly, I don't think they do that on a U.S. President at the time. . . . You hear a lot of cross-currents about how successful *perestroika* is going to be. But one thing you get back from all the Soviet leaders is, look, the clock isn't going to be set back and we—'we'—are going to go forward with *perestroika*. Whether it's Mr. Yeltsin when he was here or Mr. Gorbachov's statements and visits with Shevardnadze, visits with Mr. Primakov; and then others meet with other layers of the Soviet bureaucracy. And you get the distinct feeling that the clock is not going to be set back to square one." Driven by such an obsession that the Soviets cannot fail but to move forward, Bush is prone to look at any evidence to the contrary, such as a brutal internal crackdown, the overthrow of Gorbachov or even the outbreak of civil war within the Soviet Union, through the same rose-colored glasses.

In reality, as General Scherer pointed out during his recent visit to Washington, conditions in the Soviet Union are now so unstable that, in the wake of a coup against Gorbachov, civil war would lead to a disintegration of the country into fractured regions dominated by contending warlords, creating a circumstance in which one such warlord "might actually be willing to push the button" to launch a nuclear strike against the West.

But Bush's "*perestroika* is irreversible" line is new, a departure from statements he made earlier this year when he justified a "go slow" approach to the Soviets. Secretary of State James Baker III has helped shape this new thinking by Bush, reflecting in two major speeches recently—one to the Foreign Policy Association in New York Oct. 16 and another to the Commonwealth Club in San Francisco Oct. 23—the concept that "the cold war with the Soviet Union has ended."

But experts with a longer view of history view the Dec. 2-3 summit aboard ships in the Mediterranean as ominous. They recall that the 1807 summit between Napoleon and Czar Alexander I at Tilsit was held aboard a ship. That historic precedent for the summit-at-sea resulted in war.

# Judicial barbarism in the trial against Michael O. Billington

by Gail Billington

*From a speech prepared for delivery on Nov. 5 to the Food for Peace conference in Chicago, Illinois:*

I am here today on behalf of my husband, Michael O. Billington. Mike has been a political associate of Lyndon LaRouche since 1972. Since 1982, Mike has worked as a political fundraiser. In fact, Mike is a very good fundraiser—too good for the political enemies of Lyndon LaRouche. From 1982 until the government-imposed involuntary bankruptcy in April 1987, Mike had raised approximately \$5 million in sales of political literature, outright contributions, and political loans. From April 1987 through January 1989, Mike doubled that amount in sales of literature and contributions alone. In the closing days of the 1984 presidential campaign, the political enemies of Lyndon LaRouche launched an all-out attack to “Get LaRouche.” As part of that offensive Mike, and others like him, had to be put out of commission.

Mike is one of the six people tried and convicted with Lyndon LaRouche in federal court in Alexandria, Virginia, and sentenced to three years in federal prison in January 1989. Until September, he was serving time in a minimum-security federal prison. Mike is also the second of 16 individuals and five corporations to face trial in the Commonwealth of Virginia, on charges that the political loans they raised were “securities.” Mike was charged in Virginia on nine counts, carrying a maximum sentence of 90 years.

Mike saw his trial in Virginia as his moment to do what was made impossible by the rocket-speed of the Alexandria court. This meant completing the job started in Boston, which had led that jury to say they would have acquitted all the LaRouche defendants, because of the stench of government misconduct. Mike determined to put the whole truth on the table, including the direct role of the Oliver North/Spitz Channell/Iran-Contra crowd in disrupting the fundraising of LaRouche’s associates. It meant ripping apart the government’s lie that fundraisers used the War on Drugs as a gimmick to raise money, but putting on evidence of the LaRouche movement’s two-decade collaboration with heads of government, military, and political leaders to build an alternative to the multibillion-dollar drug economy.

And it meant ripping apart the biggest lie of all, the lie that underlies every prosecution against the members of LaRouche’s philosophical association, and that is, that Lyndon LaRouche is the evil genius of a tightly knit criminal conspiracy, whose sole purpose for existence is the self-aggrandizement of LaRouche, of aiding and abetting his “lavish lifestyle.”

This defense “strategy,” if you will, had been discussed among Mike, his Alexandria codefendants, and legal counsel repeatedly from January to July. Up until two days before the start of Mike’s trial, there was a clear outline of the strategy, tactics, and witnesses Mike would insist be called in his defense.

## Defense lawyer joins the prosecution

Then, all hell broke loose. On Sept. 14, Judge Clifford Weckstein denied Mike’s motion to dismiss the case on grounds of double jeopardy. After that hearing, Mike’s attorney Brian Gettings told Mike that he could not wage the kind of defense Mike wanted, unless Mike gave up his fundamental constitutional right to a jury trial and put his fate in the hands of the judge. Gettings argued that a judge would be more lenient than a jury in sentencing, were Mike found guilty.

Mike did not dismiss the proposal out of hand. He told Gettings he would consider it, and would consult other lawyers and friends, including Lyndon LaRouche, over the next few days. This he did, and concluded that the only acceptable result was total acquittal, which he believed could only be possible in Virginia with a jury trial. He refused to be intimidated by the threat of a 90-year sentence by a runaway jury—as had happened with Rochelle Ascher’s 86-year sentence—and he insisted that presenting the whole truth was the only chance for justice.

That’s when Soviet-style justice moved in. Mike’s lawyer threw a fit. He accused Mike of offending his professional pride, even though he admitted that the choice of jury trial was *entirely* up to the defendant. He denounced Mike as mad, and accused him of taking orders from LaRouche.

At an emergency hearing on Sept. 18, the eve of Mike’s scheduled trial, Gettings introduced a motion to withdraw

from the case. His motion was carefully crafted to invoke the Virginia statute calling for Mike to be declared incompetent by the court. On the suggestion of the prosecution, Gettings seconded a proposal for Mike to undergo *psychiatric evaluation*. Mike protested, and was supported by the judge, who agreed with Mike, but felt overruled by the prosecution and defense attorney's request.

### Solitary confinement

What came into play at the same time, was the second track of egregious violations of Mike's civil liberties. During the trial, Mike was detained at the Roanoke County Jail, having been moved from a lowest level federal security facility. For reasons *never* explained, Mike was immediately placed in solitary confinement, and allowed to make phone calls only to his attorney. To this day, Mike is being held in solitary confinement, confined to a 9-by-12 cell 24 hours a day, given only three hours a week in the gym to exercise, and *no calls* but to his lawyer. To this day, he is not allowed to call me, his wife; calls he has made are cut off. I am allowed to talk to him through a glass window 15 minutes a day, two days a week.

On Sept. 16-17, while Mike was considering the issue of a jury trial, the sheriff suddenly withdrew paralegal visitation rights to the two people who have worked on his case for two and a half years, myself and Martha Quinde. So Mike was effectively cut off from contact with everyone except an attorney who was committed to proving his client mentally incompetent to assist in his own defense!

Mike did allow a psychiatrist to interview him for one hour in the jail on the evening of Sept. 18. The following morning the local newspaper blared, "LaRouche aide trial delayed: Billington to undergo mental test."

In court on Sept. 19, the psychiatrist declared Mike to be sane, that he could find no disorders; but under questioning by the prosecutor *and* Mike's attorney, he admitted he was not an expert in *cults*, and therefore would welcome a second opinion!

### Enter Dope, Inc.'s psychiatrists

Prosecutor and defense attorney joined forces and immediately demanded a second, in-depth psychiatric exam, and lo and behold, prosecutor John Russell knew just the place to send him: the Institute of Law, Psychiatry and Public Policy at the University of Virginia in Charlottesville.

What is the ILPPP? It is financed by, and enjoys a "strong" relationship with, the Virginia Attorney General's office—the prosecutors against Mike—and the FBI, two central elements of the "Get LaRouche" task force. Its director, Richard Bonnie, prides himself on being the "grandad" of the movement to decriminalize drugs in the United States, which had been exposed, and politically set sharply back, by the LaRouche-led forces in the late 1970s.

Mike refused the second exam by these political enemies,

knowing that it was an opportunity for those enemies to open a Pandora's box of attacks on his friends and associates. He refused, knowing that he was running the risk of facing contempt of court.

On Sept. 26, Judge Weckstein, instead of citing him for contempt, declared that he found "not an iota, not a scintilla" of evidence of Mike's incompetence, and also supported Mike's concerns that the ILPPP is hardly what you would call a "disinterested party." However, that same day brought a new level of Kafkaesque insanity, when the judge ruled that Mike had to proceed to trial the next day—with Brian Gettings as his counsel of record!

From this point forward, Gettings's overriding concern seemed to be to argue for his view that Mike was "directed" in his approach to the case, and not defending Mike against the criminal charges brought against him. The prosecution proceeded to jam the record with the most outrageous prejudicial hearsay evidence, including, not direct testimony from lenders, but testimony of their children and lawyers!

Mike filed no fewer than four separate motions, *pro se* (on his own behalf), pressing for substitution of counsel. Two of the motions requested mistrial on the grounds that he could not exercise his constitutional right to testify in his own behalf or to call witnesses.

Mike's jury trial lasted exactly 15 days, from selection to verdict. The *coup de grâce* came with the closing arguments on Oct. 23. Brian Gettings told the jury that, indeed, in some cases, these political loans were securities, and implied that Mike may have committed fraud, but begged for leniency. His parting words were high praise for the prosecution. The judge, for his part, concluded the day by chastising Mike that, were he in Mike's shoes, he could not have wished for a better closing argument than Mr. Gettings's.

In the Soviet Union, where the judge, the prosecutor, the local law enforcement, and defense counsel are all employed by the state, it is not unusual for the lawyer of a defendant accused of a political crime to argue that his client is insane, mentally incompetent, as demonstrated by his refusal to adhere to the belief structure of the state. More often than not, such prisoners are placed in so-called mental institutions, for "observation" and "treatment."

Mike has no doubt about *his* own competence, and has doggedly pursued his objective of putting on the table the whole truth, and that means acquittal for all the LaRouche defendants. It is precisely the extremes of judicial barbarism that will backfire on their perpetrators.

In a recent letter to his friends, Mike wrote how elated he was at the news of the bankruptcy ruling [see *Feature*, page 24]. In closing, he wrote, "Time is short, but the moment is ripe. The ground is shaking under the Olympians' feet, and Reason awaits our call."

Friedrich Schiller wrote, "Eine Grenze hat Tyrannennmacht!" There *is* a limit to the tyrant's power. And that idea lies at the very heart and soul of this nation.

## American patriot and world citizen

Michael O'Mara Billington was born to Ruth and Joseph Alford Billington on July 8, 1945 at the U.S. Naval Base Hospital in Jacksonville, Florida. His father had been commissioned as an officer straight out of college in 1942, and was stationed in Jacksonville.

After the war, they returned to Cleveland where his parents had been after their marriage in 1939. There his older brother and he, and three subsequent siblings, grew up in the suburb of East Cleveland. His father was a manufacturer's representative, selling forgings and castings for industry and the military through his own company, Billington Metal Sales, Inc. His mother was a community and church activist, involved in civil rights issues, in particular, during the heyday of the civil rights movement.

The family lived in a large but modest house on a residential street, and the children attended the local public schools, and engaged in various community activities. His own included participation in several musical endeavors: school chorus and ensemble, school musicals, several Cleveland-wide choruses (Handel's *Messiah*, etc.), and a semi-professional musical comedy company. They all participated in school sports and student council activities. He graduated from Shaw High School in 1963.

Billington was offered several scholarships for college, and accepted the William G. Mather Scholarship to Trinity College in Hartford, Connecticut, a scholarship offered yearly to a Cleveland area student. While his first year in a demanding academic situation was extremely difficult, he pulled together and achieved dean's list standards during his last three years. He majored in mathematics, with extensive minors in philosophy and music, earning a B.Sc. in Mathematics in 1967.

Upon graduation in 1967, he faced three alternatives: graduate school, military service, or alternate government service. He was not a pacifist, but was already disillusioned by the U.S. military role in Vietnam and did not believe he

could serve there militarily in good conscience. Because he was at the top of the "Draft Lottery," having drawn number 13, he was scheduled to be drafted if he did not go on to graduate school or find a deferrable position. As it happened, this was the one year in which graduate school was not an exemption from the draft.

### Service in the Peace Corps

Billington had been offered a full scholarship as a Fellow in the Center for International Studies at Columbia University as part of the Columbia Business School Graduate Program. This was appealing in many regards, but he was morally torn over what he perceived as a disastrous U.S. policy in the Third World, but also his sense that the U.S. did have and must have a positive role to play in the underdeveloped countries, or face a world collapsing into chaos.

He thus applied to the Peace Corps for a position in Southeast Asia, thinking this might serve as the "bridge" between what he believed to be his responsibility to his country and to the world as a whole. He was instead accepted for a program in Guyana, South America, and decided to take that position anyway. Two years later he accepted a special position in Thailand for a second, two-year Peace Corps assignment.

In Guyana, he taught mathematics in a government secondary school—the first secondary school ever built in the province he lived in. He saw the hope and optimism of the children of this poor and backward nation, and confirmed his belief that reversing the economic backwardness of the Third World was entirely possible, and necessary.

After Guyana, before accepting the Peace Corps position in Thailand, he applied to the U.S. State Department for a position as a U.S. Agency for International Development officer in Vietnam, for reasons similar to his earlier decision to join the Peace Corps. He told the State Department that he was opposed to the war, but wished to help in other ways, and he was accepted for the U.S. AID position. A hiring freeze was on at the time, and he subsequently went to Thailand instead as a Peace Corps volunteer. When the U.S. AID position opened up a few months later, he decided to stay with his Peace Corps position in Thailand.

In Thailand Billington helped direct a Ministry of Education teacher-training program to introduce modern mathematics to the nation's secondary schools. Working with one other American and four Thais, they wrote teacher guides in the Thai language, ran teacher seminars, and visited the nation's secondary schools to provide on-site training and demonstrations. He also saw the U.S. military presence up close, and the pervasive effect of the drug trade on the soldiers and others stationed there.

Billington toured the Golden Triangle drug producing nexus with two French intelligence stringers who asked him to join them as an interpreter. They wanted to join the opium

## 'A just and decent citizen'

*Mrs. Gail Billington has made available to EIR a letter sent by Florida attorney Alli B. Majeed to U.S. District Court Judge Albert V. Bryan in January, attesting to the remarkable moral dedication of Michael Billington—a quality which strikes everyone who meets him. The letter reads in part:*

I am an Assistant State's Attorney in Melbourne, Brevard County, Florida. Prior to this I was an Assistant Public Defender in Orlando, Orange County, Florida. Before migrating to Florida, I engaged in a solo general practice in Philadelphia, for seven years.

I first met Mike in 1967, when I was a high school teacher in Guyana, South America. Mike was assigned to our village of Anna Regina, as a Peace Corps volunteer of mathematics. Between 1967 and 1969, Mike and I became very close friends, and I had ample opportunity to observe him at work, and in the community. . . .

*The School Choir:* Mike organized the first and last choir at our school. He got no help on this project from others, because none of us knew how to go about it. This was an undertaking that demanded many hours of patience, discipline, and dedication from Mike. The result was refreshingly wonderful. Lunch hours were cut in half, with the other half going into choir practice. School hours were extended, for more choir practice. At first we all laughed and joked, because of how terrible everyone sounded. Students began to stay away, embarrassed at their own disharmony, but Mike persisted.

Finally it all came together. The laughter and jokes stopped. The sounds of many students blended into melodious harmony. We had a choir. It was Mike's doing, but it was *our* choir. It became the joy and pride of the school, and the community. The Governor of Guyana came to our village of Anna Regina, and the choir sang. The minister

of education came to our school, and the choir sang. Headmasters from other school districts invited the choir, which went on tour to their schools, and was heavily applauded wherever it performed. . . .

*The Coffee Shop:* In Anna Regina it was customary for youths to spend their evenings on street corners, sitting on bridge rails, and drinking booze. He was singularly responsible for conceiving this idea. He arranged with the government authorities, to make a small room available, free of charge, and then put the concept into action. The coffee shop was slow in getting an encouraging response. But after a very shaky start, the youths started to respond. They left the street corners, and came to the coffee shop, to play dominoes, cards, ping pong, chess, checkers, and on rare occasions drank coffee. . . .

During the years I knew Mike in Guyana, and during the times we met during his LaRouche tenure, he has never evidenced selfish motives, or a desire for personal aggrandizement. Mike has consistently displayed a deep commitment to work diligently and industriously to improve the lot of others, believing firmly that Lyndon LaRouche was just the kind of leader who will:

- 1) Arrest the spread of the deadly AIDS epidemic.
- 2) Resolve the present severe deficit facing the American economy, and prevent the collapse of the international economic structure.
- 3) Implement a solid core curriculum in our schools, which will emphasize both an education in the natural sciences, and an appreciation of the fine arts.
- 4) Attack and remedy hunger and starvation among the Third World nations.

It is these aims, and these goals to which Mike has dedicated his ceaseless energies. There is no doubt that Mike and his colleagues are convinced by their enigmatic, charismatic, and articulate leader Lyndon LaRouche that theirs is a just, honorable and urgent cause, to which all decent citizens must dedicate themselves.

Mike is a just and decent citizen, who is now made to answer for his dedication.

caravan, which they knew traveled across Red China to Hong Kong via donkey train. They did meet up with the caravans, and toured the opium production areas, where the hill tribes lived in Stone Age conditions, producing the opium. Pictures from that trip were later used in the book *Dope, Inc.*, published by New Benjamin Franklin House.

Upon his return to the United States in 1971, Billington stayed for about six months with his parents in Cleveland, Ohio, doing substitute teaching in his old high school, Shaw

High, in East Cleveland. He then moved to Oakland, California, where his brother Joe was living; and spent the next two years substitute teaching in Berkeley and doing occasional escort/interpreter jobs for the U.S. State Department, helping government guests from Thailand on official tours of the United States.

During these years Billington became acquainted with the various political movements of the 1970s, from left to right. He first read Lyndon LaRouche's works in 1972.

He recalls that two things struck him about his work, drawing him into collaboration with LaRouche. First was LaRouche's passionate commitment to the development of the Third World; the right wing seemed to be unconcerned about the Third World, and the left wing seemed concerned only with "liberation from imperialism," and not the actual solutions to economic backwardness. Second, LaRouche's economic method was derived from the same current of philosophy and the physical sciences that Billington himself had come to adopt as his own during his college studies, thus surprisingly unifying his scientific worldview with his fundamental moral commitment to contributing to the development of our world.

Billington began informal collaboration with the National Caucus of Labor Committees (NCLC, the philosophical association founded by LaRouche) in 1972. By 1974, he had joined. He settled in New York, driving a cab part-time while organizing and writing with the NCLC. He worked on Asian and Middle East intelligence, doing research and writing articles for the newspaper, *New Solidarity*. He also became more involved in public political activity. In 1977 he ran for County Executive in Westchester County (north of New York City), and for U.S. Congress in 1978. Around 1979 he stopped driving a cab and began receiving a weekly stipend to support himself from Caucus Distributors, Inc. (CDI), the distributor of *New Solidarity* and other publications.

In 1981, he began full-time organizing and fundraising by telephone from the offices of CDI. He lived in New York or the vicinity (except for one year, 1983, spent in Boston), until spring 1985, when he moved to Leesburg, Virginia, when a number of companies run by LaRouche associates moved their national headquarters from New York City to Virginia.

In addition to the organizing work, Billington has been responsible for various aspects of the NCLC's work on performance and composition of great classical music. He received vocal training from Maestro José Briano of the Autonomous University of Mexico, who is an expert in the classical bel canto method of singing. Billington subsequently taught bel canto singing to hundreds of NCLC members and supporters in the course of developing choruses in New York, Boston, and Virginia. He has conducted several concert performances, and has performed several solo and vocal ensemble concerts as part of the political/cultural endeavors of the NCLC and the Schiller Institute.

In 1983, Billington met his wife Gail, who is also a member of the NCLC. They were married on Dec. 2, 1984. His father died of cancer in 1978. His mother, who worked as a librarian and teacher in a school for emotionally disabled children for about 10 years, retired in 1985. His brother Pete began working with his father in 1971 and took over Billington Metal Sales, Inc. about one year before his father died.

## Cali Cartel's lawyer was cleared by DoJ

Michael Abbell, former director of the Office of International Affairs of the U.S. Department of Justice, and now an attorney and consultant to lawyers of Colombia's drug-pushing "Cali Cartel," says he was cleared of any conflict of interest by the Justice Department, giving him a green light to represent his controversial clients.

This adds a new wrinkle to a much-debated story in Washington, D.C. legal and law enforcement circles, highlighting what some have called a "fifth column" in President Bush's War on Drugs. The debate was sparked by a front-page piece in the Oct. 2 issue of the *Washington Post*, profiling the activities of the former DoJ official.

Abbell defends his work as an expert on extradition for lawyers of cocaine kingpin Gilberto Rodríguez Orejuela as "ethical." Gilberto and his brother Miguel, among other Cali Cartel heavies, recently made it onto Attorney General Richard Thornburgh's "Dirty Dozen" list of "most wanted" fugitives. "I have worked for people who are allegedly members of the cartel or their lawyers as a consultant," Abbell explains. "I headed the office at the Department of Justice which oversaw extradition matters. I went into private practice, 'of counsel' here [at the law firm of Kaplan Russin and Vecchi]. I was asked by representatives of Rodríguez Orejuela to serve as a consultant to a Spanish and Colombian lawyer in connection with an extradition case in Spain. I wrote to the Department of Justice to determine whether it perceived any conflict of interest in my taking on this role. . . . I received clearance."

Abbell's clearance was obtained back in 1985 from the Deputy Assistant Attorney General, then heading the Criminal Division.

Abbell has written several tomes on the constitutional aspects of extradition law and has advised and lobbied the Senate Foreign Relations Committee on pending extradition treaties. He argues that extradition laws have been improperly used against international drug pushers. "What you have is narco-McCarthyism," complains Abbell.

Although he maintains that he has never received a single penny from the Cali Cartel for his research and writings that criticize laws that would make it easier to prosecute narcotics traffickers, Abbell is quite candid about his support for drug legalization. He says that it is based on the "Milton Friedman principle" and a study of the U.S. experience under Prohibition. In an open letter to drug czar William Bennett published in the *Wall Street Journal* on Sept. 7, Friedman, a Nobel Laureate in economics and guru of "free enterprise," advocated the legalization of all controlled substances, including heroin.

"You ain't going to deal with drugs through the criminal law," says Abbell. "It is a public health problem. The monies would be better expended to educate people not to take drugs, to rehabilitate those who are taking drugs, and to diminish the incentive for addicts who are dependent on drugs to commit crimes to support their habit. All of this could be financed by taxes on the sale of drugs."

### Drug legalizers convene

Abbell also seems to be a "fellow traveler" of the pro-legalization Drug Policy Foundation, which started a conference in Washington on Nov. 2, which he recommended as a source of further information. Titled "Beyond Prohibition: Practical Alternatives to the War on Drugs," the conference is expected to issue a plan for achieving "drug peace" through legalization, as counterposed to the "current war-like approaches to drug control" which are being carried out by "drug war extremists."

According to Kevin Zeese, a colleague of Abbell and adviser to the foundation, the conference will "paint the picture of what the world would look like without prohibition," and will showcase an array of luminaries from the academic, legal, and political spheres who demand national surrender to drugs.

Among the scheduled speakers at the 400-person confab were such well-known pro-drug lobbyists as Dr. Arnold Trebach, president of the foundation; Kurt Schmoke, mayor of Baltimore, who is scheduled to receive the Richard Dennis Drugpeace Award of \$100,000 for Outstanding Achievement in the Field of Drug Policy Reform; Lester Grinspoon, M.D. of Harvard Medical School; Princeton University Prof. Ethan Nadelmann; Marco Pannella of the Italian Radical Party; and Judge Georges Apap of France.

Large delegations were scheduled to attend from among British drug-legalization groups and from the international anti-prohibition group run by networks of the Italian Radical Party. The main British connection to the Drug Policy Foundation is the Drugs Advisory Group, which received a grant from the European Community in Brussels to produce a report outlining the pro-legalization arguments.

A similar conference was held last year, featuring workshops on the themes that characterize the current campaign:

- "The Dutch Approach," highlighting the Dutch and

English models of drug legalization, especially the Liverpool "Harm Reduction" program of free needles and free drugs;

- "Coping with Stress and Corruption: the Police and Criminal Justice System in the Drug War," developing the idea that drug police are inevitably corrupted by the attempt to suppress trafficking;

- "The Campaign to Reestablish Heroin and Marijuana as Medicines."

### Law firm upset

On Oct. 23, the *Washington Post* reported that Abbell had resigned from the firm of Kaplan, Russin and Vecchi. The *New York Post*, which carried the same story, titled it "Drug-fighter Turned Defender Quits Law Firm in Flap." The article reported that "Abbell, who once supervised U.S. efforts to extradite Colombian drug traffickers, said he will continue to represent reputed drug boss Gilberto Rodríguez Orejuela and other accused Cali traffickers whose extradition is wanted by the U.S."

Abbell explained to *EIR* on Oct. 20, "The real problem that was arising is that we [the law firm] do a commercial law practice in Colombia. There was a tension developing between my representation of individuals over there who are allegedly connected with drug trafficking, and the perception of U.S. corporations and businesses who the firm represents or would like to represent in Bogotá."

Although Abbell has tried to put a good face on his separation from the firm, someone at Kaplan, Russin and Vecchi has not been happy with all the media coverage and controversy. On Oct. 16, three days after *EIR* published a story about Abbell based in part on the *Washington Post* piece, our Washington, D.C. bureau received a letter from Abbell's now divorced law firm threatening legal action if any report were to be published "linking Mr. Michael Abbell to the firm of Kaplan, Russin and Vecchi."

The letter reads, in part, "Please be advised that this firm has never represented any members of the Colombia drug cartel, nor has this firm represented any clients, Colombian or otherwise, directly or indirectly, in criminal matters. Mr. Abbell was never an employee or member of this firm. He rented office space in the firm's Washington offices and was listed as 'of counsel' to the firm while he was researching and preparing a multi-volume work on *International Judicial Assistance in Criminal Matters*, which supplements an earlier two-volume work on *International Judicial Assistance in Civil Matters* published by one of our partners five years ago."

Reached at the offices of Kaplan, Russin and Vecchi four days after *EIR* received the letter, Abbell was somewhat miffed that a former colleague would describe his relationship with the firm as that of having "rented office space." "I was 'of counsel,'" he said.

The letter stated, "Mr. Abbell has terminated his of counsel relationship with this firm."

# Krasnoyarsk radar: another 'glasnost' hoax

by Argus

*Argus is the pen name of a leading U.S. analyst of Soviet policy, especially in the military arena. He has been an observer of Soviet affairs for the last 40 years.*

Foreign Minister Eduard Shevardnadze's well-PR'ed "confession" that the Krasnoyarsk anti-ballistic missile (ABM) radar installation is a violation of the 1972 ABM treaty is no news to objective arms specialists. To the many peaceniks and media mavens who habitually give the Soviets the benefit of the doubt and who pooh-pooed the Pentagon's warnings concerning the Krasnoyarsk installation, Shevardnadze's "revelation" was an embarrassment. The *New York Times'* erstwhile Moscow correspondent David K. Shipler had written blithely as follows about that much-touted show-and-tell visit to the radar site by three ill-informed Democratic congressmen in September 1987: "The delegation found that the facility had certain characteristics that argued against its being used either for space-tracking or for anti-ballistic missile (ABM) defense. [The facility] radar's frequency [is] unsuitable for space-tracking" (*New York Times*, Sept. 9, 1987).

Not surprisingly, Shevardnadze's "disclosure" is regarded by some leading arms experts as a hoax and a "diversion." In their comments to this writer concerning the Siberian radar, Dr. Richard Staar, Hoover Institution scholar and Sovietologist, and Dr. Samuel Cohen, nuclear physicist and inventor of the neutron weapon, described Shevardnadze's so-called "revelation" as a "ruse."

Staar referred to an analysis by Angelo Codevilla, former intelligence committee aide, published in the *Wall Street Journal* Oct. 6, as a case in point. In Staar's words, paraphrasing those of Codevilla, the Soviet Union presently has "extensively deployed phased-array radars along the periphery of the country." These radars, Cohen added in his observations, "are 'locked in' to several recently upgraded ABM missile batteries, which are masked by the Soviets as 'anti-aircraft' batteries."

These observations contrasted to the U.S. State Department's reactions to the Shevardnadze speech. The very next day in Washington, State's press officer, Margaret Tutwiler, said that Shevardnadze's admission concerning Krasnoyarsk and his characterization of the Soviet war in Afghanistan as

"mistaken" and "immoral" "run parallel" to Secretary of State James Baker's expressions of hope concerning improved U.S.-Soviet relations. The secretary had made his sanguine observations in two major foreign policy addresses given in New York and San Francisco. Tutwiler added that Shevardnadze's admissions concerning Krasnoyarsk and Afghanistan were "welcome reflections of new thinking in the Soviet Union."

At a press briefing held earlier Tuesday at the Pentagon, Department of Defense (DoD) spokesman Fred Hoffman referred only tangentially to the Shevardnadze speech. Hoffman said that the Pentagon had no comment on the Shevardnadze address "at this time." The Pentagon was chesting its cards; Secretary Dick Cheney was in Portugal attending a NATO planning session; maybe he would have a comment to make later.

On their part, Codevilla, Cohen, and Staar noted that the missiles—NATO code-named SA (surface-to-air)-10 "Grumble" ("G" for ground)—are mobile. Therefore, obviously, they are hard to detect or destroy in war. Scattered in considerable numbers (see DoD estimate below) about the Soviet Union, they are anti-missile capable.

In his article, Codevilla reproduced a DoD map whose caption read: "Anti-Ballistic Missile Radar in the Soviet Union." Codevilla noted that the "network is backed up by the newly modernized Moscow ABM Complex." While this is allowed by the 1972 treaty, he continued, the Soviets' new SH-11 high-altitude interceptors fired from underground launchers, which already incorporate Strategic Defense Initiative technology stolen from the United States, are not. These missile interceptors cover much of European Russia.

In addition, he noted that the Soviets "are producing the SA-12 mobile ABM, allowed by the ABM treaty because it is dual-purpose." Finally, he said that the Soviets are producing "a host of other rapidly deployable ABM components and squirreling them away who knows where." The ABM treaty, he noted, says nothing about production specifically of ABM radars in the Soviet Union.

However, in its own, subsequent reproduction of the same map on Oct. 24, the *New York Times* captioned it: "Disputed Radar: A History." The liberal mouthpiece failed to indicate that Shevardnadze's "confession" had omitted any reference to these "peripheral radars"!

Yet past editions of the Pentagon's *Soviet Military Power*, which, presumably, are in the *Times'* library, have shown the locations of these ABM-capable installations on maps and disclosed their anti-missile function that is in clear violation of the ABM treaty.

The new 1989 edition of the Pentagon's *Soviet Military Power* describes these ABM-capable radars and missiles as follows: "In the mid-1970s, the Soviets began building a network of large phased-array radars (LPARS). Currently, there are nine in various stages of completion. The entire

network is expected to become operational by the mid-1990s. When fully operational, this network will provide highly redundant coverage of the main [missile] attack corridors into the [Soviet Union]. Most of this coverage will also be redundant with the coverage of the [NATO code-named] Hen House ballistic-missile detection and tracking radars. In addition, LPARS can track far more objects than the older Hen House radars while providing improved impact prediction accuracy."

As to the anti-missile SAs, *Soviet Military Power* reports: "Since 1985 the number of strategic SAM (surface-to-air) missile sites and launchers has remained about the same; however, the engagement capability of strategic SAMs has significantly increased with the deployment of the SA-10 [Grumble]."

"The SA-10's ability to engage several targets simultaneously and its increased firepower (four missiles per transporter-erector-launcher, or TEL) have enhanced the Soviet Union's air-defense capability. It also may have a limited capability to intercept some re-entry vehicles (RVs) and cruise missiles. Presently, the SA-10 system comprises approximately 15% of all Soviet strategic SAM launchers."

Interestingly, the less bowdlerized previous year's (1988) *Soviet Military Power* had made a bolder statement concerning the peripheral radars and the ABM capability of the SA-10s. Of the latter, it stated: "All [Soviet] LPARS, including the Krasnoyarsk radar, have the inherent capability to track large numbers of objects accurately. Thus, they not only could perform as ballistic-missile detection, warning, and tracking radars, but also have the inherent technical potential, depending on location and orientation, of contributing to ABM battle management."

Of the congressional visit to the Krasnoyarsk site, *Soviet Military Power* (the 1988 edition; the 1989 issue omitted this) had asserted that the delegation "was allowed to view selected areas of both the transmitter and receiver facilities. No information derived from this visit, however, changed the assessment that the radar is designed for ballistic-missile detection and tracking."

Cohen and Staar speculated to *EIR* that the Krasnoyarsk installation may have been a "Potemkin Village" from the beginning. Built in the late 1970s, it has since "become rusted," said Cohen. "In my opinion, it did serve to divert U.S. attention away from the peripheral radars that are masked by the Soviets as 'anti-aircraft batteries.'" It also "tested U.S. resolve," Dr. Cohen said. "We complained but that's all we did do."

Other analysts have described the visit by the three congressmen to Krasnoyarsk as a piece of Soviet PR. Even William J. Broad, defense analyst and knee-jerk Pentagon-basher, was obliged to admit in the *New York Times*, after his return from the congressional visit to the site, that much had been obscured from the view of the visitors. However, peace advocates, much of the yak-yak media, and the arms-control

lobby in Washington touted the visit as proving that Krasnoyarsk constituted no violation of the ABM treaty. It was, they insisted, "primitive" in its components and, in fact, inapplicable to the anti-missile uses to which the Pentagon had attributed it.

The report written by the three Democrats, Reps. Thomas Downey (N.Y.), Jim Moody (Wis.), and Bob Carr (Mich.)—an extreme embarrassment in the light of Shevardnadze's "confession"—stated that "we judge [the radar installation] not to [be a] violation of the ABM treaty at this time." Yet the report added that "due to its ambiguous nature, we would no longer be able to make that statement if the project were carried through to completion." This analyst's survey of print and broadcast media coverage of the September 1987 visit finds that generally no reference was made to the latter *caveat*.

Of the misleading, hypocritical nature of current Soviet new thinking, Cohen said that he believes the Soviets "are engaged in wholesale deception—strategic deception. While their military buildup continues unabated, they are trying to soften up opinion and divert our attention by such things as Shevardnadze's speech. They are trying to melt down our resolve and, of course, to defeat SDI." (This writer's term for Soviet PR is "NATO fabric-softening.")

Dr. Staar noted what he called the "precise timing" of the foreign minister's address in the last week of October. Shevardnadze, he remarked, "had availed himself of a wonderful opportunity. I note that [the speech] was timed to coincide with [Secretary of State] Baker's two speeches, in New York and this week in San Francisco." In both addresses, Baker sounded hopeful about Soviet intentions allegedly to reduce strategic arms.

"However, the Soviets go right on building up their strategic arms as well as their defenses against our missiles" in violation of the ABM treaty. As Carter's Defense Secretary Harold Brown put it: "When we stop, they build."

Several analysts added that Gorbachov himself had admitted that the Soviets are performing research on an SDI-like anti-missile shield. Estimates are that they have already spent \$150 billion on such R&D. Gorbachov admitted to NBC anchorman Tom Brokaw in December 1987 that "we have our own SDI program."

As to Soviet claims about the level of their expenditures on defense: This nonsense, or gas-nost, about their "modest" defense expenditures is very revealing. Moscow claims that its defense expenditures are around \$77 billion. But the Western defense establishment estimate is that they are some three times that amount. Earlier they had also fudged on the expenditures, claiming that they were around \$22 billion. So, as one can readily see, they are still putting out false statistics on this score.

The Renaissance tactician, author of *The Prince*, Niccolò Machiavelli, observed: "The prince should never attempt to win by force what he might otherwise win by fraud."

# Don't close the Matamoros file!

by Michele Steinberg and Denise Ham

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## **Cauldron of Blood: The Matamoros Cult Killings**

by Jim Schutze

Avon Books, New York, 1989

248 pages paperbound, \$4.95

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Like the Jonestown mass suicides in which more than 900 members of the People's Temple died in Guyana in November 1978, at the command of "Reverend" Jim Jones—an artificially created cult leader produced by the controllers of the drug culture project MK-Ultra—the horror of the Matamoros murders of the Texas-Mexico border drug world will never diminish with the passing of time.

*Cauldron of Blood* is one of the most frightening books available today. Not only because of the graphic details of the 13 Satanic mutilation/murders carried out by the Matamoros cult, but also because some of the most crucial leads in the case have been covered up.

The most serious aspect of the coverup is the now infamous statement of Kenneth Lanning, a special agent of the U.S. Federal Bureau of Investigation and head of the FBI's "Sex Crimes" unit, who stated in the aftermath of the Matamoros revelations, "More children have died and have been abused in the name of God and Jesus than in the name of Satan." According to numerous law enforcement authorities interviewed by *EIR*, the majority of Satanic crimes investigated and prosecuted by police involve sexual abuse. If the nation's leading law enforcement "expert" in this domain, Lanning, dismisses Satanism so glibly, there will be no serious investigation.

Author Jim Schutze raises more questions than he answers in *Cauldron of Blood*, but those questions merit a full investigation by the U.S. Congress to end the coverup of Satanic terrorism.

On April 11, 1989, newspapers throughout Texas, and then throughout the United States, exploded with headlines, such as "Cannibalism Found at Site of Satanic Murders." Mexican police officials invaded the desolate Rancho Santa Elena near the town of Matamoros, when a low-level soldier

of the Constanzo/Hernández drug gang headquartered there, attempted to escape their roadblock. At the ranch, police found a blood-drenched, stinking shack outfitted with an altar designed to accommodate a human body, and idols and artifacts linked to voodoo-like Palo Mayombe rituals, a blood relative of the primitive Caribbean religion, Santería. The police also found a witches' cauldron, a sacred tool of Adolfo de Jesús Constanzo, the high priest of Palo Mayombe, filled with blood, with turtle parts, with a severed goat's head . . . and human brains.

Within the day, police unearthed 13 mutilated corpses, whose hearts, brains, and spinal cords had been torn out while the victims were still alive, whose testicles and penises had been severed, whose legs had been sawed off just below the knee; and the world knew that Mark Kilroy, a 20-year-old university student from Texas, was one of the victims. Kilroy had vanished while on a semester-break vacation with a group of his friends, in front of a seedy tavern in Matamoros, Mexico. For weeks, his family, including his uncle, U.S. Customs Service Special Agent Ken Kilroy, based in Los Angeles, had carried out an unrelenting campaign to find the youth.

The disappearance of Mark Kilroy and the gruesome finding of his remains at Rancho Santa Elena, corroborated the pattern investigated by *EIR*, that many of America's missing children (estimated at 200,000 a year) may be the victims of Satanism. For a short time after Matamoros, Satanic terrorism, and its integration with the international drug trade, became an undeniable reality.

## **Drugs and human sacrifice**

Jim Schutze reopens the books on Matamoros, and on the extent of Satanism in the empires of the drug lords, who run the Western Hemisphere franchise for the estimated \$500-700 billion annual global drug trade. The book can be commended for its exposure of the hoax perpetrated by so-called cult experts, who claimed after Matamoros that this was not a "classical Satanic group," but just a superstitious gang of psychopaths. Schutze reports that in the 1950s, Cuban scholar Lydia Cabrera uncovered widespread existence of the human sacrifice rituals of voodoo, Palo Mayombe, Abakua, and Santería, which had been reported for decades to have been wiped out. Schutze locates the rituals of Adolfo Constanzo as the classic "Shango" (god of war, identified in these cults as St. Barbara of Christianity) ritual.

Schutze describes the Shango ritual from early-20th-century reports about Haiti. The witch doctor performs a service roughly translated as "The Goat Without Horns" ritual. A young boy and an even younger little girl are stripped and painted white, then carried in to an altar. The witch doctor "becomes Shango" in a frenzy and ritualistically asks the little boy what he wants, to which the boy answers, "a virgin." The children are slit open, and their hearts, still spurting blood, are torn out and brought to the lips of the Shango,

then passed to the congregation. This ritual is used to counteract spells and curses from one's enemies.

According to the confessions made to police by followers of Constanzo, the Shango ritual was Constanzo's specialty in Mexico City, in Miami, and at Rancho Santa Elena, where Constanzo had taken virtual control over the Hernández drug operations through his hold over Elio Hernández, the young leader of the gang, and the use of Sara Aldrete, Constanzo's "high priestess," to sexually entrap victims.

### Investigative leads

Author Jim Schutze is blindsided by an anti-Mexico political bias which keeps him from drawing out the full implications of the Matamoros investigation. Schutze repeats well-known slanders about Mexican corruption, superstition, and stupidity that have become the hallmark of the U.S. State Department's efforts to wage a war on the sovereignty of Mexico, instead of a war against the drug traffic. Were he not blinded by this pre-packaged bias associated with U.S. "Mexico specialists," Schutze might have been able to put the jigsaw pieces in place and would have at least *posed* the following questions:

- Was Kilroy really just a victim chosen at random, as the official statements of the agencies investigating Matamoros insisted? In the early press coverage of the Matamoros murders, Texas newspapers reported that nearly all of the victims found in the unmarked graves, were persons who had crossed the Hernández family in some way in drug deals, including one Mexican police official. (One exception was a young nephew of the Hernández brothers, whose death was described as an accident that occurred out in a "religious" frenzy.) The same reports emphasized that Mark Kilroy was in no way involved in anything that would intersect the drug interests of the gang.

Schutze stresses that Kilroy was the nephew of a high-level U.S. anti-narcotics agent. Why was the fact that Mark Kilroy's uncle, Customs Agent Ken Kilroy, was a drug investigator along the Texas-Mexico border, kept quiet? As recent events in Colombia's war on drugs indicate, and as Schutze details in descriptions of the revenge tactics of the Colombian drug lords, the families of the drug lords' enemies are the most frequent targets.

Revenge is identified as the justification for human sacrifice in *The Satanic Bible*, by Sandor Anton LaVey, self-described magus and head of the Church of Satan. LaVey writes in a chapter called "On the Choice of a Human Sacrifice": "The question arises, 'Who, then, would be considered a fit and proper human sacrifice, and how is one qualified to pass judgment on such a person?' The answer is brutally simple. Anyone who has unjustly wronged you—one who has 'gone out of his way' to hurt you."

- Did Constanzo, an American-born citizen, also carry his activities into Hollywood? As Adolfo Jesús Constanzo was the spiritual adviser and spell-binder for personnel in

Mexico's movie, television, and entertainment industry, LaVey enjoyed a similar role in Hollywood, including such well-known stars as Sammy Davis, Jr. and the late Jayne Mansfield.

- Is there a link between the Satanic killing of Mark Kilroy and the 1985 killing, in Mexico, of U.S. Drug Enforcement Administration agent Enrique Camarena? A year before Adolfo Constanzo took over the Hernández drug family, Saúl Hernández, the founder of that gang, which had a full distribution branch for cocaine and marijuana in Houston, was killed in a double assassination in Matamoros. Murdered with Saúl was his partner, one Tomás Morlet, a former official of the Mexican DFS (Directorate of Federal Security), who had once been accused, but was later cleared of suspicion, in the Camarena murder. Morlet had a number of unusual jobs in the DFS, including assignments as Henry Kissinger's bodyguard whenever Kissinger was in Mexico. After being fired from the DFS, Morlet moved to Matamoros and became a key player in the Hernández family drug operations.

With the death of Saúl and Morlet, the control of the family's drug operations went to Elio Hernández, who became a devotee of the witch doctor Constanzo and his high priestess, Sara Aldrete, known in the cult as "La Bruja" (the witch).

- Is the Texas Southmost College a center for recruiting students to Satanism? Both "La Bruja" Sara Aldrete, and her onetime boyfriend, Serafín Hernández, Jr., the nephew of Elio Hernández and son of the Hernández drug distributor in Texas, were students there. Serafín Hernández, Jr. was studying law enforcement and Aldrete studied physical education, but both of them, now under arrest for the murder of Kilroy and the other Matamoros victims, studied with the same professor of anthropology, who, according to Schutze and news accounts, taught them classes in Santería, using video films about the rituals.

- Has corruption been covered up in Grimes County, Texas, near Houston, where Schutze alleges that Hernández family drug drops were made at an "instant" airstrip on land owned by the Sheriff Bill Foster?

- Why was evidence destroyed at the Rancho Santa Elena? According to Schutze, the search for bodies was suddenly called off without explanation after 13 were found. Why was the shack where the murders took place burned down in a "cleansing ritual" by another witch doctor to "purge" the evil spirits? According to Schutze, Texas and U.S. law enforcement agents were on the scene during the excavation of bodies at Rancho Santa Elena. Were the reports of what they saw funneled into the FBI's Lanning, who appears to have a commitment to closing down the Matamoros case?

Contrary to Schutze's claims, criminal trials are public in Mexico. So, at some point in the very near future, such a trial may take place, and much more may come to light about the Matamoros narco-Satanist cult. In the meantime, the file cannot be permitted to be closed on this hideous episode.

### Senate approves death penalty for terrorists

On Oct. 26 the Senate, in an overwhelming 79-20 vote approved a measure that would allow federal courts to impose the death penalty against individuals who murder Americans during terrorist activities abroad.

The legislation, sponsored by Sen. Arlen Specter (R-Pa.), was considered separately from an omnibus bill which aimed to reinstate the death penalty for more than 20 federal crimes. An alternative proposal, presented by Sens. Mark Hatfield (R-Ore.) and Carl Levin (D-Mich.) was voted down 70-29. The Hatfield-Levin bill would have set a maximum penalty of life imprisonment without parole for terrorists who commit murder. Levin argued that a death penalty would make it more difficult to get countries like Colombia to extradite drug traffickers to face charges in American courts.

### Euthanasia lobby launches offensive

The congressional euthanasia lobby started flexing its muscle in the U.S. Senate, when John Danforth (R-Mo.) and Daniel Patrick Moynihan (D-N.Y.) introduced a bill to ensure a patient's "right to die."

The bill, entitled the Patient Self-Determination Act, would give the patient the "right to refuse treatment," and would require providers of health care under Medicare and Medicaid to create procedures "to inform patients of their right to make decisions about care" and "to take other steps to ensure that patient decisions are carried into effect."

Among the "rights" is the right to have a living will, or to delegate a

durable power of attorney to persons who could then decide whether treatment were to be continued or terminated, were the patient unable to decide himself. Care providers under federal programs would also be required to "inquire whether a patient has such a document or person designated" to make such decisions.

In a press release, Senator Danforth lamented the fact "that modern medicine is capable of prolonging the process of death for interminable periods of time," calling that capability "playing God by medicine." Danforth and Moynihan have sent out a circular to gather support for the measure, which they say is the first stage in a strategy designed to "reevaluate health care practice and policy from an ethical, human and caring perspective."

Danforth was the primary opponent of an amendment, submitted last year by Sen. William Armstrong (R-Colo.), which attempted to stop another form of euthanasia—patient starvation. Danforth has also opposed the catastrophic care bill, since, he reasoned, the government was paying for acute care the elderly shouldn't be getting. The Danforth-Moynihan bill is also supported by Sen. John Heinz (R-Pa.)

### Budget impasse threatens automatic cuts

The Democratic-controlled Congress and the Bush administration are still wrangling over a budget agreement which meets the Gramm-Rudman deficit-reduction targets and thus halts implementation of the Gramm-Rudman sequestration (automatic budget cuts), which went into effect on Oct. 16, as the administration dropped its insistence on pushing through its capi-

tal gains tax proposal.

As a result of the failure to reach an agreement, the federal government's temporary \$2.87 trillion debt limit expired at midnight on Nov. 1. Subsequently the Treasury suspended sales of U.S. Savings Bonds, pending legislation to raise the federal debt limit. In order to avoid default by the government, the lawmakers must pass legislation raising the limit to \$3.12 trillion by Nov. 8.

Bush has said that he is willing to let the \$16 billion cuts imposed by the sequestration stand. At a press conference on Oct. 31, he tried to shift the blame for the impasse onto the Congress. "I think the American people see that it is this Congress that is frustrating getting the deficit down," said Bush. "And so they ought to move and move promptly." "The President has gone the extra mile to extend the hand of bipartisanship," chimed in Vice President Quayle in an address to the American Stock Exchange that same week, "and now is the time for the Congress to respond."

Most government departments have not yet been able to say just what impact the cuts will have, but every program will be reduced except Social Security and certain programs for the poor, and will hit almost every American. Bush's confrontation with Congress could accelerate the rapid plunge of the U.S. economy into the throes of a deflationary collapse.

### Congress to sanction missile exporters

The Bush administration expressed opposition on Oct. 31 to legislation to impose sanctions against companies contributing to the proliferation of ballistic missiles. Richard Clark, Assistant Secretary of State for Politico-

Military Affairs, told the Senate Foreign Relations Committee that the adoption of such legislation would hamper the administration's efforts to stop the spread of missile proliferation through diplomatic means.

Clark's testimony, however, did not seem to faze committee members. "Congress must act to make illegal traffic in these technologies very hazardous to the pocketbooks of certain kinds of corporations and their subsidiaries," commented Sen. Albert Gore (D-Tenn.), one of the authors of the legislation.

Recently the Pentagon acknowledged that it was attempting to stop France from selling rocket technology to Brazil and India, and was concerned about Israel's continuing cooperation with South Africa's missile program.

## **E**nvironmentalists seek action on global warming

The environmental lobby in Congress is demanding the Bush administration do more to halt the alleged "global warming" trend, by imposing controls on industry to prevent carbon dioxide emissions.

Industrial reaction to the Bush Clean Air Bill, which could put a good number of industries out of business because of the added costs, is to fight hard to prevent any drastic action. Sen. Timothy Wirth (D-Colo.) accused the administration of "dragging its feet" on Oct. 24. "We're getting the wool pulled over our heads by a group that has its head in the sand," he said.

But even environmentalist Republicans like Sen. John Chafee (R-I.) are urging Bush to "put the United States in a position of world leadership" at the upcoming international environmental conference in the Netherlands

in November. Saner voices are trying to expose the hoax, although their voices are still unheeded. Sen. Malcolm Wallop (R-Wyo.) said on Oct. 25 that "there appears to be a growing urgency to do something, even though it is becoming clear that this something may be in response to a phantom problem." "Before we rush forward with this urge to legislate," cautioned Wallop, "we should have the issue in clear focus."

## **C**ongress agrees on minimum-wage bill

Congressional Democrats and the administration agreed on a compromise minimum-wage bill on Oct. 31, providing for the first increase since 1980.

In June, Bush had vetoed an increase saying he wouldn't accept any minimum-wage rise that went beyond limits he had earlier set as acceptable. The compromise was a softer version of what the White House had said it would accept. Under the agreement with the House and Senate leaders, the minimum wage will rise from the current \$3.35 an hour to \$4.25 an hour by April 1991. Employers could also pay a sub-minimum "training wage" for 90 days to new workers who are up to 19 years old, and then for another 90 days if the company institutes a specific training program for the newcomers.

## **U**krainians could face denial of refugee status

In an amendment introduced on Sept. 20, Sen. Frank Lautenberg (D-N.J.) proposed establishing new categories for those who qualify for refugee status. While "Soviet nationals who are Jews or Evangelical Christians" fall

into that category, Ukrainian Catholics and Ukrainian Orthodox believers do not, unless so designated by the Attorney General.

Lautenberg had introduced a similar amendment in June which had included Ukrainians in the refugee category. According to sources in the Ukrainian-American community, Lautenberg had been encouraged to change the bill under pressure from the Anti-Defamation League. As the U.S. becomes more restrictive in its immigration policy, the ADL is concerned that the restrictions fall more heavily on groups other than Soviet Jews.

Lautenberg claims that the Ukrainian Catholics can no longer be considered a refugee group since Gorbachov is in the process of legalizing the Ukrainian Uniate (Catholic) Church. This issue is expected to come up when Gorbachov visits Pope John Paul II in November. But it is not certain that Gorbachov will make such a move.

## **C**onference committee guts SDI program

The defense conference committee approved a \$305.5 billion defense bill Nov. 2 which included a \$3.8 billion for the Strategic Defense Initiative, \$800 million short of the \$4.6 billion Bush administration request, and \$1.8 billion less than the Reagan administration had requested for FY 1990.

Senate Armed Services Committee chairman Sam Nunn (D-Ga.) caustically remarked that the reason for the cuts was that the mission of the SDI program under the Bush administration remained "undefined." "They've changed the program so many times and the architecture has never been really a fixed architecture," said Nunn.

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# National News

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## Savings execs fight government railroad

Two former savings and loan institution executives have launched legal actions against the Federal Savings and Loan Insurance Corporation (FSLIC), which challenge government attacks on the industry and efforts to reorganize the U.S. banking system.

Stanley Adams, former chairman of the Lamar Savings Association of Austin, Texas, filed a civil action in the Western District of Texas against the reconstituted Lamar Financial Corporation and the FSLIC, charging them with a conspiracy to destroy him and the S&L through actions described in the suit as "arbitrary, irrational, offensive" and which "were undertaken willfully and intentionally in violation of Adams' constitutional rights."

Thomas Gaubert, former chairman of the board of Independent American Savings Association, was given the right by the Fifth Circuit Court of Appeals in New Orleans to sue the Federal Home Loan Bank Board, the Federal Home Loan Board-Dallas, and the FSLIC to recover \$25 million lost when Independent was forced to merge with a failing thrift, Investex Savings, in 1984, and was declared insolvent. Gaubert had been forced to sign a personal guarantee that the net worth of Independent would not fall below minimum regulatory requirements prior to the closing of the merger, which was delayed due to a federal investigation of another S&L owned by Gaubert.

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## What C. Boyden Gray does with his money

White House Counsel C. Boyden Gray has been funding Democrats and pro-Equal Rights Amendment and pro-abortion political action committees, while serving as counsel to George Bush, the *Legal Times* revealed Oct. 31.

Federal Election Commission records reviewed by the *Legal Times* reveal that Gray gave \$2,600 to Sen. Timothy Wirth

(D-Colo.), an old Harvard classmate, who has led the campaign against the Strategic Defense Initiative in the Senate. Gray supported Sen. Frank Church (D-Id.) in his losing race against Republican Steve Symms. And in 1978, Gray backed Democrat Charles Ravenal in a losing bid to unseat Sen. Strom Thurmond (R-S.C.).

Gray began contributing to the Women's Campaign Fund in 1978. In 1983, while counsel to Bush, he contributed \$5,000, the maximum amount allowed under federal law. The most recent contribution listed in FEC records was \$1,000 in 1987. The organization describes itself as "the only political action committee devoted solely to recruiting, funding, and helping elect viable women candidates who favor passage of the Equal Rights Amendment and freedom of choice on abortion." Jane Danowitz, the executive director, says that the fund also supports public funding for abortion.

The fund is currently supporting former San Francisco Mayor Dianne Feinstein and Texas State Treasurer Ann Richards, who are running for governor of California and Texas, respectively.

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## Court upholds ban on AIDS testing

The U.S. Supreme Court let stand a landmark ruling on Oct. 30 which had barred as unconstitutional, mandatory AIDS testing for employees at state facilities for the mentally retarded. The Bush administration had urged the court to reject the appeal.

The court's action grew out of a case in Nebraska, in which a state agency had ruled that workers who have close contacts with the residents of such facilities be tested for AIDS and Hepatitis B. The agency said that such testing was necessary to protect the health of mentally retarded patients.

A federal appeals court ruled last February that the testing was unconstitutional. The state agency then appealed to the Supreme Court, asking it to decide whether an employee's right to privacy outweighed the government's interest in a safe working environment for employees and patients.

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## Supreme Court to decide LTV case

The Pension Benefit Guaranty Corporation (PBGC), a quasi-government agency which insures pension plans, is appealing to the U.S. Supreme Court to overturn lower court rulings exempting LTV Corp. from responsibility for pension programs. The PBGC argues in its brief that an LTV victory will transform the agency into an "open-ended source of industry bailouts," the *Wall Street Journal* reported Oct. 31.

When LTV declared Chapter 11 bankruptcy in 1986, it terminated three LTV Steel pension plans in order to keep the agency's insurance liability from increasing. A few months later, LTV instituted a new pension program to provide benefits similar to the terminated plans. The PBGC viewed the new plan as an abuse of federal pension law, and ordered LTV to resume funding and liability for the terminated plans, including covering the \$2.3 billion shortfall. LTV won both its challenge and the appeal in court.

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## Pickens blamed for Phillips explosion

Corporate raider T. Boone Pickens was blamed for the Oct. 23 Phillips Petroleum explosion in Pasadena, Texas, in an article in the Oct. 29 *Houston Post*.

Columnist Joseph A. Kiney wrote, "Already, the Occupational Safety and Health Administration has an investigation under way. Unfortunately that investigation is not likely to yield much fruit because OSHA inspectors will not talk to the right man: T. Boone Pickens." In 1984-85, Pickens, head of Mesa Petroleum, led a raid on Phillips, forcing the company into a huge stock buy-back scheme. This in turn forced Phillips to lay off 10,000 of its 25,000 employees, most of whom were in middle and lower management. Among those employees terminated were safety and maintenance engineers.

In recent months there have been explo-

sions and loss of life in petroleum industry-related accidents in Richmond and Torrance, California; Indiana; and the Gulf of Mexico, all of these incidents involving small companies.

Government data show that workplace injuries have been increasing since 1984. The number of permanent job disabilities has increased from 60,000 to 70,000 a year, according to a recent report.

## Orthodox Jewish group attacks euthanasia

Agudath Israel, the leading Orthodox Jewish advocacy group, has filed an *amicus curiae* brief with the Supreme Court, opposing euthanasia in the case of a brain-damaged patient, Nancy Cruzan. Cruzan's parents sought to kill her by removing nourishment, but a Missouri court ruled to prevent the murder.

David Zwiebel, general counsel and director of government affairs for the group, says this case is particularly important because it is the first time the Supreme Court will address the value to society of life, and its voluntary and involuntary termination.

"It is a basic principle of Jewish law and ethics that man does not 'own' his own life or body. We believe that the teaching as expressed in the general disapprobation of suicide and euthanasia has served as one of the pillars of civilized societies throughout the generations," Zwiebel told the press. The notion that diminished levels in quality of life deserve diminishing levels of life protection is particularly troubling he said. "Only half a century ago, our numbers were decimated by a society that 'progressed' from its 'enlightened' practices of 'mercy killing' to the mass slaughter of millions of human beings deemed physically or racially inferior."

The two major arguments in the brief are: 1) even were it clear that the patient herself did wish to have nutrition and hydration halted, the state's interest in preserving human life outweighs the individual right to refuse medical treatment; and 2) any right a patient may have to refuse medical treatment is inherently personal and there is no

constitutional authority forcing a state to allow a third party to exercise a right of refusal on behalf of an incapacitated patient.

The Agudath Israel brief declared, "The Court's decision will set standards and guidelines that will have ramifications far beyond the individual patient whose life hangs in the balance here. Many, many lives will be affected by the Court's decision—and so too will the general moral health of American society. The choices before the Court are stark; the issues to be decided, profound; and the stakes enormous."

## Judge orders discovery in PANIC frameup case

Los Angeles Judge Michael Hoff ordered the California Attorney General's office on Oct. 27 to allow attorneys for defendant Bruce Kilber access to 12 boxes of "AIDS Initiative Investigation" materials seized by the Attorney General. The defense victory on the discovery motion is the first check to the witchhunt by Attorney General John Van de Kamp against organizers of the Prevent AIDS Now Initiative Committee (PANIC), which placed an anti-AIDS initiative on the California ballot in 1986.

Judge Hoff stated that he was issuing the order based on the "potential for invidious prosecution" against Kilber, and that the case addressed "strong constitutional issues" which involved the individual's rights regarding the electoral process, "and that is what this country is all about." He also stated that in his 12 years on the bench, he had never heard of anyone being prosecuted under the statute under which Bruce Kilber was indicted—illegally registering to vote, with the intent to leave the state.

Deputy District Attorney Kenneth Freeman, in opposing the motion, charged that the defense had "other motives," that there is "no evidence of selective and vindictive action," and therefore that Kilber should be denied discovery. Kilber's attorney shot back, "If there is evidence of other motives, produce the evidence. Where are your papers?"

A status conference on the motion is set for Dec. 1.

## Briefly

● **GEORGE BUSH** said the "economy keeps moving reasonably well," in a *New York Times* interview Oct. 24. "If you had a more difficult economic situation, then I think you'd have a more urgent feeling. Today it's not urgent."

● **VINCE DEMUZIO**, Illinois Democratic Party chairman, has established a "LaRouche hotline," the *Chicago Sun Times* reported Oct. 30. "In 1986 two LaRouche candidates won upset primary victories and spoiled the gubernatorial bid of 'Saddy' Adlai Stevenson to unseat Governor Thompson."

● **JOHN POINDEXTER**, former Reagan national security adviser, can subpoena the private papers of Ronald Reagan and renew his request for Bush's, Judge Harold H. Greene decided Oct. 24.

● **A CARTER** administration reunion will be hosted in Washington Nov. 4-5, the *Washington Post* reported Oct. 31. A "town meeting" will be held at Georgetown University followed by a symposium on "Waging Peace" at the Dirksen Senate Office Building.

● **JIM BAKKER** will be assigned to the Rochester, Minnesota federal prison facility, the current location of Lyndon LaRouche. AP reports that the televangelist, who was sentenced to 45 years, is not being assigned for medical reasons, but will be in the general prison population.

● **SEN. JOE BIDEN** (D-Del.) apologized for underestimating the importance of the Soviet radar facility at Krasnoyarsk, on a television talk show Oct. 29. "So I was wrong. *Mea culpa, mea culpa*. So what else do you want to talk about?" he snapped. Soviet Foreign Minister Shevardnadze had just admitted the facility violated the ABM Treaty.

### *The real science frauds*

In 1986 a group of biologists was accused of fraud. Among those who came under attack at that time was Nobel Laureate David Baltimore, who has now been appointed president of Rockefeller University. The issue involved whether or not certain data had been fudged in a published research report, although the findings of the paper itself have never been challenged.

One-third of the faculty of Rockefeller University has come out in the press opposing Baltimore's appointment. While the commission of a fraud would by no means be a recommendation for such an appointment, it seems to us that in this instance not only was Dr. Baltimore not complicit in a fraud, but also that to label the publication of incorrect data a criminal act would be to set a very dangerous precedent.

Moreover, on the scale of scientific malpractice, we would place the deliberate suppression of the truth about the extent of the present AIDS crisis as far more reprehensible and dangerous. We would also place hoaxes such as that fabricated around the "ozone hole" in the same category.

The controversial paper was not even done in Baltimore's laboratory (his name appears on the paper because one of the students whom he supervised, worked on the overall project it reported upon.) The accusation about the data was originally brought by a postdoctoral student, Dr. Margot O'Toole.

Peer review substantiated the particulars of Dr. O'Toole's charge, but allowance was made for the fact that later experimental evidence amply substantiated the contentions of the paper. There matters would have stood, were it not for the intervention of an employee of the National Institutes of Health, Walter W. Stewart, who fancied himself a whistle-blower. He learned of the case and vigorously pursued it. Ultimately, with the support of the American Civil Liberties Union, Stewart enlisted Rep. John Dingell's (D-Mich.) House Energy and Commerce Committee to hold hearings on the case in the spring of 1988.

The presumptions underlying the Dingell hearing would have been the entering wedge for a series of

scandals against scientists. They were modeled upon the infamous "Pentagate" proceedings which have done a lot to close down much-needed research and development work in the defense sector. Fortunately, and in large measure because of Dr. Baltimore's spirited counterattack on the arrogance of laymen presuming to judge the motives of a scientist whose work they did not understand, that appeared to end the matter.

Now the case apparently is being reopened. We would urge those who are genuinely concerned with the issue of scientific fraud, to investigate instead the systematic coverup by the National Institutes of Health and other government agencies, on the increasing danger of the AIDS epidemic. As we have reported, it is now for the first time being admitted that in some places in Africa as many as one in four people are infected with the disease. Similar statistics are being found among the homeless in U.S. cities. For years Lyndon LaRouche and his associates have been predicting, virtually alone, that with sufficient density of infection, the disease can be transmitted by insects and by aerosol means. This was the basis for the two defeated referenda in California which asked that public health measures be taken.

The LaRouche proposals were greeted by hysteria by the NIH, and attacked as panic-mongering. Other people have gotten the same treatment. Several manufacturers of aerosol sprays who advertised their product as killing the AIDS virus, have been ordered to withdraw the advertising by the Environmental Protection Agency. The reason given is not that the advertising is misleading or untrue—but that it would expose the government coverup of the dangers of "casual" transmission.

The chief of the Environmental Protection Agency's antimicrobial program branch, Juanita Wills, explained that the EPA "doesn't want people to start thinking, 'The government and doctors have been lying, and I really can get AIDS from that table.'" Surely this is an incident of deliberate fraud which Congressman Dingell might well investigate!

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