

IAIC ARCHIVE

EIR

Executive Intelligence Review

April 28, 1989 • Vol. 16 No. 18

\$10.00

Same judge ruled for Satanism, against LaRouche
U.S. government plots fraud in Panama vote
Why not to worry about the 'ozone hole'

**The secret government: a
bloody trail to Langley**



EIR Special Reports

THE SCIENCE OF STATECRAFT

Strategic Studies by Lyndon H. LaRouche, Jr.

Operation Juárez. LaRouche's famous analysis of the Ibero-American "debt bomb"—a program for continental integration. Order #82010*. \$100.

A Conceptual Outline of Modern Economic Science. Order #82016. \$50.

Religion, Science, and Statecraft: New Directions in Indo-European Philology. Order #83001. \$100.

Saudi Arabia in the Year 2023. The thematic task of the Arab world in the next four decades: conquering the desert. Order #83008. \$100.

The Implications of Beam-Weapon Technology for the Military Doctrine of Argentina. Order #83015. Was \$250. Reduced price: \$100.

The Design of a Leibnizian Academy for Morocco. Order #83016. Was \$250. Reduced price: \$100.

Mathematical Physics From the Starting Point of Both Ancient and Modern Economic Science. Order #83017. Was \$250. Reduced price: \$100.

The Development of the Indian and Pacific Ocean Basins. Order #83022. \$100.

MILITARY AND ECONOMIC SCIENCE

Electromagnetic Effect Weapons: The Technology and the Strategic Implications. Order #88003. \$150.

AIDS Global Showdown—Mankind's Total Victory or Total Defeat. EIR 88-005. \$250.

How To Stop the Resurgence of Nazi Euthanasia Today. Order #88006. \$150.

Beam Weapons: The Science to Prevent Nuclear War. The year before President Reagan's historic March 23, 1983 speech announcing the Strategic Defense Initiative, this ground-breaking report detailed the feasibility—and necessity—for beam defense. Order #82007. \$250.

Economic Breakdown and the Threat of Global Pandemics. Order #85005. \$100.

THE MIDDLE EAST AND AFRICA

Anglo-Soviet Designs on the Arabian Peninsula. Order #83002. Was \$250. Reduced price: \$100.

The Military, Economic, and Political Implications of Israel's Lavie Jet Project. Order #83010. Was \$500. Reduced price: \$250.

Moscow's Terrorist Satrapy: The Case Study of Qaddafi's Libya. Order #86002. \$100.

THE WESTERN OLIGARCHY

The Trilateral Conspiracy Against the U.S. Constitution: Fact or Fiction? Foreword by Lyndon LaRouche. Order #85019. \$100.

Moscow's Secret Weapon: Ariel Sharon and the Israeli Mafia April 1986. Order #86001. \$250.

The Libertarian Conspiracy to Destroy America's Schools. Order #86004. \$250.

White Paper on the Panama Crisis: Who's Out to Destabilize the U.S. Ally, and Why. Order #88002. \$100.

A Classical KGB Disinformation Campaign: Who Killed Olof Palme? Issued November 1986. Order #86010. \$100.

The Panama Crisis, 18 Months Later. Order #88002 \$100.

The Kalmanowitch Report: Soviet Moles in the Reagan-Bush Administration. Order #88001. \$150.

THE SOVIET UNION

Will Moscow Become the Third Rome? How the KGB Controls the Peace Movement. Includes transcript of the infamous spring 1983 meeting in Minneapolis at which KGB officials gave the marching orders to Walter Mondale's "peace movement": Destroy the Strategic Defense Initiative! Order #83011. \$250.

How Moscow Plays the Muslim Card in the Middle East. Order #84003. \$250.

Global Showdown: The Russian Imperial War Plan for 1988. The most comprehensive documentation of the Soviet strategic threat available. A 368-page document with maps, tables, graphs, and index. Issued July 1985. Order #85006. \$250.

Global Showdown Escalates. (Revised and abridged edition). Order #88008 \$250.

INTERNATIONAL TERRORISM

The Jerusalem Temple Mount: A Trigger for Fundamentalist Holy Wars. Order #83009. \$250.

Narco-terrorism in Ibero-America. The dossier that sent the Colombian drug-runners and their high-level protectors through the roof. Order #84001. \$250.

Soviet Unconventional Warfare in Ibero-America: The Case of Guatemala. Issued August 1985. Order #85016. \$150.

European Terrorism: The Soviets' Pre-war Deployment. The dual control of terrorism: Europe's oligarchical families and the Russian intelligence services. The case of Germany's Green Party, with profiles of the top families of the international oligarchy. Order #85001. \$150.

Germany's Green Party and Terrorism. Issued November 1986. Order #86009. \$150.

* First two digits of the order number refer to year of publication.

Order from:

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

Please include order number. Postage and handling included in price.

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editor: *Nora Hamerman*

Managing Editors: *Vin Berg and Susan Welsh*

Editorial Board: *Warren Hamerman, Melvin*

Klenetsky, Antony Papert, Gerald Rose, Alan

Salisbury, Edward Spannaus, Nancy

Spannaus, Webster Tarpley, William Wertz,

Carol White, Christopher White

Science and Technology: *Carol White*

Special Services: *Richard Freeman*

Book Editor: *Janine Benton*

Advertising Director: *Marsha Freeman*

Circulation Manager: *Joseph Jennings*

INTELLIGENCE DIRECTORS:

Africa: *Mary Lalevé*

Agriculture: *Marcia Merry*

Asia: *Linda de Hoyos*

Counterintelligence: *Jeffrey Steinberg,*

Paul Goldstein

Economics: *Christopher White*

European Economics: *William Engdahl,*

Laurent Murawiec

Ibero-America: *Robyn Quijano, Dennis Small*

Law: *Edward Spannaus*

Medicine: *John Grauerholz, M.D.*

Middle East: *Thierry Lalevé*

Soviet Union and Eastern Europe:

Rachel Douglas, Konstantin George

Special Projects: *Mark Burdman*

United States: *Kathleen Klenetsky*

INTERNATIONAL BUREAUS:

Bangkok: *Pakdee and Sophie Tanapura*

Bogotá: *Javier Almaro*

Bonn: *George Gregory, Rainer Apel*

Copenhagen: *Poul Rasmussen*

Houston: *Harley Schlanger*

Lima: *Sara Madueño*

Mexico City: *Hugo López Ochoa, Josefina*

Menéndez

Milan: *Marco Fanini*

New Delhi: *Susan Maitra*

Paris: *Christine Bierre*

Rio de Janeiro: *Silvia Palacios*

Rome: *Leonardo Servadio, Stefania Sacchi*

Stockholm: *Michael Ericson*

Washington, D.C.: *William Jones*

Wiesbaden: *Göran Haglund*

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

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

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

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

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

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

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

From the Editor

The U.S. secret government, together with its friends in the seamy world of drugs and Satanic cults, is getting ready to pull another operation like the one that installed Khomeini in power in Iran. Or like the way Ferdinand Marcos was toppled in the Philippines, where as you can read on page 59, the weak Aquino government is being squeezed by the terrorists to evict the U.S. bases and hand the Pacific over to Soviet domination. The target now of the "invisible government" is Panama, where every dirty trick is being readied to make sure that the nationalists allied to Defense Forces chief General Noriega are overthrown, one way or the other, in the election on May 7.

This review has been exposing the illegal, unconstitutional gang that carries out such actions for a decade now, starting with our exposure of gun-running to Khomeini under Jimmy Carter, the policy that became known as "Iran-Contra" in 1986. In the *Feature*, you will read portions of a much longer dossier prepared by our investigative reporters and Washington bureau, which outlines how and why Lyndon LaRouche, *EIR's* founder, has become a political prisoner in his own country precisely for having alerted the public to the danger of the secret government.

On page 46, we present a summary of the operations now in place for the Panama election. This information, in news bulletin form, is being spread throughout the hemisphere now, to put the maximum political penalty on efforts by the ill-named "Project Democracy" crowd to destroy the sovereignty of Panama, and after that of Argentina, where the elections will be on May 14.

In the we-were-right department, I'd like to remind readers of LaRouche's article published in this year's Jan. 20 issue, "How all my enemies will die," revealing the Satanic nature of those who want to see him dead. Proof has now emerged (see page 65) that LaRouche's enemies in the judiciary in the state of Virginia, are among the arch-heros of the growing U.S. Satanic movement. Note, too, that Michael Billington's April 14 article, "Mainland China takes the IMF road," was the first in print to reveal what Beijing itself subsequently made public. Billington is a fellow political prisoner with LaRouche, together with Dennis Small, who co-authored last week's analysis of the Brady debt plan.

Nora Hamerman

EIR Contents

Interviews

50 Dr. Nabil Shaath

The head of the political committee of the Palestine National Council discusses the peace process in the Mideast.

Science & Technology

20 Ozone depletion is proven to be a scientific fraud

The ozone hole in Antarctica was discovered in 1956, not 1985, and its fluctuations were documented by ozone research pioneer Gordon Dobson. Rogelio A. Maduro reports on yet another "ecologist" swindle.

Departments

15 Dateline Mexico

Salinas invites IMF dictatorship.

16 Report from Rio

Funaro's great project.

17 Andean Report

Pérez to Venezuela: Drop dead!

72 Editorial

AIDS mafia changes its tune.

AIDS Update

61 Soviet hospitals called AIDS hotbeds

72 AIDS mafia changes its tune

Economics

4 Oil prices: Does Kissinger want a new Mideast war?

Studies are circulating that examine the consequences of a \$40 per barrel price.

6 Drought damage to grain belt worsens; USDA calls relief to farms "premature"

8 One, two, three . . . many Hong Kongs

9 A new colony for the IMF: New Zealand

10 OECD studies demand rationing of workers' old-age pensions

12 Currency Rates

13 Agriculture

GATT and the grain cartels.

14 Banking

Vultures pick over the bones.

18 Business Briefs

Feature



Stuart Lewis

Who knows in which closets the Irangate skeletons are really to be found? (Left to right) Henry Kissinger, Oliver North, John Tower, George Bush.

28 Irangate, the secret government, and the LaRouche case

The perpetration and coverup of the Iran-Contra scandal bears many ominous similarities, by no coincidence, to the coverup of the Kennedy assassination—including, not least, the slaughter or imprisonment of witnesses and accomplices.

31 Case study: Contras and drugs

36 The dead: *Cui prodest?*

International

44 Kissinger versus LaRouche in the second battle for Poland

“Mr. Rockefeller was delighted at the President’s response to the very significant steps taken by the Polish government toward a freer and more pluralistic society,” said an aide to the banker—whose retainer Henry Kissinger came up with the plan.

46 U.S. plot to commit vote fraud in Panama discovered

49 U.S. seen splitting Lebanese Christians

50 Toward a viable program for peace in the Middle East

An interview with the PLO’s Dr. Nabil Shaath.

52 Three months later, LaRouche jailing seen abroad as albatross for Bush

Coverage from Brazil, Panama, and Lima: The Peruvian daily *El Popular* links the trial of the American economist to his exposure of “narco-power.”

55 London noses into Indochina conflict

56 The Nepal-India tiff: Is it the shadow of the Chinese dragon?

59 Philippine bases: NPA ups the ante

60 International Intelligence

National

62 North trial highlights the President’s ‘Gregg problem’

The specious credibility of the Tower Commission and congressional coverup investigations has crumbled, and every press availability of the President has been transformed into a gauntlet of embarrassing Iran-Contra questions.

64 Donald Gregg: liar and CIA thug

65 LaRouche: Satanism is legal in Virginia

The same judge who has kept the former presidential candidate in jail, ruled that Satanism is a constitutionally protected “religion.”

66 New leads emerging in Satanist murders

67 Eye on Washington

Social security deterioration hit.

68 Congressional Closeup

70 National News

Correction: In last week’s report on the trial testimony of Richard Brenneke, page 58, an editorial error crept in, with the help of our computer’s “search and replace” function. Following the first question by prosecutor O’Rourke, the remaining questions were all asked by him, not by defense attorney Scott. Also, we regret the misspelling of Mr. Brenneke’s name.

Oil prices: Does Kissinger want a new Mideast war?

by Chris White

The list of accidents and mishaps that have fueled the upward spurt of oil prices was augmented in mid-April by two more. Half of the output of the North Sea's Brent field was interrupted when Shell's Cormorant Alpha platform was shut down the night of April 18. And, one-quarter of the output of the Alaska field was shut down because of a breakdown in a pumping station on the pipeline.

It is not clear how long either of these shutdowns will remain in effect. Some accounts anticipate that the problems with Cormorant Alpha will take from four to six weeks to fix. Others see an indefinite closure in the works. Though Cormorant Alpha did not itself produce much oil, the pipeline from the Brent fields to the Sullom Voe collection center for field output runs through one of the platform's legs. Therefore, flow from the whole field has been interrupted.

The two closures set off new tremors in the oil markets. On April 20, futures prices for May delivery jumped up to \$25.40, in part because this was the last day contracts for May delivery were open. The effect should be another round of dramatic price increases at the pump for the month of May, beyond the 14-18% that is being reported from around the United States during April.

These price increases were the subject of congressional hearings on April 18. On that occasion, California Sen. Alan Cranston (D), along with others, heard the Exxon Corporation deny that the recent round of price increases had anything to do with the Alaska *Exxon Valdez* oil spill. The company attributed the increases to technical factors that had been in the works previously.

That account is, of course, self-serving nonsense. OPEC

and non-OPEC producers had indeed agreed in December of last year on a redistribution and lowering of production quotas to shore up the price of oil at a price between \$18 and \$20 per barrel. The Alaska spill, followed by a declaration of *force majeure* on April deliveries by Exxon and British Petroleum, pushed the price above the \$20 per barrel level for the first time since 1986. OPEC producers meeting subsequent to the spill reaffirmed that they did not seek a price for their product above \$20 per barrel. Now, the latest closures and accidents are pushing prices into the range between \$21 and \$25 per barrel.

Shortly after the Alaska spill was engineered, this magazine reported that two variants were under discussion internationally, so far as the price of oil is concerned. In the first, we reported, there was the intention to increase the price to a level between \$20 and \$25 per barrel. The purpose of this was identified as a tactical maneuver, typical of the time-buying methods associated with former Secretary of the Treasury James Baker, to ease pressures on especially the larger U.S. commercial banks.

Since the international oil price is denominated in dollars, a stronger price helps alleviate pressure on the dollar, and thereby also offsets pressure for interest rate increases, of the sort that America's foreign creditors have been demanding with increasing insistence since the beginning of the year. The extra cash flow gouged out of consumers at the pump, via higher prices for refined products, is also the sort of windfall that cash-strapped banks would not sniff at.

The other variant, we reported, envisaged an oil price moving back to the range of \$40 per barrel. Yet, in this range,

pricing considerations cease to apply as such. At this level, the question of oil pricing would have nothing to do with time-buying for the banks, or any such thing, but would rather have to do with plans, by extremely powerful circles in the Soviet Union and the West, to spread chaos in the world, in the interests of simply spreading chaos.

Studies of chaos

Now, we learn that studies are circulating, in the City of London and elsewhere, which examine the consequences for various sections of the world economy, with oil priced at about \$40 per barrel. The interesting point being that the existence of such studies was admitted, in the week after Gorbachov's leading advisers on economic policy, Leonid Abalkin and Vassily Slyunin, told the Italian newspaper *Corriere Della Sera* that only a "skyrocketing" of the international price of oil would permit the Soviet Union to generate the hard currency earnings from exports which would permit that country to pay for the foodstuffs it would have to import in the coming period. In Abalkin's account, each dollar added to the international price of oil adds \$1 billion to the Soviet Union's hard currency earnings.

Reportedly, the London studies on the higher range of price for oil, focus on the effects of such pricing on the oil import-dependent, developed economies of the Federal Republic of Germany and Japan. It is estimated that those economies could not withstand the effects of oil priced at that level, and would crack. On the other side, the United States is supposed to be able to withstand a further doubling in the price of oil.

Actually, it is more than likely that the reverse situation would be the case. Even though Germany and Japan are import dependent, their economies remain in better fundamental shape than the United States, where the explosion of indebtedness, on top of a decaying productive base, has created the greatest danger for chain-reaction collapse of accumulated financial paper. A new oil shock would no doubt be one of the most efficient means of destabilizing that mass of paper, increasing operating costs of earnings-reduced, debt-bloated corporations and financial institutions to the point that a chain-reaction blowout would occur.

Either way, the consequences would be disastrous for the West, creating the kind of political, social, and economic disruptions from which only the Soviet Union would benefit. Precisely this reality ought to prompt another look at the Russian demands relayed by Abalkin. As he reported, "skyrocketing" oil prices are required to permit the Soviet Union to generate the earnings that will enable imports of foodstuffs to be paid for. Since when, it might well be asked, did the Soviets express such a willingness to even consider paying for the food they import? Their general practice has been to secure credits, on favored terms, with long repayment schedules and massively subsidized concessionary sales. Their hard currency earnings are not necessarily spent on food

imports, because they insist on making other, less costly, arrangements. Therefore, contrary to Abalkin, the Russians do not need higher earnings to finance higher imports.

Enter Henry Kissinger

Their interest in this matter is perhaps best reflected in the activities around the Middle East of Henry Kissinger and his cronies like Larry Eagleburger, now number-two in the Baker State Department. Without a significant interruption in supplies from the oil-producing regions of the Middle East, there will be no skyrocketing of prices of the sort that Abalkin has demanded, and that are being reviewed in the City of London and elsewhere. Quite the reverse, as things stand right now: For example, if the OPEC nations are serious about the \$20 upper limit on the price which they have espoused, there is very little that can actually be done to continue to drive the price higher. For, as these accidents and shortages reduce output, OPEC producers can move into the market, underselling the competition.

A commitment to an oil price higher than the range of \$20-25 per barrel is therefore also a commitment to a war in the Middle East of the sort that would eliminate enough of OPEC's present capacity to permit the price to breach that barrier. Here, it is Kissinger and Eagleburger's support for Soviet puppet Syria in Lebanon which is rightly the focus of attention. Kissinger, following the recent Trilateral Commission meeting in Paris, admitting, "God will punish me for saying this," went on to express fulsome support for Syria's Hafez Assad and the "cold calculations" via which Assad develops his self-interest. Eagleburger, before the Congress, has advised against the United States opposing Syria in Lebanon. And the United States is indeed following these prescriptions of the Kissingerians.

In backing Assad's Syria, Kissinger and Eagleburger are also, by extension, backing the terrorist formations which are deployed under Syrian control, such as the PFLP-GC of Ahmed Jibril and the PDFLP of Naif Hawatmeh, and backing the coalition between Syria and such terrorist formations, and Qaddafi's Libya and Khomeini's Iran. This coalition, for its part, under the Russians, is targeting Pakistan, Turkey, Saudi Arabia, and Egypt.

Then consider the Abalkin demands for a higher oil price in light of the movements of the hands and feet of Russia's stooges in the Gulf and Middle East, and in light of Kissinger and Eagleburger's insistence that such activities not be challenged by the West. These are the forces of chaos who would use renewed conflict in the Middle East to create a new epicenter for spreading disruption which would rapidly drag in everybody else, one way or another.

He did it before, in October 1973, unleashing a Middle East war, on behalf of the kind of chaos which would permit so-called international crisis managers to take over, under conditions of existential threat. Now, it seems Kissinger and company are doing it again.

Drought damage to grain belt worsens; USDA calls relief to farms 'premature'

by Marcia Merry

As of April—the average planting time for the U.S. grain belt—reports and alarms have been pouring into Washington, D.C. for help to farms hit by the drought, and for help to consumers who are facing food shortages and high prices. Internationally, the unmet needs for emergency food are resulting in millions going hungry, and many thousands starving in Sudan, Indochina, and elsewhere. But so far, the U.S. Department of Agriculture is blocking any action to protect farm productivity and food output.

Instead, Agriculture Secretary Clayton Yeutter is making it his priority to cut farm support programs for the new five-year 1990 farm bill, now under discussion in Congress. Yeutter made a show of concern about grain supplies by scheduling a swing through drought-stricken Kansas the week of April 14, but the major thrust of his testimony to the Senate Agriculture Committee on April 19 was on reducing “trade distorting” support to farmers. He called for making farmers “flexible” and “competitive.” But the truth is that farmers around the world are in crisis—if not from adverse weather, then from the universal burden of unpayable debts and inflation in costs.

The USDA has taken a business-as-usual stance in the face of all this. On April 4, officials followed their annual routine, and announced a period for “public comments” on the U.S. crop acreage reduction that should take place for the 1990 growing season. A plan for the 1990 wheat crop will be announced by the USDA by no later than June 1—the month when this year’s winter wheat will begin to be harvested. According to the USDA press release, “If the 1989 ending stocks for wheat are estimated to be below one billion bushels (27.2 million metric tons), the ARP [acreage reduction program] may not exceed 20% for the 1990 wheat crop.”

The current projections show that the ending stocks—the amount of wheat reported on hand in May, just before the June harvest—may be down below 500 million bushels (13.7 million metric tons), way below even the USDA’s “safety” figure, which USDA officials well know. Instead of debating how much cropland to “set aside” from food output, the question should be how to get millions more acres back into food production.

Many private groups and individuals are demanding action because of predictable grain shortages. John Schnittker,

a private grain analyst, has called for a cessation of cropland set-aside this year, and a stay, until mid-year, of the Export Enhancement Program (EEP), under which huge amounts of grain are going to the Soviet Union, squeezing what remains for domestic use and for emergency needs in countries suffering from famine. Schnittker said, “The extreme reduction in grain stockpiles makes a short 1989 harvest a serious threat to world price stability.” He warned of price increases, pointing out that grain for livestock “would be severely reduced by another drought,” and prices would soar.

The Community Nutrition Institute, a consumer advocacy group, also has called for a freeze on the Export Subsidy Program. Rodney E. Leonard, the executive director of the group, wrote to Agriculture Secretary Yeutter on April 3, and repeated the request, made last fall after the drought. Leonard said, “Steps could have been taken to safeguard supplies,” before the situation reached the current crisis.

Leonard assembled figures on the shrinkage of harvests and the draw-down of U.S. wheat stocks that could result in a national wheat stockpile in May 1990 of merely 300 million bushels (8.2 million tons), the smallest amount since 1952. Leonard warned, “This is hardly adequate as a domestic reserve, and will leave the U.S. unable to intervene if famine conditions develop anywhere in the world. The [U.N.] Food and Agriculture Organization . . . a month ago said that world grain stocks will be drawn down again in 1989-90 for the third year in a row. In effect, FAO does not expect food grain production to increase significantly in any of the major food-producing areas outside the U.S.”

As if by magic, the USDA has “found” more grain stocks on hand than previously anticipated, in both its January and March stocks reports. The Agriculture Department reported 1.22 billion bushels of wheat on hand in its March 31 report, well above the average pre-report estimate of 1.18 billion bushels. As of March 1, the USDA reported corn stocks of 5.2 billion bushels, down from 7.6 billion the same time a year ago, but way above the average trade estimate of under 5 billion.

Plumping up the figures like this, the USDA is at the same time pledging more and more grain to the Soviet Union. The Soviets have bought up to 17 million metric tons of U.S. grain so far this trade year (October 1988 to December 1989),

which is 5 million tons over the 12 million-ton annual ceiling specified under the current Long Term Grain Agreement between Washington and Moscow. The USDA lifted the ceiling to 16 million tons in December, and then lifted it again to 20 million tons in March. It is expected that the USDA will pledge more grain to Moscow soon, and when U.S. and Soviet trade officials meet later in April for their twice yearly talks, the USDA will lift the grain export volume ceiling once again.

Status report from the grain belt

The reports on the extent of the drought damage in the grain belt foretell an even bigger crisis to come.

Winter wheat: The current damage in the winter wheat belt, centered in Kansas and Oklahoma, is on the scale of historic disaster. An estimated 25-30% of the Kansas wheat crop is lost due to drought, winterkill, and insects. Kansas accounts for 18% of the national total wheat crop, and close to 35% of the winter red wheat favored for making bread.

In mid-April, Kansas congressmen initiated measures in the House of Representatives to bring winter wheat under the provisions of the 1988 Drought Assistance Act, and to make the act applicable to 1989. On March 27, Kansas Gov. Mike Hayden asked Yeutter to visit the state to see the vast damage to the wheat fields, and to give Kansas wheatgrowers federal crop assistance.

The Oklahoma Wheat Growers Association reports that the wheat crop in the western part of the state is "gone." Louis Schupbach, the organization's president, said, "Rain won't help folks out there. . . . The problem could be particularly critical if the government carries through with elimination of disaster relief funds. This is what we've been hearing all year—no help will be forthcoming. Yet this year's drought damage is a continuing problem, not a new one, and it isn't as simple as it might appear to people who aren't involved with agriculture."

Corn: On April 19, Iowa Gov. Terry Branstad declared six counties drought emergency areas. One of them, Keokuk County, is the driest in the nation in relative terms of water needed to replenish the sub-soil moisture. This is the heart of the corn belt—where as of mid-April, plantings were behind schedule because of aridity. Meteorologist Peter Leavitt has estimated, "The drought could linger through the planting time and early part of the season." Leavitt estimated that it would take 10-12 inches of precipitation in Iowa to lift soil moisture levels above drought conditions.

Low plantings

Even if weather were perfect for the rest of this year, the decline in grain acreage planted in the United States, along with declines in grain harvests in other grain-exporting nations, mean huge food losses the world cannot afford.

According to the USDA's March 31 survey of farmers' planting intentions, this year there will be 9% less grain

acreage (wheat, rice, and the coarse grains) planted than in 1984. And there will be 14% less acreage planted for grains than in 1981, which was not one of the biggest planting years for many of the grain crops. According to the USDA March projections of grain area planted for 1989, the acreage may total 189 million acres. In contrast, in 1984, total grain area was 207 million acres; and in 1981, total grain area was 218 million acres.

To downplay the decline in grain planting area, the USDA and non-farm media report only that 1989 grain plantings are "up" over last year. However, 1988 was an especially low year for grain planting.

In 1988, the combination of the killer drought and an annual federal set-aside order of 27.5% for wheat and some other grains, produced the conditions for the drastic fall in harvests. For this current 1989 harvest year, the USDA has nevertheless mandated a 10% set-aside requirement (5% for oats). April 14 was the last day for farmers to decide whether to enroll in, or to drop out of, federal income support programs, under which these set-aside requirements are compulsory.

The USDA rationalization for maintaining the set-aside policy, is that the drought may lift, and that a grain "surplus" would result and "depress" prices to farmers. The latter argument is specious from the outset, since the cartel grain companies underpay farmers, no matter what the amount of grain is on the market. Executives from Cargill, Pillsbury, and other cartel companies run the agriculture and trade offices in Washington. There is also no basis for the USDA argument that good weather may miraculously return.

Testifying to a House subcommittee on agriculture in early April, USDA Assistant Secretary for Economics Ewen Wilson said, "We don't know there is going to be a widespread disaster." Wilson used platitudes, and said that the USDA "doesn't want to do anything precipitous."

Also testifying, USDA chief meteorologist Norton Strommen hedged to Congress on the weather forecast: "We have a mixed picture. . . . It's just a little premature to write the crop down to any specific level. We simply have to watch and wait for the development and the timing and distribution of rainfall in the next two months."

In a typical show of insolence to farmers, Agriculture Secretary Yeutter has only made some motions to reestablish the interagency task force on drought that was in effect last year.

Showing frustration at these USDA excuses for blocking action, some congressmen have begun plans for drought relief. House Agriculture subcommittee chairman Rep. Dan Glickman (D-Kan.) has presented a list of actions, including extending last year's Drought Assistance Act, and also bringing winter wheat farmers under the coverage. They were excluded last year, since their 1988 crop was planted in 1987, and their harvest was gathered in before the intensity of the drought took hold.

One, two, three . . . many Hong Kongs

by Michael Billington

The British Crown Colony of Hong Kong stands in history as the quintessential model of Britain's 19th-century drug-centered imperial destruction of the Third World. Yet, this same Hong Kong is now being adopted as an economic and political model by Communist China—and potentially even by the Soviet Union. And once again, drugs are at the center of the policy.

Mainland China established in 1980 a set of four Special Economic Zones (SEZs) as a crucial part of the "reform" process of introducing free enterprise market economy measures. The island of Hainan in the South China Sea was added as a fifth SEZ last year. The original structure provided for free trade zones, exempt from normal taxes, tariffs, and investment restrictions, in order to encourage a rapid increase of foreign investment and joint ventures, mainly in export-oriented small and medium industry.

At the just-completed yearly meeting of China's National People's Congress, the People's Republic of China officially adopted Hong Kong's freewheeling drug economy as the legal model for one of these SEZs, Shenzhen, immediately adjacent to Hong Kong in the southern province of Guangdong. The mayor of Shenzhen quoted leader Deng Xiao-ping on the necessity to "build several Hong Kongs in the interior of our country."

The new law provides for Shenzhen to enact its own laws appropriate to the development of a market economy. The mayor of Shenzhen reported in the official *People's Daily* that "in the course of setting up its laws, Shenzhen will systematically study from and borrow the laws of Hong Kong and foreign countries."

For various reasons that are not clear, the vote on this new law at the People's Congress was *not* the normal lopsided or unanimous rubber stamp of the government's proposal. For the first time in history, 40% of the delegates voted against the bill or abstained, causing embarrassment for Prime Minister Li Peng, who had used the Congress as a forum for implementing his International Monetary Fund-modeled austerity measures (see *EIR*, April 14, 1989, "Mainland China Takes the IMF Road").

The Communist leaders and their backers from the IMF view these free trade zones as essential for the "quick fix" fast cash flow substitute for the development of the agriculture and infrastructure of the now rapidly collapsing economy. In fact, however, the policy means the further misery for of the vast Chinese peasantry, while providing a cover for China's role in the ongoing explosion in the major "hot

money" commodity—drugs.

Hong Kong was seized in 1842 as a concession of war from a Chinese emperor guilty of resisting the British smuggling of opium into the Middle Kingdom from the British East India Company opium plantations in India. Hong Kong has remained the financial center for the world drug trade to this day. It serves as the model for the dope, prostitution, and coolie labor economy, preferred by the Henry Kissinger variety of international banker.

While the Communist regime did dramatically reduce opium consumption after the 1949 takeover, they never reduced their involvement with the opium traffic. The Golden Triangle, one of two major opium-producing centers in the world, centers on the tribal areas in the Chinese province of Yunnan on the Burma border. The recent political upheavals in Burma have covered for the dramatic explosion in heroin exports over the past year. (The other center, covering the Iran-Afghanistan-Pakistan corridor, is also an area of extensive Chinese operations.)

The creation of new laws providing "freedom of movement" of both cash and commodities within the SEZs will facilitate a mass expansion of the drug trade. In addition, Beijing has begun to lease enormous tracts of property to foreign companies, to treat as virtually their own sovereign territory. A Japanese company has been granted a 70-year lease on a port facility on Hainan island, one of the five SEZs. Five members of China's Association for Science and Technology protested this as a "new territorial concession" reminiscent of the chopping up of China by foreign "concessions" after China's defeat in the Opium Wars of the 19th century.

With this image in mind, the Hong Kong and British oligarchy met in England on March 22 to form the Anglo-Hong Kong Trust, to the purpose of "promoting U.K. investment in Hong Kong and China . . . before and after 1997," when Hong Kong will officially revert to the mainland's political control. Among the members of this Trust are the directors of the Hongkong and Shanghai Bank, N.M. Rothschild, and British-American Tobacco.

The Soviet connection

Meanwhile, the Soviets have announced that they will be creating Special Economic Zones in the Asian part of the U.S.S.R. based on the Chinese model. The ongoing reestablishment of Sino-Soviet relations includes an explosion in "barter trade" along the Sino-Soviet border and expanding flights between Beijing and Moscow.

Eric Nordholt, chief police commissioner of Amsterdam, who recently completed a tour of China, Hong Kong, and Thailand, reported to a Dutch journalist that customs controls on the flights between Beijing and Moscow have been relaxed, and that this has become a major route for the 1,500-ton bumper heroin crop from the Golden Triangle, traveling overland from Moscow into Europe. The route is new, but the deals are being made in Hong Kong.

A new colony for the IMF: New Zealand

by Allen Douglas

New Zealand's drastic economic "reforms" since 1984 were the showpiece of a lecture by New Zealand Embassy Councillor Derek Gill, co-sponsored by the National Economic Club and the International Monetary Fund at the IMF Visitors' Center in Washington, D.C. on April 13. In a presentation which hyped the emergence of New Zealand's wildly speculative financial markets, and which glossed over the utter ruin the reforms are bringing to New Zealand's farmers, manufacturers, and workers, Gill let the cat out of the bag as to whose program it was, that the Labour Party began implementing immediately after its 1984 election. "The government introduced an IMF-style devaluation," Gill began, ticking off the rest of the reforms which are the standard package the IMF prescribes to loot developing-sector countries for the private banks.

As Gill's speech made clear, New Zealand, with its over \$50 billion debt (U.S.\$30 billion) and a population of only 3.25 million, has become an IMF showpiece. The Fund does not formally dictate conditionalities to the country as it does in Ibero-America or Africa, only because New Zealand's Labour government carries out the IMF program on its own. In addition to its "IMF-style devaluation," the Labour government has implemented other standard IMF demands: It has privatized state sector assets (in order to raise \$14 billion to pay the debt); it has eliminated protective tariffs (opening the country up for foreign looting); it has ended interest rate controls (leading to interest rates as high as 30%); and it has "freed up" its capital markets (allowing speculation and money laundering to predominate over financing for hard-commodity production.)

The IMF has been low key but not absent from the country. For example, in late 1988, the IMF reorganized the New Zealand government's Inland Revenue Board, to gouge more revenue out through taxes. Furthermore, the all-powerful Business Roundtable's chief think tank, the Center for Independent Studies, is chaired by Rod Deane, who spent part of the 1970s in the office of the Executive Director of the IMF. Deane is presently the head of Electricorp, a former government department now "corporatized" and soon to be sold off. He is keeping up the grand tradition described by former IMF official Davison Budhoo, of IMF executives looting countries, while granting themselves extravagant pay rises and

staging lavish parties. Electricorp caused a scandal in late 1988 when its executives granted themselves "bonuses" of hundreds of thousands of dollars, even as they fired thousands of employees.

Derek Gill, in his speech in Washington, praised the New Zealand Treasury Department as "the core economic agency of the reform program." As former Prime Minister Robert Muldoon, once an IMF big-shot himself, recently noted, a hard core of Treasury employees were trained by the IMF.

Rural economy devastated

While waxing eloquent about the growth of capital markets "even freer than Hong Kong" (which is based on drug-money laundering), and the fact that salaries for economists such as himself had soared from \$30,000 per year to \$150,000, Gill did note that "the farmers have been hit the hardest," and that there is "severe distress in the rural community" which until recently has accounted for 75% of all New Zealand's exports.

This provoked a question from the audience: "Most of the burden of reforms is being placed on the agricultural economy. Why do the farmers put up with the pain?" to which Gill replied, "I will give you the answer in two parts, the first a bit cynical. The farmers aren't going to vote for them [the Labour Party] anyway." He then explained that the leadership of the farm organizations supported measures to cut their own members' throats. "The farm lobby have been consistent supporters of the general direction of the reform. The farm sector leadership, anyway, has been supportive of the government, including on slashing farm subsidies. . . . This is partly to do with the character of the leaders at the top of the farm sector."

These leaders, as in the Federated Farmers organization, are invariably Freemasons. They are directed by such high-level Masons as Sir Ron Trotter, chairman of the Business Roundtable. Many rank-and-file Masons, as well as non-Masons, have been destroyed by this sellout.

This correspondent then ticked off the devastation caused by the government's reforms: 1) unemployment (over 170,000) is at the highest rate in New Zealand's history; 2) as many as 20,000 out of 50,000 farmers stand to lose their farms within months; 3) though the purpose of the privatization is to raise the money to pay the \$50 billion foreign debt, it was Labour itself which created that debt (up from \$12.6 billion when Labour came in); 4) the "next phase" of the government's economic reforms—which Gill did not even allude to—is Mussolini-style corporativism, a command economy in apparent contradiction to the present IMF-style "free market."

To all this, Gill could only reply, "I don't know what to say other than that I disagree," followed by the preposterous claim that, "Reviewing the reforms to date, New Zealand has escaped relatively lightly. . . . The economy is in relatively good shape to benefit from the upswing."

OECD studies demand rationing of workers' old-age pensions

by Jutta Dinkermann

In most countries, pensions have the biggest share of the social entitlements budget, and are, therefore, a prime target for austerity measures. While the official word is that the economy is "still in an upswing," the public pension funds are supposed to be adapted to the economic crisis. Two reports from the Paris-based Organization for Economic Co-operation and Development (OECD) lay out plans for the "reformation" of the pensions that should sound the alarm: Those who are working today should expect not to see sufficient social security at retirement.

The reports are relevant for the present discussions on retirement pensions which are taking place in all Western industrialized nations. Both reports were published by the Paris office of the OECD last year and form the basis for various decisions taken on the government level of OECD member-nations. The first report is called "An Aging Population—The Social Implications"; the second is "The Reform of the Pensions."

Although the authors take great pains in disguising their aims and hedging around with euphemisms, they are utterly unable to hide the cruel consequences of their prescribed austerity policy.

The first report supplied the governments with the argumentation for taking deep cuts into the whole social services realm and has the intention to pave the way for radical "health reform" austerity measures.

The second report supplied the basis for the draft new pension laws. The various labor confederations do not seem to have digested all the consequences of it, otherwise they would surely be up in arms in protest.

The argument in both reports ignores the 20-year economic collapse of industrial progress, with its attendant contraction of infrastructure, and therefore, lays blame for the rising total bill for retirement benefits on the elderly. Due to medical progress, the number of senior citizens and especially of the "very old" (75 years of age or older, according to the OECD) has continuously risen. At the same time, OECD nations are experiencing a reduction in birth rates, altering both the proportion of the present population and contributions to retirement funds for the future. Because of

the economic crisis, less and less money is available, both for expensive medical care, and for continued payments of pensions.

Spartan social policy

In the OECD report, senior citizens are regarded as nothing more than costly burdens. The OECD bureaucrats would never promote the idea that an old person is a treasure of human experience. Nowhere does the report speak of a nation's exigency to conduct economic policy which would be capable of filling up the national coffers to adequately cover social welfare necessities. The attitude is rather to promote the sacrifice piece by piece of those members of society least able to defend themselves, beginning first with the elderly and sick.

For this purpose, the OECD bureaucrats in Paris consciously play the elderly off against the young and healthy working population, both of whom must increasingly struggle to make ends meet. The OECD calculates that it is "three times as expensive" to support a pensioner than a young person, and that the traditional procedures will increasingly burden the working population:

"Under existing regulations, the evolution of public pension schemes is likely to put a heavy and increasing burden on the working population in coming decades. Such a financial strain may put inter-generational solidarity at risk."

Then, the authors claim that the elderly are financially better off, anyway.

"Finally, the income level of the retired population has improved significantly in many OECD countries. In many countries, this improvement has brought the disposable per capita income for retirees above the equivalent income of working families with children."

Unfortunately, their assertion that the income of the retired people has been "substantially improved," does not correspond to reality. How can the OECD put forward such assertions? The answer is simple: in order to substantiate their claim about the income and the living standard of the pensioners, they chose to only look at favorable intervals, in some cases dating back to 1959.

Having drawn their bead on retired workers, the reports' authors then ask the question: How is the money going to be saved?

The OECD complains that the majority of its members are only willing to adapt their pension fund systems within the existing framework, instead of restructuring them totally. This problem considerably limits the number of strategies for reforms possible. To keep the pension funds in a proper balance, would therefore require governments to "change the price and quantity variables" for their citizens' retirement income and expenses.

This means:

- reduce the pensions;
- reduce the number of pension recipients;
- increase insurance premiums.

The concrete proposals are correspondingly:

1) Reductions in pension cost of living adjustments or delaying the indexing of pensions to the average national wage to subsequent years. In the short run, postponing the cost of living adjustments for pensions or decreasing the rate at which pensions are indexed to the average national wage may save some money; in the long run, however, the costs will increase nevertheless. The OECD, therefore, throws its particular favor behind a reduction in the pensions, which means, among other things, that the future retirees should prepare themselves for these altered and reduced income situations while they are still employed. In other words, they not only have to pay in contributions for their future existence as retired citizens, but at the same time, they must have additional savings or contract for additional insurance policies. The OECD is quite right in pointing to the increasing importance that is gained by the private provisional insurance companies under these circumstances. This is only true, as is already the case, for those who can afford these private plans.

The real extent of pension cuts that are to be expected can be gathered from a warning the OECD bureaucrats sent to the "political decision-makers": "It is necessary to be prudent in statements about the level of benefits, that public schemes can provide, but some minimum level should basically be guaranteed."

No choice at all

2) Raising the age of pension eligibility. This target can be achieved either by raising the minimum age for pensioners or by totally abolishing mandatory retirement at a certain age, which is aimed at encouraging the elderly to continue working, which they are otherwise prompted to do to increase their private savings in the face of budget cuts. The OECD planners put it this way: "Retirement flexibility is becoming a major social objective, which is felt to correspond better to individual preferences, changing labor market conditions and lifestyles."

The target group for this sugar-coating doesn't seem, however, willing to be deceived, and hence the authors call

for pension cuts to keep senior citizens on the job: "In the first place, the mere availability of benefits at a certain stage is considered to be a primary inducement to retire. Evidence in support of the conjecture also suggests, that people are not very sensitive to changes in the level of benefits within a range of 10-15%. . . . It is argued that the most important factor is the availability of money without having to work." The OECD hence outrageously declares that the elderly are money-demanding pikers, who never contributed anything to social security funding.

Given the "impudence" of these retired workers, the OECD only sees one solution: Because of higher life expectancies, the retirement age should be raised to 69 or 70 years, and increased such that by the year 2025, it reaches 75. While under such circumstances no one would be forced to work that long, clearly anyone who takes "early retirement" would face substantial financial losses. In the face of such a perspective, most people would have no other choice, but to give in and to continue working.

Clearly, the Organization for Economic Cooperation and Development thinks its members should pull themselves out of their social obligations as nation-states and pass the pension-cutting buck to their citizens.

3) Increasing individual contributions to the pension plan. Here, the OECD becomes very explicit: "Given present benefit structure, or even with currently enacted or planned reforms, revenues and contribution rates will have to rise over the next decades in all OECD countries."

In this framework, further proposals for austerity measures are discussed:

A. The change of the generation contract. This means that the pension will be indexed to the net income of the working population, so that the pension fund faces the "same risks" as the wages. Each devolution in the economy or increase in unemployment will have a corresponding reduction in pensions. The rationale is that the working population should not bear the risk alone, but so also should the recipients of pensions.

B. The average life income, not the latest monthly wage, should become the basis for calculating an individual's pension. This further reduces pensions, because, in general, the

average life income is lower than the latest monthly wage.

C. Increasing the minimum number of years payments must be made, before a worker is eligible to receive a pension. In many OECD countries this time is about 15 years. In Norway, it is presently 3 years, and in Japan 25 years.

D. The review of the calculation of so-called "contribution-free" time intervals and possibly their elimination. This brings especially to mind the time and cost it takes to educate children.

E. Tighter eligibility criteria to receive disability pensions, even if the "social costs should be high," and in spite of the fact that the savings to the pensions program will simply be transferred to other areas of social security. In the eyes of the disabled employee, it appears as sheer mockery when the OECD bureaucrats add, "Nevertheless, care must be taken, that these regulations do not become impossible to reverse if labor markets improve in the future." Does an individual's fitness for work depend on the status of the labor market? Does the doctor who examines a patient who has been certified disabled by his or her private physician, evaluate the patient's health by the stability of the labor markets?

F. Reduction or elimination of the surviving dependents' pensions. "The large share that survivors' pensions have in total pension expenditures in many countries, the further increase in working women, the high and still rising divorce rate, changing family structures and new lifestyles are likely to bring about a drastic revision in a number of countries."

The role of private insurance firms

Clearly, the Organization for Economic Cooperation and Development thinks its members should pull themselves out of their social obligations as nation-states and pass the pension-cutting buck to their citizens. The only people who profit in the health care system are the private insurance carriers, whose handwriting can be clearly detected in the two studies. The authors plug the insurance companies, claiming that the trend toward privatization of retirement plans "does not necessarily constitute a major change in retirement policy, since private sector provisions of varying importance already exist in all OECD countries, but it could lead to a redistribution of responsibility for old-age income."

A concrete proposal is already on the table:

"As private sector support for retirement newcomers is likely to increase in importance throughout the OECD area, fully indexed lower public support with partially indexed higher private support could constitute an optimal risk distribution of the retirement portfolio."

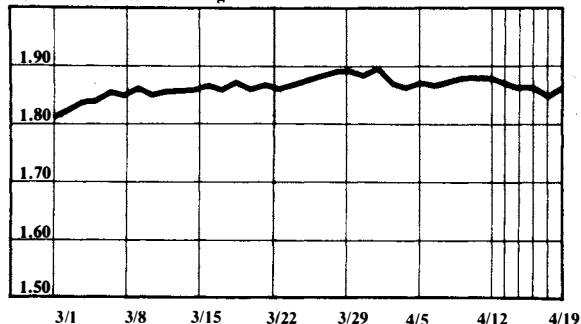
Again, the OECD does not bother to mention those who cannot afford such private insurance, and who therefore will have to live on reduced pensions and possibly work much longer.

The OECD emphasizes in its conclusion that the reform can only be carried through if it is understood and accepted how the world in which the previous social security program was created has changed.

Currency Rates

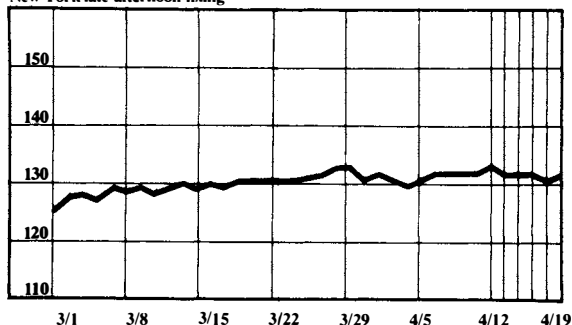
The dollar in deutschemarks

New York late afternoon fixing



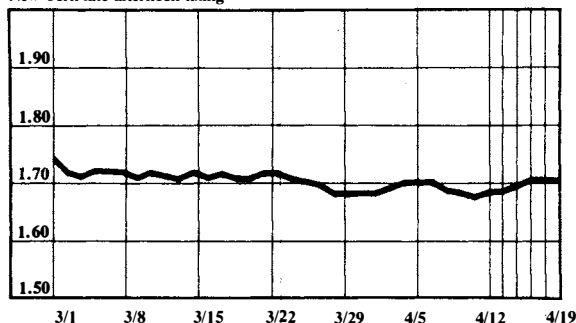
The dollar in yen

New York late afternoon fixing



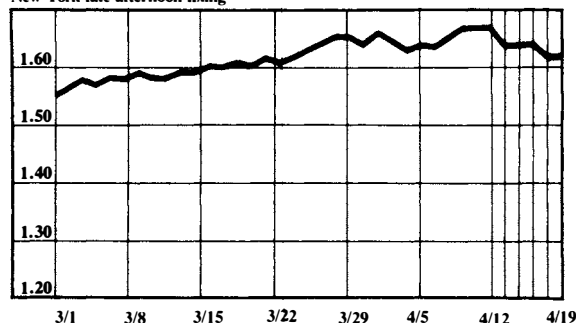
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



GATT and the grain cartels

Under the banner of the "free market," national farm sectors are to be brought under top-down cartel control.

On April 7, ministers of the member countries of the General Agreement on Tariffs and Trade (GATT) met in Geneva and agreed to a framework proposal for the future of worldwide agriculture. Too few people are aware of the staggering implications of that Geneva agreement.

The official text of the GATT declaration on agricultural trade announces as policy, "consensus that agricultural policies should be more responsive to *international market signals* in order to meet the objective of liberalization of international trade and that support and protection should be progressively reduced and provided in a less trade-distorting manner."

The world's major trading nations are now agreed on "the long-term objective to establish a fair and market-oriented agricultural trading system." Specifically, the declaration declares it will target "*internal support measures, including income and price supports, which directly or indirectly affect trade.*" Farmers, especially in industrial nations, will now be hit even more severely. But so will consumers.

There will be tough international "surveillance" measures established to police this global policy of "multilateral surveillance to ensure full compliance with commitments made in the negotiations."

For the short term, GATT members have now agreed to "ensure that *current domestic and export support and protection levels are not exceeded.*" And the first cut in subsidy and protection levels is to be accomplished by next year, with GATT to

be notified of exactly what will be cut by Oct. 1, 1989.

There's a cute trick in all of this GATT rhetoric about "international market orientation." What is the "world grain market price"? On average, only some 11-15% of all grain grown in the United States or Western Europe is traded abroad. Fully 85-90% is consumed right at home. But this 11% is turning world food production on its head. There's a good reason: the grain cartel's monopoly on trade.

This GATT agreement is the result of a concerted effort since the mid-1980s, when an elite policy group, the Trilateral Commission, released a document, "Agricultural Policy and Trade: Adjusting Domestic Programs in an International Framework." That document, first circulated in April 1985, sounded the call for "market-oriented agriculture trade." Most of the recent policy in the European Community (EC) and the U.S. Department of Agriculture has been structured since, by the architects of this "free market trade" concept.

That's the policy of five top multinational grain-trading companies—Cargill (Tradax), Continental (Finagrain), Archer Daniels Midland-Toeffer, Ferruzzi-Central Soya, and Bunge. According to their concept, national food self-sufficiency must be eliminated and markets brought under top-down control of these companies.

Former EC Agriculture Commissioner Sicco Mansholt recently admitted to a group of West German farmers who lies behind the GATT policy: "It is the cartels, especially Cargill, but

also Bunge, ADM-Toeffer are important. . . . It has been like this for almost 20 years."

Following release of the Trilateral Commission's 1985 document, farm price supports, especially in Europe, began to plunge year after year. Two years of record drop in world grain reserves and prospects of drastic supply shortages into the next harvest year, have been deliberately ignored by the grain interests shaping the GATT policy.

The architects of the GATT policy are, not surprisingly, the same individuals behind the Trilateral report. The following were all members of the Trilateral Task Force: Art de Zeeuw, chairman, GATT Committee on Trade in Agriculture; Clayton Yeutter, U.S. Secretary of Agriculture; Helmut von Verschuer, EC Deputy Director General for Agriculture; and P.A. Wijnmaalen, assistant to EC Agriculture Commissioner Andriessen (until January 1989). The chief U.S. negotiator for the GATT agriculture policy until February 1989, and deputy secretary of agriculture for almost six years in the Reagan administration, was Daniel Amstutz, a senior executive with Cargill for 25 years.

If the Trilateral policy is implemented, it will mean the collapse of productive farming. As a Norwegian farmers' cooperative organization, Felleskjøpet, stated in the *Oslo Aftenposten* April 12, in an ad protesting the GATT policy, "If those regulations which make it possible to have agriculture in Norway are removed, we will become dependent on other countries' ability to supply us. . . . What if a crisis occurs, crop failures in the U.S. or such? Then we would face an acute global shortage of food. . . . Food is not a commodity comparable to cog-wheels or radio sets."

Vultures pick over the bones

The reorganization of farm lending means less money to grow food, and more control for the big banks.

According to the February 1989 *Financial Letter* put out by the Federal Reserve Bank of Kansas City, "Agricultural credit conditions continue to improve. . . . Despite the 1988 drought, strong farm incomes were reflected in rising farmland values, strengthening loan demand, and higher loan repayment rates. . . . But with the likely return of more normal weather conditions, agriculture in the district is poised for another strong performance in 1989."

Unfortunately, this kind of double-talk has been used too many times by the Federal Reserve, to lead farmers down the primrose path to a slow financial death. If agricultural credit conditions have improved, it may be because the credit system has been restructured and is more favorable to the banking elite.

During the past eight years, the Federal Deposit Insurance Corporation has liquidated several hundred banks, along with several hundred thousand farmers. Many of the loans obtained by the FDIC, after liquidating agricultural banks, have been sold at discount prices to dummy corporations owned by the big city banks.

For instance, many loans acquired by the FDIC from bank liquidations in Iowa and Missouri were reportedly sold for 35-45% of face value to the Willow Tree Investment Corp. and the Maple Tree Investment Corp., both of which are reportedly owned by a bank in Oak Park, Illinois. As an example, a loan could be purchased at a discount from the FDIC for \$70,000, but may have a face value of \$220,000. The

farmer who owes the face value of this loan, would then be contacted and told that, if he could get refinanced and pay off the loan with cash, his loan would be reduced by \$30,000. If the farmer accepted the offer and could get refinanced, the investment company could make a quick \$120,000. This is how millions of dollars are being made by big banks at the expense of indebted farmers, agricultural banks, and the American taxpayer.

This exemplifies how completely unnecessary the FDIC shutdown of many farm banks was. These banks are being shut down and big banks are making millions through the purchase and resale of the very same loans that the FDIC used to condemn some banks to foreclosure.

Big time manipulators of the nation's money system are gloating over the restructured look of a "New Age" money system that is consolidating power into the hands of a very few. The agriculture crisis provides a good excuse for this process of cartelization and consolidation.

The Farm Credit System, the nation's largest agricultural lender, has been reorganized in such a way as to take control away from this formerly farmer-owned and -run cooperative. The original farmer-elected 12-man national board has been replaced by a three-man committee appointed by the President of the United States. At present only one person, Marvin Duncan, is on the "three-man committee."

Duncan worked for the Federal Reserve, and was assigned the task of putting together a committee which

formulated a plan called "Project 1995," the blueprint used to reorganize the Farm Credit System into its current format. Is it a coincidence that Marvin Duncan is now the head of the Farm Credit Administration?

The Farmers Home Administration (FmHA), the supposed lender of last resort for farmers, is now going through the transition from being an active lender to farmers, to providing passive loan guarantees to the few private agricultural banks left. This places more control of farm credit in the hands of the large banking interests, and reduces further the number of credit sources available to farmers.

The latest development in the restructuring of farm financing is called Farmer Mac, authorized by the Agriculture Credit Act of 1987. Farmer Mac will provide a mechanism by which agricultural real estate and farm loans can be bundled together by a group called "poolers." These bundled loans will then become the capital base with which to sell government-guaranteed security bonds to investors. Local banks and Farm Credit lenders will service the loans, but the poolers will own the mortgages and liens on the real estate. Four of the five exclusive stock owners of the Farmer Mac "pool" consist of the Farm Credit System and three top insurance companies: John Hancock, Prudential, and Metropolitan.

One big concern with Farmer Mac, is that the ownership of real estate loans will be transferred out of the local community, and the borrower will be at the mercy of the Farmer Mac poolers rather than the local lender. The Farmers Home Administration has also been approved to set up a Farmer Mac-type secondary market. Here again, much local control of loans is concentrated into the hands of large multinational financial institutions.

Salinas invites IMF dictatorship

The President has signed anew with the Fund, but bankers say all Mexico will get in return is a few crumbs.

On April 11, Mexico's Secretary of Finance Pedro Aspe Armello announced the signing of a new Letter of Intent with the International Monetary Fund (IMF). Offering the same cynical arguments given since 1982 by then-President Miguel de la Madrid, the current government announced its new commitment to impose genocidal austerity policies on the population as a great "victory" by the Mexican negotiating team.

In fact, the government is playing a highly dangerous game. In the face of an increasingly untenable economic and political situation inside the country, it is buying time with the appearance of taking action, in hopes that some kind of global debt mechanism will be pulled out of a hat by the Bush administration before all of Mexico explodes.

Finance Secretary Aspe announced that the deal with the IMF complies with "the presidential instructions and guidelines regarding debt renegotiation strategy" given by President Carlos Salinas de Gortari in his Dec. 1, 1988 inaugural address: to reduce the transfer of resources abroad, from the current 5% of GNP (the equivalent of \$12 billion a year in debt service alone) to 2% of GNP; to assure additional resources over the long term; and to assure that the real value of the debt will diminish in proportion to Mexican production.

While such objectives are, in fact, an unpostponable necessity for Mexico, reading between the lines of the Letter of Intent reveals that such goals will not only *not* be met, but that the economic depression will be dramati-

cally accelerated, because of the economic cabinet's adherence to the belief that surrender to "foreign investors" will somehow lead to economic recovery.

The first thing that is clear from the Letter of Intent, is that IMF oversight over Mexico during the term of the agreement will be *total*. The first assessment of Mexico's "performance" will take place on Aug. 31, 1989, and on the 28th of every February thereafter. Failure to meet the established IMF goals could mean a return to the drawing board. In fact, point 28 of the Letter of Intent says that "the Mexican authorities . . . are prepared to adopt additional measures, as necessary" to keep the IMF happy.

In sum, the Letter of Intent is a recognition of the Schachtian austerity policies imposed in December 1987 by then-President De la Madrid under the name of the Economic Solidarity Pact and continued by Salinas de Gortari under the name of the Stability and Economic Growth Pact. The daily *El Economista* stressed that the difference between the agreements signed by De la Madrid with the IMF, and the current one, is that now 60 million Mexicans are on "the brink of poverty."

And of starvation, as well. On April 12, José Manuel Caso Menéndez, president of the National Agricultural Council, insisted that Mexico is on the verge of an unprecedented agricultural crisis, as reflected in the fact that the country is now importing 20% of its grain requirements. He said that prices now paid to producers are

"suicidal," and that in the case of wheat and corn, in particular, the foreign producers "from whom we have to buy . . . at higher prices" are the only ones benefiting.

And if there were any doubt that these murderous policies are to continue, and worsen, during Salinas's six-year term, the Letter of Intent establishes that the Salinas government will be just "an initial transition phase."

Salinas has repeatedly insisted that the IMF's endorsement was necessary to get Mexico's approximately 500 bank creditors to agree to relieve the country's debt payment burden. From the banks' perspective, however, the reality is different. Carmen Lira, correspondent of *La Jornada*, recently reported on her telephone interviews with several New York bankers, whose consensus was that "the signing of the Letter of Intent with the International Monetary Fund will be insufficient guarantee for Mexico to obtain a reduction in its foreign debt principal from us." A spokesman for creditor banks declared, "Mexico insists that we banks reduce its debt, in total amount and in interest, in addition to granting it new credits, and this is not possible. . . . There is a consensus to give a reduction in debt service, that is, in interest, up to 50%; and some banks have 'fresh' money ready for new small loans, but nothing more."

Mexico's nationalists have responded with outrage. In a session of the Permanent Commission of the Mexican Congress, Sen. Ifigenia Martínez of the Party of the Democratic Revolution (PRD) compared the defenders of the new Letter of Intent with those who, in the last century, thought that "it was necessary for a foreign government to achieve the political stability and development of the country," a reference to Maximilian Hapsburg, the Austrian dictator who was overthrown by Mexicans in 1867.

Funaro's great project

Even the memory of Finance Minister Dilson Funaro scares the immoral bankers.

The varied and dramatic reactions to the April 12 death from cancer of former Finance Minister Dilson Funaro, architect of the 1987 Brazilian moratorium, show that his economic ideas for rescuing Brazil's sovereignty and dignity are very much alive in his native country, even though for months before his death, his name was hardly mentioned.

At the end of the funeral mass held April 18 in São Paulo, a leaflet was distributed by Funaro's family which bore a smiling photograph of the former finance minister, and a quotation from him asserting his confidence that "despite all the difficulties which we face, I am certain that the spirit of the population can be awakened each time we provoke it with defense of its interests."

The funeral services drew an outpouring of spontaneous eulogies from people who recalled that Funaro was considered "the most popular finance minister in the history of this country." Some of the mourners held up their own posters criticizing the government for having reversed Funaro's declaration of a debt moratorium.

President José Sarney, despite having declared a day of national mourning and honor for the former minister, did not dare to show up at the service, anticipating negative reactions for having sold Funaro out.

Labor leader Joaquin dos Santos Andrade, president of the General Confederation of Workers (CGT), said, "Funaro was a man with the courage to face up to some of the most

serious problems, such as dependency and the foreign debt, without vacillation. We have lost a friend."

In Rio de Janeiro, Father Paulo Nunes concluded his mass with a sermon paraphrasing Funaro: "In dealing with the foreign debt, we all know that our development is non-negotiable." Funaro was well known as a leader of Brazil's Catholic business circles.

Probably the best expression of the role Funaro played in representing the pro-development commitments of Brazil's most farsighted industrialists, was summarized in an April 14 article by the daily *Gazeta Mercantil*, written by the editor, Luis Fernando Levy.

"It was Dilson who reinstated on the international financial scene the dignity of this country so ravaged by the passive and unethical behavior of many Brazilian officials in recent years. . . . His courage in declaring a preventive and strategic moratorium marked a new type of behavior; and there is nothing sadder than seeing it traded in for a mess of pottage in the recent negotiations. . . . But in the future, this despairing nation—without a memory, without programs, and without hope—will once again turn to its history, to once again believe in its future, will once again seek the longed-for renaissance. And Dilson Funaro will emerge as the great guide, since he was clearly a statesman of the future."

That possibility is exactly what is feared by the international banking community. When questioned, the former planning minister of Brazil and

international vice-president of Citibank, Mario Henrique Simonsen, refused to make any comment whatsoever regarding Funaro's death.

But the bankers' newspaper, *Jornal do Brasil*, felt obliged to publish a prominent front-page editorial in its April 14 edition attacking Funaro—even after his death! The editorial, titled, "Cancer Kills the Minister of Optimism," mocked the unshakable personal will of Funaro. Since a debt-for-equity deal a year ago, Simonsen's Citicorp has held majority control over *Jornal do Brasil*.

The magazine *Veja* hailed Funaro's death in a similarly spiteful tone. *Veja* was responsible for the most insidious campaigns against the author of the Brazilian moratorium while he was alive. It is owned by Victor Civita, a board member of the Inter-American Dialogue, a hemisphere-wide bankers' think-tank that has been promoting drug legalization for the last three years and takes the view that morality and economics don't mix, exactly the opposite standpoint from Dilson Funaro's.

One thing is clear from these attacks on the deceased Funaro. The bankers are still fearful that the giant which Funaro managed to awaken during his few months in office, can still rise up and rescue its own national dignity. As the son of Dilson Funaro said at his father's graveside: "I believe that one day his ideas will flourish, and on that day, Brazil is going to be a great country."

Funaro's passion for universal justice and his disregard for himself was expressed to his closest friends when he insisted in his last days: "My health is unimportant; what is important is Brazilian sovereignty, the solution of structural problems, and the question of the foreign debt, which should be treated with dignity."

Pérez to Venezuela: Drop dead!

The President of Venezuela is listening only to the IMF's recipes, while the economy is being shut down.

People wander the streets carrying empty plastic bags, prepared to buy whatever basic foods they can find and can afford. Some steal toilet paper from restaurants when they cannot find any in the stores. Two pounds of powdered milk costs \$6 and may cost \$7 tomorrow. Is this Moscow? Warsaw? Managua?

No, it is Caracas, the capital of Venezuela, as it sinks ever deeper into depression, a depression brought on by President Carlos Andres Pérez (known as "CAP"), who has imposed an International Monetary Fund austerity program unparalleled in Ibero-America. The latest shocks administered to the economy include the more than quadrupling of interest rates from 8.5% to 35%, and the skyrocketing of inflation, which hit 21% in March, and 50-100% for many the basic commodities.

The agricultural sector is up in arms at the rise in interest rates and the setting of prices for their products at far below the rapidly rising production costs. Italo Massobrio, a cattlemen's association leader, stated April 15 that "the cattlemen and rural producers have lost all profitability since the application of the new measures, since their approximately 83% increase in prices for their product doesn't begin to compensate for increases up to 600% in the prices of inputs and animal feeds." He said the agricultural sector cannot pay more than 15% of what it owes the banks.

In Caracas, a group of agricultural sector leaders met with the Agriculture and Agrarian Policy Committee of the Senate to demand implementa-

tion of a National Emergency Plan for Agriculture. The group called on the Senate to pressure CAP's administration to retract the economic measures, calling them unpatriotic and unlawful, and charging that they are paralyzing food production. It said the measures were a factor which threatened to disturb the peace, whose unpredictable consequences put national sovereignty in jeopardy.

Yet other leaders of the agricultural sector warned that 140,000 agricultural jobs were directly affected by the induced agricultural crisis. They pointed out that only 30% of oilseed producers have sought credits this year, and less than 10% of the land has been prepared for planting. "We are being sacrificed," said one leader.

In the industrial sector, José Luis Santoro, head of the Small and Medium Industry Federation, reported April 13 that over 400 members of the federation will definitely go out of business in the next few weeks, because they cannot get, or cannot afford, working capital. He requested 20 billion bolivars (\$580 million) to keep them afloat.

And a director of Venezuela's association of newspapers and magazine, Eduardo Gómez Tamayo, warned that a good number of newspapers were in imminent danger of failing, due the impossibility of buying the imported newsprint they rely on. One of the government's measures confronts the newspapers with having to pay off outstanding letters of credit at four times the price they were contracted last year, which few can afford.

As supplies of food and other necessities have become unreliable, and prices often go up every day, neurosis about how to obtain each day's necessities has gripped much of the population. Metallic coin disappeared early in April, when its value as metal exceeded its value as money, and bus drivers were giving people eggs and candies as change, in the absence of coin.

An angry response is building. The city of Merida went on a 24-hour "civic strike" to protest the economic measures, and on April 17, several towns and cities of the western oil-state of Zulia held 36-hour civic strikes. The national trade union confederation, the CTV, has promised a nationwide strike if workers are not granted substantial wage increases to compensate for the vicious inflation.

Even CAP's own Democratic Action (AD) party is fracturing over the austerity "packet." Executive committee member and newspaper columnist Rafael Poleo wrote April 17 that only AD leader Gonzalo Barrios, among top AD leaders, supported "that rubbish." He attacked CAP as effectively crazy for having attacked IMF programs for years for having failed everywhere else, and yet now he is imposing just such a program in Venezuela.

To all this, CAP responded, in remarks delivered to a governors convention, that "the economic plan implemented by my administration is firm and irrevocable." He added, "There is a great deal of very important truth in the criticisms of the [previous] conduct of our economy from the international organizations"—meaning the IMF and World Bank. "This we must frankly accept," he added, "because otherwise we will not be ready to amicably confront the crisis we are experiencing."

Business Briefs

Energy

Watkins demands Shoreham be saved

U.S. Energy Secretary James D. Watkins issued a fighting statement to save New York's Shoreham nuclear plant, slated to be decommissioned and dismantled at the insistence of Gov. Mario Cuomo and the agreement of the utility, Long Island Lighting Company (LILCO). The statement was released by his office in mid-April. Excerpts from the statement, titled "Will Alice Find Shoreham in Wonderland?" follow.

"If state officials have their way, two weeks after April Fools' Day, about 2.5 million New Yorkers will be hornswoggled into footing the bill for one of the most foolish deals in the nation's history.

"What's at stake is the \$5.6 billion Shoreham nuclear power plant. State authorities want to buy the plant for one dollar, dismantle it, and pass the bill on to consumers in the form of increased electricity rates and to federal taxpayers in the form of a massive \$2.5 billion tax write-off. . . .

"How can state and local officials claim they will provide reliable electric power into the future when brownouts are already occurring on Long Island? Residents face likely brownouts this summer and in the years ahead. . . . When demand outpaces supply, will the politicians have the courage to tell their constituents to sweat more in the summer?"

"How can officials declare that Shoreham is unsafe and that evacuation is impossible if they refuse to participate in emergency planning exercises?"

Science

Italians reproduce 'cold fusion' results

A research team of the Italian state nuclear energy agency ENEA, headed by Prof. Francesco Scaramuzzi, reported a "cold fusion" experiment April 18 which they say produced many more neutrons than other reported experiments. Neutron flux is proportional

that the process discovered by scientists Martin Fleischmann and Stanley Pons, and announced on March 23, is nuclear fusion, as they have claimed.

The announcement of the Italian result was made to a packed news conference at ENEA headquarters in Rome, by company president Umberto Colombo.

Until the Fleischmann-Pons results, it was believed that very intense heat, on the order of the temperature of the Sun, was an indispensable condition for fusing the nuclei of hydrogen atoms to generate fusion energy—safe, clean, and virtually inexhaustible. But instead, using the heavy metal palladium, the two scientists apparently were able to produce fusion at room temperature.

Perhaps the most provocative element of the Italian report is that the experiment was conducted without using electric current. According to conventional physics and previous experiments, a significant rate of deuterium penetration into the metal lattice requires an electric current to help the process along: Positive deuterium ions are attracted to the negative electrode.

It appears that the experiment has also been reproduced in Brazil. Dr. Spero Pehna Morato told a press conference a day after the Italian announcement that he and other researchers at the Institute of Energy and Nuclear Research (IPEN) and the University of São Paulo had measured neutron radiation at twice the natural level, after they passed an electric current through a palladium sheet dipped in heavy water.

Agriculture

Yeutter calls for reduced farm supports

U.S. farm support spending must come down, according to Agriculture Secretary Clayton Yeutter, in testimony he gave April 19 to the Senate Agriculture Committee, during hearings on what the 1990 farm bill should contain. Yeutter said, "If we wish to have an impact on [other countries'] farm bills, it would be unrealistic to expect the negotiations to have no effect on our legislation."

Yeutter stressed that the United States has to be competitive abroad, and that U.S. farmers must be more "flexible." He questioned why some farmers are receiving what he called unnecessary support.

Meanwhile, the European Commission is continuing to meet over how much to cut European Community 1989-90 farm prices. When talks began in mid-April, 500 farmers demonstrated outside the meeting hall. Typical of the burden on farmers is the situation of British grain growers. Their prices have dropped by over 9% in recent months, because of the automatic application of the EC cereals "stabilizer" and other price mechanisms, and inflation.

The Environment

Spain's González boosts debt-for-nature swaps

Spanish Prime Minister Felipe González gave a speech before the European Parliament on April 12, in which he stated that he plans to put "debt-for-nature" swaps, and the specific role the European Community can play in them, on the agenda of the next meeting of Heads of State and Governments in June. González was speaking in his capacity as Head of Government of Spain, which currently holds the presidency of the European Community.

The swaps, which have been implemented in Bolivia, Ecuador, and other Third World countries, give control over chunks of a nation's patrimony to outfits like the World Wildlife Fund, in exchange for relief on foreign debt payments.

Corporate Strategy

Drexel faces trouble with takeover bid

European banking sources report rumors that Drexel Burnham Lambert is in trouble over its share of the \$25 billion RJR Nabisco takeover.

Drexel is reportedly having serious dif-

facilities raising its promised \$5 billion for the takeover. Domestic U.S. junk bond prices are falling sharply since the huge bid was finalized, putting enormous strains on Drexel. Drexel has just announced that it is taking on former Securities and Exchange Commission chairman John Shad to help improve its image in the financial markets.

Trade

Japan, Korea seek agreements with U.S.

Japan called for urgent ministerial talks with the United States on April 18. Foreign Minister Sosuke Uno told Japanese reporters that he wants to meet Secretary of State James Baker immediately to prevent worsening trade friction.

Japan's trade surplus with the United States shot up again in March, to \$4.13 billion from \$3.40 billion a year earlier—news that triggered fears of more trade conflict.

Meanwhile, South Korean Trade Minister Seung-Soo Han apparently made little if any progress in his mid-April trip to Washington to attempt to head off a new U.S. assault against Korean trade policies.

Han conferred with four U.S. cabinet officers and two senior congressmen April 17 and 18. Speaking at a news conference April 19, he noted that the United States was considering giving the Philippines special aid to strengthen its democratic government. "Our democracy is much more fragile and much younger than the Philippines', and therefore, the advice is not to destabilize the liberalization program," he said.

Industry

New Zealand Steel now owned by China

The People's Republic of China has taken over New Zealand Steel, Ltd., the *International Herald Tribune* reported April 19. Through a government-owned trading corporation, China outbid both New Zealand

and Australian companies. The company is New Zealand's largest steel manufacturer.

The price of the takeover was estimated at some \$215-245 million.

New Zealand Steel was privatized in late 1987, and the holding company, Equicorp, went bankrupt in January—a problem for New Zealand's "ambitious" privatization program, the newspaper reported.

Minmetal, the state-owned Chinese company which took over NZ Steel, said acquiring the company fulfilled a long-term objective. It intends to maintain supplies to New Zealand as well as exports, including to China. Minmetal hopes to receive New Zealand government support. China is one of the world's biggest steel importers.

China may have wanted the plant mainly for technology, a Japanese steel trader in Beijing told the newspaper, because NZ Steel is one of the few successful examples of a direct-reduction steel plant in the world.

Austerity

Five die in new Jordan riots

Five people died and more than 30 were injured when riots over price hikes spread to new towns throughout southern Jordan April 19, after 4,000 people rioted a day earlier in Ma'an. Jordan and the International Monetary Fund agreed April 13 to a five-year austerity plan to balance the budget.

On April 16, prices were upped 15-50% on a list of goods including beverages, fuel, and irrigation water. To soften the blow, the government has retained subsidies on rice, meat, flour, and other staples, but the riots are spreading anyway.

King Hussein was visiting Washington when the riots broke out, and according to Reuters, told reporters that Arab states are partly to blame for "defaulting" on financial help for Jordan, which has a foreign debt of at least \$6 billion.

"The main reason for this rioting is because of the price increases," said a hotel worker in Ma'an about the ongoing food riots. "The government had better believe that we are starving. The people of the south are starving."

Briefly

● **ECOLOGICAL** imperialism is the view taken by Third World nations of policies designed to stop "global warming," said Fred Singer, chief scientist of the U.S. Department of Transportation, in testimony before the Senate Committee on Foreign Relations. Singer said that the solution to environmental problems lies in advances in technology, such as fusion energy.

● **TAIPEI** International Service editorialized March 28, "No matter what the R.O.C. government does, Washington seems unsatisfied." It reported that U.S. imports from Taiwan in 1988 "rose by an astounding 135%." Since 1986, Taiwan has cut tariffs by 17% down to 5.8%. The Taiwan dollar has risen 45% since 1986.

● **THE COMMUNITY** Nutrition Institute, a consumer advocate group, on April 3 officially asked U.S. Agriculture Secretary Clayton Yeutter to suspend the Export Enhancement Program, under which huge amounts of grain have been shipped to the Soviet Union and China since 1985. Rodney E. Leonard, the group's executive director, wrote to Yeutter that the expected wheat harvest this year will leave stocks at their lowest level since 1952.

● **700,000 LAOTIANS** in the southern provinces face severe food shortages because of late rains and a poor harvest. Food price rises of up to 500% have sent thousands in search of food. Vietnam reports that 1 million face food shortages, including in the "rice bowl" Mekong Delta.

● **U.S. BANKS'** earning reports are worse than expected, because the bankers had expected to be able to put big interest payments in their plus column, and instead had to increase their loan loss reserve. They had expected Brazil to pay two years' worth of interest in time for the payments to be reflected on this quarter's balance sheets.

Ozone depletion is proven to be a scientific fraud

The ozone hole in Antarctica was discovered in 1956, not 1985, and its fluctuations were documented by ozone research pioneer Gordon Dobson. Rogelio A. Maduro reports.

The environmentalist lobby's dream of shutting down modern industrial technologies got closer to realization last March 6, when representatives from 124 countries met in London for a three-day extravaganza dedicated to "saving the ozone layer." On the table was the complete banning of chlorofluorocarbons (CFCs) by the end of the century. Although no conclusive treaty was signed, largely due to the opposition by Third World nations which will be devastated by such a ban, the world is moving toward such a ban, step by step. CFCs, which comprise some of the most useful and versatile chemicals ever invented, are being demonized by the environmentalists, who allege that CFCs have the potential for poking holes in the Earth's delicate ozone layer. The facts, however, indicate that there is no hard scientific evidence that CFCs are depleting the ozone layer. The present hysteria being pushed by the news media is not only unfounded, but the latest chapter of what later became known in the 1960s and '70s as *The Ozone Wars*, after the 1978 book, by L. Dotto and H. Schiff. During that period, environmentalists alleged that chemicals from pesticides to fertilizers, nuclear tests, and vehicles from the Supersonic Transport to the Space Shuttle, were going to poke holes in the ozone layer.

Every single such theory was proven to be a fraud by scientific observation of the behavior of the ozone layer, and the controversy died out, until banner press headlines in 1985-86 blared that a huge ozone hole had suddenly been discovered in Antarctica by intrepid scientists from a British Antarctic Expedition led by Robert Watson. The sudden discovery of this "ozone hole" put the controversy on the front burner, and without much ado a conference was organized in Montreal, where 17 nations, led by the United States and Canada, decided on a 50% ban of CFCs, which were made the culprit. The fact that the "ozone hole" over Antarctica

had already been discovered in 1956 by the world's leading ozone layer researcher, Gordon Dobson, and his collaborators, was, at the same time, carefully suppressed from all newspaper accounts. In 1956 CFCs were not in wide use, so the hole couldn't be blamed on them. Dobson correctly postulated the "ozone hole" to be a fascinating natural anomaly.

As we will prove, there has been a systematic campaign of deceit, disinformation, suppression, and threats carried out worldwide to perpetrate this scientific fraud. This is a very serious question, since the banning of CFCs will cost hundreds of billions of dollars, and result in massive impoverishment and death among large portions of the world's population. One of the CFCs to be banned is freon, the main refrigerant used to maintain food from spoilage. Depriving Third World nations, whose resources are at the breaking point, of this benign, non-toxic chemical, means death.

Who benefits? Three leading scientists, who requested anonymity in interviews with *EIR*, have insisted that DuPont Chemicals is behind the banning of CFCs. These scientists have pointed out that DuPont, the only company with patented chemicals that can replace CFCs, stands to profit billions if the CFCs are banned. It was only because DuPont suddenly decided to drop all opposition to a CFC ban that the environmentalists have gotten as far as they have.

Ozone depletion: the scientific fraud

In 1974, two chemists from the University of California, F. Sherwood Rowland and Mario J. Molina, wrote the first technical scare paper condemning chlorofluorocarbons as evil chemicals with the potential for eating up to 10% of the ozone layer. The CFCs are inert chemicals and do not react with other chemicals. Therefore, Rowland postulated, by some unexplained mechanism large numbers of CFCs would rise

30 km into the stratosphere. There, CFCs would be broken up by the same ultraviolet radiation which forms ozone molecules. That will result in the release of a chlorine atom, Cl. This chlorine atom would then combine with ozone molecules, O₃, and break them up. As a catalytic reaction, this would then continue thousands of times, the chlorine molecule breaking up thousands of ozone molecules.

Now, this is all part of a "theoretical model." There are at least 192 chemical reactions and 48 photochemical processes that occur in the stratosphere. Most of these reactions are very fast processes, involving highly reactive species, particularly free radicals and atoms in excited states, whose reactions can affect the chemistry of the stratosphere at very small concentrations. Most of these reactions are extremely difficult even to reproduce in the laboratory, much less to measure their rates. To take a couple of reactions involving just a few molecules, carry them out in an isolated laboratory environment, and then claim this is what happens in the stratosphere (where it can't be measured), is patently absurd.

For this reason, Sherwood and Molina carefully prefaced their paper with the following: "We have *attempted* to calculate the *probable* sinks and lifetimes of these molecules." (Emphasis added.) Such disclaimers never make it to the press; a theoretical model is reported as observed fact. Rowland and his colleagues now point to levels of chlorine at the Antarctic measuring station, which have been reported to be 50-60 times higher than the levels expected, as proof that CFCs are breaking down into chlorine.

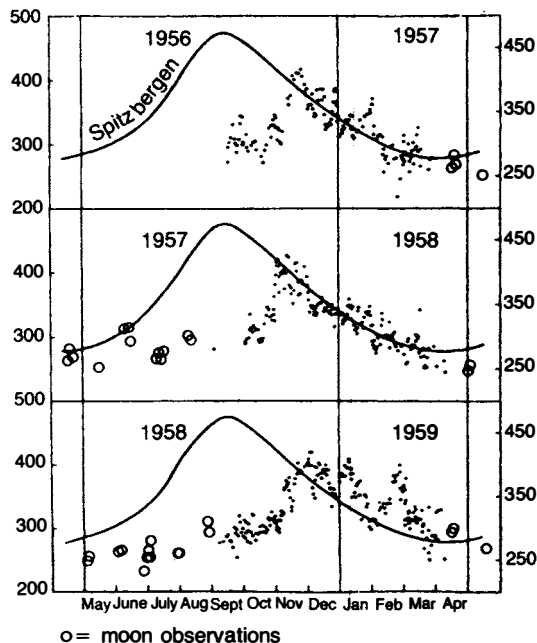
The fact is that a few miles upwind from the Antarctic observation post there is a volcano, Mt. Erebus, which has been erupting since 1982, and has been putting more than 1,000 tons of chlorine gases into the atmosphere every day, on average, for the past several years. What has been suppressed is the fact that the major source of atmospheric chlorine is not CFCs, but volcanoes, storms, and the burning of vegetation.

The ozone hole

For the past year Marcel Nicolet, the founder and director of the Institut d'Aéronomie Spatiale de Belgique in Brussels, has been publicly denouncing the claims that CFCs are depleting the ozone layer. Nicolet, one of the pioneer researchers of the ozone layer, was working together with Gordon Dobson in 1956, when they discovered the ozone hole in Antarctica. Nicolet maintains that the ozone hole is a natural oscillation of the weather systems, which periodically goes up and down, and told the German *Die Welt* magazine last March that he doesn't believe CFCs are to blame: "The natural fluctuations in ozone and the discrepancies in measurement are simply too great."

Gordon Dobson also believed the ozone hole to be a natural phenomenon. The ozone layer is measured in Dobson units, and the standard equipment is the Dobson spectrophotometer. In an article entitled "Forty Years' Research on

FIGURE 1
The first three years' observations at Halley Bay, Antarctica



Source: *Applied Optics*, March 1968, Vol. 7, No. 3.

Dobson's original caption reads "The full curve is for Spitzbergen [near the North Pole], shifted by six months. Note the lower values of ozone in the southern spring and the sudden increase in November at the time of the final atmospheric warming." The Antarctic data is represented by individual dots in the chart, representing readings of ozone layer thickness. The amount of ozone take a huge leap at the end of October, as can be seen from Dobson's figure, when the polar vortex breaks up.

Atmospheric Ozone at Oxford: A History," which appeared in *Applied Optics* magazine in March 1968, Dobson states:

"One of the most interesting results on atmospheric ozone which came out of the IGY [International Geophysical Year] was the discovery of the peculiar annual variation of ozone at Halley Bay. This particular ozone instrument had been to Shotover to be checked up immediately before leaving England. Moreover, Evans, who took the original observations at Halley Bay, had also been to Shotover to become familiar with the working of the instrument and its maintenance. The annual variation of ozone at Spitzbergen [near the North Pole] was fairly well known at that time, so, assuming a six months difference, we knew what to expect. However, when the monthly telegrams from Halley Bay began to arrive and were plotted alongside the Spitzbergen curve, the values for September and October 1956 were about 150 [Dobson] units lower than was expected. We naturally thought that Evans had made some large mistake or that, in spite of checking just before leaving England, the instrument had developed

some fault. In November the ozone values suddenly jumped up to those expected from the Spitzbergen results. It was not until a year later, when the same type of annual variation was repeated, that *we realized that the early results were indeed correct and that Halley Bay showed a most interesting difference from other parts of the world. It was clear that the winter vortex over the South Pole was maintained late into the spring and that this kept the ozone values low. When it suddenly broke up in November both the ozone values and the stratosphere temperatures suddenly rose.*" (Emphasis added. See **Figures 1 and 2.**)

Most of the scientists presently researching the ozone hole believe the ozone is a natural phenomenon, with CFCs playing perhaps a minimal role, if any. This is reflected in the Antarctic ozone depletion special issue of the *Geophysical Research Letters* from November 1986. The overview of the 46 scientific papers presented there was written by Mark R. Schoeberl and Arlin J. Krueger from the NASA/Goddard Space Flight Center in Greenbelt, Maryland.

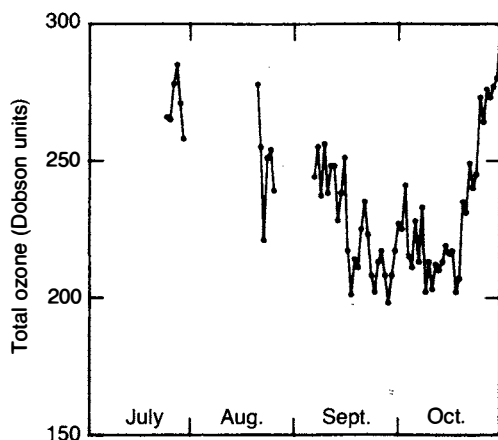
They state that, "Despite the number of public pronouncements, no clear link between man-made pollutants and ozone depletion over Antarctica has been established; indeed, a number of papers in this issue present serious alternatives to and constraints on the suggested chemical scenarios. . . . The appearance of the South Polar total ozone minimum and higher values at mid-latitudes in the spring has been observed since the late 1950s well before man-made pollutants could have had any important impact on the stra-

tosphere." The scientists end their introduction, "The mechanism behind the ozone hole is still unknown. However, a number of investigators suggest that a large part of the decrease in Antarctic total ozone and stratospheric temperature is the result of small climatic shift in the upper atmosphere, and this region is simply mirroring changes in the lower atmosphere. . . . If a large part of the decrease . . . is shown conclusively to be simply due to a change in the climate of the stratosphere, then it will become increasingly difficult to produce incontrovertible evidence of the chemical destruction of the ozone layer over the background natural variability."

'The ozone wars'

The environmentalists have mustered other phony arguments for the past 30 years to ban all sorts of chemicals and

FIGURE 2
Ozone values at Halley in 1988



Source: Letter from J.C. Farman, B.G. Gardiner, J.D. Shanklin, British Antarctic Survey, *Nature*, Nov. 17, 1988.

Notice the same general shape for the ozone hole, and the large jump in the thickness of the ozone layer following the breakup of the polar vortex.

If nothing else works, say it causes cancer

Robert Watson and the Ozone Trends Panel dramatically announced to the international press in August 1988 that the ozone layer between 29° and 39° N. latitude range had decreased by 3.7%, and 2.7% in the latitude range from 39° to 53° N. between 1978 and 1985, using data from satellite-based instruments. The announcement drew banner headline stories about a massive increase in skin cancer from higher doses of ultraviolet radiation. The line that Watson and F. Sherwood Rowland and the anti-CFC crowd were pushing was that a 1% decrease in stratospheric ozone would cause about a 2% increase in the amount of biologically effective ultraviolet radiation (UVB, 2900-3300Å.) This is the wavelength of solar ultraviolet radiation that can produce sunburn in humans and skin cancer in laboratory animals. The conclusions, thus, were that the alleged depletion of the ozone layer by CFCs had thereby increased the amount of UVB reaching the Earth by at least 7.4%, with a concomitant rise in skin cancer, and devastating effects on plant and animal life.

The claims made by Watson and the Ozone Trends Panel, however, do not stand up to scientific scrutiny. In a study published in *Science* on Feb. 12, 1988, Joseph Scotto from the Biostatistics Branch of the National Cancer Institute and several collaborators, presented hard, scientific evidence showing that the amount of UVB radiation reaching ground levels across the United States had not only not increased, but actually decreased 0.7%

vehicles that were allegedly destroying the ozone layer. In addition to CFCs, they say the ozone layer will be destroyed by:

1. The operation in the stratosphere and mesosphere of aircraft and rockets exhausting water vapor (H₂O), nitrogen oxide (NO_x), or chlorine (Cl). This was the argument used by the ecological fascists, led by then-Sen. William Proxmire (D-Wisc.), to ban the testing of the Supersonic Transport in 1971. The SST would have been three times the size of the Concorde as well as a lot faster and cheaper. This occurred even though the actual scientific data from meteorological observations contradicted the main thesis that increased water vapor would destroy the ozone layer.

2. Detonation of nuclear devices whose debris clouds can produce or carry NO_x into the stratosphere or mesosphere. The environmentalists had whipped up mass hysteria, pre-

dicting the destruction of the ozone layer due to these nuclear blasts in the 1950s and 1960s, which never occurred! In 1973, eleven years after the last major U.S. atmospheric nuclear test, scientist P. Goldsmith wrote in *Nature* that, "Analysis of the ozone records reveal no detectable changes in the total atmospheric ozone during and after the periods of nuclear weapons testing. Although two models of nitrogen oxide injection [SSTs and nuclear bombs] may not be identical from the meteorological viewpoint, the conclusion that massive injections of nitrogen oxides into the stratosphere do not upset the ozone layer seems inescapable."

3. Stimulation of N₂O production by addition of fixed nitrogen to the biosphere whether through nitrogen fertilizers, animal wastes, combustion-produced NO_x, expanded growth of legumes, infection of non-leguminous plants with nitrogen-fixing bacteria or by green mulching. This particular

on the average between 1974 and 1985. The study, which has been systematically blacked out of the daily press, was based on readings from a network of eight ground-level monitoring stations that has been tracking measurements of UVB radiation since 1974.

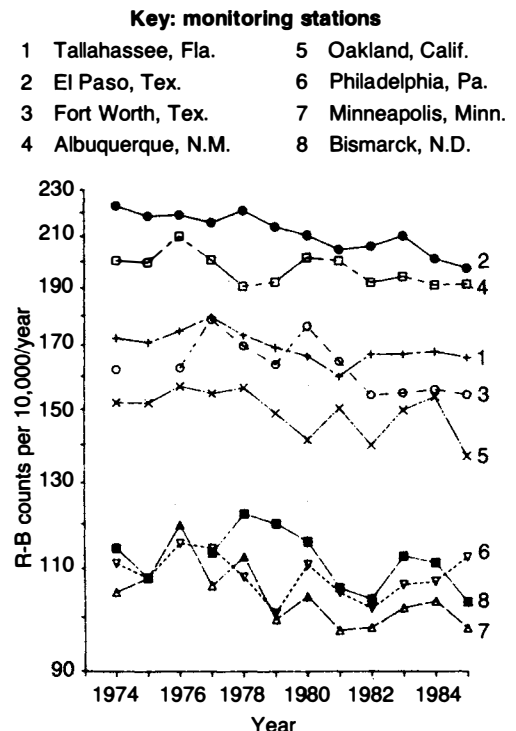
The Scotto study states:

"Average annual R-B counts for two consecutive six-year periods (1974 to 1979 and 1980 to 1985) show a negative shift at each station, with decreases ranging from 2 to 7%. **Figure 3** (semi-logarithmic plot) shows that there are no positive trends in annual R-B counts for 1974 to 1985. . . . The estimated average annual change varied from -1.1% at Minneapolis, Minnesota, to -0.4% at Philadelphia, Pennsylvania. For all the stations the R-B counts dropped an average of 0.7% per year since 1974. . . .

"These results are consistent with earlier reports that used R-B data for a shorter time period from 1974 to 1979 and Dobson meter total column ozone data for the period from 1970 to 1982. Although recent measurements of stratospheric ozone from satellite instruments indicate that total column ozone is being depleted during the 1980s, anticipated resultant increases in solar UVB were not evident. . . .

"Monthly trends of estimated UVB levels showed consistent decreases at each field station. The seasons with the greatest relative decreases were the fall (October, November, or December) and winter (January, February, or March). Analysis of peak daily UVB measures for each of the three 10-day periods within each month showed that the peak day, which is usually cloudless, also had consistent downward trends for the 12-year period. The data were also analyzed with annual calibration factors excluded and the findings remained unchanged."

FIGURE 3
Solar ultraviolet (UVB) trends and annual R-B counts, 1974-85



Source: *Science*, Feb. 12, 1988.

Notice the clear trend toward lower ultraviolet radiation. Greatest total decreases occurred at the field monitoring stations in El Paso, Tex. and Minneapolis, Minn.

silly theory was proposed by Paul J. Crutzen from the Max Planck Institute in 1974, used by environmentalists unsuccessfully to ban fertilizers in agriculture.

4. Atmospheric release of stable chlorine-containing compounds such as chlorocarbons in general and chlorofluorocarbons in particular, which can penetrate the stratosphere before decomposing. This is the original CFC depletion theory proposed by F. Sherwood Rowland and M. Molina in 1974.

5. Atmospheric release of stable bromine-containing compounds such as the CH_3Br , now used as a soil fumigant, which can penetrate the stratosphere before decomposing. Environmentalists were unsuccessful in banning pesticides on the basis of this theory.

6. Stimulation of N_2O production by denitrifying bacteria through increased acidity of precipitation from atmospheric release of oxides of sulfur and nitrogen. This theory claimed that "acid rain" would destroy the ozone layer indirectly through soil bacteria.

7. Operation of the Space Shuttle or similar programs with frequent ballistic return of orbiting vehicles to the atmosphere where they produce NO_x by compressional heating. This was a popular hobby horse for the news media in the 1970s, with some scientists even claiming that the space shuttle would make holes in the atmosphere and release the ozone into outer space.

8. Atmospheric release of stable infrared-absorbing gases such as CO_2 or chlorofluorocarbons, which radiatively cool the stratosphere and thus shift the chemical equilibrium concentration of O_3 . This mechanism is expected to lead to a thickening rather than a thinning of our ultraviolet screen. Environmentalists have dropped this theory, since it would mean that the avowed "greenhouse effect" would cancel out the "ozone depletion."

One of the world's leading climatologists, Hugh W. Ellsaesser, from Lawrence Livermore National Laboratory in California, who has fought the pseudo-science being pushed by the environmentalists, made the following observations in *Atmospheric Environment* magazine in 1982:

"I can only conclude that . . . during the SST controversy . . . the scientists involved took it upon themselves to act as a priesthood by suppressing information by which the laity could be expected for itself to arrive at conclusions different from those espoused by the priests.

"For example, data indicating concurrent upward trends in ozone and stratospheric water vapor were not widely circulated as long as water vapor was considered theoretically to be a threat to the ozone layer. Also, all during *The Ozone War*, it was quite clear that the principals did not want the public 'to be misled' by being able to estimate thinning of the ozone layer with equatorward displacement, presumably because some might begin to wonder what all the fuss was about. Why the discrepancy between theoretical and observational estimates of stratospheric NO_x production rates was ignored remains unclear."

Documentation

Gordon Dobson refutes the ozone priesthood

The most thorough scientific rebuttal of the ozone depletion hysteria being purveyed by the news media is contained in the writings of the foremost pioneer of ozone research, Gordon Dobson. Therefore, we excerpt some relevant sections of a chapter on ozone in Dobson's last published book, Exploring the Atmosphere, which appeared in 1968.

Distribution of ozone over the world at different seasons

A. Total Ozone.

We now come to consider the results of the many thousands of measurements of atmospheric ozone that have been made all over the world. It will be convenient to give first a general, worldwide picture and then go on to the changes in the amount of ozone that occurs from day to day and from place to place, and are found to be closely related to changes in the weather conditions. . . . **Figure 4** shows that all places with a latitude greater than 40° N. have a large seasonal variation in the total ozone. Since the ozone is formed by sunlight, it might be expected that at these latitudes the maximum amount would be found in the late summer and the minimum in the late winter, just as the maximum and minimum of temperature are found at these seasons. However, this is far from being the case, the maximum actually being in March or April and the minimum about October. The reason for this will be discussed later. The highest ozone values of all are found in the Arctic regions during the spring, and it is important to note that even in high latitudes the amount of ozone begins to increase during December and January when the Sun is very low even at midday or may actually be below the horizon. It is also interesting to see that during the months of August to November all places with a latitude greater than about 45° N. have almost the same amount of ozone, so that at this season of the year there is hardly any variation in total ozone with latitude; this is an important point to remember when we come to consider how the day-to-day variations of ozone are produced. There is a very rapid decrease in the amount of ozone between latitudes 40° and 30° N., particularly in the spring. South of about 25° N. there seems to be little change of ozone with latitude or with season. It is rather surprising that the tropical belt of low ozone shows little sign of moving north and south with the Sun, being in much the same place in both December and June.

B. Vertical distribution of ozone in different parts of the world.

At all places where observations have been made, at

whatever latitude, little ozone has been found in the troposphere. This is to be expected since ozone is rapidly destroyed at ground level, and the large amount of mixing by turbulence in the troposphere will rapidly transfer ozone from the higher to the lower levels.

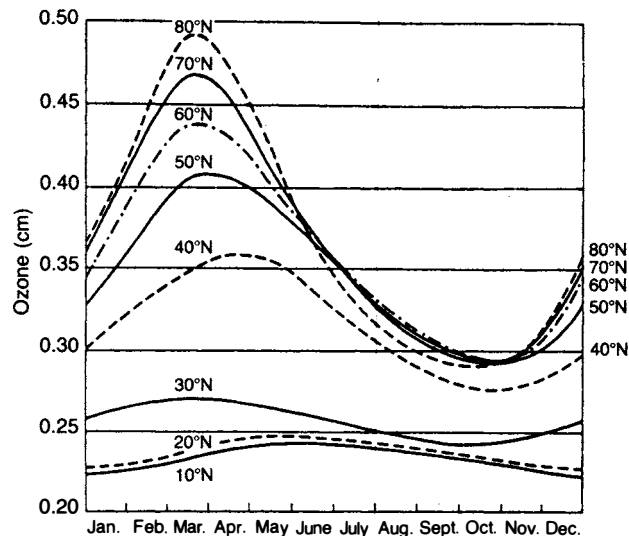
In very low latitudes the vertical distribution of ozone is fairly simple and shows little change from day to day and throughout the year. The tropopause here is, of course, always high (about 17 km) and is generally well defined by a sudden increase in temperature. On entering the stratosphere the ozone immediately begins to rise and a regular and steady increase continues up to a maximum at a height of about 25-27 km [see Figure 5] Between the tropopause and the maximum, the concentration of ozone increases more than ten times while, owing to the decrease in the density of the air with height, the ozone/air ratio increases more than 100 times. Above about 25-27 km the concentration of ozone begins to decrease at much the same rate as the density of the air decreases, so that the ozone/air ratio remains nearly constant up to the greatest heights reached by balloons (about 35 km).

Measurements made in the stratosphere at higher latitudes show a more complicated structure. The level at which the maximum concentration of ozone occurs is much lower near the poles than near the equator, and shows a steady fall with latitude similar to the fall in the height of the tropopause, being only about 18 km at Thule (76° N.) and at Halley Bay (75° S.). Although there is always a general increase in the concentration of ozone with increasing height in the lower stratosphere, there are sometimes large irregularities, and layers of low ozone may be found above layers of higher ozone. In some cases, layers a few kilometers thick are found in which even the ozone/air ratio is less than in a lower layer. . . . The large variations of ozone with height that are sometimes found in the lower stratosphere, in middle and high latitudes, were unexpected, and their cause is still not well understood. They are, however, of much interest. . . .

C. Cause of the variation of ozone with season and latitude.

We must now consider why the ozone in the atmosphere has this curious distribution which we have just described and why it changes in so peculiar a manner from season to season. Since the ozone is formed from oxygen by the photochemical action of sunlight at a height of some 30 km or more, the amount of ozone in this photochemical region may be expected to be greatest at those times and places where the sunlight is most intense, i.e. over the Equator and also in high latitudes in summer. From this photochemical region, the ozone will be carried down by small-scale turbulence, but as the turbulence in the stratosphere is weak, owing to its very stable structure, the transport through the stratosphere will be slow. When the ozone reaches the tropopause it will be caught up in the much stronger turbulence of the troposphere and will be rapidly mixed throughout that region. The amount of ozone in the photochemical region is only about a

FIGURE 4
Annual variation of total ozone for each of 10° of N. latitude



Source: *Exploring the Atmosphere*, by G.M.B. Dobson, 1968.

Notice how thin the ozone layer is near the tropics compared to the middle latitudes. In March the ozone layer is almost three times thicker in northern latitudes compared to the tropics, while at the end of the summer there is a dramatic decrease in the thickness of the ozone layer in northern latitudes, while it remains nearly steady at the tropics. If the ozone layer were depleted by 10% it would be equivalent to having a family pack up and move 84 miles south of their present residence.

quarter of the total ozone in the atmosphere, and the greater part of the ozone is shielded from the active wavelengths of sunlight by the ozone above it and will have a life of some months at least, though any ozone reaching the ground will be rapidly destroyed on contact with vegetation or smoke.

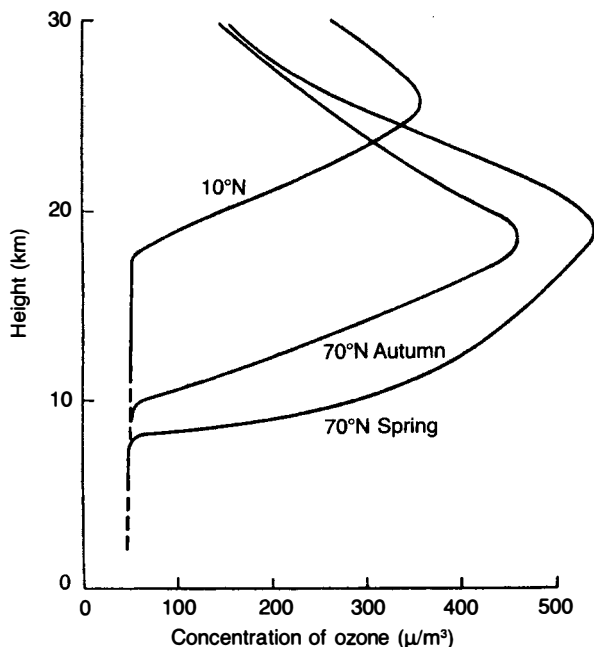
If there were no large-scale movements of air, the ozone distribution over the world might be expected to be similar to that in the photochemical region, but clearly this is not the case, e.g. we find the maximum amount of ozone in high latitudes in spring when, on photochemical grounds, we should expect it to be nearly at a minimum. Any large-scale up or down movements of the air will hinder or help the downward drift of ozone, while large-scale wind currents will transport ozone horizontally to different parts of the world. When looking for the cause of the very dry air in the stratosphere we had to suppose that there was a general, slow, rising current of air from the upper troposphere into the stratosphere in very low latitudes. Such a belt of rising air would also account very well for the low value of the total ozone near the equator.

Air passing upwards from the troposphere into the stratosphere in low latitudes must return to the troposphere some-

where and it is thought that this return takes place mainly in high latitudes [the poles] in winter, and that a given mass of air remains in the stratosphere for a time of the order of six months before it returns to the troposphere. The descent of air in high latitudes in winter is probably aided by the fact that the air at heights of 15-40 km at this season is very cold and therefore heavy. There is probably also some return of air from the stratosphere to the troposphere in cyclonic areas of middle latitudes; it will be remembered that the upper troposphere is very dry in these regions, indicating that the air has descended from the stratosphere.

On entering the equatorial stratosphere the tropospheric air will spread out toward higher latitudes. The descending air at great heights over the winter pole will cause air to flow from lower latitudes to take its place, and if this movement extends up to the photochemical region, ozone-rich air will be carried polewards, and as it descends it will fill the polar stratosphere with ozone-rich air. Since the tropopause here is low there is relatively much air in the stratosphere, and as this air is rich in ozone the total ozone will be high, agreeing with observation. Observations of the vertical distribution of

FIGURE 5
Average vertical distribution of ozone



The figure shows the average vertical distribution of ozone during the spring and autumn in high latitudes and at all seasons in low latitudes. The rate of decrease of ozone with height above about 30 km is such that the ratio of ozone to air is roughly constant.

Source: *Exploring the Atmosphere*, by G.M.B. Dobson, 1968.

ozone agree well with these suggestions; the ozone concentration at a height of 25-35 km shows an annual variation with a maximum in the summer and a minimum in the autumn, in agreement with the total ozone.

The concentration of ozone (i.e. ozone per unit volume) is, on the average, nearly constant at all heights throughout the troposphere. . . .

D. Anomalies in the general worldwide pattern.

As already described, the ozone in nearly all parts of the world shows a marked seasonal variation with maximum in the spring and minimum in the autumn, the range increasing from zero at the Equator, until near the North Pole the spring value is nearly twice that in the autumn. Apart from day-to-day changes, which are associated with changing meteorological conditions, the annual curve has a fairly smooth waveform with a tendency to show a steep rise in the spring. There are two major departures from this regular worldwide pattern.

(1) Observations made at Halley Bay in the Weddell Sea (latitude 75°S.), during and since the International Geophysical Year, show that the total ozone there has the usual low value in the autumn, but it does not rise much during the winter, nor even during the spring; then in November—well after the time of the expected spring maximum for the southern hemisphere—the ozone suddenly rises and within a week or two reaches normal values (i.e. values equal to those found at a corresponding season and latitude in the northern hemisphere.) After this it follows the expected curve until the next autumn minimum, but, of course, it never reaches the high values found near the North Pole in March. Measurements of the upper air temperature show that the upper part of the stratosphere at the South Pole is very cold in winter and remains cold during the spring and then suddenly, close to the time of the ozone “jump” in November, the temperature at the highest levels rises sharply and within a few weeks may have risen 50° Centigrade. The change of temperature in the lower stratosphere has undergone a fundamental change. It seems as if in winter the south polar stratosphere is cut off from the general worldwide circulation of air by the very intense vortex of strong westerly winds which blow round the Antarctic continent, enclosing very cold air which is rather weak in ozone; neither the ozone nor the temperature rises much until this vortex suddenly breaks down in November. However, much further work will be necessary before these conditions are fully understood. . . .

5. Ozone and weather—day-to-day variations

Up to now we have considered the ozone values averaged over a period of a month or more and we now turn to the much more rapid variations which take place within a few days. In the same way we have previously considered only average values over wide areas of the world, averaging out the variations which are found on many days between places

a few hundred miles apart. Actually the rapid, and relatively local, variations of ozone are as large as the seasonal and worldwide variations, so that on a day with relatively low ozone in spring, the ozone value may be the same as on a day with relatively high ozone in the autumn. These rapid, local variations are of great interest since they are found to be closely associated with other meteorological conditions. Since most of the ozone is known to exist above the tropopause, it is only to be expected that these short-period variations would be more closely related to the meteorological conditions in the upper atmosphere than to the surface conditions and this is found to be the case. It has been shown in Chapter 2 that there are close connections between the variations of the temperature, the pressure, the height of tropopause, and other variables in the upper atmosphere, so that we naturally find that the variations in ozone are connected with all these to a greater or lesser extent. There is a tendency for the following associations.

High Ozone

Cyclonic wind circulation at the tropopause
 High temperature in the stratosphere
 Low temperature in the troposphere
 Low level of tropopause
 Low absolute pressure

Low Ozone

Anticyclonic wind circulation at the tropopause
 Low temperature in the stratosphere
 High temperature in the troposphere
 High level of tropopause
 High absolute pressure

These relations are brought out in **Figure 6** where three-day running means of the ozone, the height of the 200-mb surface, and the height of the tropopause are plotted one above the other. It is found that if three-day running mean values are used, the curves show a rather closer connection than if individual daily values are plotted, probably because small errors of observation are reduced but the real changes are not smoothed out too much.

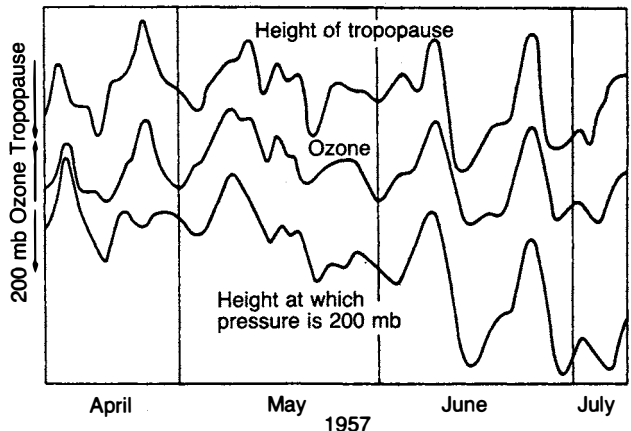
While the variations in the amount of ozone are associated with changes in the height of the tropopause, etc., the closest relation of all is shown by the *type* of pressure distribution at about the height of the tropopause. On those days when the pressure maps for a height of about 9 km (300 mb) show cyclonic conditions, the amount of ozone is relatively large, while when the conditions are anticyclonic there is relatively little ozone. . . . The absolute change in the amount of ozone between cyclonic and anticyclonic days in spring is rather greater than the corresponding change in the autumn, but since the average value of the ozone is lower in the autumn the percentage changes in spring and autumn are not very different. . . .

B. The cause of the connection between ozone and other upper air conditions.

We must now consider what causes the amount of ozone

FIGURE 6

Variations in ozone, height of the tropopause, and height of the 200-mb surface



Source: *Exploring the Atmosphere*, by G.M.B. Dobson, 1968.

Dobson observed that, "The curves show a three-day running mean of the ozone at Oxford, and also the height of the tropopause and the height of the 200-mb surface at Crawley (110 km southeast of Oxford). The top and bottom curves are plotted with heights increasing downwards to conform with the variations of ozone."

in the upper atmosphere to change from day to day, and why the variations are closely connected with other meteorological conditions. As with the changes in total ozone between spring and autumn, the changes between cyclonic and anticyclonic conditions are found to take place mainly in the first 5-10 km above the tropopause. A cyclonic depression, shown on the surface weather map as a closed low pressure area, is represented at a height of 15 km by a trough of low pressure extending to lower latitudes; on the other hand, an anticyclone, shown on the surface weather map as an area of high pressure is represented at 15 km by a ridge of high pressure extending towards the pole. These troughs and ridges tend to circulate round the pole from west to east, but the general westerly wind at these heights has a much greater speed, and the air actually flows *through* these troughs and ridges. As the air blows into a low pressure trough it descends, while as it approaches a ridge it ascends. These descending and ascending movements of the air will lead to increases and decreases in the amount of ozone as we have described a little earlier, and will, to some extent at least, account for the greater amount of ozone in depressions than in anticyclones. In spring—but not in autumn—the general amount of ozone is greater in high latitudes than in low latitudes, so that north polar currents will tend to carry southward air which is rich in ozone, while equatorial currents will tend to carry poleward air which is weak in ozone.

Irangate, the secret government, and the LaRouche case

by an EIR Investigative Team

In November 1963, President John F. Kennedy was assassinated in Dallas by multiple snipers acting in complicity with the “secret government” of the United States, which included McGeorge Bundy and William Bundy of the National Security Council. The death of Kennedy, and the ensuing failure to publicly expose those who had ordered and abetted his assassination, were stepping stones on the way to the creation of the secret government’s present lawless, authoritarian police-state regime in the United States. After the Kennedy assassination, a number of well-known U.S. public figures, including Earl Warren of the Supreme Court, Allen Dulles, the former director of the Langley, Virginia-headquartered CIA, and future President Gerald Ford lent their names to a blatant and incredible coverup, issued under the aegis of President Johnson’s Warren Commission.

Reestablishing truth and legality against the lies and distortions of the Warren Commission was made more difficult by the death and disappearance of scores of possible witnesses, starting with the liquidation of the accused assassin, Lee Harvey Oswald, by the organized crime figure Jack Ruby. Although the *Warren Commission Report* was soon recognized, especially in Europe, as an insult to the intelligence of any serious adult, the attempts to set the historical record straight by more honest investigators, such as former New Orleans District Attorney Jim Garrison, never succeeded in bringing those responsible to justice.

In the years after the Kennedy assassination, thoughtful observers of the American political scene have been aware of a massive increase in the power of a behind-the-scenes, unconstitutional secret government (or, alternatively, “invisible government” or “parallel government”) which actually controls the actions of the visible elected officials. Public awareness of the secret government has been enhanced above all by the activities of the leading principled political opponent of the secret government inside the United States, Lyndon H. LaRouche, Jr. Over 20 years, LaRouche has waged an implacable struggle to expose and dismantle the machinery of the invisible government, seeking to restore the processes of government as mandated by the U.S. federal Constitution.



The secret government's assault on LaRouche, during a raid of companies operated by his associates, on Oct. 6-7, 1986. Here Eduard Spannaus, LaRouche's legal aide, is attempting to persuade officials to produce a search warrant—one day after the raid began—and to allow defense attorneys to observe the illegal search. The latter request was denied. Spannaus was jailed, along with LaRouche and five other defendants, on Jan. 27, 1989.

Stuart Lewis

Exemplary for this are LaRouche's attacks on Henry Kissinger, a public figure who has also represented one of the leading operatives for the secret government forces. The secret government, for its part, has recognized in LaRouche the leader of the anti-totalitarian opposition, the only figure with the intellectual and programmatic stature to become the fixed pole around which a national resistance against the CIA fascist gangsters of the invisible government could be assembled. The same invisible government officials who are most deeply implicated in Iran-Contra gun-running and drug-running and the Irangate coverup, are precisely the ones who have taken part in illegal "enemies' list" operations against LaRouche and his political co-thinkers.

These officials include the late Director of Central Intelligence William Casey, Oliver North, Gen. Richard Secord, Oliver Revell of the FBI, Leo Cherne of the President's Foreign Intelligence Advisory Board, former Secretary of State Henry Kissinger, Project Democracy ideologue Roy Godson, Bush vice presidential advisers C. Boyden Gray, Donald Gregg, and others. Without an overturning of the frameup verdicts against LaRouche and his friends, a return to constitutional legality in the United States is impossible. This will require a thorough probe of the office staff and files of former Vice President Bush, now President of the United States. Full disclosure must be the watchword.

Part of the dismantling of the secret government is the freeing of LaRouche and his associates, one of whom, Ro-

chelle Ascher, has been sentenced to 86 years in jail for the alleged crime of soliciting political loans. LaRouche himself was convicted on spurious conspiracy charges in the federal court in Alexandria, Virginia on Dec. 16, 1988. On Jan. 27, 1989, LaRouche was given a draconian 15-year sentence by Judge Albert V. Bryan, Jr.

Secret government widely recognized

The existence of an illegal secret government has been widely recognized. Sen. David Boren (D-Okla.), the chairman of the Senate Select Committee on Intelligence, used these phrases in several interviews in January 1987 after his committee had completed a preliminary inquiry into the Iran-Contra scandal. The *New York Times* referred to the "Project Democracy" conspiracy of the CIA, the Marine Corps, and the National Security Council mentioned in the notebooks of Lt. Col. Oliver North, as a "private, secret government" in its leading editorial of Feb. 17, 1987. This secret government is increasingly recognized as a powerful, sinister force, responsible for covert operations, assassinations, political coups d'état, psychological warfare, gun-running, and drug-running in many countries around the world.

The perpetration and coverup of the Iran-Contra scandal bears many ominous similarities to the coverup of the Kennedy assassination. The real nature of Iran-Contra was shielded from public view by the presidential commission appointed by Reagan and composed of former Texas Sen.

John Tower, former Maine Senator and Secretary of State Edmund Muskie, and retired General and former National Security Adviser Brent Scowcroft. The Tower board, in its report submitted in February 1987, totally ignored the pervasive role of then-Vice President Bush and his personal staff in Iran-Contra operations, while ludicrously assigning all blame to Reagan's White House chief of staff, Don Regan. Some believe that Bush intended to reward Tower for his services and inextricably bind their political destinies by appointing Tower to head the Pentagon, with results that are known. There then followed the lengthy congressional hearings of summer 1987, organized by committees chaired by Senators Dan Inouye (D-Hi.) and Warren Rudman (R-N.H.), and by Representatives Lee Hamilton (D-Ind.) and Richard Cheney (R-Wyo.), respectively. After the failure of the Tower nomination, Bush was able to place Cheney in command at the Pentagon—suggesting that complicity in the coverup is the indispensable qualification for the post.

Then there is the trial of Oliver North in U.S. Federal District Court for the District of Columbia, presumably to be followed by the trials of Adm. John Poindexter (North's NSC superior), invisible government gun-runner and retired general Richard Secord, and arms dealer Albert Hakim. These cases are being prosecuted not by the U.S. Department of Justice, but by the office of the special Independent Counsel (or Special Prosecutor), Lawrence Walsh. During the conflicts between North's defense lawyer, Brendan Sullivan, and the Justice Department, about the degree to which classified and secret documents may be used by North's defense, Attorney General Richard Thornburgh, an asset of the Mellon family of Pennsylvania, has repeatedly intervened to narrow the scope of the inquiry and prevent far-reaching revelations that might incriminate Bush or others. Even so, documents released in the North trial on April 6, 1989, have once again implicated Bush in direct participation in illegal arrangements by which the Reagan-Bush administration offered increased foreign and military aid to a dozen or more countries, in exchange for a commitment that those countries deliver part of the increase to the Contra drug-runners in Nicaragua.

Also in parallel to the Kennedy coverup is the slaughter of witnesses and accomplices. Over 20 persons with established or suspected connections to Iran-Contra operations have died over the past several years. Numerous persons with links to Irangate have been indicted on various accusations, in many cases transparent frameups. The coverup of Irangate involves the large-scale liquidation of invisible government assets, variously belonging to the Langley-headquartered Central Intelligence Agency, Project Democracy, and other components, who have been compromised.

In the aftermath of the Iran-Contra scandal, the invisible government has reared up the Bush regime which, unless present trends are radically altered, is likely to preside over the further transformation of the U.S. internal regime from the level of an authoritarian police state to one of a full-blown totalitarian fascist nightmare. This is likely to be accom-

panied by a further worsening of the drug plague, exacerbated by the activities of the invisible government and its foreign allies. Further, despite the "peace in our time" propaganda of the U.S.-U.K.-U.S.S.R. condominium which the secret government has favored, the Kissingerian "balance of power" policies in vogue under the Bush administration have astronomically increased the probability of regional wars in the Middle East and other areas which in turn could lead to a new world conflict.

A British policy choice

The worst misunderstanding that could impede insight into the U.S. secret government would be to regard it as an exclusively or even primarily national phenomenon, or to focus on the narrow question of alleged "illegalities" as such. The directions of politics, economics, and strategy which dominate the U.S. secret government's deliberations are to a decisive degree determined by the policy choices of the elite of Great Britain and of the other countries that were once part of the British Empire. In May 1982, at the height of U.S. assistance to the U.K. in waging the Malvinas War in violation of the Monroe Doctrine, Henry Kissinger, the most celebrated foreign policy operative of the secret government, solemnly acknowledged that he had been a British asset throughout his career.

At a lower operative level, the various coverup investigations into Iran-Contra seem to present the United States as acting primarily in cooperation with Israel in support of the pro-Iranian policy of the circles around Gen. Ariel Sharon. While these Israeli connections are huge and real, the attention given them has tended to mask a deeper level of truth: The "geopolitical" conception behind the arming of Iran derives from British strategy.

The policy of overthrowing the Shah of Iran and bringing Khomeini to power pursued by the Canadian-trained Carter National Security Adviser Zbigniew Brzezinski was nothing but a version of plans circulating in the British Foreign Office under the designation of the "Bernard Lewis Plan" for the partition and balkanization of the area from the Middle East to India and Bangladesh. The patrons of the Iran policy turn out to be a group in the British House of Lords including Lord Cayser, Lord Victor Rothschild, other assets of the Duke of Kent's Scottish Rite Freemasonry, and their factotum, Tiny Rowland.

If one examines the control wires on the canonical Israeli participants in Irangate (like the late Amiram Nir, David Kimche, Al Schwimmer, and Yacov Nimrodi), more often than not one will discover a more or less direct link to Tiny Rowland and his proprietors in the circles around the British Royal Family.

Executive Orders 12333 and 12334

The present foreign and domestic reign of terror by the secret government was made possible by President Reagan's issuance of Executive Orders 12333 and 12334, both signed

on Dec. 4, 1981. These two Executive Orders allowed the creation of a complex of secret activities by private agencies effectively beyond the reach of the public law. Under the provisions of these Executive Orders, numerous U.S. allies, such as Panama, have been illegally subverted, the government of the Philippines overthrown, and foreign governments, including the U.S.S.R., the U.K., and Israel were able to take control over parts of U.S. policymaking.

The foremost example of the growth of lawless private intelligence functions under Executive Order 12333-4 has been "Project Democracy," whose name derives from President Reagan's speech delivered in the London Guildhall in 1982. The idea for Project Democracy originated at the meeting of the Trilateral Commission in Tokyo, Japan on May 31, 1975 which, among other things, discussed the Zbigniew Brzezinski-Samuel P. Huntington-Michel Crozier-Joji Watanuki "ungovernability of democracy" thesis, and also chose Jimmy Carter to be the next President of the United States. In the autumn of 1983, Congress created by law the National Endowment for Democracy (NED) as a private foundation, financed by congressional appropriation of public funds through the State Department and the United States Information Agency. The NED by 1987 was functioning as a private or ersatz CIA, funding 250 political projects, destabilizing the Philippines, Mexico, the Republic of Korea, Panama, Colombia, and getting implicated in running drugs and guns. Project Democracy's program has nothing to do with everyday notions of "democracy," but rather prescribes a pro-Soviet, malthusian-ecologist universal fascist corporate state dominated by international cartels. Kissinger and Walter Mondale were founding members of the NED board, along with the heads of the Republican and Democratic parties. The board of the NED has thus been compared to a "Grand Council" of secret government fascism.

Oliver North's notebook and flow charts detailed a money-laundering, drug-and-arms-trafficking and covert actions capability which North referred to as "Project Democracy." This Project Democracy and the NED are substantially identical. Yet, the United States Congress, controlled by the secret government and blackmailed by the omnipresent FBI secret political police, has refused to cancel the funding of the lawless Project Democracy.

CIA old boys' networks

The foot soldiers, mercenaries, adventurers, soldiers of fortune, pilots, arms dealers, roustabouts, and other players who populate the Iran-Contra operational stage tend to be drawn from the CIA old boys' networks. For example, the personnel and activities of the Theodore Shackley-Thomas Clines network have been detailed in court papers prepared by the Christic Institute of Washington, D.C. for a federal lawsuit against the Shackley-Clines "Enterprise." While details of the Christic lawsuit may be erroneous, the following general lines are alleged in numerous published accounts: The old boys' networks in question represent CIA covert

Contras and drugs

In the summer of 1986, a government witness known under the pseudonym of "Wanda Doe" told the U.S. government she had seen a cargo of guns taken off a C-123 cargo plane of Southern Air Transport and replaced with a cargo of cocaine on various occasions at the airfield in Barranquilla, Colombia. Although the witness was sponsored by Sen. John Kerry of Massachusetts, the witness's testimony was rejected in September 1986 (along with her request for FBI protection) by then-Assistant Attorney General William Weld, who initiated and sponsored the federal witchhunt prosecutions against LaRouche and his friends. The testimony in question would have gone far toward establishing the role of the CIA in drug smuggling in cooperation with the Medellín Cartel of Jorge Ochoa, whose drugs, according to other accounts, were being landed at the Homestead Air Force Base in Florida.

On Oct. 5, 1986, a C-123 cargo plane operated by Southern Air Transport was shot down over Nicaragua by Sandinista military action as the plane was flying weapons to the Contras. The plane had been owned by Barry Seal, a pilot for the Ochoa Medellín Cartel before he was murdered some time before. Although the pilot of the plane, Wallace Sawyer (whose flight log put him in Barranquilla on precisely the days cited by Wanda Doe), was killed, another crew member, Eugene Hasenfus, survived, and was captured by the Sandinistas. A telephone number found in Hasenfus's personal address book turned out to be the phone of Felix Rodriguez, alias Max Gomez, a well-known agent of the CIA. Rodriguez/Gomez, in turn, was in direct contact with Donald Gregg, the national security adviser in the office of Vice President Bush.

North flew to El Salvador to supervise the coverup. Assistant Secretary of State Elliott Abrams tried to get right-wing Gen. Jack Singlaub to say that the Hasenfus flight was part of Singlaub's Contra aid operations. Deputy Attorney General Stephen Trott, now a federal judge, told FBI Director William Webster (now CIA director) and Webster's deputy Oliver Revell to "delay" the investigation of Southern Air Transport. At the same time, Admiral Poindexter of the NSC made the same request of Attorney General Edwin Meese: to "delay" the investigation of Southern Air Transport because the airline was involved in "sensitive missions" in the Middle East, obviously including running arms to Khomeini. All of this gave Gregg and others in Bush's office the chance to cover their tracks.

operations capabilities which have developed through tunnel operations in West Berlin in the early 1960s; drug-running in Indochina during the 1960s and 1970s; drug-running and assassination in the Caribbean; and gun-running and drug-running in North Africa, the Middle East, and Iran during the last three decades. One typical operation of these networks was Air America, the CIA proprietary airline that transported drugs in Laos and the rest of Indochina during the Vietnam war era. A surprisingly large number of the pilots who carried out Iran-Contra deliveries during recent years are veterans of Air America. That capability is still around in the form of Southern Air Transport, the CIA airline that delivered arms to the Contras, and Contra drug shipments into the United States. The Contras themselves are best seen as yet another drug-trafficking permutation of the CIA old boys' networks.

One highly publicized sample of illegal weapons trade run by the "Enterprise" is of course the Terpil-Wilson gun-running to Libya, for which Edwin Wilson was given a 52-year sentence in federal prison. The weapons deliveries to Libya were conduited through a firm called Egyptian American Transport and Services Corporation (EATSCO), a company which was owned by General Secord and (49% of the shares) by a company owned in turn by Thomas Clines. Secord's career had been endangered in 1982 by the Terpil-Wilson scandal, but he had been saved through the intervention of Deputy Secretary of Defense Frank Carlucci, who overrode the advice of the Pentagon's general counsel to fire Secord, because he considered Secord's capabilities "a key point in our relations with the Middle East." Secord was chosen by Maj. Gen. James Vaught as his deputy for the second 1980 attempt to free U.S. hostages in Iran. Carlucci, a top official of Sears, Roebuck, had been instrumental in the Kissinger "reform" in the Portuguese Empire during the middle 1970s, while ambassador to Lisbon. Carlucci has been described as "if not the heart, then at least a vital organ, like the liver or the stomach, of Project Democracy."

Other creatures inhabiting the interface of Shackley-Clines with the Pentagon include Assistant Secretary of Defense Richard Armitage (too dirty to face confirmation hearings for a proposed post as Bush's Assistant Secretary of State for Asian Affairs, and therefore still ensconced at the Pentagon), and Erich von Marbod, the former chief arms sales official at the Pentagon, who was also investigated in the framework of Terpil-Wilson affair. Carlucci liked von Marbod so well that he took him along as virtual chief of staff when he returned to Sears, Roebuck. Von Marbod now represents the aerospace firm LTV Corp. in Europe.

FEMA and the 'parallel government'

The principal policy commitments of the Project Democracy secret government can be summed up schematically, as follows:

a. The establishment of the Khomeini dictatorship in Iran, and the unleashing of the Iran-Iraq war, as stepping

stones to the implementation of the Bernard Lewis "arc of crisis" plan for the entire Middle East.

b. Contra gun-running and drug-running in the Americas. Relevant evidence on these points has been systematically suppressed by the FBI and the U.S. Department of Justice, and then ignored by the Tower and congressional investigations (see box).

c. To establish a fascist, totalitarian regime in the United States.

Aspects of this last-mentioned effort have come into the public domain on the edges of the Irangate scandal, in regard to Oliver North's involvement with the controversial national crisis emergency plan drafted by the Federal Emergency Management Agency (FEMA). Apart from legitimate functions of FEMA in the event of war or natural disasters, it is clear that the aspect of its mandate calling upon FEMA to ensure "continuity of government," makes it a prime instrument for cold coups, creeping coups, and other illegal seizures of power and suspension of constitutional guarantees under the cover of various emergencies. This story will be detailed in an upcoming report in *EIR*; for present purposes, it suffices to point out that one member of the "continuity of government" aspect of the FEMA apparatus is one Buster Horton. Nominally a high-level bureaucrat of the U.S. Department of Agriculture charged with "emergency preparedness and readiness," Horton turns out to be the primary liaison of the USDA to FEMA, one of two officials to be so designated.

Other members of the "continuity of government" function of FEMA have been Oliver North himself, as well as Oliver "Buck" Revell, the Executive Assistant Director of the Federal Bureau of Investigation. In part through documents obtained from the U.S. government under the Freedom of Information Act, it is known that Revell is the operations officer in charge of an interagency sub-group of the U.S. government known as the "Get LaRouche task force," whose task is to coordinate infiltration, harassment, frameups, and possible assassinations against Lyndon LaRouche and his political friends.

It is therefore highly significant that Buster Horton was also the foreman of the jury in Alexandria, Virginia which returned a verdict of guilty on all counts of accusation against LaRouche and six other defendants in Alexandria. Horton is reported to possess a very high-level security clearance (possibly at the Q or cosmic levels) which allows him to have access to top-level NATO secret documents. It is clear that the presence of an intelligence community representative of this level in a jury represents a police-state intervention that by itself must overturn the verdict rendered. Counting Horton, six members of the Alexandria jury owed their daily bread to the U.S. government, either as direct employees of federal agencies, or as the dependents of federal agencies. One of FEMA's official functions is to administer "coordination mechanisms among elements of the federal law-en-

forcement community.”

The increased preparations for a “creeping coup” or “cold coup” around the NSC-FEMA apparatus is otherwise coherent with the overall profile of the Bush “crisis management” regime. The personnel of the Bush administration are experienced government bureaucrats of the Nixon, Ford, and Reagan administrations, motivated by the will to power in much the same terms as it was evoked by the irrationalist philosopher Friedrich Nietzsche: Their purpose in life is to exercise power for its own sake, as distinct from the desire to carry out a mission or accomplish a task. Regarding themselves as the most eminent group of administrative professionals ever assembled, they are pervaded by the arrogance of power, although at the same time their other-directed caution gives them an air of timidity in public pronouncements. They intend to continue the bankrupt policies of the past 20 years with a vengeance, and instinctively resort to bureaucratic sanctions and repressive police-state measures against those who might seek to challenge their “agenda.” Since they are barren of ideas, they remain immobile in a vacuum of real policy. Hence, they are highly suggestible through the intervention of certain outside forces who know what they want, as in the case of Kissinger and his British and Soviet backers.

The Bush administration thus offers the caricature of Bonapartism, of a regime which desires to use the repressive powers of police, courts, bank seizures, forced bankruptcies of businesses, and of course the forces of the omnipresent intelligence community to keep order when that order is constantly undermined by the economic and strategic policies the regime itself espouses. Popular protests against austerity, the collapse of social services, and social injustice are to be crushed by resort to emergency measures. A reign of prosecutorial terror by the Department of Justice targets black elected officials and other leaders, trade unions and trade union officials, Eastern European, Asian, and other anti-Communist ethnic groups, religious leaders representing independent funding and an independent political base, farmers stricken by the austerity imposed by the grain cartel, defense contractors and other high-technology industrialists (framed up especially under the pretexts of environmental violations), and even secondary financier interests subject to triage as losers.

The families

Although Ronald Reagan was a sometime informant for the FBI, George Herbert Walker Bush is the first President who was officially an agent of the CIA, and its director at that. On a deeper level, the underlying structure of the Bush regime reflects a faction of patrician families of the Eastern Anglophile Liberal Establishment who have maintained a mutual benefit alliance for most of this century during a period of over three generations, as exemplified by the golfing activities of Sen. Prescott Bush, NSC director Gordon

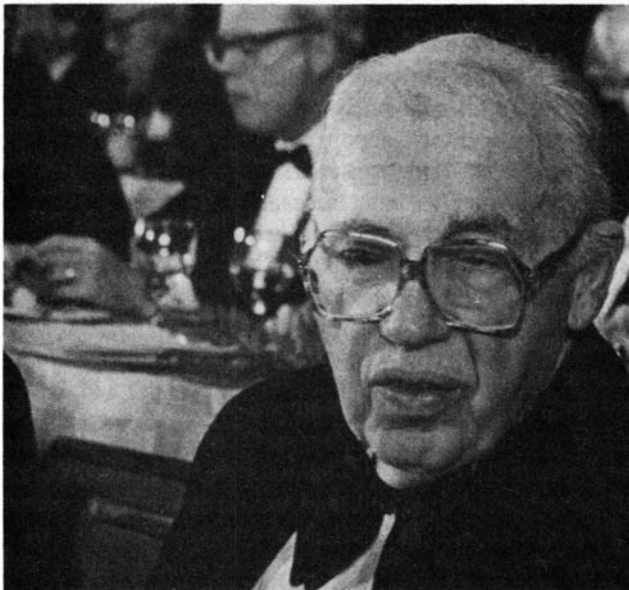
Gray, and Paul Moore. These family names include:

1) **Bush.** The family pedigree is Brown Brothers, Harriman, the New York investment bank for which Prescott Bush of Connecticut was a valued asset on the Senate Finance Committee after he was appointed to the U.S. Senate in 1952. Brown Brothers, Harriman is the most prominent U.S. investment bank representing the interests of the Anglo-Soviet Trust; members of the firm have included W. Averell Harriman, Roosevelt’s ambassador to Churchill and Stalin, and later the controller of Harry Truman; David Bruce of the OSS, CIA, and State Department; and Robert Lovett, who chose the members of President Kennedy’s cabinet. George Bush, like his father, attended Yale University and was a member of that university’s most exclusive secret society, Skull and Bones (also known as the Russell Trust). Skull and Bones selects 12 seniors from each graduating class; examination of recent membership lists establishes that being “tapped” for Skull and Bones is the royal road to dominant positions in the CIA and the State Department: Members have included William Buckley of the National Review, William Sloane Coffin, William Bundy, W. Averell Harriman, and others. Bush was also a member of the Bilderberger Group and the Trilateral Commission. When George Bush set out to make his personal fortune in the Texas oil fields, the venture capital required was provided by the Meyer family, whose holdings include Katharine Meyer Graham’s *Washington Post*. Bush was at one time on the board of Eli Lilly Corporation, a pharmaceutical concern implicated with the mass hallucinogenic substance and social engineering experiments of the CIA known under the heading of “Project MK-Ultra.” Bush’s brother Prescott has become a potential new Billy Carter through his influence-peddling trip through the Far East in advance of the President.

2) **Baker.** The Texas law firm of Baker and Botts represented the railway interests of E.H. Harriman, the father of Averell. James Baker III, son of a partner in Baker and Botts, appears as the Secretary of State for Bush.

3) **Gray.** C. Boyden Gray was George Bush’s resident lawyer for eight years when he was vice president and is now the White House counsel who writes the answers President Bush recites when he is grilled on his role in Irangate. His father, Gordon Gray, was the first assistant secretary of the Army installed by President Truman under the 1947 National Security Act, ran covert operations in 1951-52, and headed the National Security Council under Eisenhower from 1958 to 1961. From 1961 to 1977 Gordon Gray was on the President’s Foreign Intelligence Advisory Board, supposedly a group of private notables who advise the White House, and currently a power base for Kissinger.

Gordon’s father had been the chairman of R.J. Reynolds Tobacco Company, one of the American branches of the British-dominated world tobacco cartel embodied in British-American Tobacco of London. The Gray family has been powerful in the tobacco-growing state of North Carolina. The



The late Director of Central Intelligence William Casey. He and George Bush reportedly flew to Paris in October 1980 for secret negotiations with Iranian officials, to delay the release of U.S. hostages until after the presidential elections.

Gray family thus owns at least a large part of Sen. Jesse Helms of North Carolina, the pillar of the tobacco lobby in the U.S. Congress and ranking Republican on the Senate Agriculture Committee.

Clayland Boyden Gray (C. Boyden Gray or Boy Gray), aged 45, a 1964 Harvard University graduate, had a moment of embarrassed publicity early in the Bush presidency when it turned out that he had failed to place his holdings in Summit Communications, a family company, in a blind trust, as required by the White House ethics rules that Gray is expected to enforce. Gray diverted attention from himself by making public the fact that James Baker III, during his entire tenure at the Treasury, had held onto hundreds of thousands or perhaps millions of dollars worth of Chemical Bank stock.

Boyden Gray has been caught several times falsifying the public record about the involvement of Bush and of his office staff in Iran-Contra. Gray was the principal public apologist for the suppression of Bush aide Craig Fuller's notes on the meeting of Bush with Amiram Nir in Jerusalem on July 29, 1986. These notes were deleted from the Boren Committee report of January 1987 for "diplomatic" reasons, according to the State Department. In December 1987 Gray admitted that Bush had "inadvertently" issued an "incomplete" chronology on the dealings of Bush and his office with the Contras. The suppressed facts included two trips by Bush's then-national security adviser, Col. Sam Watson, to Honduras to tour Contra camps located there. In May 1988, Gray admitted that even the revised chronology of Bush's activities had failed to mention a meeting of Col. Watson in his office with Felix Rodriguez (Max Gomez), General Secord, and Col. Robert Dutton, an aide to Oliver North, on June 25, 1985.

Rodriguez/Gomez was the CIA case officer for the Contra supply effort, and his telephone number had been found on the Hasenfus plane. Records also show meetings of Vice President Bush and his adviser, Donald Gregg, with Rodriguez/Gomez. Boyden Gray was the contact man in Bush's office for Gary Howard and Ron Tucker, who functioned as intermediaries for Bush's relations with the Aspin brothers, Col. David Walker's KMS (a Project Democracy asset appearing on Oliver North's flow chart), and other Iran-Contra participants, and who played a role (see below) in the frameup of Lyndon LaRouche.

4) **Brady.** The great-grandfather of the Secretary of the Treasury was an Irish Catholic who allied with the Aldrich, Widener, Bryan, Payne, and Whitney interests to build a fortune in street traction (trolley car) operations. Nicholas Brady's father was a member of Vincent Astor's The Room, a private intelligence service and his uncle formed the American sub-branch of the Sovereign Military Order of Malta, more recently subservient to the wishes of J. Peter Grace, William Casey, and the late Edward Bennett Williams.

5) **Pierce.** This is the family of First Lady Barbara Bush, and claims to descend from U.S. President Franklin Pierce. Her father, Marvin Pierce, worked in publishing, holding high positions with McCalls, Time-Life, and Cowles. The First Lady's brother, Scott Pierce, from 1975 to 1983 was president of the Wall Street brokerage firm E.F. Hutton when that company was caught by federal investigators in a check-kiting scheme that earned E.F. Hutton over \$250 million. Scott Pierce and the other officers of E.F. Hutton escaped prosecution, possibly because John Walker, Bush's cousin, was at that time the Assistant Secretary of the Treasury for Enforcement.

Even the evidence in the public domain argues that George Bush and his advisers were active participants in every phase of the operations lumped under the heading of Iran-Contra. The following is a summary of some of the principal leads which attribute Irangate responsibility to George Bush, Boyden Gray, Craig Fuller, Donald Gregg, Col. Douglas Menarchik, Col. Sam Watson, and others closely associated with Bush.

The 1982 crisis-management directive

President Reagan's National Security Decision Directive 3 on Crisis Management, as expounded in a memorandum dated May 14, 1982, and signed by then-NSC Director William Clark, a hitherto classified document, was made public by the Congressional Iran-Contra Committee in the late winter of 1988, and has been largely disregarded by analysts and researchers. In the early months of the Reagan administration, it had been announced that Vice President Bush would become the leader of the White House crisis staff.

According to the memorandum, a Special Situation Group was constituted inside the White House, under the chairmanship of the vice president. This was the crisis-management

staff that would become the operative center of the government in the event of a major crisis or confrontation: The SSG would play the role of the Executive Committee or EX-COMM under President Kennedy during the Cuban Missile Crisis of 1962. Then, as the document signed by Clark shows, on May 14, 1982 a Crisis Pre-Planning Group (CPPG) was added to the SSG in order to deal with the responsibility of planning crisis options in advance of the outbreak of the crises themselves. The CPPG was placed under the authority of the number two officer of the NSC (during 1985, for example, Admiral Poindexter).

According to the flow chart under "NSDD-2 Structure for Central America," it appears that the Special Situation Group and the Crisis Pre-Planning Group are auxiliaries to the National Security Council (President, Vice President, Secretary of State, Secretary of Defense, Secretary of the Treasury, Attorney General, assisted by the NSC Director) and the National Security Planning Group (NSPG), a somewhat larger group, including President, Vice President, Secretaries of State, Defense, Director of Central Intelligence, U.N. Ambassador, Chairman of the Joint Chiefs of Staff, White House Counsel, NSC Director and Deputy Director, plus some others. But in reality, Vice President Bush, partly because of his extensive CIA experience, seems to have made himself into a super-Director of Central Intelligence, assuming direct control over a significant part of the ongoing special operations and covert operations of the Reagan administration, including the arming of Iran and the provision of military supplies for the Contras, as well as the suppression of criticism against these policies.

Two details of these documents should be noticed in passing. First, none other than Oliver North was the NSC officer in charge of organizing the first meeting of the CPPG on May 20, 1982. Second, the CPPG, in addition to representatives from State, Treasury, Defense, CIA, and Joint Chiefs of Staff, also consists of a representative from the Office of the Vice President.

The role of the vice president's personal representative in the CPPG is of very timely importance. On April 6, 1989, a document was made public in Washington in the context of the trial of Lt. Col. Oliver North in the U.S. Federal District Court which represents a series of stipulations which the U.S. government, as well as the Special Prosecutor, have agreed to accept as facts in response to a demand from North's defense. The purpose of this document is to avoid the release of the underlying classified papers in which the statements made, but presumably also much more information, are revealed. The politically most interesting aspect of these stipulations is located in paragraphs 51, 56, 57, 63, 77, 78, 79, 90, and 91 of the document in question, and bears on the role of Vice President Bush in a series of *quid pro quo* or "incentive" aid arrangements undertaken by the United States with a series of governments, especially in Central America.

During the time in which U.S. military aid to the Nicar-

aguan Contras was outlawed under the Boland Amendment and the Pell Amendment, the Reagan administration attempted to maintain military support to the Contras by offering other countries increased or accelerated aid deliveries with the understanding that a part of the increased aid would be forwarded to the Contras. This would allow the Contras to be serviced without obtaining the approval of the U.S. Congress. At the center of the bargaining over these incentive deals is Honduras, the country from which the majority of the Contras were operating against Nicaragua. Vice President Bush met with Honduran President Roberto Suazo Córdova in March 1985, and with his successor, President José Simón Azcona, in January 1986. The careful drafting of the stipulations does not establish whether or not Bush knew that he was participating in an illegal incentive deal. But Bush's plausible denial is removed, once we remember the structure of the CPPG and its vice presidential representative cited above.

Thus, we read in the stipulations:

"51. At a February 7, 1985 meeting of the Crisis Pre-Planning Group attended by Admiral Poindexter, Don Fortier (NSC), Ray Burghardt (NSC), Michael Armacost (DoS), Fred Iklé (DoD), Nestor Sanchez (DoD), Clair George (CIA), Alan Fiers (CIA), VADM Arthur Moreau (JCS), and Lt. Col. North, among others, the CPPG principals agreed that a Presidential letter should be sent to President Suazo of Honduras and to provide several enticements to Honduras in exchange for its continued support of the Nicaraguan Resistance. These enticements included expedited delivery of military supplies ordered by Honduras, a phased release of withheld economic assistance (ESF) funds, and other support."

The CPPG was in agreement that transmission of the letter should be closely followed by the visit of an emissary who would verbally brief Suazo on the "conditions" attached to the expedited military deliveries, economic assistance, and other support. The CPPG did not wish to include this detail of the *quid pro quo* arrangement in written correspondence.

"52. On February 12, 1985, North proposed that McFarlane send a memo to Shultz, Weinberger, Casey, and Vessey informing them of the recommendation of the CPPG that expedited military deliveries, economic funding and other support should be offered as an incentive to Honduras for its continued support to the Nicaraguan resistance. The memo stated that this part of the message should not be contained in a written document but should be delivered verbally by a discreet emissary."

Based on our knowledge of Clark's memorandum of May 14, 1982, we know that Bush had a representative at the CPPG and would have been fully briefed on the unwritten part of the *quid pro quo* plan. The stipulations strongly suggest that the "discreet emissary" involved was none other than George Bush. We can thus read between the lines of the following:

"58. When Vice President Bush met with President Sua-

The dead: Cui prodest?

The following is a preliminary and incomplete list of the deaths that have occurred within the framework of the Iran-Contra scandal and coverup:

- 1) **William Casey**, U.S. Director of Central Intelligence, died in early 1987.
- 2) **Amiram Nir**, Israeli Mossad agent; met Bush in Jerusalem; died in crash of light plane, Mexico, December 1988.
- 3) **Donald Fortier**, National Security Council Staff.
- 4) French General **René Audran**, killed by terrorists Jan. 26, 1985. General Audran was engineer of armaments and head of the international department at the French Defense Ministry. According to the Babra report, he was knowledgeable about the arms shipments to Iran of the Luchoire Company, and may have been trying to stop them.
- 5) **Herbert Amry**, Austrian Ambassador to Athens, Greece; death attributed to heart attack in July 1985. Amry had told a commission of inquiry in Vienna that field guns sold to Greece by the Austrian company Voest-Alpina were being channeled to Iran.
- 6) **Heribert Apfalter**, General Director of the Austrian state-owned armaments company Voest-Alpina, death on Aug. 26, 1987 attributed to heart attack. Apfalter was

stricken several days before scheduled testimony before the Austrian government commission of inquiry into Voest-Alpina artillery shipments to Iran.

7) Austrian arms dealer **Alois Weichselbaumer**, death in Linz on Feb. 8, 1989 attributed to heart attack.

8) Swedish Prime Minister **Olof Palme**, assassinated on Feb. 28, 1986. Abolhassan Bani-Sadr, former prime minister of Iran, told the Swedish daily *Aftonbladet* on Nov. 3, 1987: "Olof Palme was murdered because he knew about, and wanted to investigate, Sweden's weapons and gunpowder deals with Iran."

9) **Cyrus Hashemi**, the Iranian arms dealer and U.S. CIA and Customs agent exposed by *EIR* in 1979; Hashemi died in July 1986 of a case of acute leukemia.

10) Italian General **Licio Giorgieri**, assassinated by terrorists on March 21, 1987 in Rome. On Nov. 6, 1987 *La Stampa* of Turin connected the murders of Palme, Giorgieri, and Audran with illegal arms dealings with Iran. *La Stampa* said that Giorgieri and Audran had close working relations.

11) Rear Adm. **Carl Algernon** of Sweden, who is alleged to have fallen to his death beneath the wheels of a Stockholm subway train on Jan. 15, 1987. Algernon was the War Materiel Inspector of the Trade Department of the Swedish Foreign Ministry, in charge of issuing export licenses for weapons shipments. He died a few days before scheduled testimony concerning the illegal Bofors arms sales to Iran.

12) **Uwe Barschel**, ex-governor of the state of Schleswig-Holstein in the Federal Republic of Germany. Barschel was found dead in a bathtub of the Beau Rivage

zo, Bush told Suazo that President Reagan had directed expedited delivery of U.S. military items to Honduras. Vice President Bush also informed Suazo that President Reagan had directed that currently withheld economic assistance for Honduras should be released; that the United States would provide from its own military stocks critical security assistance items that had been ordered by Honduran armed forces; and that several security systems underway for Honduran security forces would be enhanced."

Later, in mid-January 1986, Colonel North "prepared talking points for a meeting between Admiral Poindexter, Vice President Bush, and Honduran President Azcona. North recommended that Admiral Poindexter and Vice President Bush tell President Azcona of the need for Honduras to work with the U.S. government on increasing regional involvement with and support for the Resistance. Poindexter and Bush were also to raise the subject of better U.S. government support for the states bordering Nicaragua."

Also in mid-January 1986, the State Department sent Bush national security adviser Donald Gregg a memo for

Bush's meeting with Azcona. "The memorandum alerted Gregg that Azcona would insist on receiving clear economic and social benefits from its cooperation with the United States." John D. Negroponete was the U.S. ambassador to Honduras in 1985, and attended the meeting of Bush and Suazo; Negroponete is now the Bush nominee to be ambassador to Mexico.

If Bush was the "discreet emissary," this raises the question of offenses under the Boland and Pell amendments. In the President's news conference of April 7, 1989, it was clear that the tactical decision had been made in the White House, on the advice of C. Boyden Gray, to stonewall on the "discreet emissary" issue, refusing to discuss under the pretext that the North trial is *sub judice*. But even in his thrice-repeated refusal to comment on the issue, Bush nevertheless managed to lie, asserting that the matter had already been examined for any special significance by the congressional Iran-Contra investigating committees and by the Special Prosecutor. Even one member of the Tower Commission, former Senator Muskie, stated that the material in question

Hotel in Geneva, a traditional meeting point for those involved in the illegal arms trade with Iran. In May 1987 Barschel had survived a suspicious airplane crash. Just before his death, Barschel had traveled to the Canary Islands to meet with Saudi Arabian arms merchant Adnan Khashoggi. Barschel's body contained five different kinds of tranquilizers or sleeping pills, and presented the characteristic signs of a Freemasonic ritual killing.

13) **Stefan Ruedell**, death attributed to suicide on Oct. 29, 1987. Ruedell had reportedly been spying on the SPD leadership in Schleswig-Holstein on behalf of the Christian Democrats; his death is thus linked to that of Barschel.

14) **Hans-Joachim Knack**, death attributed to heart attack on Nov. 9, 1987. Knack, the undersecretary of the Interior Ministry of Schleswig-Holstein, was about to testify before a state parliament committee in Kiel on the Barschel affair.

15) **Rashid al Jarrah** of Saudi Arabia, death attributed to heart attack (the victim was 25 years old) in Lugano, Switzerland, Oct. 12, 1987. He was part of an arms trading ring that operated in Italy, Lebanon, and Yugoslavia. Rashid al Jarrah worked with the Swiss-Hungarian Peter Jenney, who has in turn been implicated in the Iran arms deliveries of the Italian company, Borletti.

16) Col. **Gerald Clarke**, head of G-2 Army Intelligence for the U.S. Southern Command in the Panama Canal Zone, with oversight for the entire Caribbean and Central American region. Clarke died on Feb. 28, 1989.

17) Gen. **Gustavo Alvarez** of Honduras, killed in early 1989. General Alvarez had knowledge about support operations for the Contras in Honduras, perhaps including

the *quid pro quo* incentive operations set up by "discreet emissary" George Bush.

18) **Glenn Souham**, President Reagan's European coordinator of the board of advisers on private sector initiatives, killed in Paris after arranging deliveries of East bloc weapons for the Contras.

19) **Barry Seal**, a.k.a. Adler Berriman Seal, Contra mercenary pilot who turned DEA informant but was denied proper security protection.

20) **Steve Carr**, another Contra mercenary who knew too much. He was found dead from a drug overdose.

21) A Contra footsoldier known only as **David**, who witnessed CIA drug cargoes transiting the Costa Rican ranch of John Hull. After revealing what he knew to two U.S. journalists, "David" was tortured and killed by Hull's retainers.

22) **William Buckley**, CIA station chief in Beirut, Lebanon, who was taken hostage and later tortured to death by his pro-Iranian captors. Buckley was deeply involved in Iran-Contra weapons trafficking; he shows up in the circles around Michael and Leslie Aspin; Heinrich Rupp reported to Buckley when he was flying for the CIA in the Middle East. Why was he singled out for death from among the hostages held in Lebanon?

23) **Abbie Hoffman**, 52-year-old American radical whose last major published writing targeted Bush's role in Iran-Contra, died April 12, 1989 of an overdose of sedatives.

Finally, **Robert McFarlane**, the former Reagan National Security Adviser and special secret envoy to Tehran in 1986, survived an alleged suicide attempt.

is new and constitutes something of a "revelation." Mark Belnik, the former counsel for the congressional committees, stated that the Capitol Hill probers had not examined the *quid pro quo* dealings.

According to the stipulations, at least 11 countries were offered *quid pro quo* deals to secure aid to the Contras. These included: Israel, Saudi Arabia, South Korea, Taiwan, China, Guatemala, Honduras, Panama, and three others, possibly in Asia or Europe.

Bush's meeting with Amiram Nir

In the preliminary report of the Senate Select Committee on Intelligence signed by Senators Boren and William Cohen (R-Me.) on Jan. 29, 1987, page 32, we read:

"On the same day [July 29, 1986], Vice President Bush was given a briefing in Jerusalem by Mr. [Amiram] Nir. The Vice President attended the meeting at the suggestion of Lt. Col. North, according to a memorandum dated a week later by an official who was present at the briefing. Nir indicated he was briefing the Vice President at the request of Prime

Minister Peres. He conceded the problems encountered in the program, but argued that the Iranians with whom they were dealing were ones who could 'deliver.' He also discussed the problem of the sequence of release of additional hostages. According to the memo, the Vice President made no commitments and gave no direction to Nir. Apparently in response to the approval of President Reagan, the HAWK parts reached Iran on August 3."

The memo in question is the one by Craig Fuller that was suppressed. The *Washington Post* of Jan. 9, 1987 published a front-page picture of Amiram Nir with the caption: "Israeli Met Bush About Deal." Relevant paragraphs are as follows:

"White House officials also disclosed yesterday that Vice President Bush met last July with Amiram Nir, a key Israeli official on the arms sales, while Bush was in Jerusalem. Nir made it clear to Bush that the arms shipments were meant, at least in part, to lead to freedom for the American hostages. He told Bush that some elements in Iran were resisting the release of all the hostages, apparently seeking to use the remaining captives as leverage for additional weapons ship-

ments from the United States.

“An informed source familiar with the meeting quoted Nir as saying, ‘If all the hostages came out, the relationship [between Iran and Israel and the United States] might die, and the relationship was going to grow if we could demonstrate our good intentions by providing weapons.’”

Nir is close to the truth here: The policy of the secret government has always been to encourage the taking of U.S. citizens as hostages by Iran, starting in 1979, because the existence of the hostages furnishes a rationale for making arms deliveries to Iran, which, although they represent the firm policy of the invisible government, cannot be explained to public opinion in any other way. The *Post* account goes on:

“Nir, chief counter-terrorism adviser to then-Prime Minister Shimon Peres, met Bush at the King David Hotel on July 29, the officials said. Nir, who had become the key Israeli middleman in the arms dealings with Iran at the beginning of 1986, was advocating continued U.S. arms shipments to Iran to win freedom for the remaining hostages.

“Bush met with Nir at the behest of Lt. Col. Oliver L. North of the NSC staff, who was the chief contact between Nir and the U.S. government. Bush was initially reluctant to hold the meeting, and telephoned Poindexter in Washington to express that reluctance. But he could not get through to Poindexter, and spoke instead to North, who apparently persuaded Bush to meet Nir, in part because both the NSC and Peres wanted such a meeting to take place.

“One source said notes of the meeting indicate that Bush did not tell Nir whether the United States would continue the arms shipments to Iran, but that there were ‘doubts and reservations’ about the effort. A well-informed source said these doubts were shared by Bush; an account of the meeting was sent to North. It is not known whether Bush discussed it with Reagan.”

The meeting with Nir was perhaps the biggest specific liability in the attempt to shield Bush from the blow-back of Iran-Contra, and Bush has remained hysterical on this issue. The meeting with Nir was the issue that detonated one of the most celebrated events of the 1988 presidential campaign, the live interview of Bush by Dan Rather on the CBS Evening News of Jan. 25, 1988. A crucial sequence of this clash was as follows:

Rather: Mr. Vice President, thank you for being with us tonight. A member of your own staff, Mr. Craig Fuller, has verified and so did the only other man there, Mr. Nir, Mr. Amiram Nir, who is the Israelis’ top anti-terrorist man—those two men were in a meeting with you, and Mr. Nir not once, but three times underscored with you that this was a straight-out arms for hostages. . . .

Bush: What they were doing . . . read the memo . . . read the memo . . . what they were doing. . . .

Rather: Now how do you reconcile . . . I have, sir. . . . How can you reconcile that you were there, Mr. Nir under-

scored three separate occasions that it was an arms for hostages swap, and told you you were dealing with the most radical elements in Iran. You were dealing straight away with the Ayatollah Khomeini.

Bush: I was told what they were doing, and not what we were doing, and that’s the big difference, and then I expressed my concerns and reservations about that. That has been testified to under oath by Mr. Poindexter.

With the notes of the meeting suppressed, one might turn to Mr. Amiram Nir for an explanation of what went on in that meeting, and whether there were more meetings, as has been suggested.

Unfortunately, dead men tell no tales, and Amiram Nir died in the mysterious crash of a light plane in Mexico in December 1988. The question of *Cui bono?* leads us to the CIA and perhaps to the White House, unless one posits a calculated provocation by the British to create bad blood between the Israelis and the United States, which seems less likely.

Brenneke’s testimony in the Rupp trial

Another complex of revelations that could do great damage to Bush involves statements made by former CIA operative Richard J. Brenneke in a post-conviction hearing in the federal bank fraud trial of Heinrich Rupp, a CIA pilot and gold dealer resident in Aurora, Colorado. The statement by Brenneke was made in the chambers of U.S. District Judge Jim R. Carrigan on Sept. 23, 1988.

Heinrich Rupp is a Swiss-born pilot employed at one time by Air America who was in the service of the Saudi Arabian Royal Family, flying King Fahd and Prince Faisal on various travels. He flew for the CIA in the Middle East and Indo-China, starting in the early 1960s. He was later a pilot for William Casey and McFarlane on trips to Cyprus, Zurich, and Central America. He was also employed by Lake Resources, the Secord-Hakim front. Rupp was convicted of bank fraud on Sept. 15, 1988 in a case stemming from the failure of the Aurora Bank of Aurora, Colorado back in 1985. Rupp kept silent during his trial and refused to give interviews, but later broke his silence in an interview granted to reporter Sue Lindsay of the Denver *Rocky Mountain News*. Rupp was also subjected to a psychiatric examination while in prison, a move that was designed to discredit and humiliate him.

Brenneke’s thesis is that Rupp has been framed up by the Bush forces to discredit and intimidate him, in order to prevent him from telling what he knows. According to Brenneke’s statement in chambers, Rupp flew Bush and Casey to Paris in October 1980 as part of the Reagan-Bush campaign effort designed to prevent the release of the U.S. hostages held in Iran before the U.S. presidential election: “On the 19th of October Mr. Rupp brought Mr. Bush, Mr. Casey and a number of other people to Paris, France from the United States, for a meeting with Iranian representatives,” according

to Brenneke. Brenneke recounted that the meetings in question had been held in Paris at the Hotel Crillon and the Hotel Florida on Oct. 19 and 20, 1980. Bush was in Paris for a limited number of hours, and after the meetings returned to the United States. Rupp flew Casey on to Frankfurt for further meetings. According to Brenneke, those present at the Paris meetings, of which he was an eyewitness, were: a) Vice President Bush, b) William Casey, then chairman of the Reagan Campaign, c) Donald Gregg, CIA officer for 28 years and at that time an official of the Carter National Security Council, d) Richard Allen, later Reagan first NSC chief. e) Iranian arms dealer and U.S. Customs Agent Cyrus Hashemi, f) a representative of Hashemi Rafsanjani in Teheran. g) Manucher Ghorbanifar, Iranian arms dealer, and h) Col. Robert Benes, an officer of French intelligence specializing in the Middle East.

According to Brenneke, the result of this meeting was an agreement by the Reagan campaign to commit the United States to deliver \$40 million worth of weapons to Iran, in exchange for the freeing of the U.S. hostages at a time specified by the Reagan campaign.

Former President Jimmy Carter has said in interviews that he received reports after late summer 1980 that the Reagan campaign was dealing with the Iranians to delay the release of U.S. hostages. Former Iranian Prime Minister Abolhassan Bani-Sadr, now living in France, has stated that he knew that Khomeini was considering a secret deal with the Reagan-Bush campaign in late September 1980.

The Bush campaign denied the Brenneke-Rupp allegations. The records of the Bush campaign show that the vice president was in Philadelphia on Oct. 18, 1980, and met with newspaper editors at 1:55 p.m. That was followed by an appearance at Widener University and, allegedly, a speech in Delaware County, Pennsylvania at 8:40 p.m. Bush was then scheduled to proceed to Washington, D.C. that night, and had no events on his schedule until a speech on the evening of Oct. 19 before the Zionist Organization of America in Washington.

News stories written and published in October 1980 describe Bush's speech at Widener University on the evening of Oct. 18, and his remarks to the Zionists on the following evening, but do not account for the intervening 24 hours, according to research by Sue Lindsay of the *Rocky Mountain News*.

Rupp later told Sue Lindsay that he had flown six passengers in a BAC-111 belonging to Saudi Prince Mohammed Fahd Azis from Washington National Airport via Gander, Newfoundland to Paris Le Bourget, leaving in the evening of Oct. 18, 1980 and arriving in Paris at 11 a.m. local time on Oct. 19. Rupp is 100% certain that Casey had been a passenger in his plane, and he is 98% sure he saw Bush waiting on the tarmac near a Grumman Gulfstream.

Rupp was sentenced to 41 years in federal prison, although there are indications he may be released sooner. In October-November 1988, at the height of the election cam-

paign, he was held incommunicado at a federal medical center. If Rupp is still alive today, it is probably because of deposits of very incriminating documents which he seems to have stashed in secure locations outside of the United States. Rupp has said that he considers himself a "political hostage." According to some sources, the contents of Bush's Paris meetings are in the hands of Alexandre de Marenches, the former top official of the French intelligence services.

Barbara Honegger is reported to be preparing a book-length study of these matters, among others. This may include reports that the Desert One rescue mission to free the hostages from their Teheran bondage failed as a result of sabotage motivated by the desire to deprive Carter of the political benefit of a successful rescue.

Richard J. Brenneke, who testified in favor of Heinrich Rupp, made other allegations damaging to President Bush during the course of 1988. Brenneke, born in 1941, holds advanced degrees in philosophy, had ties to Canadian intelligence and the Mossad, and was a contract pilot for the CIA's Air America in Indochina during the Vietnam era. He also flew for the CIA in Ibero-America. In the 1970s Brenneke worked for the U.S. Customs Service in an operation allegedly designed to expose customs agents complicit in drug-running.

Brenneke says he was involved after 1983 in CIA-Mossad operations to deliver weapons from the Soviet bloc to the Contras and to the PLO. This included arms shipments from Czechoslovakia, Poland, Hungary, and Yugoslavia, which were arranged in liaison with officials of George Bush's office. On the return runs, the planes were often loaded with illegal narcotics. Brenneke's business associates in Germany included Klaus-Dieter Lensch and Fritz Mänard. In May 1988 Brenneke began to tell his story in high-profile television interviews in *Newsweek*, ABC and CBS News, CNN Crossfire, and Larry King Live. When he testified before the Congress on these matters, Brenneke was vilified in a hysterical outburst by Republican Sen. Mitch McConnell of Kentucky, and was also slandered by Mark Hosenball.

Brenneke says that he was also a part of the Bofors howitzer shipments to Iran.

The presence of Soviet bloc weapons obtained directly from the Soviet bloc for the Contras is an established fact. Oliver North once boasted that he had obtained weapons from Poland in order to fight against communists in Central America. An example of this dealing was the cargo of the Danish ship, the *Pia Vesta*, which was seized by Panama in the summer of 1985 with 200 tons of Soviet-made arms on board bound for the Contras. The arms had been sold by the East German state arms trading firm to reputed CIA arms trader David Duncan.

Brenneke asserts that he was in contact with Donald Gregg and Lt. Col. E. Douglas Menarchik in the office of George Bush, as well as with White House trade official Ralph Johnson, Felix Rodriguez/Gomez and H.R. Jones of the CIA (in constant touch with Bush's office), and Ariel Ben Menashe

and Guatemalan station chief Pessah Ben-Or of the Mossad, who both had instant access to William Casey. Ben-Or put Brenneke in touch with Donald Gregg.

Brenneke says that when he called Donald Gregg to complain about the amount of drugs being shipped on the Contra supply missions, Gregg threatened him with the Justice Department if he ever were to disclose the operations that he had witnessed.

Brenneke's account is filled with familiar names: John Hull, whose ranch in Costa Rica he visited; Robert Sensi of Republicans Abroad and various operations in Central America; John Hotrich Delaroque, French CIA businessman now residing in St. Tropez, one of the defendants in the April 1986 Bar-Am sting operation; Bernard Veillot, the French CIA arms dealer also indicted with Bar-Am; and Robert Benes, the formerly posted by French intelligence in Damascus, Syria.

Herman Moll

On April 22, 1986, a group of international arms traders was arrested in New York and Bermuda on charges of attempting to smuggle illegal weapons. They included Israeli General Bar-Am, Samuel Evans (Adnan Khashoggi's London lawyer), Herman Moll (a German national now living in London), Bernard Veillot, and John Delaroque. The arrests were the result of a sting operation of the United States Customs Service organized with the help of informer Cyrus Hashemi, a suspicious Iranian weapons dealer who worked as a provocateur for U.S. Customs. Hashemi had been denounced in 1979-80 in the pages of *Executive Intelligence Review* for sending arms to the Ayatollah. On Jan. 4, 1989 the U.S. Department of Justice dropped the case and all charges against the defendants, saying that it had been impossible to find witnesses ready to contradict the claim of the accused that the arms deal with Iran had been approved by the U.S. government. Some of the codefendants went to Israel and met there with Amiram Nir.

In an interview granted to the *Middle East Insider* of March 11, 1989, Moll described the operation as straight CIA from the very beginning: "We knew and were told by the agents in Paris that George Bush was the head and the main organizer of all these deals." Moll says that Brenneke was involved as a close friend of William Casey, and also "confirmed that the deals were sanctioned by the CIA and George Bush." "Bush was 100% behind the deals." "He was one of the main organizers behind it. If this were to come out, it would automatically lead to an impeachment."

After six months spent in jail, Moll is trying to find a way to sue the U.S. government for false arrest. He has recently published a book entitled *The Broker of Death*.

Robert Sensi

CIA agent Robert Sensi was arrested in Great Britain in 1986 while working for a company called Cyrus Engineering. In March 1988 Sensi was convicted in a U.S. Federal

District court of defrauding Kuwaiti Airlines of some \$2.5 million. Sensi's defense was that the money had been assigned to him as part of the payment for a shipment of TOW missiles to Iran arranged by Col. Oliver North. Sensi was convicted and given a short sentence. According to the British journal *Private Eye*, during Sensi's trial the jury was shown pictures of the defendant together with William Casey, Ronald Reagan, and George Bush. Sensi was the boss of Republicans Abroad, and had been preparing the Bush campaign among contributors residing outside of the United States starting in 1985. Sensi was to that degree, like so many other CIA agents, a political friend and ally of Bush. Sensi said that he had also met with William Wilson, the U.S. ambassador to the Vatican and Reagan's close friend and confidant, who may have been told of the Iran-Contra operations directly by the President, whom he met every Christmas at the Annenberg estate in Palm Springs, California. Another of Sensi's contacts is a certain Habib Moallem, an Iranian arms trader. Sensi claimed that the money from Kuwaiti Airlines had been deposited in the account of a company owned by Moallem. Moallem, according to Sensi, had also held meetings with William Wilson.

At the Aspin arms smuggling trial in London's Old Bailey, discussed below, the argument of Michael Aspin and of other defendants was that Habib Moallem had been an integral part of their dealings with Casey, North, Secord, Ghorbanifar, and William Buckley.

A final interesting detail reported by *Private Eye* was that Sensi had organized a meeting between Vice President Bush and several other persons, but that meeting had to be canceled when one of the persons who was to have participated, the international arms trader Jens Jensen, was publicly implicated in the Iran-Contra scandal.

Howard, Tucker, Halloran, Aspin

On May 24, 1988 Michael Aspin, Eric Matson, and William Harper were convicted in London's Old Bailey criminal court on charges of attempting to defraud the Iranian government by taking money for a shipment of anti-tank missiles which never existed. Michael Aspin, who was sentenced to six years in jail, based his defense on the assertion that he was working with Oliver North, that the CIA and the U.S. Customs Service knew about the planned weapons deal, and that the missiles did indeed exist. The three were arrested when Swiss middlemen in the deal, after having made a down payment, called in the police in 1986 and accused Aspin and the others of being con men. Michael Aspin is a former associate of Edwin Wilson.

Michael Aspin's brother, Leslie Aspin of Norwich, England, who describes himself as a CIA agent, in a statement prepared for the U.S. Iran-Contra congressional investigation, says that this operation got off the ground in June 1984 when he was personally contacted by CIA director William Casey, who asked the Aspins to help in arranging shipments of TOW missiles to Iran. Aspin worked together with British



Adm. John Poindexter, former national security adviser, was a key player in the Special Situation Group, set up under Vice President Bush's chairmanship in 1985.

licensed arms dealer Ben Banerjee. Aspin visited the U.S. Embassy in London's Grosvenor Square, where he was advised to contact Oliver North, General Secord, Robert Owen (one of North's assistants), and David Ginman. Later he met with retired U.S. Army officer and CIA agent Otto Schaller in Germany. Aspin met in Zurich with North, CIA Beirut station chief William Buckley, Manucher Ghorbanifar, Col. Robert Earl (another assistant of North), arms dealer George Rachele, and others. Aspin's statement also describes contacts with Dr. Habib Moallem of Iran, and with Robert Sensi of Republicans Abroad.

The trial of Michael Aspin and his codefendants was the result of a sting operation run with the cooperation of the U.S. intelligence community. The Aspin case is indeed part of a series of such sting operations conducted in Great Britain primarily through the activities of three persons: Americans Gary Howard and Ron Tucker, and investigative journalist Paul Halloran of the muckraking intelligence leak-sheet, *Private Eye*.

Howard and Tucker are on the surface two deputy sheriffs from Midland, Texas. Now, Midland, Texas is not just an American small town like any other. Midland, Texas is the company town owned lock, stock, and barrel by George Bush; it is practically Bush's fiefdom. Members of the local police force in the company town of the former Director of Central Intelligence are therefore very special persons. Both are unquestionably agents of the CIA. On a second level, Howard and Tucker are "sting operatives" or "bounty hunters" working with and for the U.S. Customs Service. Under U.S. law, if an informer or provocateur provides a tip to the Customs which results in the seizure of a contraband shipment, the informer is entitled to claim a reward based on the value of the goods eventually seized. But although Howard and Tucker are passionately interested in money, their stings and entrapments are also guided by a political target selection process. These operations are a part of the routine CIA policing of the gun-running scene, and they are of course essential when it becomes necessary quickly to liquidate a whole phase of dirty operations, such as in the Irangate coverup.

As for Halloran, he is a New Zealander who has written for *Private Eye* for about ten years. He has been working together with Howard and Tucker since at least 1981. The first joint Howard-Tucker-Halloran sting was directed against British arms dealer Ian Smalley, who gave Howard and Tucker a check for \$1.6 million in payment for 100 M-48A5 U.S. main battle tanks. Howard and Tucker kept Smalley's money, had him arrested, and claimed a gigantic reward. But when Smalley was put on trial in late 1983, with Howard as the main witness for the prosecution, he was acquitted, and the jury foreman stated that he had been outraged when he heard the evidence, and he thought the U.S. government owed Smalley an apology.

In the Smalley case, Howard and Tucker operated through a front called Losto Limited, registered in the Grand Duchy of Luxembourg. More recently, they have used a front called Peregrine International, created in 1982, for their operations. The other partner in Peregrine International is a certain Maj. Richard Meadows, a veteran of the Carter administration's failed effort to free the U.S. hostages held in Iran in spring 1980. According to sources, Peregrine worked together with a British company called KMS ("Keeny Meeney Services," which appears on Oliver North's Project Democracy flow chart), which in turn is run by a British mercenary called Col. David Walker.

Another sting carried out by Howard-Tucker-Halloran in Britain targeted arms dealer Eric Magee of Potters Bar, Hertfordshire. Howard approached Magee with an offer of 60 radar valves, items in heavy demand by the Iranians because they are required by U.S.-built Hawk missile systems. Magee agreed to pay Howard over \$2 million for the radar valves, but the Iranian group with which Magee was dealing decided to send its own representative to Texas to inspect the valves which Howard said were stored there. The Iranian representative turned out to be Victor Fonseca, a Portuguese soldier of fortune. Fonseca went to Midland, Texas and was taken to an airport warehouse, where he was offered eight crates loaded with gravel. Then television crews appeared and Fonseca was arrested by Midland sheriff and Howard-Tucker associate Gary Painter, another creature of the Bush family interests. Later, Fonseca was released because there was no evidence that he had committed any crime.

In the case of the Aspin brothers, Howard carried out his standard approach, offering radar valves of Hawk missiles which the Iranians were seeking on the world market. In the course of this transaction, it proved necessary to post a "performance bond" of \$4 million, demanded by the Iranians from foreign arms dealers to prove that they are serious. The following is an exchange between Aspin and Howard from a wiretapped phone conversation that was played for the jury in the Old Bailey:

Aspin: What bank will it be from, Gary?

Howard: One of the Chases.

Aspin: It's being worked officially now, is it?

Howard: No, it's being worked unofficially. We can't play this kind of game officially to my knowledge.

Aspin: You mean you are getting the support of your government?

Howard: You have got it.

Aspin also had numerous phone and face-to-face conversations with Halloran. In one, according to the London *Sunday Times* of April 10, 1988 Leslie Aspin says that Halloran "kept reassuring me that it wasn't a sting because I'd said that, if it was, I'd get him by the throat and choke him."

It is important to underline that Howard and Tucker are no ordinary con men. Their company, Peregrine International Associates, was in contact with Gen. Sam Wilson, former director of the Defense Intelligence Agency (DIA) who was also a special adviser to Defense Secretary Caspar Weinberger on covert operations. Peregrine was also in contact with Col. Wayne Long, a senior officer of a secret military intelligence group called the Foreign Operations Group. According to Howard, Peregrine International operations were based on permission and instructions given in advance from CIA, State, and Defense. Some of the Howard-Tucker operations were planned in cooperation with the U.S. Army Delta Force. This included operations against Iran.

According to sources, Howard and Tucker were couriers and intermediaries for money transfers (bagmen) for the U.S. National Security Council in certain kinds of covert operations. The sources cite the example of Howard and Tucker functioning as bagmen between the NSC and Col. David Walker's KMS. Sources say that the operations funded in this way included the attempted assassination of Lebanese Muslim leader Sheikh Fádllallah in March, 1985, which the sources say was carried out by KMS, which is made up for the most part of former officers of the British Special Air Services (SAS). KMS is also said to have provided security for the Saudi ambassador in Washington, Prince Bandar. That security is now being provided, according to sources, by another David Walker company, this time called Saladin. Walker is reported to be a longtime personal friend of former U.S. Secretary of the Navy John Lehman. KMS is known to serve only those clients who are approved by the British Foreign Office, Defense Ministry, and MI-6.

Howard and Tucker against LaRouche

Given the established status of Howard and Tucker as U.S. government agents, it is indeed highly significant that they were also deployed, by their usual White House chain of command, against Lyndon LaRouche and his associates for purposes of infiltration and entrapment. According to documents that were released during the LaRouche trial in Boston, Massachusetts, during spring 1988, Howard and Tucker were asked by the CIA and the FBI to spy on LaRouche and his organization in October 1984.

Howard and Tucker were introduced to LaRouche associates through one Sergeant Frederick Lewis. Lewis had been

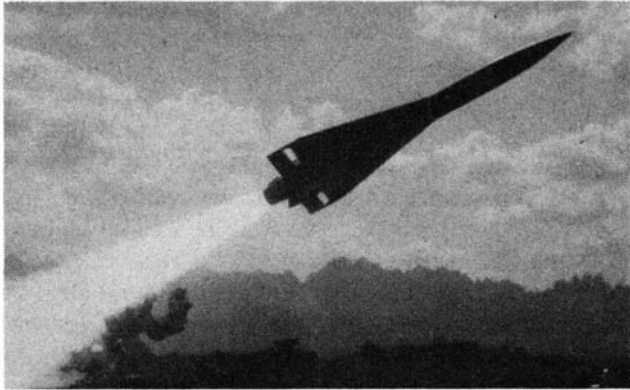
contacted by LaRouche representatives for possible hiring as a security consultant in the summer of 1984, during the kidnaping of Patricia Londoño in Colombia. Lewis was yet another military veteran-soldier of fortune with Special Forces training at Fort Bragg who had worked for the Howard-Tucker Peregrine International. Although Lewis was never hired, he proposed that a LaRouche representative be put in touch with Howard and Tucker. LaRouche security adviser Jeffrey Steinberg accordingly traveled to Dallas, Texas, to meet with Howard and Tucker. Shortly after this meeting, a series of FBI and CIA dispatches obtained under the Freedom of Information Act suggest that Howard and Tucker provided U.S. intelligence agencies with falsified accounts of their meeting with Steinberg, alleging that Steinberg had a \$20 million Swiss bank account and was interested in recruiting assassins for the purpose of killing drug traffickers of the Medellín Cartel in Colombia. These false reports could then become the pretext for continued investigations of LaRouche under Executive Order 12333. Various sources around the world have reported probes on the part of Howard and Tucker after late 1984 with the purpose of obtaining information damaging to LaRouche.

Howard and Tucker told FBI agents from the FBI's San Antonio and El Paso field offices that both CIA and FBI had asked them to penetrate the LaRouche organization.

In late 1984-early 1985, Howard and Tucker attempted to entrap LaRouche by requesting funds for the purpose of freeing Soviet dissident Andrei Sakharov from his internal exile in the city of Gorky. Details of these operations are given in the *Washington Post* of March 27, 1988. The same project is also mentioned in *The Fulton County Daily Report* for May 16, 1988. The proposal to attempt to liberate Sakharov came from the lawyer of Howard and Tucker, F. Keith Adkinson.

Adkinson is a mysterious personality who inhabits the wilderness of mirrors of the intelligence world. Back in 1980, Adkinson was the head of an organization called Democrats for Reagan. Conservative Democrats likely to vote for Reagan represented precisely the political stratum most supportive of the presidential candidacy of Lyndon LaRouche in the primaries, so it can be assumed that Adkinson was already a political adversary of LaRouche in 1980. Adkinson was also a member of the transition team for the incoming Reagan administration at the Department of Justice.

Adkinson operates from a yacht which he keeps moored at a marina on the Potomac River near Washington. In spring 1988 he formed a new company called AZTEC (Advanced Zone and Tactical Evaluation Corporation), which purports to deal in anti-terrorism services. His partners include John McGraw II, a former Navy commando, explosives expert, and State Department consultant; and Thomas Hupp, a certified bomb technician and former participant in a strike force of the Bureau of Alcohol, Tobacco, and Firearms of the U.S. Treasury. Adkinson, who hints broadly that he is a CIA agent in touch with other high-level CIA agents, admits that he



U.S. Department of Defense

The U.S.-built Hawk missile system. Radar valves for these missiles were much in demand by the Iranians in their weapons-shopping, via such channels as Howard and Tucker.

discussed actions against LaRouche at at least one meeting with Howard and Tucker in a meeting attended by other intelligence agents.

The keystone of the arch is provided by the next to the last paragraph of the *Washington Post* article of March 27, 1989:

“Later in May 1986, Howard, Tucker and Lewis said they met with Boyden Gray, the chief counsel to Vice President Bush, to discuss the alleged terrorist bases in Mexico.”

The reference to alleged terrorist bases in Mexico is spurious, and only obscures the central purpose of the visit of Howard, Lewis, and Tucker to the White House: They were obviously there to discuss further operations against Lyndon LaRouche and his friends. It was in connection with this line of inquiry that U.S. Federal Judge Robert E. Keeton of Boston on March 10, 1988 ordered a search of the file index of the office of Vice President George Bush in order to determine whether federal informants had infiltrated what the prosecutors call “the LaRouche organization” (see *Boston Globe*, March 11, 1988.) Earlier, the same federal judge had ordered a search of the files of the FBI, CIA, and NSC for the names of federal informants who had been deployed against LaRouche.

The order to search the office of Vice President Bush, at that time still engaged in the primary election campaign for the Republican presidential nomination, caused the invisible government to move to terminate the attempt to frame up LaRouche in Boston, since the issues of infiltration, entrapment, and other actions by government agents and even White House *agents provocateurs* had been introduced into the Boston record. In a flagrant exercise in forum shopping, the Boston trial was brought to an end after several weeks of hearings devoted primarily to prosecutorial misconduct, and it was arranged that no further days in court would occur prior to the November presidential election. LaRouche and six others were then indicted in October in the infamous “rocket docket” of Alexandria, Virginia, where a conviction was secured after the *in limine* decisions by Judge Bryan had ruled

out questions of government infiltration, provocation, and entrapment which were the essence of the entire case.

On Feb. 26, 1988 Lawrence Walsh, the Irangate Special Prosecutor, declassified and released to LaRouche and the other Boston defendants a secret cable which had been found in the safe in Oliver North’s National Security Council office in the Old Executive Office Building in the White House compound. This was a cable sent on May 5, 1986 by Gen. Richard Secord to Lt. Col. Oliver North. The cable had been transmitted over the special electronic scrambler of the National Security Agency. The cable reads in part:

“Lewis has met with FBI and other agency reps and is apparently meeting again today. Our man here claims Lewis has collected info against LaRouche—let’s see how polygraph goes. Rgds, Dick. BT”

In the meeting between the LaRouche Boston defense attorneys and the federal prosecutor, Assistant United States Attorney John Markham, Markham identified the “our man here” of this Secord to North despatch as Oliver “Buck” Revell, the number-two man of the FBI, and the leader of the “Get LaRouche” task force, as well as the FBI’s representative on the interagency working groups of the NSC which oversaw the entire Iran-Contra operation. Later, the government and certain journalists attempted to accredit the thesis that this had been an error, and that “our man here” was actually an assistant to Secord, one John Cupp.

Another central feature of White House-NSC operations against LaRouche deserves to be stressed. Although Oliver North reported to McFarlane and Poindexter as his immediate superiors in the NSC, he also reported to other officials on various phases of his activities. One of the most important of these was the CIA agent Walter Raymond. In a recent issue of the *Washington Times* the gossipy “Karen’s column” reports that “Lt. Col. Oliver North may have actually reported to Walter Raymond Jr., say insiders. . . .” The article says further: “Mr. Raymond, a career CIA veteran and director of operations who retired from the agency in 1983, is now assistant director of the United States Information Agency [the State Department agency which funds the National Endowment for Democracy]. That position was created for him in January 1987, after the Iran-Contra scandal broke. Mr. Raymond was quietly moved to USIA from the National Security Council where he held the title of special assistant to the president and director of international communication. He had been placed at the NSC by CIA Director Bill Casey and Don Gregg, our new ambassador to Korea, says an insider. While at the NSC he worked closely with Col. North.

“Interestingly, Mr. Raymond’s name appears on Ollie North’s calendar more frequently than that of any other White House employee, say insiders. . . . Senate aides were surprised recently to spot ex-CIA exec Mr. Raymond escorting USIA Director Designate Bruce Gelb on his courtesy calls to senators on the Foreign Relations Committee.”

As it turns out, Walter Raymond is also one of the leading officials active in the “Get LaRouche” task force.

Kissinger versus LaRouche in the second battle for Poland

by Scott Thompson

On April 17, President George Bush announced a \$1 billion aid package for Poland, which was the response of his administration to the decision of the Polish government to legalize Solidarity and to hold parliamentary elections. This news service has discovered that the entire Bush initiative is the result of months of private diplomacy by the New York-based Council on Foreign Relations and David Rockefeller's Trilateral Commission, which have sought to develop the economic underpinnings of the "New Yalta" plan for Europe, which Henry Kissinger had raised in January as part of a Trilateral Commission delegation that met with Soviet dictator Mikhail Gorbachov and then reported back to President Bush.

On April 20, a spokesman for David Rockefeller, who had accompanied Henry Kissinger on the January Trilateral trip to Moscow and also led a delegation of the Council on Foreign Relations to Poland in early March, questioned the Chase Manhattan banker on behalf of a journalist about Bush's Polish initiative, and conveyed the following response: "Mr. Rockefeller was delighted at the President's response to the very significant steps taken by the Polish government toward a freer and more pluralistic society. Hopefully it will be persuasive to the Polish government to carry their program still further."

What precisely is Bush's Polish program? On April 18, National Security Adviser Gen. Brent Scowcroft, who had entered that post directly from anchoring the Washington, D.C. office of Henry Kissinger's global consulting and influence-peddling business, Kissinger Associates, openly acknowledged that the entire aid package was hinged on the ability of Polish officials to reach an agreement with the International Monetary Fund that would "improve their economic performance to get loans." Bush himself was quick to

emphasize that: "We will not offer unsound credits. We will not offer aid without requiring sound economic practices in return."

Behind this posture of fiscal responsibility, *EIR* discovered from the Polish desk of the State Department that a major reason why the Reagan-Bush administration diplomacy had been to legalize Lech Walesa's Solidarity trade union was that: "If Solidarity were not acknowledged, then it would oppose the austerity measures that are being demanded by the International Monetary Fund. Hopefully, if Solidarity is brought into partnership with the government, Polish public opinion can be swayed to accept these austerity conditions."

In short, the Bush administration has signed on to a package that will force the people of captive Poland, who are already nearing starvation levels of consumption, because of food tribute to the Soviet Union and food exports to the West to earn the money to pay their debts, to have to tighten their belts even further to meet IMF "conditionalities" for any debt relief whatsoever.

Like Kissinger's earlier "Marshall Plan" for the Ibero-American debtor countries, the entire aid package is a ruse that makes the Trilateral Commission, Council on Foreign Relations, and Bush administration into the veritable Horsemen of the Apocalypse who are seeking to assure continued debt service payments regardless of the costs to the Soviet Union's captive nations.

LaRouche's plan for Poland

There was an alternative to the present "Kissingerian" IMF austerity plan for Poland, which had been presented by physical economist Lyndon H. LaRouche, Jr., who was then running for the presidency, in a nationwide television address on Oct. 31, 1988, entitled, "The Winter of Our Discontent."

LaRouche's proposal for Poland had the following features:

1) A "Marshall Plan"-style program to develop the industry and agro-industry of Poland—free from IMF "conditionalities"—that would make the Polish economy the model for the bloc, being also able to supply advanced technology and agricultural surplus to the Soviet Union;

2) A guarantee of non-interference in Poland by the West, apart from this major economic development program, which would necessarily create greater economic and trade ties with Western Europe and the United States;

3) A return agreement from the Soviet Union that East Germany be permitted to reunite with its Western half, re-establishing the capital of Germany in Berlin, which would also be firmly entrenched within the NATO Western alliance.

LaRouche's plan would not only have stopped the destruction of the Polish people, through a combination of looting by the Soviet Union and IMF-linked banks, but it would have stopped the drift toward neutrality of West Germany under the deceptions of Gorbachov's "Common House of Europe" approach. In contrast, Kissinger's "New Yalta" plan, as even Evelyn de Rothschild's *Economist* admits in a feature article ("Mikhail the Liberator") of its April 8-14 issue, fails to counter this Soviet attempt to "Findlandize" Western Europe:

"Gorbachov's *laissez-faire* in Eastern Europe is matched by Gorbachov's seduction in West Germany. NATO's discomfort will grow if reform spreads to *perestroika*-resistant East Germany; West Germany would be tugged harder towards neutrality and thoughts of reunification. . . . [Faced with this process] Mr. Henry Kissinger has proposed a new East-West deal under which the Russians would give Eastern Europe more freedom in return for a Western promise not to make trouble for Russia there. This would amount to 'Yalta' II. It would be a mistake. Today's Eastern Europe is too messy for a tidy plan."

The day after LaRouche's television broadcast, the Soviet Union responded through a crackdown on Polish dockworkers. It is known that several members of the Eastern Establishment also received tapes of the broadcast, which they took seriously enough to develop a countermeasure that would preserve the creditor banks' status quo. Not only does Kissinger's "New Yalta" plan include in at least one version an "Austrian solution" for West Germany—i.e., reunification in exchange for neutrality—but a ranking member of the Council on Foreign Relations has confirmed that phase two of the Rockefeller-Kissinger Polish economic package will be to engage government officials and bankers into their scheme in West Germany, the largest holder of Polish debt. Under this pressure, Chancellor Helmut Kohl has already assigned his finance minister to work with the Bush administration and the Poles on their program.

Kissingerism without Kissinger

In the same breath on April 17 that the *Washington Post* announced President Bush's IMF aid package, it stated, based

upon unnamed high-level sources, that Henry Kissinger's "New Yalta" plan had been rejected by Bush. *EIR* investigators have been able to uncover that the Anglo-American Establishment (including the British Rothschilds) has been undergoing a cosmetic process of adopting Kissinger's program, while publicly criticizing Kissinger for having gone "a bridge too far."

A well-informed source, who attended the April 8 meeting of the Trilateral Commission in Paris, played up this cosmetic ruse in a background briefing made available to *EIR*, when he agreed that Kissinger's plan would constitute a "New Yalta." "Even in the Trilateral Commission meeting Kissinger was trying to explain that he had simply been misunderstood," the source said. "But, the final 32-page draft report on East-West relations that Kissinger delivered to the Trilateral Commission meeting with former French President Valéry Giscard d'Estaing and Japanese Prime Minister Nakasone could easily be seen as synonymous with the position taken by David Rockefeller's Council on Foreign Relations delegation to Poland and the aid program of the Bush administration. They are all in fundamental agreement."

Not only did the "Scowleburger" duo—Scowcroft from the NSC and Lawrence Eagleburger from the State Department—help shape Bush's IMF package for Poland but, a source who accompanied David Rockefeller to Poland, confirmed that the fruit represented by Bush's aid program had already been presented for the plucking during that March trip by Rockefeller; Rockefeller has been a longtime patron of Kissinger who today not only employs Kissinger Associates as a consulting firm for Chase, but uses Kissinger as his lieutenant on the international advisory board of Chase, which has a significant holding of Polish debt.

This source said that Rockefeller told Solidarity and Polish government officials on the trip, that, if they reached an "historic compromise," then this "would be remembered." But Rockefeller gave the Poles a deadline to liberalize before the April 8 Trilateral Commission meeting in Poland, which the Poles met with their April 5 announcement of what were billed in the West as "unprecedented political, economic, and social reforms."

Rockefeller and the CFR delegation also concluded that Hungary was "even more open to private sector investment, which will be concluded if there are further indispensable political reforms, social peace, and economic reforms." According to this source, the next step of the Rockefeller group will be: 1) To discuss the question of a measure of debt relief along lines of the "Brady Plan" as a sweetener for Eastern Europe; 2) To have the Bush administration explain its plans more clearly to the Polish government, which, has so far been cautious in its response; and, 3) To encourage major private sector investment in Hungary and Poland by Western banks and industry. Otherwise, the Kissinger-Rockefeller manipulation of the Bush administration through the channels of the Trilateral Commission and Council on Foreign Relations, appears at present to be locked in as a policy.

U.S. plot to commit vote fraud in Panama is discovered

by an EIR Investigative Team

A United States plot to interfere in Panama and to commit vote fraud in the upcoming national election May 7 has been discovered. The operation is being carried out by the "secret government" team uncovered during the Iran-Contra investigations, what Lt. Col. Oliver North called "Project Democracy," including Henry Kissinger's National Endowment for Democracy (NED), corrupt former U.S. government officials, and the drug mafia that is opposed to Gen. Manuel Antonio Noriega, the anti-drug commander of Panama's Defense Forces (PDF).

This includes Carlos Eleta Almarán, currently in a Georgia jail on charges of drug trafficking. Eleta is linked to Henry Kissinger through business associates working with Kissinger's lawyer, William Dill Rogers. Also involved is Kurt Frederick Muse, an American intelligence operative captured by Panamanian authorities while setting up a clandestine radio and television network, and Alan Weinstein, whose Center For Democracy is attempting to usurp the vote-counting functions of Panama's electoral bodies. It was Eleta's arrest April 6 in Macon, Georgia, on charges of conspiracy to import 600 kilos of cocaine per month into the United States, that brought into sharp focus the drug mob's role in the conspiracy. The money from the drugs, worth \$300 million, was intended to finance the vote fraud operation and anti-government insurrection, authorities charged.

Described as "an enemy of General Noriega" by U.S. sources, Carlos Eleta Almarán, and his brother Fernando, own Panama's main opposition radio and television networks, RPC. The Eleta brothers are at the very top of Panama's financial power centers, and they are business partners of some of the most important U.S. multinational corporations, including Phillip Morris and General Mills.

The Eletas are also business partners of Gabriel and Samuel Lewis Galindo, with shared ownership of Cerveceria Nacional brewery and many other businesses. Gabriel Lewis Galindo, who is also a business partner of drug-linked former Colombian President Alfonso López Michelsen, is the brains behind "Panamanian Civic Crusade," which spawned the American-financed Civic Democratic Opposition Alliance (ADO-C) electoral alliance.

When he first set up shop in Washington in 1987, Lewis Galindo operated from the offices of Arnold and Porter, one of whose partners is William D. Rogers, Henry Kissinger's attorney. Rogers, who also represents Kissinger Associates

and its former employees, National Security Adviser Gen. Brent Scowcroft, and Deputy Secretary of State Lawrence Eagleburger, designed the economic warfare measures adopted by the Reagan administration against Panama.

On April 6, the same day Eleta was busted in Georgia on drug charges, Panamanian authorities detained Kurt Frederick Muse, uncovering yet another side of the fraud operation. Muse led authorities to the site of several clandestine radio and television transmitters in Panama City, purchased by a mysterious U.S. government agency called "Program Development Group." These transmitters were intended to cut into regular radio and television broadcasts to proclaim an opposition victory and to signal agents provocateurs to incite a riot. The International Police Organization, Interpol, has launched a manhunt for five of Muse's operatives who fled capture.

Operation set to go

The operation is set to go into motion on May 8, the day after the Panamanian elections. On the assumption that Carlos Duque, the presidential candidate of the pro-government National Liberation Coalition (COLINA) will defeat the U.S.-backed ADO-C candidates, a huge international propaganda machine, of which Muse's "Radio Liberty" was a part, will proclaim that the results are fraudulent.

Within Panama, strikes and street disturbances have been organized by Panamanian agents of the United States with the intent of provoking a violent confrontation with the PDF. Panamanian President Manuel Solís Palma charged April 14 that everything the American-financed ADO-C "has done during this electoral campaign is aimed at creating violence in the country, in order to provide the United States with an excuse for military intervention."

The United States is also preparing to increase its economic warfare against Panama, by adding a trade embargo to the current economic sanctions.

Internationally, the United States will pressure the nations of Ibero-America to:

- join in proclaiming Panama's elections fraudulent;
- suspend diplomatic ties with Panama;
- have the Organization of American States (OAS), the Ibero-American Group of Eight nations, and other Ibero-American forums vote to censure Panama.

The shock waves from these developments would extend

far beyond relations between Panama and the United States. It would have an effect on presidential election in Argentina, where the Peronist Carlos Menem holds a commanding lead over the favorite of the International Monetary Fund, socialist Eduardo Angeloz. Those elections take place on May 14, one week after Panama's.

The elements of the operation that have been uncovered thus far include:

- **Voice of Liberty.** Former President Ronald Reagan ordered the Central Intelligence Agency (CIA) and the United States Information Agency (USIA) in April 1988 to set up "Voice of Liberty" to interfere with the broadcasts of Panama's national public radio network, Radio Nacional, and broadcast propaganda against Noriega. Outside of one or two broadcasts "from the jungles of Panama," little was heard from "Voice of Liberty" until Kurt Frederick Muse's arrest. The seven radio and two television transmitters were not in the jungle after all, but in several high-rise apartments in Panama's high-rent districts.

Besides cutting into regular radio and broadcast transmissions in order to incite riots May 8, after the elections, Muse's operation was programmed to jam army, police, and other emergency service communications to prevent a prompt response to the insurrection and to sow confusion. They had also tapped the phones of pro-government presidential candidate Carlos Duque and other government leaders.

Evidence provided by Muse to authorities shows that Muse received his instructions, equipment, and funds through the "Transportation Officer, USA Program Development Group," located at the U.S. Army base of Corozal, of the U.S. military Southern Command in Panama. A spokesman from the Southern Command admitted Muse is a "Department of Defense dependent," but denied that he is employed by the Pentagon. He also denied that the Program Development Group is part of the Department of Defense, but acknowledged it is "a United States government agency" housed at the Corozal installation.

Calls to the State Department brought the response, "It certainly isn't ours." The CIA replied: "We don't confirm or deny intelligence matters."

Many of the tapes provided to Muse by the Program Development Group were made by opposition figures Alberto Conte and Bosco Vallarino.

Other operatives employed in Muse's Voice of Liberty include: Americans Mary Magart, and Nicholas J. Collins; Costa Rican Juan José Castro Mora; Jamaican Patrick Russell Ennis; and a Mexican national, Carlos Villalobos de la Lanza. These five fled Panama after Muse fingered them, and are now being sought by Interpol.

- **Carlos Eleta and the drug mafia.** Carlos Eleta Almarán was busted in Macon in a joint operation by the Bibb County, Georgia sheriff and the Drug Enforcement Administration (DEA). Besides the charges of conspiring to import 600 kilos of cocaine per month, he is also accused of planning

to set up shell companies in Panama to launder the estimated \$300 million in drug profits. Eleta's bail has been set at \$8 million, \$3 million of it in cash, and he is forbidden to leave the United States. So far he has been unable to post bond and he remains in prison.

Arrested with Eleta, 70, were his longtime associate Manuel José Castillo Bourcy, 52, whose appointment as Panama's ambassador to Belize was once arranged by Eleta. Castillo has an extensive police record, including a stint spent in Mexico's Islas Marias penitentiary for counterfeiting. Also arrested was Juan Karamañites, 35. Both Castillo and Karamañites waived their rights to a preliminary hearing and refused to enter a plea. Thus, they will remain in jail indefinitely.

While the United States has been waging a propaganda campaign against Panama's General Noriega, screaming that they want him out because he is "a kingpin of international drug trafficking," the Eleta case shows that it is the political opposition to Noriega, backed by the United States, who are the real drug traffickers.

The Eleta brothers

Besides their extensive ties to American corporations, the Eleta brothers, Fernando and Carlos, own multiple companies in Panama (one of their business partners is Guillermo Endara, presidential candidate of the opposition's Civic Democratic Opposition Alliance), have business operations in several Ibero-American countries, including Costa Rica, and are linked by business and family ties to the European aristocracy.

Fernando, a former minister of foreign affairs, is president of Banco Exterior, a Panamanian bank co-owned by Spanish interests. Carlos is on the board of directors of the bank. The Spanish grandee, the Marquis de Castillo, is the Eletas' brother-in-law.

Through their RPC television network, the Eleta brothers are also connected to the top Rockefeller-allied business circles of Ibero-America, who exercises near-monopoly control over the continent's electronic communications media. These include the brothers Gustavo and Oswaldo Cisneros, of Venezuela's Venevisión, the Azcarragas of Mexico's Televisa, and Manuel Ulloa's Panamericana in Peru.

Although Carlos Eleta Almarán has been in prison since April 6, brother Fernando has not visited him. The Costa Rican television station TELETICA reported April 18 that Fernando's reason for abandoning his jailed brother may be due to fear "that he may also be arrested" on drug charges, reported the Panamanian daily Critica, April 19.

- **Alan Weinstein and the Center for Democracy.** On April 18, Panama's President Manuel Solís Palma shut down the so-called "Independent Press and Foreign Observers Information Center," established at the Marriott Hotel by Alan Weinstein's Washington-based Center for Democracy. Weinstein, who ran the team that drafted the 1983 legislation

establishing Kissinger's National Endowment for Democracy (NED) the government-funded "quasi-autonomous non-governmental organization" ("quango") public arm of the "secret government"—what Oliver North called "Project Democracy"—claimed his center would have been an independent clearinghouse on election information. However, he also said that he had been asked by the U.S. Senate Committee on Hemispheric Affairs to prepare a report on the elections.

Panama's government said the aim of Weinstein's group was to establish a parallel electoral board, "and that we are not going to allow," stressed President Solís Palma.

Weinstein's operation in Panama was modeled on the Philippines' National Movement for Free Elections (NAMFREL), another recipient of NED funds, which put out election results at odds with the official count. The result was that, although Ferdinand Marcos won the 1986 elections, the "independent" NAMFREL's vote count gave the election to his opponent Cory Aquino. Those were the results publicized by the U.S. media, and were used to whip up the population into anti-Marcos riots.

The Philippines model is not new to Weinstein, who led the "independent observer" team that monitored the 1986 Philippines elections. His Project Democracy team also ran the so-called independent apparatus in the Philippines and funded an opposition radio station.

Weinstein says he will appeal Panama's decision to shut down his operation, and if that fails, he will set up shop in nearby Costa Rica.

The board of directors of Weinstein's "impartial" Center for Democracy includes:

- **William Brock**, chairman of National Endowment for Democracy, whose board includes Henry Kissinger, and Ron Brown and Lee Atwater, respectively chairmen of the Democratic and Republican party national committees.

- **Susan Davis**, of Susan Davis International, a paid agent of the NED-funded Panamanian Civic Crusade, to lobby against the incumbent government of Panama;

- **Guy Smith**, of Phillip Morris Inc., the tobacco company which is in partnership with Panamanian opposition publicist, Carlos Eleta Almarán, currently jailed in Georgia on drug charges. Eleta is the President of the Panamanian subsidiary of Phillip Morris.

A report from Italy's Guardia di Finanza, the tax police, dated June 24, 1983, and leaked by the Rome news agency OP, charged collusion between Phillip Morris, the Italian Radical Party, and Roberto Menno, a businessman of the outlawed P-2 Freemasonic lodge, with the aim of liberalizing the laws on marijuana and hashish consumption in Italy. If achieved, the report stated, it "would allow them to make huge earnings from the manufacture of cigarettes containing such substances."

On June 16, 1988, the left-wing daily *Il Manifesto*, always well-informed on drug matters and favorable toward

drug legalization, published an article stating that Phillip Morris and its sister tobacco companies met secretly in Lausanne, Switzerland to "support all the way the campaign for legalization of drugs."

An additional element of the operation against Panama is:

- **The Delvalle "government."** Despite the fact that former Panamanian President Eric Delvalle lives in a luxury condominium in Coconut Grove, Florida, and has absolutely no following, the United States government insists he is the "legitimate President of Panama."

The purpose of this fiction is twofold: It provides a legal fig-leaf to justify the economic warfare measures designed by Kissinger's lawyer, William D. Rogers, against Panama; and it establishes a conduit to funnel Panamanian government funds, confiscated by the U.S. government under the Rogers sanctions, to cronies of the Reagan and Bush administrations who join in the campaign against Panama.

Some of the recipients of the largesse of the Delvalle "government" include:

- **Arnold and Porter.** The law firm of William D. Rogers, Henry Kissinger's personal lawyer. Rogers designed the economic sanctions to protect the United States from "the national emergency and the threat to U.S. national security" represented by Panama. As legal representatives of the "Delvalle government," Arnold and Porter get some of the funds stolen from Panama through the measures Rogers designed. One payment to Arnold and Porter from Delvalle's "government," in August 1988, amounted to \$237,487.

- **Williams and Connolly.** This is the law firm of Oliver North's attorney, Brendan Sullivan, Jr. It also employs former aide to Sen. Ted Kennedy, Gregory B. Craig. As Kennedy's aide, Craig was in charge of Panama, and in fact he, in conjunction with Eleta's partner Gabriel Lewis Galindo, orchestrated an appeal by Kennedy on Feb. 26, 1988, for the OAS to grant recognition to Delvalle and deny it to the government of Panama's President Manuel Solís Palma. The appeal failed.

Williams and Connolly signed a contract on Feb. 22, 1989, to represent Delvalle "as an adviser and consultant in connection with the May 7 presidential elections in Panama." For this, they picked up a retainer of \$50,000 and will bill for hourly work, and separately, for "out-of-pocket expenses."

- **Bond and Donatelli.** Partners Richard Bond and Frank Donatelli, had high-powered jobs in the Reagan-Bush administration. Bond was George Bush's deputy chief of staff during the Reagan administration. He was also deputy chairman of the Republican National Committee. Donatelli was White House political director during the Reagan years. To lobby the administration on Delvalle's behalf for six months, they are being paid \$60,000 plus expenses.

- **John R. Zagame Associates** also picked up a contract to lobby for Delvalle for six months. The amount: \$90,000 plus expenses.

U.S. seen splitting Lebanese Christians

by Philip Golub

According to the authoritative French daily *Le Monde* of April 21, the U.S. Embassy in Beirut and Ambassador McCarthy, rumored to be affiliated with the CIA, have initiated a campaign to split the Christian camp in Lebanon. The April 20 call of 23 Christian parliamentarians for negotiations with Syria and Syria's local allies is a direct result of this campaign, says *Le Monde*.

This development confirms the known pro-Syrian slant of U.S. diplomacy, reaffirmed in March by Deputy Secretary of State Lawrence Eagleburger when the new round of fighting broke out in Beirut following Gen. Michel Aoun's bold decision to close down the ports through which Syrian intelligence's narcotics traffic has transited for more than a decade. Subsequently, as the fighting intensified, General Aoun appealed to the West to defend Lebanese sovereignty in what he called a "national liberation war" against foreign occupation. The only answer he received from Washington was a flurry of leaks blaming him for "causing the crisis."

In fact, Washington was profoundly irritated by Aoun's determination to fight, and even more irritated by the growing success of Aoun's effort to internationalize the Lebanese crisis. Since the outbreak of the Lebanese civil war in 1975, the U.S. State Department has considered Lebanon at best as a "sideshow," at worst as a negotiable pawn in the larger issue of the Mideast balance of power. A concocted and hypocritical "anti-colonialist" touch was given to Washington's abandonment of the principle of Lebanese sovereignty—Henry Kissinger and his heirs adopted the propaganda from Damascus that Lebanon was an "artificial creation of French colonialism." This patently false argument—France's protective role of Christianity in the Near East and Lebanon in particular goes back hundreds of years—was merely a veneer used to coat Washington's now-prolonged flirt with Syrian President Hafez Assad, the "Metternich of the Mideast" according to Kissinger. Some State Department "Arabists" went so far as to argue that Christianity and Islam could not co-exist in the Near East, in spite of evidence to the contrary. The specious nature of the argument is evident when one knows that the present Alawite Syrian leadership is considered "heretical" within the main body of Sunni Islam. Syrian Alawism is a particularly hermetic derivation of Shi'ism; the Alawites, once a persecuted minority in Syria, now rule dictatorially over a country which is 90% Sunni. If the much-used argument, that the Christians now represent a "minority" in Lebanon and are therefore not representative,

were applied to Syria, one would come to interesting conclusions (the mass emigration of Christians over the past decade has much to do with their present so-called minority status—they represent nearly 45% of the population).

What of Lebanon's sovereignty?

Over the years, Washington's Syrian "card" was rationalized in a number of equally unconvincing ways: One day it was argued that the U.S. was trying to gently coax Syria away from Soviet Russia, the next that Syria was an indispensable "partner" in any durable peace negotiation in the Arab-Israeli conflict. Whatever the face value of these arguments, the practical effect of the overall policy was to abandon the principle of Lebanese sovereignty.

Aoun's decision to challenge Syrian hegemony, the first serious challenge since the election of President Beshir Gemayel in 1982, was well calculated. It struck a strong chord in France which, albeit in an improvised and initially ineffective fashion, has "internationalized" the Lebanese crisis. France's multiple, noisy, and somewhat haphazard initiatives made it impossible for the rest of the international community to pretend that nothing was happening in Beirut. Furthermore, France counted upon and received encouragement from the "anti-Syrian" axis in the Arab League—Cairo, Baghdad, and Amman.

This has created a diplomatic problem for the Bush administration, but an even more serious problem for Damascus, which intensified its bombardment of Beirut in the week of April 17. Syria, after all, "entered" Lebanon in 1976 as the main body of an Arab League interposition force and upon the invitation of the Lebanese government. Presently, the Arab League is split, and it is possible that the Arab League Foreign Ministers' meeting to be held at the end of April will call for a "pan-Arab" intervention force to replace "foreign forces" in Lebanon. This would imply a resounding diplomatic defeat for Damascus. Iraq, which for historic reasons (going back to Mesopotamia and Babylon, and more precisely to the split in the Baath parties in the postwar period) is the main adversary of Damascus in the Arab world, is supporting the Christians militarily, not so much because Baghdad supports the Christian cause, but for the eternal reason that "the enemy of my enemy is my friend." Egypt, fully reintegrated into the Arab League, represents by its size, influence, and prestige a further threat to Syrian political and military hegemony within the Arab world. Aoun's "liberation war" has thus made transparent once again the natural lines of fracture in the Arab world.

The fighting goes on. Secret Soviet-American consultations are ongoing over Lebanon. The United States wishes to reestablish the *status quo ante* prior to the outbreak of fighting. The Soviets have once again the opportunity to "show their good will" by pressuring their Damascus ally. Yet the question raised by Aoun will not go away: What will become of Lebanese sovereignty?

Toward a viable program for peace in the Middle East

Dr. Shaath is head of the political committee of the Palestine National Council (PNC). A graduate of the Wharton School of Business, he lives in Cairo, where he runs the TEAM Corporation. The interview was conducted on April 16 by EIR correspondent Scott Thompson at the annual conference of the American-Arab Anti-Discrimination Committee held in Arlington, Virginia. An earlier interview with Dr. Shaath was published in EIR on April 7.

EIR: How successful did you consider the visit by Egyptian President Hosni Mubarak to the United States? Do you think there was anything new in the policies of the Bush administration?

Dr. Shaath: During his visit, Mr. Mubarak expounded to Mr. Bush what amounted to a plan for the peace process—the PLO plan for the peace process that was formulated by the Palestine National Council last fall. And Mr. Mubarak was well received by Bush. We felt that it contributed to the peace process. Mr. Mubarak explained to Bush the position of the PLO. All in all, I thought it was a positive development, and it contributed to the peace process.

EIR: There was some commentary in the press that Mr. Mubarak accepted the idea of “shaping the atmosphere for peace,” which, from my last interview with you, I believe we agreed was a formula for interim measures and confidence-building measures that would drag out actual peace. What is your interpretation of what occurred?

Dr. Shaath: I think he did a good job of explaining the need for an international conference. And, he explained, really, the negative aspects of the Shamir proposal for elections. We want to get to elections eventually. We did not feel that Mubarak abandoned the PLO peace plan, or was drawn into, in any way, a negative position. On the contrary, if you agree on basically the plan of the peace process for an international conference, which Bush during Mubarak’s visit gave at least a potential nod to, then you can talk about elections and confidence-building measures, as a step toward the international conference. . . . What you then negotiate is good con-

fidence-building measures.

EIR: In our last interview, I drew you out on some of the potential drawbacks of an international conference. But, you are right that Bush gave a nod to an international conference. Bush also gave a nod to the need for an Israeli withdrawal. Can you elaborate on what you think Bush meant by that idea of a withdrawal? Was there a timetable suggested, conditions, or anything?

Dr. Shaath: I don’t really know the details of what Mubarak discussed with Bush. I’m sure that whatever he concluded, he had in mind the PLO position on the matter. He had to consult with us. Mubarak is consistent in saying that he will not play a separate role from what the PLO wants.

EIR: So he would have said in regard to this proposal of a withdrawal, that he might have to go back and consult with Chairman Arafat? But, he would have said that he was lending his good offices to the peace plan that was developed at the last PNC meeting?

Dr. Shaath: Yes. Good. That was the tenor of his desire to meet with Arafat, to get from Arafat a clear position before coming to meet with Bush. I believe that Arafat today has seen Mubarak, before Arafat travels on to Amman, Jordan to meet King Hussein before his visit to meet with President Bush.

EIR: The last time you were in New York on March 12, Thomas Friedman of the *New York Times* received a leak from a “senior administration official” on the negotiating position for the visit of Shamir and also for the Tunisian PLO-U.S. dialogue. The article included measures for winding down the *Intifada* [Palestinian uprising] in exchange for easing the conditions of the occupation, and even for the Palestinians to stop circulating “inflammatory pamphlets.” Were those the actual steps presented by the United States in Tunis, when Ambassador Pelletreau met PLO officials?

Dr. Shaath: That was a very positive meeting in the sense that during the five-and-a-half hours of it, they examined

positions very carefully: the position of the PLO and the tabling of the American ideas of the *Intifada* and the exchange of information. I think in general the discussion was very open and friendly.

EIR: But was the focus on the specific measures of the *Times* or was it more broad-ranging?

Dr. Shaath: I would say the United States did not demand that the PLO stop the *Intifada*. The impression that came from the *Times* article had been tempered by Secretary Baker, so that there was not a demand that the PLO stop the *Intifada*. There was discussion instead of such questions as whether something could be done on the border in the north.

EIR: In my last interview with you, you raised a negotiating position of Chairman Arafat, that in exchange for stopping any attacks upon Palestinian camps in Lebanon and so forth, the PLO would cease any guerrilla raids into Israel.

Dr. Shaath: I think this position was explained to the United States for certain reciprocal measures. I think the United States government also now takes the position that all of these activities are not terrorism, because they do not affect civilians. And, therefore, they have taken the position that this does not preclude the dialogue.

EIR: But, as I understand it, these incidents are being carried out by the PFLP, the DFLP, and the PFLP-GC [Popular Front for the Liberation of Palestine, Democratic Front for the Liberation of Palestine, and Popular Front for the Liberation of Palestine-General Command—all radical Palestinian splinter groups—ed.], which have strong conflicts with Fatah. The Syrian-backed PFLP-GC is not even part of the PLO, but clearly conducts terrorism. As I understand it, the PFLP and DFLP have said that they will not heed Fatah on this matter. Is that not correct?

Dr. Shaath: Yes, but the Israelis continue their operations, as evidenced by the fact that all of the commandos that would have carried out these operations were killed inside Lebanon. Fatah wanted to cool down the situation. Yes, therefore, Fatah would have liked to see a stop to the operations, at least as a cooling-down measure, but could not get a categorical position from the other parties until it obtains some reciprocal measures from the Israelis that would need to be discussed.

EIR: Is there any significant counter-reaction since the PNC meeting to the chairman and the more moderate position that has been taken?

Dr. Shaath: Yes, I would say that there has been some tension developing with the PFLP itself as to some of the pronouncements of the chairman. In fact, the PFLP has published some statements against the chairman, which took exception to the last executive council meeting. But, by and large, they center around his statements and they will not lead to anything more than statements published. In fact, at

the executive council meeting, the PFLP joined the unanimous decision to appoint the chairman President of the Republic of Palestine. So, it was basically tension about some of the statements.

EIR: There are also reports of tension between the chairman with Farouk Qaddoumi, the chairman of the PLO political committee. It appears that Mr. Qaddoumi is more of a hard-liner, who appears closer to Syria, Libya, and the Rejection Front countries. Is that anything significant?

Dr. Shaath: No, not really. There is some tension about the nature of the process. . . . Let's say that there has been some division of labor between the foreign minister Qaddoumi and the chairman Arafat. But, by and large, there is not a significant tension.

EIR: What about the role of Syria right now? For a while you were talking about mending fences, then things seemed to go back to the same level of confrontation after the PNC peace plan was announced. Previously, Syrian-backed Palestinian groups had even tried to assassinate the chairman. Where do things stand now?

Dr. Shaath: Well, I think that there is a possible rapprochement, because both verbal statements have been made and there has been discussion through the other Arab states such as Algeria. There is a real possibility of an opening and rapprochement.

EIR: There is a growing concern in Britain, Israel, the United States, and elsewhere about the possibility of an Israeli-Syrian conflict that would derail any progress toward peace.

Dr. Shaath: Right. We feel about this also that. The chairman made some statements warning of the possibility of an Israeli invasion that would lead to an Israeli-Syrian war in Lebanon. He is speaking from a depth of experience. He is the one who warned about the 1982 invasion of Israel into Lebanon, when others did not believe that this was possible.

EIR: What role do you see the Soviets as playing in the confrontation between Israel and Syria or the rapprochement between Syria and the PLO?

Dr. Shaath: First, take the rapprochement. They would like to see this happen. They are trying to bring together the five Arab confrontation states to become a negotiating bloc for the international conference. . . .

EIR: Yes, but the Soviets are supplying Syria with modern weapons—including Sukhoi 24 bombers, surface-to-surface missiles, and so forth—that even give the Syrians a chemical warfare capability against Israel. These are the same weapons that the Syrians are using to reduce Lebanon.

Dr. Shaath: But that is consistent with the Soviet policy in the Middle East. These are essentially defensive weapons that help Syria protect itself from Israel.

Three months later, LaRouche jailing seen abroad as albatross for Bush

Print media monitored by *EIR*'s correspondents overseas, especially in Spanish- and Portuguese-speaking America, show that concern is growing about the case of Lyndon LaRouche, the American economist and former Democratic presidential candidate who has become a political prisoner in his own country, together with six of his associates. The seven were convicted and imprisoned on "conspiracy" charges after a blatantly unconstitutional trial in Alexandria, Virginia last autumn; the judicial witchhunt against LaRouche's political movement is ongoing with court cases in various states, as seen in the recent clamorous trial of Rochelle Ascher in Virginia.

In Panama, the daily *La Crítica* on April 8 printed a news release on the conviction of Rochelle Ascher for fundraising for political causes associated with LaRouche, under the bold headline, "Fascist Justice in the United States: 87 Years in Prison for Fundraising." On April 10, the paper carried an article titled "LaRouche Denounces: Judicial Corruption in the United States," with "corruption" in capital letters.

In Rio de Janeiro, the Brazilian economic daily *Jornal do Comercio* ran an article by *EIR*'s Rio bureau chief Lorenzo Carrasco on March 29 under the title, "LaRouche Case Can Incriminate Bush," and another one on April 19, "A Nightmare for Bush." Both articles focus on the Iran-Contra scandal connections to the "Get LaRouche" task force that set up LaRouche for prosecution and rigged the jury against him. Another Rio daily, *Ultima Hora*, carried a commentary by Lorenzo Carrasco on April 13, entitled "Bush with Problems," with similar contents.

Of particular interest is a series of articles in the Lima, Peru daily newspaper *El Popular*. In 1987, *El Popular* had serialized the Spanish edition of the popular book written by LaRouche's associates, *Dope, Inc.: Boston Brahmins and Soviet Commissars*.

'Diplo-narco'

What follows is from the article dated April 8, 1989, in *El Popular of Peru*, with the headline: "Man Who Exposed 'Laundering of Narco-dollars' Sentenced to 15 Years."

LONDON (Special to *El Popular*)—The arrest of the Peruvian diplomat José Manuel Pacheco in a downtown London hotel, in possession of 20 kilograms of cocaine, is about to unleash the most massive British judicial operation against the "banking secrecy" which covers up the most fabulous operations of "narco-dollar laundering worldwide"—according to this city's major newspapers.

In truth, this would be the second phase of a large-scale secret war between "narco-bankers" and those who seek to unmask them, as Lyndon LaRouche has done through the book *Narcotráfico, SA*.

LaRouche in jail

It is worth noting that the aforementioned economist and politician who dared to confront world narco-power is now in jail in Virginia, United States, sentenced to 15 years in prison for "conspiracy to commit tax fraud," in what his followers interpret as "a master play by the drug trade to silence him."

Furthermore, Rochelle Ascher, one of his collaborators, has been sentenced in Leesburg, Virginia to nothing less than *87 years in prison*. The charge: "conspiracy to commit fraud."

However, *Executive Intelligence Review*, a publication founded by LaRouche, attributes both convictions to the zeal of powerful interests to cover up the laundering of "narco-dollars."

The investigations of Scotland Yard around the Peruvian "diplo-narco" are currently being conducted in secret, but it is unofficially known that it will lead to an extensive banking network for the laundering of "black money" which could extend to the Grand Caymans, the Bahamas, and other financial paradises.

Narco-power doesn't forgive

A decade before the Ronald Reagan administration began its so-called "War on Drugs," economist and politician Lyndon LaRouche headed up a vast campaign, primarily aimed against the political power engendered by illegal narcotics sales throughout the world.

The book *Dope, Inc.*, translated as *Narcotráfico, SA*, was used, paradoxically, in the charge of "conspiracy to commit

tax fraud,” since—according to the charge—the publishers had failed to declare the exact amount of income from sales of the book, published in 1978 and re-published in four countries—the United States, Argentina, *Peru*, and Colombia. The quantity and quality of its accusations were so great it was banned in Venezuela, and LaRouche’s collaborators there were simultaneously expelled. But, something had happened. “Narco-power” had been exposed on its most vulnerable flank: “the laundering of narco-dollars” through legally established banks.

A secret operation

. . . William Moffitt, one of the defense lawyers in the “LaRouche Case,” asserted: “This book is offensive. It speaks of banks and money laundering. It mentions some of the best known people in this country. And this, ladies and gentlemen of the jury, is why we are in this court.” The prosecutors objected immediately, thereby preventing even a clarification of *Dope, Inc.*’s charges.

But witness Herbert Quinde, a researcher for *Executive Intelligence Review*, came forward to shed light on a secret operation known as “GUATUSA,” run by the government of Guatemala in the jungles of Petén, in collaboration with Lyndon LaRouche and his team of researchers into “narco-finances.”

Another element of the truth came to light in the trial, thanks to vigorous testimony by Gen. Lucio Añez, the Bolivian military officer who took personal charge in 1981 of overthrowing the famous “cocaine colonels” who had seized power in Bolivia and many of whom are still “in hiding” today.

Añez testified that in 1985 he met with Dennis Small and Lyndon LaRouche, to discuss a 15-point program to fight drugs. Similarly, Herbert Quinde testified that LaRouche had been conducting a fierce battle against drugs, specifically against the “laundering of dollars,” at times “with the open opposition of the [U.S.] State Department.”

Throughout his bold investigations, LaRouche and his collaborators “inconvenienced many people.” According to them, Henry Kissinger himself—the former strongman of the Nixon government—had maneuvered to first try and then jail the “bothersome investigator” . . .

What should one believe? Did LaRouche really conspire to commit tax fraud? Or . . . did the “narco-bankers” power simply take him out of the game? . . .

The narcos’ gold

Bylined by Bruno Corsi and published April 11, 1989 in El Popular:

A proven truth is invading the closed world of commonly accepted certainties. The economic power complex created

around the criminal narcotics trade has formed a virtual empire which, in the United States alone, moves 500 *billion*—a tremendously shocking figure, when one considers that the total foreign debt of Latin America “barely” reaches \$450 billion.

And how do they do it?

But, how could they move so much illegal money without anybody doing anything to stop it? The answer was obtained more than 15 years ago by economist and politician Lyndon LaRouche, who, at the head of a well-researched team, managed to decipher “the mystery” of dollar laundering practiced by numerous banks “domiciled” in the “financial paradises” under Great Britain’s protection.

Naturally, such a volume of economic power necessarily generates an awesome political power, and—according to the charges vigorously presented by *Executive Intelligence Review*—have ended up putting Lyndon LaRouche, who was 66 today, behind bars. He faces a 15-year sentence on charges of “conspiracy to commit fraud.” . . .

Thus narco-dollars are laundered

According to Lyndon LaRouche’s research, presented in the book *Dope, Inc.*, the cycle of dollar laundering could be summed up thus: “The billions of dollars from the retail sale of drugs in the United States, return in part to the same drug-trafficking machinery inside the country, where every criminal stratum takes its fair share. The net profits, in cash, are laundered through hotels, restaurants, gambling houses, and sports stadiums.

“After the cash is laundered by these so-called legitimate means, it is transferred to some offshore banks or the equivalent. Then, according to officials of the DEA, the money goes around the world several times by telexes from the offshore banks. It passes, generally, through at least a half-dozen bank accounts and paper companies, from the Cayman Islands to Liechtenstein, from Liechtenstein to the Bahamas, from the Bahamas to some ‘company without residence’ in Canada, from Canada to Panama, etc.” . . .

The LaRouche defense

Naturally, revelations such as those reproduced above, backed by documents, specifics, and more than 10 years of secret investigations, have to have “inconvenienced” many individuals, entities and “citizens above suspicion.” Finally, last year, Lyndon LaRouche and some of his closest collaborators were accused of “conspiracy to commit fraud” and jailed in Virginia, United States.

Warren J. Hamerman, chairman of the U.S. National Democratic Policy Committee, defended the economist and politician, stating before the Martin Luther King International Tribunal on Feb. 25: “At 66 years of age, he is in prison with a 15-year sentence, that is, sentenced to life imprisonment or to death . . . not for crimes that have been concretely committed, but for ‘conspiracies’ to commit crimes which in

the majority of nations in the civilized world would be considered minor civil infractions.”

The speaker went on to detail the series of legal operations and persecutions that LaRouche and his collaborators had suffered . . . before ending up in prison. Finally, he made it clear that from 1984 onward, the illegal and quasi-legal government operations against Lyndon LaRouche were “the size of the Normandy Invasion.”

The secret war continues

Only a few days ago, at the Macon, Georgia airport, boxer Roberto “Hand of Stone” Durán’s former manager was arrested. He is Panamanian businessman Carlos Eleta Almarán, owner of a television station in Panama. He and his partner, former ambassador Manuel Castillo Bourcy, were accused of “intent to sell cocaine,” although it is said that the arrest was really due to an informer from competing mafias in this gigantic trade, which simply could not exist if its promoters couldn’t rely on “banking secrecy” and the “tax paradises” protected by British laws.

And while *Executive Intelligence Review* continues fighting all over the world to free Lyndon LaRouche, millions of dollars from the drug trade continue to flow daily, via bank telexes, for the glory of incredible empires built on the death, degradation and absolute privation of hope of millions of people in 43 countries, united by this sordid, and seemingly unstoppable, tragedy.

Sensational revelations from jail

El Popular of April 15, 1989: Headline: “Secret government jails denouncer of Dope, Inc.”

WASHINGTON, April 12 (Special to *El Popular*)—Numerous publications today began what seems to be an all-out campaign to unmask the “secret government” which, through illegal machinations, managed to try and then jail U.S. politician and economist Lyndon LaRouche, the man responsible for the exposure of “Dope, Inc.” and the standardbearers of “narco-gold.” One of the most spectacular revelations in this regard shows Buster E. Horton, foreman of the jury that found LaRouche and his collaborators guilty in an Alexandria, Virginia court, to be a “member of an exclusive U.S. government national security unit, which also included Oliver North until he was fired as a result of the Iran-Contra scandal.”

Clamor from prison

During an interview granted by LaRouche to Washington radio station WRC, the prisoner himself made sensational revelations that present Oliver “Buck” Revell, deputy director of the Federal Bureau of Investigations (FBI), as the person who ran a team set up exclusively to persecute the

man who dared to confront the great multinational of vice and its known influence on policies strangling Third World economies.

Revell—according to LaRouche—directed the national security unit of which Oliver North (of the Iran-Contra scandal) was part. It is strange that Buster E. Horton himself then went on to become foreman of the jury which condemned the economist and politician, along with six of his collaborators, on charges of “conspiracy to commit fraud.” . . .

‘A well-sharpened accusation’

The unsigned article excerpted below appeared under the above headline, in Tribuna da Imprensa, a Rio de Janeiro, Brazil daily, on April 13. A small photograph of Rochelle Ascher accompanies the article, which is under an Iran-Contra wire story on page 10.

A group of U.S. lobbyists of Latin origin has been releasing since April 1987 interesting revelations on the Oliver North case and the White House involvement in the sale of arms to Iran to finance—against the decision of Congress—the sale of arms to the Nicaraguan rebels.

According to the “widely” distributed reports by the lobbyists and based on material produced by the members of the “organization,” an obscure economist and politician with U.S. citizenship, Lyndon H. LaRouche, was allegedly unjustly sentenced to a variable term of 2-15 years [sic] in prison—for knowing “revealing” data which proved the involvement of then-presidential candidate George Bush in the “Iran-Contra affair.”

The official version—according to what co-religionists of the jailed politician divulge—is that LaRouche was condemned after trial, on conspiracy against the tax collector and economic crimes. At the same there are accusations against another of his allies, Rochelle Ascher . . . who, according to the lobbyists, received an 86-year prison sentence!

The group protests the rapidity with which both trials were conducted and the unusual length of sentences imposed, and also alleges the jury was involved in the Iran-Contra case.

For many, the publications produced by LaRouche’s defenders are unknown, but they stand out for their wealth of accusations against various international agencies, right-wing and left-wing governments in several countries. The Oliver North case, by its very nature, involves members of the Pentagon and the White House. . . . That is well used by the group, which alleges having had access to strictly confidential information proving the involvement of the Reagan administration and of then Vice President George Bush.

Bush, now President, refuses comment on the case, but as an ex-director of the CIA and former vice president of the powerful Reagan, it would be hard to believe he is poorly informed. . . .

London noses into Indochina conflict

by Linda de Hoyos

Great Britain may soon be playing a central "mediating" role in the 10-year Kampuchea conflict. That was the news from Tiny Rowland's London *Observer* April 9. According to the *Observer*, Foreign Office Minister Lord Glenarthur is visiting Hanoi as the first Western government official to receive a direct briefing from Vietnam since Hanoi's early April offer to pull its remaining 50,000 troops out of Kampuchea by September. The news could give Glenarthur the opportunity to announce closer ties with Hanoi, the *Observer* said, claiming that Hanoi sees Britain as a possible co-chairman of a Kampuchean peace conference.

As an incentive for Hanoi's acceptance of a "mediating" role for London, British Petroleum and Enterprise Oil have signed agreements with Hanoi for oil exploration in the South China Sea, a contract Vietnam has long been seeking as a possible way to alleviate its 100% oil reliance on the Soviet Union.

Another factor in Britain's sudden and unexpected presence on the scene—given Britain's lack of a historical role in the Indochina-Thailand region—is the midwifing of a change in Thailand's foreign policy by the British Commonwealth, including Britain's surrogate operative in the region, Australia. The British role, of course, has been possible by the consistent U.S. attacks on Thai trade and U.S. passivity in the face of the Indochina conflict.

On Dec. 23, 1988, Thai Prime Minister Chatichai Choonhavan announced that Thailand's policy toward the Indochina countries would be to turn the "battlefield into a marketplace." To prove his point, Chatichai, without consultation with any of the other ASEAN countries with which Thailand characteristically coordinates its Indochina policy, invited Hun Sen, prime minister of the Vietnamese-backed Phnom Penh regime, to Bangkok for talks. Kampuchea and Thailand have no diplomatic relations.

Upon the announcement of this policy, according to the *Bangkok Post*, the Australian Embassy in Thailand called up to offer its congratulations to the prime minister's adviser Dr. Sukhumbhand Paribatra. Sukhumbhand is a member of Chatichai's "kitchen cabinet" of advisers, who are believed to be responsible for the change in Thai foreign policy, over the objections of the Foreign Ministry and Foreign Minister Sid-

dhi Savestila.

In the last four months, as Thailand's interchanges with Vietnam and Laos especially have proceeded apace, so have Thailand's ties with both Britain and Australia.

On Jan. 20, the British announced that they would send a team of defense experts to Thailand to discuss a "comprehensive military procurement package to set up a massive total defense system," reported the *Bangkok Nation*. Among the British who arrived in Bangkok was Lord Glenarthur, who met with Chatichai and also offered "to locate sources of funding for the purpose as well."

The Australian role

Within weeks, it was clear that Australia was emerging as Thailand's partner in its efforts to turn Indochina into a "marketplace." The focus of the effort is the construction of a bridge on the Mekong River linking the Laotian capital of Vientiane and the Thai city of Non Khai. In early January, Prime Minister Chatichai had asked Japan to provide funding for the project; the offer was declined. The prime minister, during a visit to Beijing in March, also asked the Chinese to participate.

However, the driving force behind the project now is Australia. On April 4, Thai, Laotian, and Australian officials met in Vientiane to discuss the project. According to reports in the April 11 *Bangkok Post*, the entire project will be financed by Australia for \$35 million. A feasibility study will be carried out within the next two months, and an Australian firm is now calling for tenders for the study. The Australian Development Assistance Bureau has been appointed as the executing agent for the project.

According to the agreement signed by the officials on the scene, the three countries will maintain coordination through the creation of a Tripartite Consultative Group, which will be a permanent policy-level group comprised of top officials from Thailand, Laos, and Australia.

Added the *Post*: "Australia is also looking at the possibility of contributing to concrete and economic development in a more accessible Kampuchea."

Thai-Australian ties have also thickened in other areas. On April 14, Australian defense forces participated in a joint Thai-Australia military exercise in Thailand called Chapel Gold 89.

Among the biggest boosters of the Australians in Thailand is Supreme Commander Chavalit Yongchaiyudh, who is also the head of the "Thai-Lao Implementation Committee," and on April 20 led an 80-person Thai delegation to Laos. On April 13, Chavalit called upon Australia to initiate a meeting of regional defense chiefs to promote understanding, reported the *Bangkok Post*. The idea is to "bring together top brass of ASEAN and the Mekong River groupings with Australia" to discuss regional military affairs regardless of political ideology. The leader of this enterprise, Chavalit made clear, is to be Australia. "Australia is a leading member

of the region by alphabetical order and I would like it to take a leading role. Thailand is last in the alphabetical order, and therefore, is ready to follow and join the meeting."

Meanwhile, on the "marketplace" side, Prime Minister Chatichai declared April 12 that Thailand will consult its ASEAN partners—who are miffed at Thailand's about-face in Indochina policy—on forming a "mechanism of regional cooperation in trade and economics" as proposed by Australian Prime Minister Bob Hawke. The occasion for the call was the visit to Bangkok of Hawke's special emissary, Richard Woolcott. According to Woolcott, the regional cooperation body would start with 10 countries: ASEAN's six members, Australia, New Zealand, Japan, and the Republic of Korea. The participation of Vietnam, Laos, and Kampuchea would be expected after the settlement of the Kampuchea conflict. "Australia would consider China's involvement an advantage because of its economic importance and its role in the region."

British axe to the Kra Canal?

Commensurate with its "marketplace" policy, the Chatichai government has initiated proposals for a "land bridge" across the Kra Isthmus in southern Thailand, as an alternative to the construction of the Kra Canal, despite the fact that the prime minister's political party, the Chat Thai Party, was an early promoter of the canal project and despite the fact that parliamentary committees have passed resolutions calling upon the government to begin feasibility studies on the canal. The canal, with a deep-sea port constructed at the southern city of Songkla, would facilitate ship travel from the Indian Ocean to the South China Sea and on to the Pacific, and serve as a hub for regional industrialization.

According to sources in New Delhi, Prime Minister Chatichai, during his early April visit to New Delhi, was explicitly asked by Prime Minister Rajiv Gandhi about Thailand's plans for the canal. The canal would also be a focal point for the development of India's eastern coast and the port city of Calcutta. The Thai prime minister answered that the Kra Canal was a dead letter.

This apparent decision by the government is interesting in light of Thailand's new-found friendliness with Great Britain. In the aftermath of World War II, the British had declared that Thailand—which had been within Japan's orbit as a measure of self-preservation while it simultaneously created the Free Thai guerrilla operations—must sign an unconditional surrender treaty with London, which would have effectively made Thailand a British colony. (Thailand was never colonized during the 19th and 20th centuries.) With American intercession, this disaster was avoided. However, in the final treaty, the British insisted on the inclusion of a clause that would prohibit the construction of the Kra Canal. The treaty was abrogated in the 1960s. Is London making a veto of the Kra Canal a condition of its new bid for a caretaker relation with Thailand?

The Nepal-India tiff: the shadow of the

by Ramtanu Maitra and Susan Maitra

A spurt in anti-India demonstrations in Kathmandu, Nepal and oft-repeated belligerent statements issued by the Nepalese authorities have given rise to speculation whether the Chinese dragon is casting its shadow across troubled Tibet. Although Indian Prime Minister Rajiv Gandhi, at a recent press conference in Chandigarh, categorically ruled out any Chinese involvement in the souring of bilateral relations between India and Nepal, it is nonetheless evident that those who are too eager to blame India for the impasse happen to be individuals and groups—such as the demonstrators in Kathmandu—who are known to be blatantly pro-Chinese. They are apparently using the opportunity to establish themselves as Nepali "nationalists."

A series of seemingly minor events occasioned to the fear that China is not altogether a bystander. First, in July 1988, a significant quantity of Chinese arms was brought into Nepal in a convoy of 300 trucks, along the Kodari-Kathmandu highway constructed earlier by the Chinese. Nepal justifies its Chinese arms procurement on the grounds that India had failed to respond to prior requests to supply the same. What surprises India, however, is that Nepal acquired anti-aircraft guns from China and reportedly placed those along the Indian border.

The Indian government points out that this constitutes a violation of the 1950 India-Nepal Treaty of Peace and Friendship, on which the relations of the two countries rest and of which Nepal has recently shown some reservations. Article 5 of the treaty states that although the government of Nepal "shall be free to import, through the territory of India, arms, ammunition, or warlike matériel and equipment necessary for the security of Nepal," it would do so "by the two governments acting in consultation." Subsequently, two Indian ministers, Foreign Minister P. V. Narasimha Rao and his junior, K. Natwar Singh, have visited Kathmandu, but without much success.

In September 1988, the issue was discussed in the Indian Parliament. One Congress (I) parliamentarian pointed out that Chinese AK-47 assault rifles and shoulder-fired missiles have shown up in large numbers with terrorists in Punjab, implying a transfer of arms from Nepal to subversive elements in India. The MP also expressed concern about the possibility of these arms finding their way into the hands of Naxalites in Bihar and Gorkhaland secessionists in the hill districts of West Bengal—areas close to the India-Nepal border. Foreign Minister Rao assured the House that the

Is it Chinese dragon?

Indian government would continue to remain vigilant against any transfer of arms from across its border to terrorists operating within India. However, such assurance has its limitations because of the long and wide-open border that allows individuals to move in and out of either country with impunity. Moreover, it is widely known and accepted by both governments, that a well-organized smuggling network functions in the border areas.

As a footnote, one might add that, for the first time, AK-47 rifles have been used during recent disturbances in the Indian-held part of Kashmir.

Diplomatic deadlock

Besides the Chinese arms, the movements of Chinese personnel within Nepal close to the Indian border have drawn attention. The bone of contention is the 204-km stretch of the Mahindra Rajmarg—an east-west highway, 304 km of which India had earlier constructed—between Kohalpur and Banbasa. The highway, which runs close to the India-Nepal border, is being completed by the Chinese. Nepal authorities claim that the Chinese were offered the job because they were the lowest bidders and had bid significantly lower than both India and South Korea. The Nepal government refuses to entertain any “insinuation” that there are ways to become the lowest bidder, particularly when both parties are in agreement. Nonetheless, India has concern over so many “Chinese construction workers” wandering around in what India considers sensitive terrain.

The situation has been made to deteriorate further following the recent deadlock in trade and transit talks, which is temporarily depriving Nepal of many basic items (and giving smugglers a field day). Nepal had earlier announced a 12 km restricted area in the mountains, applicable to all foreigners except the Chinese. This has not helped matters at all.

Following expiration of the trade and transit agreements in March, a large number of Indian traders and businessmen had to leave Nepal because of the “anti-India” campaign launched by pro-China groups. Two groups with links to China—the Akhil Nepali Rashtriva Swatantra Vidyarthi Sammelan and the Mohan Vikram Group—called for a general strike on April 16 to protest “the domineering attitude of India.” Indian traders and businessmen have reportedly been assaulted by the pro-China demonstrators.

There is no indication that the Nepal government wants to curb such violence. On the contrary: Two Nepali journal-

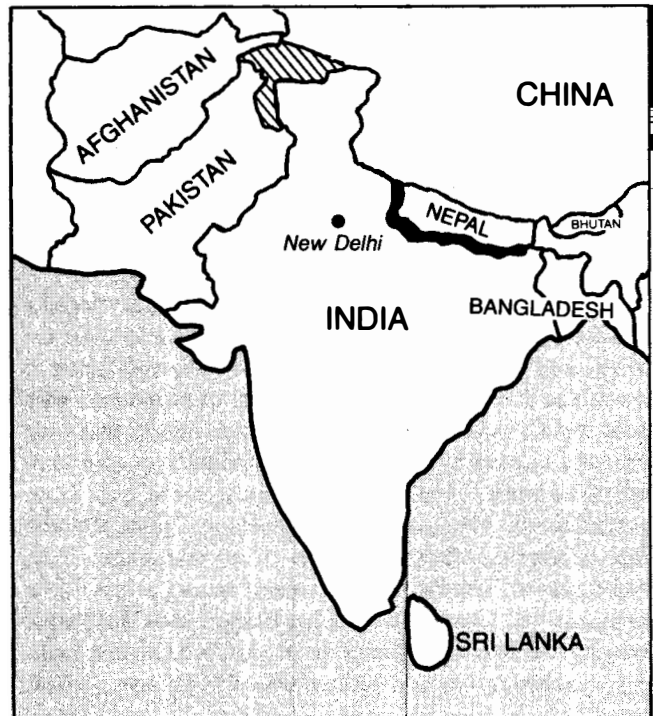
ists, who had accused the Nepal government of precipitating the crisis with India, have been arrested and detained.

The China factor historically

China’s designs on the Hindu Kingdom of Nepal go back hundreds of years. The two countries went to war in 1792, following the Nepalese invasion of Tibet that year. The same year, the two countries signed a treaty whereby Nepal recovered the territory captured by China, and in return, agreed to send a delegation every five years bearing gifts to the Chinese emperor. Subsequently, the Chinese claimed that Nepal had accepted Chinese suzerainty—a claim Nepal rejected. Nonetheless, Nepal continued to take the gifts to please the Chinese emperor.

In 1908, China urged on the Maharaja of Nepal “the blending of five colors”—China, Tibet, Nepal, Sikkim, and Bhutan—and compared Nepal, Bhutan, and Sikkim to the “molar teeth lying side by side in man’s mouth.” This concept of a China-controlled “Himalayan Kingdom,” as perceived by the Chinese, re-emerged in 1950 when the Chinese Communist Party called for the “liberation” of Nepal and subsequent formation of a “Himalayan Federation” of all Mongol people under Chinese leadership.

Nepal, for its part, completely locked between India and troubled Tibet, played a less than cautious role vis-à-vis China. The Nepalese monarchy, a decayed institution ruling over an utterly impoverished population through the nobles and privileged few, sidled up to China for its own convenience. Unlike most of the rest of the world, the Nepali mon-



archy does realize the inherent desire of China's leaders to dominate areas north of India. And the Nepali monarchy saw in this a perennial advantage and the potential to keep up its decadent rule.

This game blossomed in the early 1960s when the Sino-Indian relation approached a state of war. The Nepali monarchy, afraid that it would be uprooted by a faction within the elite that looked to India and democracy for Nepal's future, found in Mao's China a foil to India and played this "card" with reckless abandon.

China's designs on the Hindu Kingdom of Nepal go back hundreds of years. The two countries went to war in 1792, following the Nepalese invasion of Tibet. They signed a treaty whereby Nepal agreed to send a delegation every five years bearing gifts to the Chinese emperor.

In 1958, a parliamentary democracy was established in Nepal. The Nepali Congress, which had participated with the Indian National Congress to end the British Raj in the subcontinent, won the elections comfortably and assumed power. However, as Sino-Indian relations touched their nadir in the next several years, King Mahindra seized the opportunity in 1960 to issue a proclamation dissolving the Parliament. The king assumed power himself, accusing the democratic government of having fostered "selfish and group interests." The king adopted a "back to the village" campaign, and began to go after the Nepali Congress, persecuting its members. Many Congress members fled Nepal and took refuge in India, while others went to jail.

In the following period, the Nepali government began a concerted propaganda barrage against the "rebels" who the government charged were ensconced in India and trying to destabilize Nepal from there. A number of encounters with these "rebels" were reported in the media, reports that were promptly echoed by Beijing. King Mahindra, meanwhile, engrossed himself in pushing Nepal firmly into China's lap. Just before the 1962 war between India and China, Chinese Foreign Minister Chen Yi went on record saying that China would side with Nepal "in the event of an aggression." The statement was loaded. It was also in the 1960s that Nepal brought China along to build the Kodari-Kathmandu highway connecting Nepal's capital with the Tibetan capital, Lhasa.

Over the years, as Sino-India relations moved out of scalding hot to lukewarm waters, the Nepali monarchy assiduously cultivated and protected its close relationship with China. In 1972, following King Mahindra's death, his son, King Birendra, a Western-educated (Eton-Harvard) monarch, took over, but the policies remained the same. In 1975, in an attempt to nullify the 1950 treaty, King Birendra propounded the concept of Nepal being a "zone of peace." Among others, China jumped in to support the concept.

During the current feud with India, Nepali authorities have taken care to point out that Beijing is unhappy about the Indian "belligerence" toward Nepal. Recent reports from the Xinhua news agency suggest that a Chinese Foreign Office spokesman has expressed concern over the "serious difficulties faced by the Nepalese people." It is noteworthy that China, which cries "wolf" when anyone points to the atrocities committed against the Tibetans in their homeland, feels no compunction in interfering in bilateral matters which concern only Nepal and India. It is equally noteworthy that the Nepal government finds it suitable to flaunt the Chinese reaction to bolster their stance.

Who saw the dragon smile?

Following the United States' "opening" to the P.R.C. in the early 1970s, and the more recent Sino-Soviet thaw—which may in the near future fructify the desperate Soviet attempts to have a summit with Chinese supremo Deng Xiaoping—there has been a great urge worldwide to "launder" China. In other words, there has been a sudden spurt to portray China as a benevolent power whose sole concern is to become an economic giant and better the conditions of its 1 billion-plus population. Both the United States and the Soviet Union are eager to tell India that they have seen the dragon smile. It is a soft sell, and with obvious contradictions.

First, the Chinese traditional ruthlessness unleashed in Tibet in recent days is almost indistinguishable from the "fire-spitting" image that both Moscow and Washington used to caution others about. The fact, however, is that China, as rightly realized by the Nepali monarchy, has and will always protect what it considers as its territory or suzerainty, paying scant attention to whether it will be liked by the image-builders or salesmen.

Second, China's economic interests cannot be separated from its geopolitical necessities. A large amount of Chinese goods have flooded the northeast India for years, and in Imphal, Manipur, there exists an exclusive market where the Chinese smuggled goods are sold. No such market for Indian or Nepali goods exists in China. Along with these "invisible exports," a huge amount of narcotics also flows outward from China. It is understandable that in order to maintain these "invisible" export earnings, China maintains a wide network of smugglers. The money thus earned is then partially channeled into a pro-Mao or pro-Lin Piao or pro-Deng or other pro-Chinese faction, for activation as and when necessary.

Philippine bases: NPA ups the ante

by Lydia Cherry

The New People's Army has reasserted its credentials as an instrument of Soviet irregular warfare, by making the presence of the U.S. bases in the Philippines a major point of its "negotiating" agenda. The U.S. bases in the Philippines—Clark Air Base and Subic Bay Naval Base—are key to enable the United States to deploy anywhere on the Asian continent, in an arc stretching from the Korean peninsula to the Persian Gulf. Their loss would hand hegemony of the South China Sea strategic waterway to Red China and the Soviet Union.

In recent weeks, the NPA has bombed a U.S.-Philippine communications base; killed a U.S. Army colonel who was helping the Philippine military in its anti-insurgency campaign; and offered an olive branch to both President Aquino and opposition leaders, by saying that all the Philippine government has to do to make peace with the insurgents is to dismantle the bases.

The deal came to light in a television interview that NDF founder Jose Ma Sison and chief fundraiser Luis Jalandoni granted in mid-March in Europe. It has not yet been aired, but a transcript was released to Philippine *Daily Globe* April 7. "If Mrs. Aquino is ready to make an executive declaration dismantling the U.S. military bases by 1991, the revolutionary movement will rush to a consideration of a unilateral cease-fire," Sison, the former chairman of the Communist Party of the Philippines, told the independent broadcast journalist Nettie Wilde.

Former priest Jalandoni—who is from a large Philippine landowning family and has been the main conduit for funds from at least 31 countries to this allegedly "independent" insurgency grouping—also suggested the NDF would talk with Philippine opposition leaders: "But if the Aquino government shows hesitation, there are other political forces like the Liberal party of [Senate President Jovito] Salonga, the PDP-Laben [Filipino Democratic Party—Strength of the Nation] of [Sen. Aquilino] Pimentel, and there are other forces like the Partido ng Bayan [People's Party], and even the Union for National Action of Salvador Laurel and Enrile."

Three days after Jalandoni and Sison's offer became public in the Philippines, on April 9, five bombs rocked a joint U.S.-Philippine communications base at Mount Cabuyao, 120 miles north of Manila, toppling one microwave antenna and seriously damaging another. The NPA leadership quickly claimed responsibility. "These tactical offensives are meant to punish U.S. imperialists for arrogance, insolence, and abuse against our people and other peoples of the world."

The NPA statement said there were about 25 highly explosive devices planted in the giant radar communications van, and in four satellite radars. The statement said that "NPA commandos" had sneaked into the communication facility and planted the 25 bombs without the knowledge of U.S. and Filipino troops.

In the past, the NPA has only claimed having armed regulars and militia in the countryside, besides urban guerrillas known as city partisans or "Sparrow units." *EIR*, however, has earlier reported the existence of such *spetsnaz* capability, including Soviet *spetsnaz* penetration of the perimeters of these bases.

On April 17, NDF spokesman Satur Ocampo challenged the Aquino government to "make a definitive declaration of its intent" on the U.S. bases. "If the Aquino government continues to abdicate its responsibilities to the nation, the NDF calls upon the revolutionary Filipino people to themselves dismantle the bases," Ocampo said.

On April 21, a hit squad ambushed and killed U.S. Army Col. James Rowe, who was involved in helping the Philippine anti-insurgency campaign. "We think this is the first time that a serving U.S. military officer has been killed by the NPA," Col. Manuel Oxales, deputy head of the Manila region military command, told Reuters. Military sources said Rowe's job was to coordinate supply of weapons and equipment to the Philippine military.

Explaining the rationale for deployment of more Philippine soldiers around U.S. military facilities after the bombing of the communications installation, according to Kyodo news service April 15, Philippine Constabulary Chief Maj. Gen. Ramon Montano told field commanders: "The U.S. government advises that April marks the third anniversary of the retaliatory raid against Libya, and groups sympathetic to Libya have undertaken anti-U.S. actions directed against U.S. personnel and facilities to commemorate this date. . . . The bombing incident [in Benquet] and the attempt to plant landmines at Clark Air Base have caused the U.S. embassy to be very concerned."

To Jalandoni and Sison's "offer" both President Aquino's and opposition leaders' responses were weak. "The Liberal Party is willing to listen and to talk to the National Democratic Front," said Senate President Jovito Salonga. On the PDP-Laben side, party chief Pimentel, Jr. is quoted by Manila Broadcasting Co. April 10, that that party is willing to participate in peace talks.

Aquino, in an interview reported by Manila Radio Veritas April 17, said that she is confused by all the conflicting rebel statements and that until she finds a leader who can speak for all the rebels, it would be difficult to sit down with anybody. "We hear from people who are abroad saying that they represent the NDF, and then we hear some other leaders here from the NDF also speaking, presumably, on behalf of the NDF. Until we can find out who is the legal representative for all of them, I think it is very difficult to sit down with anybody."

International Intelligence

Gunmen attack U.N.'s Sudan relief effort

Gunmen attacked the first U.N. food convoy carrying famine relief into rebel-held areas of southern Sudan and forced it to return to Kenya. One truck was blown up and two Kenyan drivers were wounded when the convoy came under fire near Kapoeta in southeastern Sudan on April 18.

The U.N.-led food delivery operation is intending to ship 170,000 tons of food to locations in southern Sudan, in order to relieve starvation among 2 million Sudanese, of whom an estimated 100,000 are expected to die this year without food help, according to a *Baltimore Sun* three-part series, "The Sudan, a Country in Crisis; Food Is Rushed to Sudan As Lives Hang In Balance."

Last year, at least 250,000 civilians starved to death. Relief workers blame the civil war, pitting Christian animist rebels in the south against the predominantly Muslim north of the country, for preventing food deliveries. At the moment, there are airlifts of food—much from the United States—being made from Kenya, Uganda, and Khartoum by the World Food Program, the International Red Cross, and Lutheran World Relief. The food mobilization costs \$133 million, began April 1, and is expected to last one month.

Glasnost: great deception of history

Mikhail Gorbachov's *glasnost* is one of the great "deceptions" of history, a "subtle hoax" that is actually "the sixth *glasnost*" in Soviet Russian history, writes the *Daily Telegraph's* Ian Ball on April 21. He reported on a new book by U.S. author Edward Jay Epstein, entitled, *Deception*.

Epstein sees Gorbachov as pulling off the "boldest political feint [and] sleight-of-hand" since the ancient Chinese theoretician of war and psychological warfare, Sun-Tzu. What Sun-Tzu called "false tidings," is identical in method to Soviet deception methods. According to Ball's account, Ep-

stein suggests that one should pay more attention to the late James Jesus Angleton's comparisons between Soviet strategy and that of Sun-Tzu.

Sun-Tzu once wrote, "When able to attack, seem unable; when active, seem inactive; when near, make the enemy believe you are far; when organized, feign disorder; if weak, pretend to be strong, and so cause the enemy to avoid you; when strong, pretend to be weak, so that the enemy may grow to be arrogant."

According to Epstein, "*Glasnost* Mark I" was Lenin's New Economic Policy, aided and abetted, then as now, by Armand Hammer, son of a leading American Communist Party leader. This policy trend began in 1921, and lasted until 1929, when it was replaced by Stalin's forced collectivization.

Interestingly, the word *perestroika* or "restructuring" was used from 1929 on, as the Communist Party term to explain the forced merger of private farmers into state collectives!

The four other pre-Gorbachov *glasnosts* have included the 1936-37 effort to create a Constitution; the 1941-45 "Uncle Joe Partnership" with the West; the 1956-59 Khrushchov de-Stalinization; and the 1970-75 Brezhnev-Nixon détente policies.

40,000 demonstrate in Beijing

An estimated 40,000 people massed in Beijing's Tienanmen Square, and thousands of students defied official warnings for the third day and staged a huge rally calling for democracy April 18.

In Shanghai, thousands of students rallied at a university attacking China's leadership. Students plastered posters over bulletin boards at Shanghai's Fudan campus, with several posters reading, "People living under totalitarianism rise up!" Another unsigned poster attacked senior party leader Deng Xiaoping personally, saying, "You can fool the world, but we know you are a fraud."

Another poster in reference to the "free market" reform program read, "Laugh, laugh, laugh at 10 years of absurdity."

There have been non-stop demonstra-

tions since the death of former Communist leader Hu Yaobang on April 11. Hu had been ousted last year for tolerating "bourgeois liberalism."

Japan scandal linked to U.S. trade talks?

Masayuki Fujio, former Japanese education minister and one of the four top officials in the ruling Liberal Democratic Party, told supporters April 8 that the Recruit-Cosmos "insider trading" scandal now shaking the country is closely connected to trade talks between former Japanese Prime Minister Yasuhiro Nakasone and former U.S. President Ronald Reagan, the Asahi News Service of Japan reported April 19.

But Nakasone's executive secretary, Yasuo Tsuiji, immediately denounced Fujio's allegations as "totally unfounded." "Other faction leaders have told me that Mr. Fujio is a sick man and we need not take his words seriously," Tsuiji said.

The United States was pressuring Japan to buy American supercomputers from Cray at the time of the Reagan-Nakasone talks, to help offset the U.S. trade deficit, Asahi reported. In 1986-87, Nippon Telegraph and Telephone bought two Cray computers and sold them to Recruit, which then leased the computers to NTT.

"At first Cray sold a supercomputer to NTT for \$200 million," Fujio said. "But the second one was priced at \$400 million and the third \$600 million. And when Recruit bought two of them from NTT, the price went up to \$800 million each.

"That margin was channeled somewhere as kickbacks. The key person who arranged the deal is Nakasone. So, summoning Nakasone before the Parliament is the key to solving the scandal.

"The reason Nakasone refuses to stand witness is that it is likely that Reagan's name will surface when he is summoned," Fujio continued. "If Nakasone gave kickbacks to Reagan, it means that Japan's prime minister sent bribes to the U.S. President. It is not easy for Nakasone to say such a thing." Nakasone could resign from the Diet if he does not want to testify, Fujio said.

Fujio was chairman of the LDP's Policy Affairs Research Council from December 1983-July 1986, making him one of the four top officials in the party. He is a strong defense advocate, who was fired as Nakasone's education minister in 1986 when Fujio angered both North and South Korea by attempting to justify Japan's annexation of Korea in 1910.

Call for population law in India

"The news item 'Kissinger Sees Powerful India' is a timely and realistic portrayal of our destiny," one Prem Chand of New Delhi wrote to the editor of the *Hindustan Times*. The letter was published on April 8.

Kissinger had given an interview to the newspaper, in which he predicted a "global role" for India in the future.

Letter writer Chand lists all the wonders of India: "In just a single generation since we attained independence, we have laid a powerful base for industrialization, built 2,000 dams to make us self-sufficient in food, and are moving ahead in nuclear and space technology."

But then comes the rub! "But, our unchecked burgeoning population remains our Achilles heel. Unless our politicians evolve a consensus not to use this issue for politicking, our unchecked population growth will eat away all forests, all wildlife . . . and then gobble our democratic institutions, setting at naught all our achievements. Persuasion alone has failed on this front.

"We must now enact a law making registration of marriages compulsory, and production of more than three children a penal offense."

Soviet hospitals called AIDS hotbeds

Patients reportedly still risk contracting the AIDS virus during stays in unsanitary hospitals in the Soviet Union, despite precautions taken after the deadly virus infected more than 50 children in a hospital in the

southern Russian town of Elista several months ago.

AIDS expert Vadim Pokrovsky told the daily *Selskaya Zhizn* April 18 that many had not learned from that experience, where medical staff used the same AIDS-tainted syringe to inject a whole ward of children. "Even in frightened Elista, after three months of an official battle against AIDS, the sanitary epidemic station has already recorded cases of one syringe being used for several patients." He warned, "Irresponsibility is so much part of our system that the drama of Elista could repeat itself in any other place."

Pokrovsky said that "There is an epidemic of fear" about AIDS throughout the Soviet Union. "Hundreds of thousands of terrified people come to us saying they have diagnosed themselves as suffering from AIDS."

Peru buys helicopters from Soviet Union

Socialist Prime Minister Armando Villanueva has announced that Peru has purchased Soviet helicopters to fight guerrillas there. He told reporters April 15 that Peru was awaiting delivery of the gunships, with aging Soviet-built helicopters being used as a trade-in.

Reuters sources said Mi-8 helicopters would be traded in for 18 Mi-17s, and that Peru was also negotiating helicopter purchases from West Germany.

The U.S. Drug Enforcement Administration's ending of cocaine eradication in Peru in mid-April was provoked by Villanueva, according to top sources inside the ruling APRA party. Villanueva cited the inability to protect eradication workers from narco-terrorist attacks as a motive. But it was his April 11 speech which was the final straw for the DEA. In that speech, he cynically blamed his failure to send promised relief to the besieged Uchiza garrison on the DEA's refusal to provide helicopters (see *EIR*, April 21, 1989, p. 50).

Villanueva then announced the Soviet helicopter purchase, as though lack of functioning helicopters had caused his betrayal of the Uchiza defenders.

Briefly

● **A RED-GREEN** delegation from West Berlin was received by President Bush at the White House on April 19. The red-carpet treatment accorded members of Berlin's new coalition government, representing the Green Party and the Social Democrats, is taken as a slap in the face to West German Chancellor Helmut Kohl and his Christian Democrats, who are increasingly being treated by Washington as "on the way out" at the federal level.

● **THE GREEK** Supreme Court will rule in May on whether to extradite Mohammed Rashid to the United States. Rashid is accused of bombing a Pan Am flight in 1982.

● **THE TRILATERAL** Commission's April 9 executive committee meeting in Paris had an agenda which read in part: "Should we limit ourselves to intra-Trilateral discussion or should there be ongoing contacts with the Soviets or various Europeans. . . . What sort of session would be best for the April 1990 meeting in Washington? Is there a Soviet or East European speaker who would be appropriate for that meeting?"

● **THE U.S. STATE** Department held a three-day "International Ecological Conference," with Soviet officials attending, only ten days into the Bush administration, beginning Jan. 30, 1989. On Jan. 31, the Soviet Union's TASS news agency reported an "international ecology conference" in Moscow, with participants from Eastern Europe, Western Europe, the U.S.S.R., and Canada. Oddly, there was no mention of any participation from the United States.

● **BOMBS** went off in downtown Santiago, Chile the evening of April 17, just prior to a 24-hour labor stoppage. Banks and the telephone utility were the targets.

North trial highlights the President's 'Gregg problem'

by Webster G. Tarpley

The situation was summed up by the London *Sunday Times* of April 16, in Edward Pearce's "Last Word" column: "Increasing reports from the trial of Colonel Oliver North look grim for George Bush, less and less innocent-seeming in the Iran-Contra scheme. If North should 'peach' then, garlanded as he is with so many denials, Bush could not discount impeachment. I doubt if it will come to that. But if it did we should all start dossiers on Representative Thomas Foley of Washington State." According to the *Sunday Times*, Quayle "should resign" in case Bush were ousted, and Speaker of the House Jim Wright is charged with "financial carelessness." That would, according to the *Sunday Times*, make Representative Foley the successor to the presidency.

The North case is now with the jury, and North has not "peached" yet, so far as is known. But, the documents released in the course of the North trial have brought the Iran-Contra affair back to center stage. The specious credibility of the Tower-Muskie-Scowcroft and congressional coverup investigations has crumbled, and every press availability of the President has been transformed into a gauntlet of highly embarrassing Iran-Contra questions which Mr. Bush, acting under the dubious advice of White House Counsel C. Boyden Gray, has flatly refused to answer.

What Donald Gregg knows

With congressional resentment growing owing to the manifest failure of the Reagan-Bush White House to provide vital documents from North's office and other NSC files to Hill probers during the summer of 1987, it is likely that the new phase of Iran-Contra will culminate in the confirmation hearings for Donald Gregg, the former national security adviser to then-Vice President Bush. Gregg has been nominated as ambassador to the Republic of Korea (see article, page 64). These confirmation hearings are scheduled to begin before the Senate Foreign Relations Committee on May 12. If the senators wish to maintain any pretense of oversight over covert intelligence operations, they will have to prove it by

rejecting the Gregg nomination. Gregg has been repeatedly guilty of perjury on Iran-Contra matters, and was up to his neck in gun-running and drug-running in the Caribbean. Even more important, Gregg's 1979-82 tenure as CIA representative at the National Security Council spans the Carter and first Reagan administrations, years when the NSC toppled the Shah, brought in Khomeini, and began the arming of the Islamic revolution. He would be in a position to confirm that the policy of arming the Ayatollah began not under Reagan, but already under Carter.

Gregg would be a disaster in Seoul, a kind of imperial proconsul with the task of enforcing the odious Anglo-American-Soviet condominium in all of Asia, paralleling in this the role of European proconsul Vernon Walters in Bonn, whose job would be to sell out Europe to the Soviets. Gregg is a CIA *agent provocateur*. Where he goes, a band of Iran-gate bandit-adventurers will follow. Gregg in Seoul would attempt at the very least the violent overthrow of the sovereign government of South Korea, and would do everything in his power to inflict destabilization on Japan, the Republic of China, India, Pakistan, Thailand, the Philippines, Singapore, Malaysia, Indonesia, and other countries. Statesmen in Seoul and the rest of Asia are advised not to rely for one instant on the U.S. Senate to block the Gregg nomination, but to seize the initiative in their own interest by declaring Gregg *persona non grata*, subject to arrest on arrival.

If the Gregg nomination were to go through, there would be nothing to prevent the name of Al Capone from showing up on the next White House appointment list. Sen. Alan Cranston (D-Calif.) has promised to use the hearings for an inquiry into Gregg's knowledge of administration efforts to arm the Nicaraguan rebels. Oliver North testified during his trial that it was Gregg who introduced him to Felix Rodriguez (alias Max Gomez), the CIA case officer for the Contra supply efforts. Cranston called James Baker at the State Department to suggest that the Gregg nomination be withdrawn, but Baker refused.

The documents most damaging to Bush have been those implicating him as the “discreet emissary” from the Reagan White House designated in 1985 to brief the President of Honduras, Suazo Cordova, on the benefits that the United States expected to accrue to the Contras from a *quid pro quo* or incentive arrangement involving increased U.S. aid to Honduras. The White House had been reluctant to pass these conditions on to Suazo in writing. One document bears a marginal notation from Adm. John Poindexter of the NSC stating: “Add that we want VP to also discuss this matter with Suazo.” Bush is also listed as an intended recipient of a copy of Reagan’s secret approval of a February 1985 decision to provide incentives to Honduras.

The gaping holes opened by the new documents in the standard Reagan-Bush denials have spurred congressional leaders to demand explanations. On April 13, Rep. Lee Hamilton (D-Ind.) wrote to C. Boyden Gray demanding that Gray “undertake an immediate review to determine whether documents were withheld from the Iran-Contra committees.” According to Hamilton’s office, the congressman wants to know “why the documents were withheld.”

On the afternoon of April 17, Sen. George Mitchell, the Democratic majority leader, met with journalists at a Washington hotel to announce that he had ordered his staff to conduct an investigation to determine whether the Reagan White House deliberately withheld documents from the congressional Iran-Contra investigating committees. Mitchell warned that if this probe were to show that the White House did not “comply with the promise to provide all appropriate documents,” he would regard this as “a matter of the utmost gravity.” In this case, “there would have to be action taken,” Mitchell stressed.

Some observers also recalled that prosecutors working for independent counsel Lawrence Walsh had complained two years ago that there had been difficulty and delay in obtaining documents from the White House and the CIA. Walsh conducted his own inquiry as to whether the Reagan administration had withheld evidence. It would be theoretically possible for Walsh to re-open that investigation in the near future.

Published accounts suggest that if the officials of the Reagan White House did not obstruct justice, then perhaps the FBI did. John W. Niels, the chief counsel to the House Iran-Contra committee, recalled that he had demanded all of the documents from Oliver North’s office, regardless of the subject matter. “The argument the White House made is that we shouldn’t search ourselves, that the FBI searched them.”

The *Washington Post* on April 20 quoted an unnamed administration official to the effect that “North’s office was sealed when he was fired in November 1986. FBI agents acting for independent counsel Lawrence E. Walsh read through all the documents in the office and concluded that about one-fourth of them were relevant to Walsh’s investigation, the official said. Those were forwarded to Walsh; the

remainder were sealed at the White House.” According to this official, the documents remaining at the White House would have been sent to Congress on request, but nobody ever asked—a strange story indeed.

Lee Hamilton declared himself not convinced, saying that the story of the FBI ignoring the documents “really strains credulity.” “These documents would be as if you picked up a red flag,” Hamilton said. “The FBI clearly has some explaining to do if its agents did not realize the germaneness and relevance of these documents.” A group of FBI agents loyal to FBI Deputy Director Buck Revell or some other invisible government figure screening documents before they reach the congressional committees also makes a mockery of the very idea of congressional hearings. Why have hearings if the secret police are to fix the outcome in advance?

Bush on the hot seat

In the meantime, Bush is under increasing pressure for full disclosure. He has chosen the ill-fated stonewall strategy attempted by Richard Nixon, hiding behind the North trial. The logic of the strategy is that the President sacrifices himself to protect his advisers, just as Nixon immolated himself to protect Henry Kissinger. The alternative is mobile development in which the advisers are thrown to the wolves. Has Bush learned nothing from Watergate? What will he say when the North trial is over? And after North will come Admiral Poindexter, who worked several levels above North and who received his orders from Reagan and from Bush himself as a member of the NSC.

Presidential news conferences now sound like the following:

Q: Mr. President, were you an emissary to Honduras, as has been alleged?

The President: I went to Honduras, sure. That’s a matter of public record.

Q: And did you have a *quid pro quo* deal—

The President: I have told you that I am not going to discuss that until the trial with North is over.

Q: But the jury is being sequestered today, sir, and it’s—

The President: No, I might have something to say on it when the trial is over, but I would simply ask you to understand that this is a request of the lawyers. And I’m not going to do something that inadvertently will—but put it this way—my conscience is clear.

Franklin D. Roosevelt would have known what to do: publicly repudiate the entire policy structure behind Iran-Contra, and fire all the officials compromised with the failed policy. Such a policy shift combined with a purge, plus the freeing of Lyndon LaRouche, might still prevent the scenarios of the London *Sunday Times* from being visited on the President’s head.

Donald Gregg: liar and CIA thug

by Joseph Brewda

Pressure is mounting against the nomination of Donald P. Gregg, former aide to Vice President George Bush, as U.S. ambassador to South Korea. Of all the Bush operatives who lied to Congress during the Iran-Contra affair and who are now slated for payoffs, Gregg was the most outrageous, and the Congress knows it. Since recent revelations in the Oliver North trial prove that Bush repeatedly lied about his involvement in Iran-Contra operations, Gregg's nomination hearings before the Senate in May could become a media extravaganza targeting the failing presidency.

From 1982 through the end of the second Reagan administration, Gregg was Bush's national security adviser, from which post he oversaw the administration's Iran-Contra policy. When the scandal broke in November 1986, Gregg played a key role in protecting Bush by lying to Congress, muscling journalists, and discrediting anyone who might implicate the vice president. Gregg's responsibilities were enormous, since Bush ran all intelligence operations during both Reagan administrations, as specified by National Security Decision Directive 3.

Lying to the Congress

The following gives some indication of the lies that Gregg told in his May 18, 1987 testimony before the joint congressional committee investigating the Iran-Contra affair:

- On Aug. 8, 1986, Felix Rodriguez, the CIA case-officer responsible for the illegal supplying of arms to the Contras in contravention of the Boland Amendment, had one of many meetings with the Bush aide. Gregg's notes from that meeting state that "a swap of weapons for dollars was arranged to get aid for the Contras." Gregg testified that he could not explain the reference.

- On Jan. 1, 1985, Rodriguez gave Bush and Gregg a slide show on his military operations in El Salvador. Gregg testified that neither he nor Bush realized at the time that Rodriguez was involved with the Contras. Gregg claimed that he only came to this realization in December 1986, one month after the Iran-Contra affair became public.

- On May 1, 1986, Rodriguez again met with Bush and Gregg. Gregg claimed that the Contras were not discussed, although a scheduling note for the President reporting on the meeting stated that "resupply of the Contras" was one of meeting's topics.

A career of dirty operations

A career CIA agent since 1953, Gregg was well suited for running Bush's Iran-Contra operations, as well as lying to Congress. He was closely associated for decades with various CIA operatives involved in the Iran-Contra deals, including Rodriguez.

Back in the early 1970s, Gregg was responsible for directing the CIA's drug-infested Saigon division, when Theodore G. Shackley was the CIA station chief for Vietnam. During most of the Carter years, Gregg was back in Washington, serving directly under Shackley, who was then the CIA's Deputy Director of Plans.

The speechwriter for George Bush's ill-fated 1980 presidential campaign, Shackley designed the covert operations policy for the Reagan administration. Virtually every major operative in the Iran-Contra affair worked under Shackley, either at the CIA or at his "private" businesses, including Gen. Richard Secord, Iranian go-between Albert Hakim, Thomas Clines, and Felix Rodriguez. When Rodriguez was not meeting with Gregg, or in the jungles of Central America, he worked out of Shackley's Rosslyn, Virginia offices, according to sources.

Similarly, all CIA military operations during the Reagan years were overseen by one Rudy Enders. It was Enders, for example, who oversaw the mining of Nicaragua's harbors. Enders joined the CIA in 1961, and worked under then-Miami station chief Shackley in the disastrous Bay of Pigs invasion. Felix Rodriguez joined the CIA, and the Miami station, that same year. Both worked under Gregg in Vietnam.

And what about George Bush?

Back in 1974, when George Bush was U.S. ambassador and CIA representative in Beijing, Gregg was CIA station chief in South Korea. In 1975, Gregg was the CIA liaison to the Pike Committee, which was then holding hearings into CIA abuses. CIA subversion of that committee is a story in itself. Bush was CIA director during that period.

But what some say really impressed Bush was Gregg's role as the CIA representative on the Carter National Security Council, starting in 1979, where he oversaw all NSC covert operations. He continued in that position under Reagan through 1982, when he joined Bush's staff.

It was the Carter National Security Council which overthrew Anastasio Somoza and installed the Sandinistas in power in Nicaragua, and overthrew the Shah and installed the Ayatollah Khomeini in power in Iran. As director of NSC covert operations, Gregg was responsible for every slimy operation run in both Central America and Iran in the 1979-80 period of the Carter government, including the way the Iranian hostage crisis was played to ensure that the fundamentalist regime stayed in power. Gregg was one of the key government officials who bridged both administrations, and ensured that the U.S. government would continue to play the "Iranian card."

LaRouche: Satanism is legal in Virginia

Former presidential candidate Lyndon H. LaRouche speaking from an Alexandria, Virginia detention center, where he is being held on trumped-up “conspiracy” charges, warned of an upsurge in Satanic atrocities, along lines of the mass murders uncovered in Mexico in mid-April.

“You’ve all heard, I’m sure, of the mass murders by the Satan cult in Matamoros, Mexico, just across the river from Brownsville, Texas,” LaRouche said. “The body count is still building up. Many of you are wondering if the same thing is happening in the state of Virginia, or perhaps some other state in the United States. If that’s so, you might be interested to know that Satanism was legalized in the prison system in the state of Virginia.” LaRouche went on to report that the same federal judges who declared Satanism legal in Virginia were behind the judicial railroad of him and his associates.

LaRouche and six colleagues were convicted by a government-stacked Alexandria jury that included as its foreman one Buster Horton, an Agriculture Department employee who is associated in a secret government emergency apparatus with known members of a “Get LaRouche” task force. These included Lt. Col. Oliver North and the FBI’s number-two man, Oliver “Buck” Revell. On Jan. 27, LaRouche was sentenced to 15 years and denied bail pending appeal.

The Alexandria trial in fact was only a thinly disguised change of venue and retrial of an earlier Boston federal proceeding against LaRouche and associates. Because of demonstrated government misconduct—and the threat that the “secret government” apparatus trying to frame LaRouche would be exposed—that proceeding was declared a mistrial after 92 days, with the jurors afterward informally voting to acquit all defendants.

So, the government issued new indictments in Alexandria and rushed through a conviction by a contaminated jury and complicit judge in only three and one-half weeks. The judge in the case ensured a conviction by forbidding the defense from introducing any evidence of the national “Get LaRouche” form of government misconduct, which had destroyed the government’s Boston prosecution.

The Satan decision

On April 14, a three-judge panel in Richmond, Virginia denied an appeal for bond without so much as a written opinion on those substantive judicial and prosecutorial abus-

es that had attracted former Attorney General Ramsey Clark to LaRouche’s legal team. It turns out, the same appellate judge who issued that rejection legalized Satanism, LaRouche reported.

Judge Richard L. Williams was the federal District Court judge who originally decided the Satanism case. Prison authorities had denied the right of an inmate to the paraphernalia, etc. that the inmate required for ritual worship of Satan. The inmate filed suit charging a violation of religious freedoms, and Judge Williams found in the inmate’s favor, declaring Satanism a legitimate religion protected by the U.S. Constitution.

Speaking from jail, LaRouche pointed out that Judge Williams is in the Eastern District of Virginia, run by Chief Judge Albert V. Bryan, Jr. Bryan is the Alexandria judge who convicted anti-Satanist LaRouche and his colleagues.

When the Williams case legalizing Satanism in the prisons came up for appeal in 1986, Judge John Butzner of the Fourth Circuit Court of Appeals upheld the lower court ruling, declaring Satanism to be a legitimate form of religious expression. Since 1986, Satanism has been legal in the state of Virginia.

Judge Butzner was also the judge who upheld Judge Bryan’s ruling which denied LaRouche and his six associates the right to bail pending appeal in an emergency hearing three days after they were jailed. He was also on the three-judge panel which again denied bond on April 14.

Other atrocities

LaRouche pointed to other unconstitutional atrocities in Virginia. “Now, since you’ve noticed in the case of Matamoros, that drugs and Satanism tend to go together, you might be interested to know that just this past week in Maryland, the State Attorney General of Virginia, Mary Sue Terry, announced that she was a drug pusher, and she did that publicly at a Maryland conference.

“So, you wonder what’s going on in the state of Virginia, particularly since Judge Bryan was the judge who railroaded me to prison and Mary Sue Terry has been on a vendetta against us for the past two years—actually longer.”

LaRouche was referring to Terry’s participation at a Center for National Policy Symposium on drugs, where she showed herself to be pro-drugs. Terry, in joining Baltimore’s pro-drug-legalization Mayor Kurt Schmoke, in advocating a public health, rather than law enforcement, approach to the drug problem, showed her pro-drug bent.

This same Virginia Attorney General initiated a Virginia suit and legal vendetta against LaRouche associate Rochelle Ascher and 15 other defendants. Rochelle Ascher was convicted and sentenced on April 5 to 86 years in prison for failing to register as a Virginia securities broker while taking political loans.

Observers wonder, how much effort is Mary Sue Terry expending against Satanists and drug pushers?

New leads emerging in Satanist murders

by Harley Schlanger

With startling revelations emerging daily from the investigation into the networks involved in the Matamoros narco-Satanic murders, eyebrows are being raised at the pattern of lost opportunities to crack this ring years ago. The investigations stem from the discovery on April 11 of a dozen horribly mutilated bodies in Matamoros, a Mexican border town near Brownsville, Texas.

Drug Enforcement Administration (DEA) officials and FBI agents have admitted that they had been aware of the involvement of the Matamoros gang in drug trafficking since 1977! Houston police have known of the Colombian drug-trafficking connection in Houston, operating out of Matamoros, complete with the practice of Satanist rituals, since 1987! Why was nothing done?

The narco-Satanist gang operating out of the Rancho Santa Elena in Matamoros can be traced back to Saúl Hernández, who is known to have been running 1,000-2,000 pounds of marijuana per week into the United States, beginning in 1977. Hernández, who was assassinated in 1987, was one of the sons of Brígido Hernández, the owner of the ranch where the murdered bodies were found. Though U.S. law enforcement officials blame corruption among Mexican officials for the failure to crack down on this operation, there is evidence that U.S. officials also missed at least one opportunity to do so. On Feb. 4, 1987, Serafín Hernández Rivera, brother of Saúl Hernández, was arrested with five others in Grimes County, Texas, as part of a major drug bust. He was released on \$25,000 bail; his case has not yet been brought to trial. A source tried to explain this by saying, "It is part of an ongoing investigation." (Hernández Rivera was arrested in Houston the week of April 17 for his role in the Matamoros gang.)

The Hernández gang seems to have followed a similar pattern to many of the other drug gangs on the border. Beginning in 1981-82, as the War on Drugs task force zeroed in on cocaine traffic in Florida, smuggling operations run out of Medellín and Cali, Colombia, turned to Mexico as an entry point to the U.S. market. The two favorite entry points were the Brownsville area and El Paso. Drugs entering the United States in Brownsville were then shipped through Houston.

The huge amounts of cocaine seized by law enforcement officials demonstrated this pattern. In September 1985 alone, 800 pounds of cocaine were seized in Hebbronville, in south Texas; 138 pounds in McAllen, a border town near Brown-

ville; and 694 pounds in Brownsville. The volume of the seizures increased dramatically, as the infrastructure for shipments from Colombia was consolidated. In June 1987, police seized 1,660 pounds of cocaine in Brownsville; in September 1987, more than 3,500 pounds were seized in El Paso. For all of 1987, more than 10,000 pounds were seized in Texas. This more than doubled, to 22,000 pounds, in 1988.

Additional evidence of the Colombian connection was available in Houston. Houston Police Department (HPD) officer Jaime Escalante reported that his first evidence of Colombian networks operating in the city was in 1982. Their presence grew rapidly, as did the violence. In a five-month period in mid-1987, there were 11 confirmed murders of competing Colombian gangs in Houston.

Satanic aspect ignored

During this time, the first evidence of occult and Satanic practices emerged in Houston. "I was baffled about the teeth marks on the victims' tongues," Escalante said, reporting that there were also bite marks on the ears of the victims, and fingernails pulled out of the bodies. Sergeant Webb of the HPD Narcotics Department said that it was not unusual to find altars, candles, and other ritual paraphernalia at the sites of drug busts; he said there have been "hundreds" of such cases. In a drug bust on Aug. 18, 1987, a skull was found in a safe house, indicating the practice of the deadly Palo Mayombe rituals, similar to those practiced in Matamoros.

When Saúl Hernández was assassinated in 1987, another son of Brígido, Elio Hernández Rivera, took over. He was soon replaced by the Cuban-born Adolfo de Jesús Constanzo, who became the group's "Godfather." Constanzo was directly involved in the group's Houston operations. FBI agent Johnie Joyce said, "We've been aware of him being in and out of Houston for some time." He added that they had observed this gang's activities in Houston "for some years."

A series of drug busts during 1988 shows how active they were. On June 21, HPD and DEA agents confiscated 436 pounds of cocaine at a safe house in northwest Houston, believed to be run by the Matamoros gang. In the house, police found an altar and candles. A July 15 raid in Corpus Christi netted another 235 pounds; five days later, 182 pounds were seized in Pasadena, a Houston suburb.

The failure to put this whole picture together is baffling to one former HPD investigator. "It's all there," he said. "I don't think the investigating officers had any doubt. I can't see why something wasn't done."

With the news from Mexico City that Constanzo moved in a crowd that included actors and musicians from the Televisa TV network, which promotes Satanism in its programming, and that he is also active in the homosexual community, investigators might want to look into any possible connections with Houston- and Acapulco-based Baron Enrico "Ricky" di Portanova, especially in light of the Baron's close association with Henry Kissinger.

Social Security deterioration hit

Despite avoiding the budget axe, 17,000 SSA staffers are to be cut: results of a survey by Rep. Roybal.

California Congressman Edward R. Roybal (D), chairman of the House Select Committee on the Aging, released the findings of a survey of Social Security office employees April 20 which shows strong dissatisfaction with the quality of service now being provided by the Social Security Administration (SSA).

The survey confirms that, even though the President and Congress have agreed to keep Social Security "off the negotiating table" in their budget talks for fiscal year 1990, the program is suffering under the burden of a plan to reduce the national staff of the SSA by 17,000.

Advocates for the nation's elderly are worried that the swift bipartisan agreement to make a \$2.8 billion cut in the Medicare budget means that there is no longer a political party that the elderly can rely upon to fight for their interests.

"We are now being set up to become the victims of bipartisan consensus, which is a deceptive way of describing a one-party system," an advocate for causes of the elderly said here. "The worst aspect of the deception is that cuts in services are being introduced under the rubric of a 'kinder and gentler America,' which is a cruel hoax."

The survey Roybal released was requested after preliminary data from a national sampling of employees by the American Federation of Government Employees (AFGE) indicated that there are serious problems in many Social Security offices in providing adequate service to the public. His survey covered five Social Security

offices in the Los Angeles area.

"I find it very disturbing that out of 100 employees who responded to the survey, not a single person agreed or strongly agreed with the statement: There are enough staff to carry out SSA's mission in my office," Roybal declared.

Roybal added, "Yet just last week, Commissioner [Dorcas] Hardy told me in testimony before the Appropriations Committee that the SSA does not need any more staff to carry out its mission to provide quality services to the public. In fact, she came with a request to reduce 2,000 more staff in next year's budget."

Roybal's survey was conducted in March and April, and was closely modeled on an earlier survey conducted nationally by the AFGE. The following are among the findings of both the Roybal survey and the AFGE survey:

Statement: "SSA is now a better place to work than it was three years ago." Reply: 88% in the Roybal survey and 77.3% in the AFGE survey either disagreed or strongly disagreed.

Statement: "There are enough staff to carry out SSA's mission in my office." Reply: 96% in the Roybal survey and 87% in the AFGE survey either disagreed or strongly disagreed.

Statement: "All post-entitlement workloads are processed timely." Reply: 87% in the Roybal survey and 87% in the AFGE survey either disagreed or strongly disagreed.

Statement: "My office will be able to provide high-quality services to claimants and beneficiaries during the next year." Reply: 77% in the Roybal

survey and 59% in the AFGE survey either disagreed or strongly disagreed.

These survey results conformed with the findings of a February 1989 study by the General Accounting Office (GAO), which noted that "compared with 1988, a significant number of SSA district and branch office managers and employees perceived a decline in SSA's services to the public and unit performance."

According to Roybal's office, an internal SSA survey of its managers found similar reactions. In response to the survey results, Roybal scheduled hearings by the Select Committee on Aging on the ability of the Social Security Administration to provide better neighborhood and community assistance to recipients.

A number of Social Security managers were slated to testify at the hearings, even though the Social Security Managers Association turned down an official invitation to testify for the second straight year. Fear of reprisals was given as the main reason the association and many more individual managers refused the offer to testify.

"It is unfortunate that many managers would have liked to provide testimony, but were afraid of reprisal," Roybal said. "Some have chosen to provide written testimony anonymously. My colleagues and I will be watching carefully to ensure that the managers who are testifying as private citizens will not be singled out for retribution."

Roybal said, "I am deeply concerned that the fundamental assumptions of SSA's new strategic plan are creating policies which inhibit the agency's ability to provide responsive and adequate personal services in local Social Security offices. SSA seems to be gearing its services to a national statistical profile rather than to persons with diverse needs."

Project Democracy attacked on House floor

The National Endowment for Democracy, the public side of the secret government operation known as Project Democracy, was attacked when the House considered an amendment to limit its funding on April 12.

The amendment to cut its authorized funding level was narrowly defeated 216-209. The opposition cut across party and ideological lines. Democrats, Republicans, liberals, and conservatives voted to freeze funding for the NED for varying reasons: some to cut the budget, others because the NED represents an unaccountable, nonconstitutional policymaking body.

Rep. Paul Kanjorski (D-Pa.), who introduced the amendment, said that he was "concerned that the activities of the National Endowment for Democracy have not yet been adequately reviewed to allow us to say with any certainty that the taxpayers' dollar is being spent prudently."

Rep. John Conyers (D-Mich.) specifically attacked the NED's funding of Project Democracy. "The Endowment has secretly supported an organization in France, one of the world's oldest democracies, actively opposing there the governing party. President Mitterrand was not informed that the U.S. taxpayers' money funded his political opposition and the group had publicized ties to an outlawed terrorist organization," Conyers said. "Prodemca also appears to have drawn the Endowment into one of the most serious public policy scandals in American history: the Iran-Contra affair. Project Democracy, supported and funded by the Endowment, was identified by the Tower Commission as part of the illegal Contra supply efforts, so the Endowment has repeated again its history of im-

proper involvement in foreign policy affairs, of the execution of policy outside the constraints of accountability and of the decision-making process determined by the Constitution."

Senate passes Bush's S&L bailout bill

The administration's bill on the savings and loan institutions passed the Senate April 20 in an overwhelming 91-8 vote. Three days of debate produced only minor changes in the bill that was approved by the Senate Banking Committee last week.

The bill represents the biggest bailout in U.S. history, mandating billions of dollars to cover losses of depositors' money at more than 500 insolvent institutions. The bill consolidates the country's two major deposit insurance funds, placing the savings industry's depleted fund—the Federal Savings and Loan Insurance Corporation—under the control of the Federal Deposit Insurance Corporation. It also takes away the independence of the Federal Home Loan Bank Board, the primary regulator of the savings industry, and places it under the supervision of the Treasury Department.

In spite of some opposition, the controversial chairman of the Bank Board, M. Danny Wall, was allowed to remain in his post.

The bill will now go to the House. Ultimate passage of the bailout is virtually certain, but House Banking Committee chairman Rep. Henry Gonzalez (D-Tex.) wants to include some of the Committee's own provisions. A Banking subcommittee lowered the capital level required to qualify for insurance. Gonzalez is urging the full committee to accept capital requirements even more stringent than those in the Senate proposal.

Lebanon cease-fire called for by Senate

The Senate passed Senate Resolution 108 on April 19, calling on President Bush to demand an immediate cease-fire in Lebanon, a withdrawal of all foreign forces, including all Syrian troops, and the abolition of all militias. The resolution represents a small but significant shift of sentiment against U.S. backing for the drug-pushing Syrian regime.

The resolution appeals to all parties in Lebanon to contribute to a process of internal reconciliation, and encourages international efforts to achieve that goal, including the intervention of the United Nations to secure a cease-fire. The resolution condemns any parties in Lebanon unwilling to heed the call.

Senate Majority Leader George Mitchell (D-Me.) said in his opening statement that Syrian presence on Lebanese soil is "clearly unacceptable." "The combination of the sectarian split and the meddling of foreign powers, could, I fear, lead to partition of the country and the end of Lebanon as a nation," Mitchell said. "This must not happen."

Senate Committee approves FY90 budget; House balks

The Senate Budget Committee gave its approval April 19 to a \$1.16 trillion budget for fiscal year 1990, which begins Oct. 1, 1989.

The 16-7 vote in the committee is the first step in the process of passing the budget which purports to cut the deficit for fiscal 1990 to \$99.4 billion, just under the Gramm-Rudman target.

Defense spending was heavily hit,

with \$4.8 billion cut from the original Bush proposal. Major cuts were also made in Medicare, \$2.6 billion; agriculture, cut \$2 billion down to \$15 billion; and veterans programs, reduced by \$700 million. Housing and commerce programs would also be cut \$2.2 billion, lowering them to \$18.1 billion.

Things are not going as smoothly on the House side, however. The House Appropriations Committee approved a \$4.7 billion supplemental appropriations "dire emergency" spending bill for fiscal 1989 on April 19. Passed by the committee in a 28-18 party-line vote, the bill provides increased funding for veterans, college student loans, anti-drug efforts, foster care and adoption, and \$100 million for the cost of increased immigration from the Soviet Union, Southeast Asia, and Africa. The White House had threatened a veto of the emergency bill if adopted.

Nunn, Aspin back Midgetman missile

House Armed Services Committee chairman Rep. Les Aspin (D-Wis.) and Senate Armed Services Committee chairman Sen. Sam Nunn (D-Ga.) both opposed President Bush's decision to exclusively develop the MX mobile missile. Nunn told Defense Undersecretary-designate Paul Wolfowitz at a Senate hearing that if Bush picks only one mobile missile, "it's going to be a very hard sell over here."

Aspin told Bush and his senior advisers at a private White House meeting that abandoning a second mobile missile program, the Midgetman, "would be a blow to chances for bipartisanship in national security and

more importantly to the chances" for a potential new U.S.-Soviet treaty reducing strategic arms.

President Bush had decided to scrap the truck-borne Midgetman mobile missile system, which costs approximately \$25 billion, for the cheaper alternative of deploying the existing 50 MX missiles on rail cars to be shuttled around the country to prevent their destruction in their silos in a Soviet first strike. The MX alternative costs about \$5.4 billion. National Security Adviser Brent Scowcroft is a strong supporter of the Midgetman program.

Wright targeted by ethics committee report

On April 17 the House ethics committee delivered its report on the investigation of the business dealings of House Speaker Jim Wright (D-Tex.). The report charges Wright with 69 instances of misconduct.

The ethics committee spent 10 months investigating the allegations against Wright raised by the radical House Republican Whip Rep. Newt Gingrich (R-Ga.), and Common Cause.

The committee decided that seven instances where income from bulk sales of Wright's book to special interest groups, were in fact honoraria "intended to avoid the limitations" on outside income. It decided that Betty Wright, the Speaker's wife, was receiving a salary from a company, Mallightco, formed by Wright and his businessman friend George Mallick, although "there was no evidence either supporting or establishing that the money paid to Mrs. Wright was in return for identifiable services or work

products that she provided to Mallightco, Inc."

The committee also found that Mallick had a direct interest in legislation, a finding which would be critical if confirmed, since members of Congress cannot accept more than \$100 per year in gifts from individuals with a direct stake in legislation.

The ethics committee now must decide whether to finalize the charges made in their first phase of investigations. If the violations are upheld, the committee must then recommend appropriate sanctions. These could range from a letter chastizing Wright, which would not require a vote of the full House, to a reprimand, a censure, or even expulsion from the House, which requires a full House vote.

The Wright case is more an attack on the institution of the House and its presiding officer, the Speaker, than an attack on an individual. Weakening of the constitutional forms of government in order to more easily impose brutal austerity is the underlying impetus behind the Wright so-called scandal.

Wright has promised he will fight the charges to clear his name. Support for Wright is strong, although not omnipresent among Democratic congressmen. Fellow Texas Democrat and strong Wright supporter Rep. Jack Brooks, the chairman of the House Judiciary Committee, was outraged by the "Get Wright" campaign. "They tried to kill Tip O'Neill and they're trying to kill Jim Wright," said Brooks. "You would have thought he had shot four nuns in a church."

Wright, speaking before the AFL-CIO's Building and Construction Trades Department said again, after publication of the report, that he wanted to "confront the allegations face to face" and rebut the charges that he broke House rules.

National News

Mayor Kevin White cleared of charges

A 10-year federal investigation of former Boston Mayor Kevin White, which destroyed his credibility and ruined his political career, has ended without charges being filed, the Department of Justice announced on April 14.

Mayor White was first subjected to an abusive, highly publicized fraud investigation in 1979, which was then broadened when William Weld became U.S. Attorney in Boston in 1981. In 1983, White announced that he would not be running again for office after having been mayor for 16 years. In 1984, the Justice Department subpoenaed White's records at city hall but still did not issue an indictment, and only now announced the case closed.

Establishment press says, 'Just say yes'

The *Washington Post* and the *Boston Globe* have both published articles calling for drug legalization.

On April 17, the *Boston Globe* editorial, entitled "Another Route on Drugs," called for a national debate to end drug "prohibition." "The alternate of decriminalizing drugs was recommended by a cross section of specialists from Europe, Latin America, and the U.S.," the *Globe* said. "As the nation declares war on drugs, proponents of decriminalization suggest we may be choosing the wrong battlefield."

The *Washington Post* on April 16 carried a commentary by Ronald Siegel entitled "Why We Animals Can't Say No," and subtitled "Getting High Is an Unstoppable Natural Drive—So What We Need Are Safe Drugs," which advocated universal drug addiction.

Siegel, a psychopharmacologist and professor at UCLA, claims, "The solution to the drug problems of our society begins when we acknowledge the legitimate place

of intoxication in our behavior. We must ensure that the pursuit of intoxication is with drugs which will not be dangerous.

"The ideal intoxicants would balance optimal positive effects, such as stimulation or pleasure, with minimal or nonexistent toxic consequences," he says.

"Winning the war on drugs by eradicating non-medical drug use is neither possible nor desirable. We need intoxicants—not in the sense that an addict needs a fix, but because the need is as much a part of the human condition as sex, hunger, and thirst. . . . This is not moral surrender to the war on drugs. The development of safe, man-made intoxicants is an affirmation of one of our most human drives and a challenge for our finest talents."

This was all laid out long ago in Aldous Huxley's Satanic novel, *Brave New World*, where Siegel's "ideal intoxicant" goes by the name "soma."

Starvation of coma patient halted

New York State Supreme Court Justice Joseph Harris vacated his order to starve to death 86-year-old Carrie Coons of Rensselaer on April 11, after a doctor testified that Coons had become alert after being in a "persistent unconscious state" for four and a half months after she suffered a stroke and cerebral hemorrhage.

When told of the legal quandary of which she had been the focus during her coma, Coons expressed ambiguity about whether she would want the feeding tube removed even if she lapsed back into unconsciousness.

Euthanasia advocates such as neurologist Ronald Cranford, whose own patient came out of a coma after four years, and officials of Gov. Mario Cuomo's Life and Law Commission, are worried that the case may cause officials to waiver in hospitals' daily decisions to kill patients. The case "should not necessarily have an undue influence on other families caught up in similar dilemmas," one advocate cautioned.

In a similar case, an elderly woman was

in a coma for just four days. When she recovered, she was outraged to find out that her family was planning her funeral.

Judge allows Eastern RICO suit vs. unions

Federal Judge William Hoevener refused to dismiss an Eastern Airlines civil RICO suit against its pilots and machinists on April 14.

The RICO suit, filed in May 1988, accuses the unions of trying to wreck the airline. Eastern President Frank Lorenzo accused the unions of racketeering, extortion, fraud, defamation, and "attempting to obtain ownership and control of Eastern through a distortionate scheme to destroy the company's business and smear its reputation."

The airline unions had argued that Eastern had no basis for using the RICO racketeering laws. Judge William Hoevener rejected the union argument, saying that Eastern had a legal basis for the suit, but issued no ruling on the merits of Eastern's charges.

Admiral Truly named NASA administrator

Adm. Richard Truly was named by President Bush on April 12 to become the new administrator of the National Aeronautics and Space Administration.

Truly is the first nominee to be have come up "through the ranks" at NASA, having become an astronaut in 1969. For the past three years, he has been serving as Associate Administrator for Space Flight, responsible for returning the Shuttle to space, after a brief stint as head of the Navy Space Command. Truly flew two Shuttle missions, and was the pilot on the second test flight in November 1981.

Nominated for deputy administrator is J.R. Thompson, who has worked at the NASA Marshall Space Flight Center for 25 years, and is currently its director. Like Truly, he has an engineering background and has been crucial in getting the Shuttle back

Briefly

into flight. He supervised the solid rocket booster redesign.

The importance of having two experienced NASA managers in the top space agency positions is critical for continuity of leadership at a time when long-range plans are being explored for the Bush administration. This will hopefully avoid an orientation period, or calls for yet more paper studies on what NASA should be doing.

Kissinger backpedals on 'New Yalta' plan

Apparently feeling the heat for his "New Yalta" scheme to secure Soviet domination of Europe, Henry Kissinger in a column entitled "Reversing Yalta" in the April 16 *Washington Post* tried to explain why his plan supposedly is in the West's interests.

Kissinger's strategy for reversing Yalta is to pull the bulk of U.S. forces out of Europe, and to foster the economic integration of Western Europe and the Soviet bloc. The West should "enable the countries of Eastern Europe to associate themselves—on a case-by-case basis—with the European Community, while NATO and the Warsaw Pact continue at reduced levels in Central Europe."

He says that progress for a united Europe can only be made "if the political freedom of Eastern Europe is somehow related to meeting legitimate Soviet military security concerns." In order to accomplish this, he insists on three conditions: 1) the principle of non-intervention into the domestic affairs of all participants; 2) U.S. and Soviet troops should be confined to base areas except for a limited number of pre-announced maneuvers; and 3) troops withdrawn from areas of limited armaments must not be reintroduced.

Kissinger affirms that "a confidential dialogue between Washington and Moscow will . . . be in the end not only unavoidable but desirable. Its purpose should be conceptual; to clarify the goals and methodologies of the process of unifying Europe."

For this possibility to exist, Kissinger claims that there is "a growing Soviet rec-

ognition that policing hostile populations drains resources and diverts energies from the imperatives of *perestroika*."

A=432 concert a smashing success

The Schiller Institute hosted a concert entitled "In Defense of the Human Singing Voice," at the New York Town Hall on April 9, with over 1,000 in attendance. The concert was performed at the pitch A=432 Hertz, as opposed to the higher A=440 at the Metropolitan Opera and the even higher tunings in Europe, as part of the fight to restore classical, scientific tuning.

Singers from the Lubo Opera Company of New Jersey bass-baritone Eugene Green, soprano Leslie McEwen, mezzo-soprano Judith Owens-Lancaster, and tenors Efrén Puig and Arturo Spinetti were joined by Italian soprano Adalisa Tabiadon, and performed selections from seven of Verdi's operas, Beethoven's *Fidelio*, Donizetti's *Maria Stuarda*, and Cilea's *Adriana Lecouvreur*. The performers were so gratified they offered "to do it again."

New York *Daily News* music reviewer Bill Zakariassen covered the concert in a box entitled "This Just In," on April 13. "Opera singers have long complained that the standard pitch of A=440 vibes per second puts an undue strain on the voice, and many of them have urged returning to Verdi's suggested pitch from 1884 of A=432," Zakariassen wrote.

"The Schiller Institute put on a very well-attended concert in Town Hall Sunday, featuring singers from the Lubo Opera Company, demonstrating what familiar opera selections would sound like if the lower pitch were used. . . . The singers all said they could *feel* the difference.

"At any rate, a veritable who's who of opera has signed a manifesto urging the adoption of A=432, and Renata Tebaldi is even running for the Italian Senate on that platform[sic. Tebaldi is actually running for European Parliament.] As an interesting postscript, much of the guiding force of this project comes from a highly unusual source—Mr. and Mrs. Lyndon LaRouche."

● **LYNN SCARLETT**, research director of the Reason Foundation, published an attack on National Drug Director William Bennett for wanting to win a war on drugs, in an article in the April 14 *USA Today*, entitled "This Is a War That Can't Be Won." "Our drug laws wreak far more harm than the noxious drugs they outlaw," she claimed. Scarlett's research is funded by the Smith-Richardson Foundation, the same outfit which funded drug lobby advocate Dennis King's attacks on Lyndon LaRouche.

● **ROBERT VESCO**, the fugitive cocaine kingpin was indicted on April 17 on charges that he helped Colombian cocaine traffickers gain permission to use Cuban airports to facilitate their drug running into the U.S. Vesco, Carlos Lehder, and three other Colombian leaders of the Medellín Cartel were accused by the U.S. Attorney in Jacksonville, Florida of importing more than \$1 billion of cocaine into the U.S.

● **CRIMINAL BACKGROUND** checks on church employees are delayed as much as 20 months because of a state police backlog, participants at an Episcopal diocesan conference on sexual abuse of children were told April 8. A lawyer with the Roman Catholic diocese complained in the April 9 *Baltimore Sun* that no checks are required for the volunteers who work with children.

● **THE ICELANDIC** film "Survival in the High North," which exposes the Greenpeace organization for its terrorist methods, staged incidents, and campaign of lies against Iceland and other nations which depend upon whale and seal hunting for their livelihood, has been made available in the United States by the Magned company. Interested parties may contact the Schiller Institute, P.O. Box 66082, Washington, D.C. 20035-6082.

Editorial

AIDS mafia changes its tune

According to a story by Randy Shilts in the April 20 issue of the *San Francisco Chronicle*, the San Francisco AIDS Foundation and various health officials called for testing of high-risk people for HIV, making the foundation the first agency of its type in the United States, according to the press, to make such a call. The foundation will publish full-page ads in San Francisco gay newspapers calling for testing.

Dr. Tim Wofford, the foundation director, said that they changed their position, in part, because of breakthroughs in preventing AIDS-related pneumonia and because of benefits of early use of AZT. Dr. David Werdegar of the San Francisco Department of Public Health was quoted in the press saying, "Times change. . . . Earlier is better. Earlier introduction of health care works better. That's true of all health situations, and it's true of HIV."

Now, the benefits of early use of AZT and some of the breakthroughs in treatment of AIDS-related pneumonia have been known for over a year or more. Yet when *EIR* medical editor John Grauerholz, M.D. advocated widespread testing, for precisely the same purpose of identifying persons who might benefit from early therapeutic intervention, he was denounced as "mean-spirited" and "vicious," among the milder epithets hurled by such gentlemen as those cited above.

This acrimony occurred during the debate over California's Proposition 69, which proposed to deal with the spread of HIV infection in the same way in which the public health system deals with any other infectious disease. After all, as Dr. Werdegar is now willing to admit, "Earlier is better. That's true of all health situations and it's true of HIV." Indeed; and it always was true, even when these same gentlemen were foaming at the mouth against anyone with the temerity to raise such a point.

Perhaps the learned gentlemen of the San Francisco AIDS Foundation feel that since "political extremist" Lyndon LaRouche, who supported Proposition 69 and its predecessor Proposition 64, is safely locked up, they can now admit the truth—the truth, by the way, which

they were perfectly aware of, even while they were lying that Proposition 69 mandated locking up all seropositive persons in concentration camps.

Dr. Grauerholz recalls, "One of the more striking manifestations of this awareness was a comment made to me after a radio debate in Los Angeles on Proposition 69. As we were leaving the studio, my opponent, Dr. Laurens White of San Francisco, president of the California Medical Association, turned to me and said, 'Between you and me, it wouldn't be a tragedy if this thing [Proposition 69] passed.' This, from the same gentleman who characterized me as 'mean-spirited' and who described Mr. LaRouche's comparisons between AIDS and other infectious diseases as 'bizarre,' even though Mr. LaRouche and myself were making the same point as Dr. Werdegar."

In the time which has elapsed since Propositions 64 and 69, many persons have been infected with HIV, many of the infected have become sick, and many of the sick have died—some of them assisted with a little euthanasia on the way out. If widespread testing will help now, it would have helped even more then, when the numbers were smaller. It is obvious that many now infected would not be infected, many now sick would not be sick, and many now departed would still be among the living.

How many? This is more than an academic question, and the answer would be a quantification of avoidable human suffering and death. It is a question that were most fittingly asked, and an answer sought, at a new Nuremberg Tribunal at which officials such as Dr. White and institutions such as the San Francisco AIDS Foundation are called to account for policies whose consequences they knew or should have known.

It is but one more indication of the fascist police state which we are becoming, that a man who called attention to the homicidal consequences of present policies now languishes in prison, while those responsible for thousands of deaths can nonchalantly decide to change their policy once they are satisfied that an adequate death toll will anyway be achieved.

THE POWER OF REASON

A new 90-minute videotape of Lyndon LaRouche



Now available
from
The Human Rights Fund

An exciting new videotape is now available on the life and work of Lyndon LaRouche, political leader and scientist, who is currently an American political prisoner, together with six of his leading associates.

This tape includes clips of some of LaRouche's most important, historic speeches, on economics, history, culture, science, AIDS, and the drug trade.

This tape will recruit your friends to the fight for Western civilization! Order it today!
\$100.00

Checks or money orders should be sent to:

Human Rights Fund P.O. Box 535, Leesburg, VA 22075

Please specify whether you wish Beta or VHS. Allow 4 weeks for delivery.

Executive Intelligence Review

U.S., Canada and Mexico only

1 year \$396
6 months \$225
3 months \$125

Foreign Rates

**Central America, West Indies, Venezuela
and Colombia:** 1 yr. \$450, 6 mo. \$245,
3 mo. \$135

South America: 1 yr. \$470, 6 mo. \$255,
3 mo. \$140.

Europe, Middle East, Africa: 1 yr. DM 1400,
6 mo. DM 750, 3 mo. DM 420. Payable in
deutschemarks or other European currencies.

All other countries: 1 yr. \$490, 6 mo.
\$265, 3 mo. \$145

I would like to subscribe to
Executive Intelligence Review for

1 year 6 months 3 months

I enclose \$_____ check or money order

Please charge my MasterCard Visa
Card No. _____ Exp. date _____

Signature _____

Name _____

Company _____

Phone () _____

Address _____

City _____

State _____ Zip _____

Make checks payable to EIR News Service Inc.,
P.O. Box 17390, Washington, D.C. 20041-
0390. In Europe: *EIR* Nachrichtenagentur
GmbH, Postfach 2308, Dotzheimerstrasse 166,
62 Wiesbaden, Federal Republic of Germany,
telephone (06121) 8840.

Do you need to be plugged
in to the world's best
intelligence service?

EIR

Confidential Alert

In the period of fast-breaking crisis coming after the U.S. elections, it will be invaluable to get *ahead* of the news.

When you subscribe to the EIR Confidential Alert service, you get stories on what's happening on the economic and strategic fronts, before the crises break in the regular press, or down on your head.

Every day, EIR gets news dispatches from our bureaus all around the world. As an Alert subscriber, you get access to the inside story on the most important trends among policy-makers and governments. Much of this material will never be published anywhere else!

EIR Alert brings you 10-20 concise news items, twice a week, by first-class mail—or by fax (at no extra charge).

IN THE U.S. Confidential Alert annual subscription: **\$3,500**

IN EUROPE Confidential Telex Alert annual subscription: **DM 12,000.** Includes Quarterly Economic Report.
Strategic Alert Newsletter (by mail) annual subscription: **DM 6,000.**

Make checks payable to:

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

In Europe:
EIR Nachrichtenagentur GmbH.
Postfach 2308 Dotzheimerstr. 166,
D-6200 Wiesbaden, F.R.G.