

EIR

Executive Intelligence Review

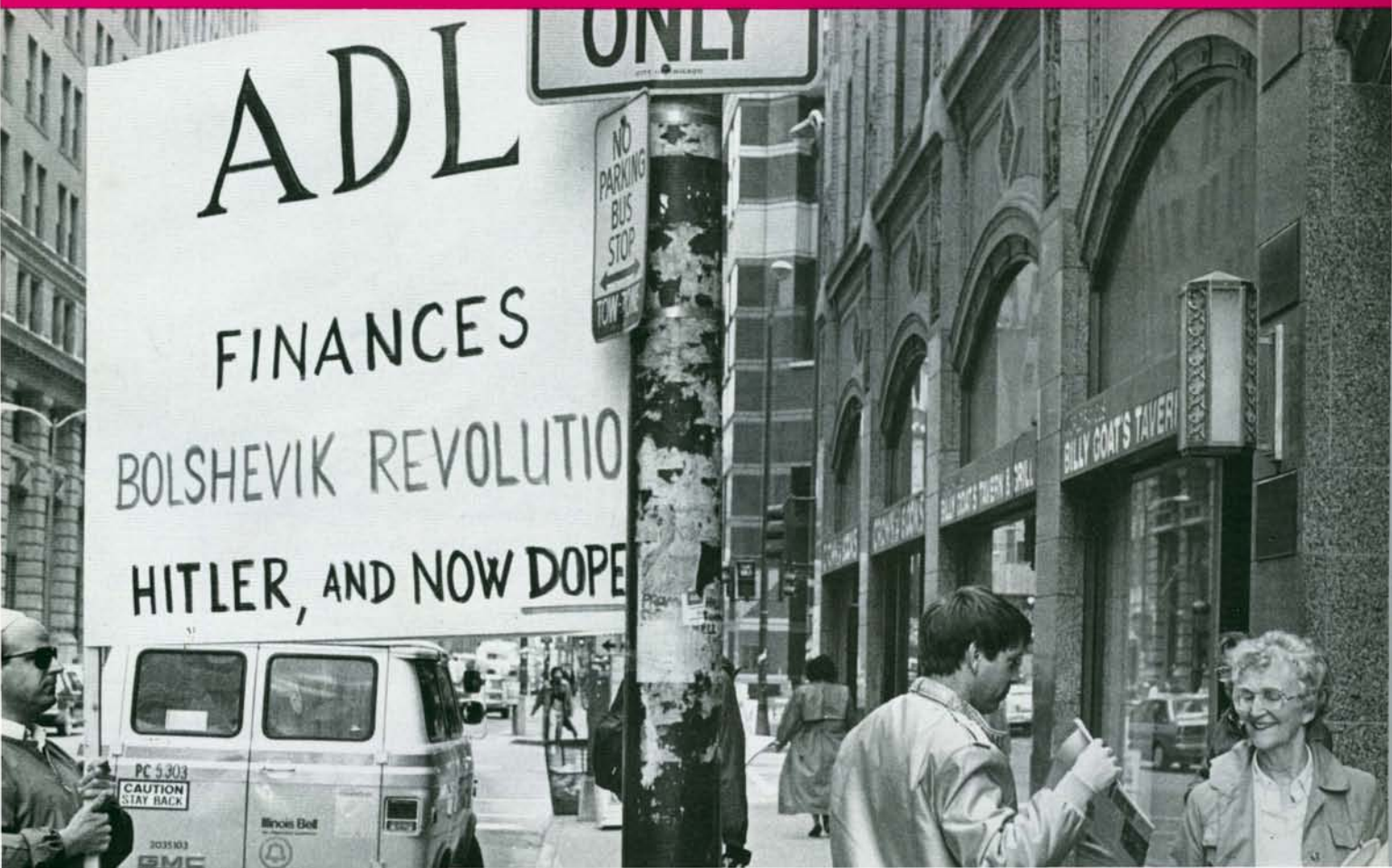
May 18, 1990 • Vol. 17 No. 21

\$10.00

Special Dossier:
ADL—Tax Exempt
Treachery

Jury refuses to buy Bush's Iran-Contra story
Carlos Andrés Pérez, Trojan horse for Moscow
How U.S. could leapfrog ahead in maglev

**Anti-Defamation League
spreads Moscow's lies**



Satanism is a criminal conspiracy, but it is also a political movement which bridges the separation between extremists on the left and those on the right. This report is your defense against it.

SATANISM

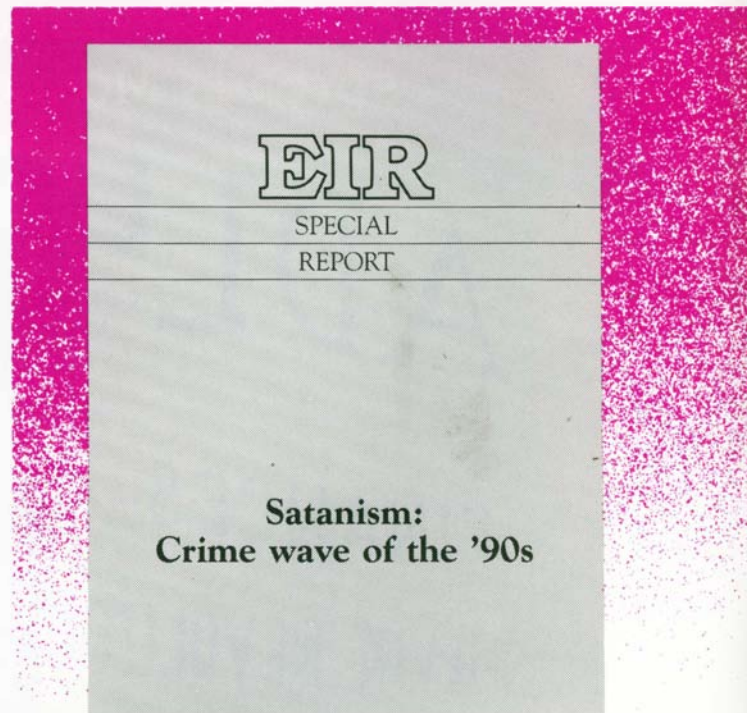
Crime Wave of the '90s

Who is right?

New York Archbishop Cardinal John O'Connor has denounced heavy metal rock as "a help to the devil" and said that "diabolically instigated violence is on the rise." (March 4, 1990)

But the Federal Bureau of Investigation's expert, Kenneth Lanning, claims: "Far more crime and child abuse has been committed in the name of God, Jesus and Mohammed than has ever been committed in the name of Satan." (June 1989)

Read the definitive study by *EIR*'s investigative team, including: The Matamoros murders; Manson; the Atlanta child murders; the satanic roots of 'rock.' Plus, "The theory of the satanic personality," by Lyndon H. LaRouche, Jr. Learn the extent of the satanist epidemic, who its high-level protectors are—and why some officials want to cover it up. 154 pages.



Order the "Satanism" Report.
Make check or money order payable to:

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

\$100
postpaid
per copy

EIR

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editor: *Nora Hamerman*

Managing Editors: *John Sigerson, Susan Welsh*

Assistant Managing Editor: *Ronald Kokinda*

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

Science and Technology: *Carol White*

Special Services: *Richard Freeman*

Book Editor: *Katherine Notley*

Advertising Director: *Marsha Freeman*

Circulation Manager: *Cynthia Parsons*

INTELLIGENCE DIRECTORS:

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*

Medicine: *John Grauerholz, M.D.*

Middle East and Africa: *Thierry Lalevée*

Soviet Union and Eastern Europe:

Rachel Douglas, Konstantin George

Special Projects: *Mark Burdman*

United States: *Kathleen Klenetsky*

INTERNATIONAL BUREAUS:

Bangkok: *Pakdee Tanapura, Sophie Tanapura*

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 EIR News Service Inc., P.O. Box 17390, Washington, DC 20041-0390 (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 © 1990 EIR News Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited. Second-class postage paid at Washington D.C., and at 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 Managing Editor

We are devoting over one-quarter of our expanded 80-page issue this week to an urgently necessary task: exposing the Anti-Defamation League for precisely what it is, a criminal organization, a tool of the Anglo-Soviet imperial condominium, dedicated to targeting and eliminating individuals and organizations committed to the Judeo-Christian ideal and the good policies which flow from that. Far from fighting anti-Semitism, the ADL foments anti-Semitism, not only by targeting those seriously trying to eliminate its cultural roots, but by acting as agents provocateurs, staging anti-Semitic “incidents” which are then used to manipulate public rage in directions suitable to the aims of Moscow and its well-wishers in the West. The latest atrocity in Carpentras, France has all the earmarks of such an operation (see p. 31), and is in keeping with the latest joint ADL/KGB effort to portray American statesman Lyndon LaRouche as an ally of the anti-Semitic Russian Pamyat (p. 30).

Why has Lyndon LaRouche been singled out as the ADL’s top hate-object? And why are the Establishment media beating the drum so hard about a “resurgence of anti-Semitism” in Europe? Part of the answer lies in the fact that in the months since the November 1989 revolution in East Germany, LaRouche’s name has become synonymous with his proposal to turn continental Europe into a superpower through a massive infrastructure project, centered on building a triangle of high-speed rail links between Paris, Berlin, and Vienna. But not just any high-speed rail: Last week’s and this week’s *Science & Technology* section (p. 20) feature magnetically levitated rail—by far the best way to move both freight and passengers during an economic mobilization. When you consider that back in the 1920s the average net speed of a trip from Chicago to St. Louis was 120 miles per hour, whereas today it’s a miserable 45 mph, you can see how much catching up the United States has to do. But it can’t and mustn’t be done by gradual steps: It’s far cheaper to build maglev roadbeds than conventional high-speed rail or highways, and you wouldn’t even need locomotives, so that switching large amounts of freight would become immensely simplified and speedier, too.



ENR Contents

Science & Technology

20 U.S. could leapfrog Europe, Japan in maglev technology

Part II of a survey of magnetically levitated high-speed transport technology, which are not "boondoggles" as the zero-growth Establishment argues, but rather could bring a major leap in moving people and freight in an expanding industrial economy. Marsha Freeman shows how maglev's potential is an object lesson in Hamiltonian physical economics.

Departments

61 Panama Report

Did U.S. agents arm Colombian mafias?

62 Dateline Mexico

Pope calls for Ibero-American unity.

63 Report from Rio

Project Democracy gang under attack.

80 Editorial

Two steps backward, one step forward.

Economics

4 Budget crisis reaches a turning point for Bush

As the second Great Depression of this century deepens, gutting the productive tax base, the President is getting ready to break his "Read My Lips" promise, and gut the economy even more with regressive taxes and top-down austerity.

6 World grain production declines, as fascists build 'no meat' campaign

8 The hour of truth: shock treatment for Brazil's debt?

Documentation: Excerpts from "1990-2000: The Vital Decade," by Brazil's Superior War College.

11 At Asian Development Bank, U.S.-Japan rift is evident

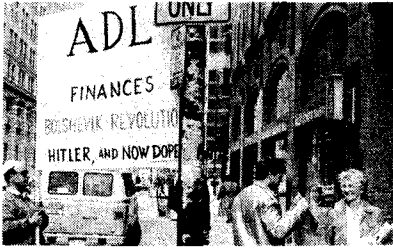
14 Currency Rates

15 Highways crippled by Clean Air Act lunacy

16 Smoke billows from clean air debate

18 Business Briefs

Feature



Chicago: a recent rally in front of the headquarters of the American Dope Lobby.

- 28 Anti-Defamation League spreads Moscow's lies**
Edgar Bronfman's World Jewish Congress and ADL network have been caught red-handed spreading a new round of lies attempting to portray the originator of the U.S. Strategic Defense Initiative, Lyndon H. LaRouche, Jr., as an "anti-Semite."
- 30 KGB-ADL 'dezinformatsia' tries to link Pamyat to Lyndon LaRouche**
- 31 LaRouche on the reaction to Carpentras atrocity**
- 32 Tax-exempt treachery: a profile of the Anti-Defamation League**
Since its founding in 1913—the same time as the founding of the Federal Bureau of Investigation—the gangsters known as the ADL and their international networks have functioned as the key enforcer of the policies of the Anglo-Soviet Trust. A summary dossier by *EIR*'s Counterintelligence Staff.

International

- 50 Baltic republics fear Bush sellout at summit**
Lithuanian President Vytautas Landsbergis put it very succinctly to a Swedish newspaper, saying that "the West is helping the Soviets to crush our freedom." Moscow expects that at the upcoming summit, Bush will allow Gorbachov to begin the killing in earnest.
- 52 Gorbachov courts Soviet military as pillar of stability for the empire**
- 54 Carlos Andrés Pérez serves as Kissinger's socialist Trojan horse**
Venezuela's President wants to mediate a "dialogue" between the drug lords and the government of Colombia.
- 56 Colombian drug lobby blames military for political assassinations**
- 58 Establishment lashes out at Scottish civil rights lawyer**
He signed a "friend of the court" brief in the appeal of Lyndon LaRouche's political frameup.
- 60 Mideast tensions rise as Soviet Jews emigrate**
- 64 International Intelligence**

National

- 66 Jury refuses to buy Bush's Iran-Contra story**
A gaping hole has been ripped in the coverup of George Bush's role in the Iran-Contra guns-drugs-hostages deals, when a jury found that Richard Brenneke did not lie when he said he flew Bush on a mission to work out a deal with Iran's Ayatollah Khomeini.
Documentation: World press points to Bush's P-2 link.
- 70 Summit's approach brings new Soviet demands and more Bush concessions**
- 72 Thornburgh longs to scrap Constitution**
- 73 Who's protecting Beijing's spies?**
- 74 Prunskiene sets higher goals for U.S.**
- 75 Eye on Washington**
Conan meets another barbarian.
- 76 Congressional Closeup**
- 78 National News**

Budget crisis reaches a turning point for Bush

by Chris White

On May 15 begins what will, without doubt, be the first in a series of so-called summit meetings between the White House and congressional leaders on the subject of the Fiscal Year 1991 budget, and the federal government's budget deficit. A Sunday, May 6 gathering at the White House, with Bush, Budget Office Director Richard Darman, Treasury Secretary Nicholas Brady, and the majority and minority leaders of Senate and House, respectively George Mitchell and Tom Foley for the Democrats, Robert Dole and Robert Michel for the Republicans, cleared the way for what the pundits now presume will rapidly become a matter of "substance" rather than merely process.

The May 6 meeting marks a watershed, of sorts, for the President and his administration. For his leadership style is perhaps best epitomized by the notorious one-liner from his 1988 election campaign, "Read my lips: No new taxes." The participants agreed that there would be "no preconditions" applied to the upcoming budget summit. "Everything would be on the table," it was later stressed by White House spokesman Marlin Fitzwater. The President wants "an open debate that is unfettered with conclusions about positions taken in the past."

So, it seems, May 6 was the day that this President had to begin to eat the political equivalent of the broccoli which, he once told us, it was his presidential prerogative to refuse.

Indeed, over the next weeks, it may become evident that the May 6 White House meeting marks the same kind of turning point for the present administration as the meetings held in the Nixon White House in the spring and summer months of 1971. Those meetings produced the notorious Nixon U-turn, when the Friedmanite free enterprise advocate became a converted Keynesian emulator of British Prime Minister Harold Wilson. On Aug. 15, 1971, the dollar was taken off the gold standard. Later, after the bankruptcy crash of the Penn Central Railroad, the full panoply of wage-goug-

ing austerity was implemented.

Of course, there are also those who look at the cleared presidential table, and the dishes that are about to be served up, somewhat differently. Over the same weekend, the finance ministers and central bank governors of most of the Group of Seven nations were gathered in Washington, D.C. for one of their regular exchange rate and monetary coordination meetings. By May 8, the U.S. Treasury was preparing to begin the largest quarterly debt refinancing in its history, when \$30.4 billion of 3-year, 10-year, and 30-year bonds were to be brought onto the market.

Could not the weekend table-clearing have simply been one of the regular series of tricks pulled off by this administration? A *coup de théâtre*, designed to encourage increasingly reluctant participants from abroad in U.S. Treasury auctions, to keep the money coming, on the basis of an apparent commitment from the leaders of U.S. institutions to do something to reduce the deficit they have been required to continually finance?

The auction over, successfully, Washington would go back to its usual ways until the next such quarterly financing falls due, on or about Aug. 15, breathing a sigh of relief that the tottering U.S. credit structure had been held together in the interim.

Tax revenue base collapses

There is much more involved. Publicly, it is reported that the trigger for the May 6 White House gathering was the publication on May 4 of the Bureau of Labor Statistics non-farm sector payroll series of employment data. If the 70,000 or so people taken on to the government's payroll to conduct the 1990 census are excluded, non-farm payrolls shrank for the first time since the Greatest Period of Prosperity in American History began, back in 1982-83.

Behind the scenes, it had been evident before Treasury

official Glauber announced the quarterly refunding requirement on May 1, that top-level officials were already apprised that revenues coming into the IRS after the April 15 tax deadlines were way, way down. It can be surmised that news of the mounting revenue shortfall, which Glauber refused to address in his cited press conference, was prominent among the factors which precipitated the White House turn away from the standing "Read My Lips" doctrine. When asked if he had an estimate on tax revenues, Glauber refused to comment.

The administration has yet to give any estimate as to how large the shortfall in revenues collected after April 15 might be. Taken together, the turn in the employment series, and the decline in government revenues, show that the reality of economic collapse has finally begun to catch up with this administration. Rising employment keeps up the nominal amount of the revenue the government derives from household and individual taxes and Social Security payments. When employment and revenues begin to fall together, then immediately at hand is the prospect of an accelerating chain reaction, such as economic collapse, reflected in bankruptcies and unemployment, reduced government income, while, at the same time expenditures on such accounts as unemployment and welfare increase. Then the government's deficit balloons, and efforts to contain catastrophe by cutting expenditures, the method adopted consistently since 1981, simply accelerate the decline.

Crisis can no longer be ignored

The watershed is not simply a political or rhetorical type of turning point. Between Sept. 15, 1989 (when the failure of Canadian speculator Robert Campeau's Allied and Federated department store empire collapsed the secondary market in non-investment-grade securities, the \$200 billion per annum pool of funds from which the otherwise non-creditworthy borrow) and Oct. 13 (when the stock exchange's Dow-Jones Industrial Average fell by 200 points), the U.S. economy and financial system entered a deflationary spiral. Alan Greenspan at the Federal Reserve and his colleagues among the federal regulatory agencies, government departments, and the investment and commercial banks, attempted to deal with the changed reality the same way they dealt with the crises that erupted between 1982 and 1989, when the volume of combined debt and financial speculation was increased by about \$2 trillion each year. They threatened, they blackmailed, and they threw money at problems, to maintain the appearance that everything was as it had been. Daily Federal Reserve intervention into the New York Stock Exchange, via Chicago's futures index, to keep the Dow within a narrowly defined range; weekly infusions of credit into collapsing parts of the banking system, like New England; and arm-twisting of allies for funds, as in the case of Japan, are part of the pattern.

And none of it worked. By the end of March, what had

been the \$200 billion per annum junk bond market had collapsed to zero. There were no new issues that month. Corporate earnings for the first quarter of 1990 fell by 18% compared to the same quarter the year before, after a fall of 15% in the fourth quarter of 1989 compared to the same quarter in 1988. Among the worst performers were the steel industry, off 51%; the automobile industry, down 64%; marine transportation, down 68%; and trucking, down 97%. Eastern banks, which include the tottering New England Federal Reserve District were down 60%, and the catch-all diversified financial services down 98%.

The earnings collapse was accompanied by a parallel collapse in the rate of increase of lending during the quarter. Business lending for the first quarter was down about 30% from the year before; real estate lending was down by almost 40%; and lending to consumers, one of the mainstays of the so-called recovery, was down 65%, at an annualized level, from the rate of the year before.

Budget deficit out of control

There was one element of growth in all this. At a meeting held for Republican lawmakers on May 8, Director of the Office of Management and the Budget Richard Darman provided the administration's third revision of its estimate of the federal budget deficit for the 1991 fiscal year. In January, when Bush delivered his budget message to Congress, it was estimated that \$34 billion would have to be cut to meet the Gramm-Rudman target of a \$66 billion deficit. By March, Darman had increased that estimate to the range \$40-50 billion. Now, in the estimate of the administration, the range is \$60-100 billion in cuts required to meet the Gramm-Rudman target, depending on whether the savings and loan bailout is included or not. Meanwhile, the estimated deficit for the fiscal year in progress is increasing proportionately, and as frequently. The administration's estimate began the year at \$123 billion, and has been upped to over \$150 billion. The Congressional Budget Office goes higher, into the range of \$180-200 billion.

So, Sunday, May 6, the President had his first generous helping of budget broccoli. There will be more to come, and not just for him. For we will surely now get the kind of idiocy which says that the way to deal with collapsing revenues is to increase taxes. That is, in effect, to say that the way to deal with a depression is by making the depression worse. And it will be worse. For there are also groupings, typified by Georgia's blow-dried Republican congressman Newt Gingrich, who are calling for emergency powers for Bush so that the President can deal with the crisis as he sees fit. The knee-jerk reaction will indeed be: austerity and more austerity, especially against those least able to bear it, together with the elaboration of the institutions of a police state to enforce that austerity. That is no doubt the menu that is being prepared right now in various kitchens, for presentation to the newly cleared presidential table.

World grain production declines, as fascists build 'no meat' campaign

by Marcia Merry

As spring planting draws to a close in the northern latitudes, the full horror of world food shortages is becoming apparent. This year's global harvest—even with perfect crop-growing weather—won't even begin to replenish the dwindling world grain reserves. At the end of the 1989-90 crop season, the world's grain stocks will be even lower than four years ago—the net result of limited plantings, impoverished farmers, rampaging environmentalists, and, most of all, rotten government policies that are causing or condoning reduction of food output, and depopulating ever larger parts of the globe.

Figure 1 shows the downward trend of grain production, and the plunging trend of grain stock levels. The data are from the Rome-based U.N. Food and Agriculture Organization (FAO), which said in its March "Food Outlook" report, "Even assuming normal weather, 1990 production is unlikely to be large enough to meet trend consumption in 1990-91 and allow stock replenishment. With stocks at their lowest level for many years, adverse weather would have serious consequences."

In many important grain regions in the United States, neither the farmers nor their fields have recovered from the famous Killer Drought of 1988. The governor of one of the world's leading producers of spring hard wheat, North Dakota, has just asked for official federal disaster designation for his state, after three years of drought.

The United Nations bureaucrats, as usual, are understating the trends, even as they sound the alarm. In fact, total world grain stocks (wheat, rice, corn, millet, barley, oats and all others) will have fallen by 36% in late 1990, as compared with four years earlier.

This has happened because for the past three years in a row, annual grain output has been *below* annual grain consumption—itself at an inadequate level for most people. Therefore stocks have been drastically drawn down to make up for this shortfall, and now stocks themselves are diminishing, in effect, to nothing.

The projected level of grain stocks this year will be less than 17% of annual average consumption. In 1985-86, stocks were about 26% of average annual consumption. Civil defense and military logistics planners recommend stocks of 8

months to 2 years—enough to bridge the gap between poor harvests, and to span disaster recovery times.

To provide enough grain for a plain, but adequate diet for all 5 billion-plus people on Earth, there needs to be 3 billion tons of grain output a year, counting grain consumed directly as cereal products, and grain consumed indirectly through feeding livestock for milk, meat, and dairy products.

Instead, as Figure 1 shows, annual grain output has stagnated at about 1.8 billion tons in the 1980s, and in 1987-88 fell to 1.791 billion tons, and 1.746 billion tons in the crop year just completed. The FAO projection for this current year, based on optimism about the weather, is still only 1.868 billion tons.

The decline in crop output is across the board. Therefore, the annual "carryover" of stocks of grain of all types has dropped from 426 million tons in the 1985-86 crop year, down to under 399 million tons last year. It is expected that, even with perfect growing weather, there will be only 293 million tons of grain carryover at the end of 1990.

The decline is evident for all the major grains globally:

Wheat: Stocks have dropped from 161 million tons in 1985-86, to a forecast of only 116 million for the end of summer.

Corn and other coarse grains (grain sorghum, barley, and oats): Stocks have dropped from 208 million tons in 1985-86 down to 126 million tons expected as of the end of the season.

Rice: Stocks have fallen from 58 million milled tons in 1985-86, down to an expected 51 million tons in 1990.

The declines in stocks are most obvious in the six major grain-exporting regions of the world—the areas which in recent decades have produced "surplus" for export and food relief. These nations are: the United States, the European Community, Canada, Australia, Argentina, and Thailand.

According to the FAO's March report, "In the United States, by far the largest cereal exporter, wheat stocks at the end of the current 1989-90 season are expected to be the lowest since 1974-75 and for coarse grains since 1983-84."

The latest "Situation and Outlook" report of the United States Agriculture Department (USDA) likewise gives a

bleak picture of the U.S. grain output potential:

U.S. wheat. Wheat reserves are at 400 million bushels, the lowest in 20 years. Farmers are expected to plant 1 million acres less wheat in 1990 than in 1989. If the wheat crop is less than 2.5 billion bushels, projected by the USDA, then exports will have to drop.

U.S. corn: The expected 7.8 billion bushel crop will fall short of the combined domestic usage and export demand which totals to 8 billion bushels. The USDA estimates the 1989-90 corn reserve at 1.2 billion bushels, which will be drawn down to 1 billion bushels, less than two months' supply.

U.S. soybeans: Plantings are down 1.3 million acres from 1989. Output is expected to fall below 2 billion bushels. Reserve stocks are non-existent.

In this situation of scarcity, the cartel of giant food companies (Cargill, Continental, Archer Daniels Midland-Toeffer, Louis Dreyfus, Bunge, Garnac-André, and a few others) are deciding who eats, and who doesn't. National pledges to the world food relief agency have dropped from over 13 million tons of grain a year in 1986, down to 11.3 million tons or less this year, despite the dramatically increasing need.

Whole nations in Africa are being denied either the means to produce food, or food relief supplies. The result in starvation on the scale of genocide. The March FAO report states, "A cause of particular concern is the substantial unmet food aid requirement of Angola, Ethiopia, Mozambique, and Sudan." The report further states, "The global refugee situation has deteriorated further, with the refugee population now estimated at 15 million. Their 1990 food aid requirements are estimated at 1.3 million tons."

In contrast to the measly 11.3 million tons of food grains relief for 1990 (including Western pledges to Eastern Europe), 17 million tons of food grains have been pledged to the Soviet Union from the United States alone this trade year (beginning Oct. 1, 1989).

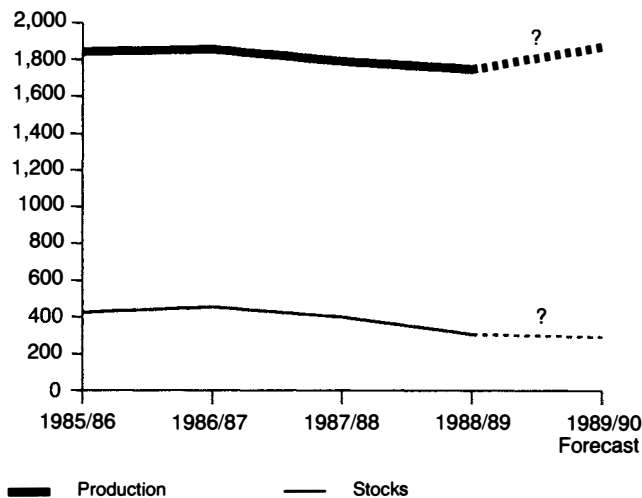
President Bush plans to sign a Long Term Agreement for grain shipments to Russia, with Mikhail Gorbachov at the scheduled summit meeting in early June. The United States would commit to send at least 50 million tons of grain over the next five years.

The real aim: eliminate people

Timed with the release of the FAO and the USDA spring warning reports, "viewpoint" articles are being played up in the media to say that increasing grain output is not the answer, and that eliminating people is the actual policy objective.

Lester Brown, the former employee of the U.S. Department of Agriculture, who heads up the much-publicized Worldwatch Institute, says in his annual "State of the World" report for 1990, that there are countries like Ethiopia, "and scores of other countries where human numbers" outpace the economic system.

FIGURE 1
World cereals production and stocks fall
(Millions of metric tons)



Source: U.N. Food and Agriculture Organization

"Either these societies will move quickly toward smaller families," warns the fascist Brown, "or rising death rates from hunger and malnutrition will check population growth." Brown hails the murderous policy of Communist China, where the population growth rate has been reduced by half, and people are being crushed and suppressed by deliberate primitivism.

The *New York Times* takes a seemingly more sophisticated approach to how the world's people should "adjust" to the grain shortage. The May 6 issue's "Week in Review" section carried on its front page an article entitled, "Cows in Trouble; An Icon of the Good Life Ends Up On a Crowded Planet's Hit Lists." It attacks dairy and beef livestock from many vantage-points, claiming that their flatulence contributes to air pollution, etc. But the main fallacy promulgated by the population-"adjustment" advocates, is that animals consume grain, which could otherwise go to human consumption directly, if people would only forego meat and milk in their diets. John Robbins, the author of *Diet for a New America*, is featured demanding that people find alternative food sources to the centuries-old, nutritious cuisines based on meat and milk. Robbins says, "Cattle and dairy are the most inefficient use of land conceivable."

The article also features ten charts and graphs on questions of "changing tastes" in consumers, and asserts that "the 136 million metric tons of grain that feed the beef for 250 million Americans could feed 400 million worldwide, according to Dr. Pimentel of Cornell."

These and similar articles now flooding the media deliberately downplay the essential role of meat and milk in efficiently supplying high-quality protein in the daily diet.

The hour of truth: shock treatment for Brazil's foreign debt?

by Lorenzo Carrasco Bazúa

The international creditor banks so notorious for proposing "shock" as the miracle prescription for all the economic problems of the debtor nations, without regard to the social damage incurred, could end up "damaged" themselves, if Brazil's Collor de Mello government decides to implement what certain officials are ironically calling "shock treatment for the foreign debt."

Thus far, President Fernando Collor de Mello has been explicit that service payments on the foreign debt will be subordinated to guaranteed economic growth rates above an annual 5% of the GNP. Economics Minister Zelia Cardoso de Mello (no relation) has simultaneously set a maximum limit on annual interest payments of \$5 billion. By establishing a ceiling on interest payments, the Brazilian government presumably hopes to reduce the principal amount of the debt to a level compatible with pre-determined payment limits, that is, to one-third of its current nominal value.

The Collor government has also refused to make a "symbolic payment" on the debt; the amount of \$5 billion, equivalent to accumulated interest arrears, has been suggested. That refusal will enable it to renegotiate with the banks from a position of strength and with foreign exchange reserves in excess of \$10 billion. This year alone, \$60 billion of the Brazilian debt comes due.

Apparently, the design of Cardoso's economic team is to re-launch the renegotiation process interrupted by former Finance Minister Dilson Funaro's departure from government. Cardoso, along with many of her team, was among the now-deceased minister's collaborators. In a December 1987 article Funaro wrote for *EIR*, he explained his original intentions in declaring the February 1987 moratorium, which we cite in part:

"The telex suspending interest payments owed by Brazil to the banks clearly states that the moratorium would be suspended when—and only when—the two parties find a definitive solution to the crisis basically created by the creditor countries.

"The only approach which would guarantee the growth of our economy, opening prospects for all economic actors, is a definitive solution to the crisis such that Brazil could plan

at least five years ahead, instead of remaining at the mercy of rules which only benefit one of the parties.

"To abandon the moratorium at this moment is to abandon discussion of non-conventional paths to overcome the foreign debt problem. We will surrender our country's strongest bargaining card, but even more important, we will be withdrawing from the key discussion of the crisis which the international financial system has been in since 1980-81. Blunders in the economies of the rich countries are paid for by developing countries like Brazil, always leaving the bitter taste of recession, economic stagnation, and resulting political instability."

The hyperinflationary threat

Funaro's words remain true today. The decision to suspend the moratorium in August 1987 only produced the political decline and discrediting of the Sarney regime, giving rise to the mis-government which culminated in the threat of hyperinflation, since inherited by successor Collor de Mello. Despite its commitment to punctually meet interest payments, Brazil was again forced—this time silently and without the political backlash—into a debt moratorium as of September 1989.

With its monetary and fiscal reform, the new government has—until now—successfully controlled the hyperinflationary process. It will not defeat it, however, until the original cause of the hyperinflationary threat is uprooted: the immense transfer of resources abroad as foreign debt service. As long as the monetary reform, known as the *Plan Brasil Novo*, keeps two-thirds of domestic bank holdings frozen, the Collor government will be unable, morally and politically, to offer foreign creditor banks a solution other than that applied to its own banks—namely, the depreciation of its debt to, minimally, one-third of its nominal value.

The 'Vital Decade'

Although the details of the Collor government's debt renegotiation strategy have not yet been revealed, it is universally understood that Brazil can no longer exist as a sovereign and independent nation if it continues to be subjected to the

looting conditions imposed during the past decade. The next ten-year period must be one of accelerated growth, if the country is to achieve its dream of becoming a great nation.

That dream is clearly represented in a document produced by the Superior War College under the title "Vital Decade," and presented on April 5 by retiring General Oswaldo Muniz Oliva. The general declared, "This work—courageous, serious, objective, and realistic—takes a Brazil without clear standing in the world, and projects forward to the year 2000. A copy of this work was offered as a gift to the excellent President of the Republic Fernando Collor de Mello, in hope that he may find it of use to our people."

"Vital Decade"—which will be the subject of future commentary in *EIR*—addresses the solution to both the foreign and internal debt problem as a pre-condition for the return, as of 1992, to accelerated growth rates of 7% of the GNP, following an initial two-year period of stabilization at 5% growth rates. The goal is to generate 1 million jobs per year throughout the decade, with emphasis on the rapid development of the physical infrastructure of the economy, such as transport, energy, and communications, and the advance of capital goods and high technology industries.

"The basic points of the renegotiation," says the Superior War College paper, "can be listed as follows:

"1) Reducing the principal of the debt in accordance with the effective value of the respective bonds on the U.S. financial market, and with the amount of interest already paid by the country;

"2) replacing fluctuating interest rates by fixed ones;

"3) 'securing' the readjusted debt at long-term, low interest terms and with options regarding these two elements;

"4) suspending 'relending' for an extended period;

"5) establishment of clear rules for formal debt conversion, which may only take place in quantities established yearly by the government, discounts in agreement with public auctions, and allocation of the product of formal conversion into investments in the North and Northeast, and into structural development projects in the other regions—excluding under any circumstances the purchase of existing assets;

"6) transformation of interest owed for the first three years into bonds whose characteristics will depend on arrangements reached on points 1-5 above" (see *Documentation* below for further details).

This proposal of the Superior War College reflects the interests of the Brazilian state and a national consensus to resolve the suffocating foreign debt problem. Upon the solution to this problem depends the future of the new government, which is well aware that a retreat in the debt negotiations will mean total loss of domestic credibility, which in turn could lead to the violent return of hyperinflation and institutional instability. The hour of truth has arrived in Brazil, and the consensus appears to be growing that it is time for the bankers to get a taste of their own shock therapy.

Documentation

Excerpts from '1990-2000: The Vital Decade'

The following are excerpts translated from Chapter III of a document recently issued by Brazil's Superior War College, entitled "1990-2000: The Vital Decade." The chapter we cite is called: "National policy: Brazil on the threshold of the Twenty-first Century."

During the next decade, Brazil should orient its development so as to situate itself, on the threshold of the 21st century, among the great democratic and developed nations. . . .

It is a matter of definitely opting for wealth: wealth to be generated by Brazilians through work, dedication, intelligence. But wealth to be distributed to all who contribute, by their effort, to producing it. Work is everyone's province, both as a duty and a right; the just distribution of its benefits is also the duty of those who lead, and the right of those who participate.

At the same time, in rubbing shoulders with the great countries on the international scene, Brazil's voice must make itself heard against the clamor of inequalities that prevail in this world, and in favor of the helpless.

This national design is not merely possible and desirable; it derives both from the very dimension of national power, relative to that of other countries, and also to its capacity—by necessity, duty, and right—to mobilize.

We are the fifth-largest country in territory in the world, with vast known natural resources . . . still unexplored to a large degree. We are today the sixth-largest in population, although the need for a great national effort to train our human resources must be recognized. We are the tenth economy in the world in terms of the gross national product, on the order of \$385 billion (1988). Industrial manufactures, estimated at nearly \$104 billion (1988) is ninth in the world—and these have already reached a high degree of diversification, cross-sector integration, and reasonable international competitiveness. What is cause for serious concern is the fact that the *per capita* GNP of Brazilians, on the order of \$2,700 (1988), is below the world average, estimated at \$3,000 in 1988; to this can be added the fact that the inequities of internal distribution are only superseded by the inequalities that divide the nations of the world between rich and poor. In terms of *per capita* GNP, Brazil is in 40th place among nations with more than 1 million inhabitants (1988), and worse still, its growth has come to a virtual standstill in this decade, in comparison to growth rates of nearly 5% between 1960 and

1980. . . .

Therefore, the need is clearly to rekindle economic growth in the course of this new decade, to levels equivalent to those of the 1970s, as the necessary if insufficient condition for development in the economic, social, and political spheres.

3.1. The economic dimension

There is no solution to short-, medium-, and long-term national economic problems that does not imply reviving economic growth.

In the short term, a *policy of adjusting the economy by means of growth*, and not recession, is necessary to overcome obstacles posed by inflation, by inadequate savings and their orientation to non-productive applications, by low levels of investment, and by the financial gambling that immobilizes the state indebted internally and externally. . . .

In the medium term (through 1994), Brazil must return to its *historic trajectory of growth*, on the order of 7% of GNP per year (nearly 5% per capita), in view of the need to generate new jobs and to achieve a dynamic redistribution of wealth, keeping pace with growth.

In the long term (through the year 2000), Brazil needs to achieve a new economic level, with a doubling of its GNP (which should surpass \$800 billion, in 1988 prices, by the beginning of the 21st century), and with per capita income on the order of \$4,500. Per sector, a new, more advanced phase of industrialization must be reached, while consolidating Brazil's vocation as a major producer and exporter of food and agricultural raw materials . . . and the recovery, expansion, and modernization of energy, transport, and communications infrastructure. In sum, *to consolidate through the year 2000 a different productive sector, modern, more efficient and competitive*. Such a sector would be grounded in the internal market, but capable of dynamic and multiple involvement in the world arena, both on the level of trade relations (with a yearly volume of imports and exports on the order of \$150 billion), and in financial relations (with a more respected, relatively stable currency, increasingly accepted internationally).

3.2. The social dimension

The revival of growth will restore conditions of viability for carrying out a *policy of social transformation*, oriented synergistically toward the creation of new jobs (in numbers adequate to absorb growth in the economically active population and to reduce underemployment), to improve income distribution, to fight critical poverty, and to increase the value of national human resources.

Globally, the objective of such a policy of social transformation can be expressed in the *incorporation, during the next decade, of an average 5 million Brazilians per year into the consumer market*, through absorption of nearly 1 million new jobs a year into the organized economy, which would

at the same time affect the expansion of the internal market and income distribution.

The touchstone of this policy of social transformation should be *the complete guarantee of equality of opportunity*, providing for the fulfillment of the individual, enabling one to freely attain one's life goals and to see one's effort rewarded in an open, pluralist, and united society. . . .

V. The foreign debt

In the case of the foreign debt, renegotiation with private creditors is an imperious necessity, obviously justified in view of the debt's many internal ramifications. . . . The opening of renegotiations should follow a clear presentation to both the official and business world of the United States and to other great creditors, on the constitution of the debt through time, on the effective use of the respective credits, and on the effects those colossal payments have had on the internal economy. Such an eminently technical presentation should be released to the public of the creditor nations, which is otherwise fed two stereotypical views: that the loans which made up the initial debt were made with the savings of the lender countries—when in truth they were largely made through the recirculation of petrodollars—and that the debtor countries persist in their attitudes on being either bad or non-payers on the debt.

CONSULTING ARBORIST

Available to Assist in

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

The development of urban and suburban planting areas and

The planning of individual homes subdivisions or industrial parks



For further information and availability please contact Perry Crawford III

Crawford Tree and Landscape Services

8530 West Calumet Road
Milwaukee, Wisconsin 53224

At Asian Development Bank, U.S.-Japan rift is evident

by Susan Maitra and Ramtanu Maitra

More than a thousand Asian bankers and financial experts descended on New Delhi May 2-4 to attend the 23rd annual meeting of the Asian Development Bank's (ADB) Board of Governors. As it turned out, the temperature inside and outside the meeting venue was unusually high. Although the annual gala event was not destined to bear any fruit as such—it is strictly a talk shop affair—the way things did not happen revealed a growing rift among the advanced sector donor countries—and more precisely a kind of undeclared war between Japan and the United States—over international economic policy, and the direction of the ADB in particular.

Japan, by far the largest donor to the ADB, made the rift apparent without making it appear confrontational. Japanese Finance Minister Ryutaro Hashimoto, who declined to attend the important Interim Committee meeting of the IMF in Washington recently, made it a point to be in New Delhi to assure the ADB member countries that, as he said in his address to the Board of Governors, "Japan is determined to continue to provide support for the developing member countries, including support for the bank itself, in the 1990s." The message was unmistakable: Should the U.S. and other donors choose to strangle the ADB, Japan will still be there. Japan's presence was felt all through the proceedings—starting with the highly visible visit to India by Japanese Prime Minister Toshiki Kaifu which overlapped the opening of the meeting and set the tone.

Among the developing nations' representatives, the worry was over the shrinkage of development resources in the context of a bleak outlook for world economic revival. As India's Alternate Governor, Finance Secretary Bimal Jalan, outlined the predicament in prepared remarks to the meeting, real output and volume of trade in both developed and developing countries dropped again during 1989. Developing nations face a particularly adverse external situation because of a slower growth of world trade, rising interest rates in international markets, weakening of primary commodity prices, and slow progress in debt negotiations, he said. At the same time, in real terms, net financial flows to developing countries have declined at an annual rate of more than 9% during the 1980s, to a level half that at the beginning of the decade!

Of immediate concern is the prospect that financial aid otherwise available for developing countries will be re-routed as investors scramble to cash in on the realignments in East-

ern Europe. This fear was fully expressed in the Pakistani Alternate Governor K.M. Chima's remarks. "There is some genuine apprehension that political changes in Eastern Europe may induce Western nations and Japan to divert a larger share of their resources to Eastern Europe and thus affect the tempo of developing regions," Chima stated. "It would be a sad development if it happens," he added.

Though ADB literature tried to allay these fears, ADB President Taramizu warned in a seminar following the meeting of a reduced capital flow from the West except to those Asian markets which are well developed already.

Blackmail over replenishing funds

Central among the talking points at the meeting was replenishment of the resources of the Asian Development Fund (ADF), the bank's soft loan facility, and the related issue of applications from Asia's giants, India and China, for access to the soft loan window for the first time. Prior to the meeting ADB officials set a target of \$10.4 billion for ADF replenishment, called ADF-6, stating that that amount would meet the regions' soft loan needs for the three-year period beginning in 1991. ADF-5, due to run its course by the end of this year, had only \$3.6 billion.

As anticipated, the U.S. took a hard line on ADF-6. In prepared remarks to the meeting and a press conference later, U.S. Governor George Folsom—as a deputy assistant secretary of the treasury, he is considered an insultingly low-level appointment to the ADB board—rejected outright the \$10.4 billion figure for ADF-6 and insisted there was no reason to begin negotiating the replenishment since ADF-5 would last through 1991.

No one was particularly surprised at this, though participants noted that a small rise in ADF-6 would automatically rule out consideration of the Indian and Chinese applications. The presumption that the U.S. Congress's hostility to resumed lending to China would cast a shadow on the size of ADF-6, or that Folsom was simply covering up for the U.S.'s own budgetary problems, was widespread.

In fact, however, the U.S. strategy to stall the ADF-6 negotiations is a quite deliberate piece of blackmail, as Folsom made clear when he demanded wide-ranging changes in the organization and operation of the ADB as a prelude to getting down to details on ADF-6. What the U.S. is demanding is a wholesale acceptance of the "conditionalities" policy

Will the ADB measure up?

As the premier development financing institution in Asia, where nearly half the world's population is concentrated, a large portion in abject poverty, the Asian Development Bank faces a great challenge. Whether the bank will move effectively to become a significant catalyst to economic transformation in Asia in the coming period remains to be seen, but there is no doubt that the benefits for Asia and the world economy could be significant.

The ADB opened its doors for business in Manila in December 1966 and now has a membership of 49. Thirty-four of the members are from the Asia-Pacific region, and the rest are the industrial capital-exporting nations of the North. The bank's president is deputed from the Japanese Finance Ministry, a privilege Japan has earned as the largest donor.

The bank's principal functions are to make loans and equity investments to promote economic and social advancement of its developing member countries, to provide technical assistance, to promote the investment of public and private capital for development purposes (e.g., help set up national development banks), and assist in members' planning and coordination of development policy.

After 23 years, however, the bank remains small in terms of its operations, and is often accused of being too conservative. With a total of \$29 billion outstanding in loans to 942 projects, it is about one-tenth the size of the World Bank operationally, but its earnings are about one-third of the World Bank's. The ADB's limited borrowing from international capital markets—a mere \$645 million

last year—is complemented by a rate of return on investment of 9.39%. Last year's profit was \$435 million. Despite the carefully maintained Triple-A rating, ADB is now running up against a number of problems. Most basic, perhaps, is the fact that though overall demand for money is increasing, some among the more dynamic member countries have "graduated" out of the bank's program—South Korea being the latest—and others like Thailand have put a cap on foreign borrowing. The narrowing borrower base is increasingly concentrated among the most needy and problematic nations, such as China and the countries of South Asia.

ADB's task is complicated by its inability to take decisions free of the donor countries' political whims. The current U.S. campaign to impose the "conditionalities" policy in the context of a vastly expanded "macro-economic program lending" effort on the ADB is typical of the problem. Though the ADB claims officially that internal instability is not conducive to lending to Vietnam, Cambodia, or Afghanistan, it is an open secret that it is the donors' political strongarming that has kept these nations off the borrowers' list.

Past bank president Fukioka's decision to establish the Asian Finance and Investment Corp. last year is another example. AFIC, with \$35 million investment, was designed to meet the demand for credit and assistance from the developing countries' private sectors. Though 30% owned by ADB, AFIC is independent. It was opposed by some donors on the grounds that it was merely a vehicle to recycle Japanese surpluses into the region's private sector and capture business for Japanese firms. Others argue it is an end-run around the U.S. demand to incorporate private sector operations into the conditionalities policy.

of tying assistance to changes in domestic policy by the ADB.

The most important problem, Folsom railed, is the "distorted economic policies" that prevail in the developing member countries of the ADB, and that undermine the beneficial effects of the projects ADB undertakes. To make the ADB input effective, Folsom insisted, ADB must impose "medium-term macro-economic programs" in the developing member countries that will lead to the promotion of market economies. "The bank should address with borrowing countries, as part of its dialogue efforts, needed reforms in their industrial and financial sectors which will set the stage for private sector growth," Folsom said.

Collision course over conditionalities

It is apparent that the U.S. and the ADB are on a collision course over the issue of imposing "conditionalities" in the

form of macro-economic program loan requirements. The ADB is primarily a project and sectoral lending institution, which has concentrated investments in infrastructural development—more than a third of ADB loans are in agriculture and agro-industry, nearly 20% are in energy, just over 15% in transport and communications, 10% in development banks and 7% in water supply and sanitation. Since 1987, the ADB approved a total of \$1 billion in 12 program loans to different members, a small fraction of total lending during the same period.

In developing nations these activities invariably involve the public sector; moreover, ADB officials point out, the ADB charter does not have any provision for imposing policy conditions on loans.

Not surprisingly, ADB's skepticism of conditionalities policy is shared by Japanese officials. One has only to talk

briefly with Japanese businessmen in India to appreciate their sensitivity to the many counterproductive features of everyday economic practice, but they are equally aware that these things are not changed abstractly or by fiat. As Finance Minister Hashimoto said, the need is "to promote policy dialogue and to enhance country-specific development strategies so that the bank's lending and investment activities can truly be in line with the member countries' development requirements."

ADB President Kimimasa Taramizu, formerly a senior adviser to Japan's Finance Ministry, was considerably more blunt in an interview with the Indian daily *The Economic Times*, when he complained that some donor countries insisted on taking "a totally macro-economic approach." They are, perhaps, not satisfied, Taramizu said. "That is wrong, you know," he continued. "The macro-economic approach is not always appropriate. Japan, for instance, is still on the way to 100% liberalization. So the success of Japan cannot be explained by a totally macro-economic approach. Perhaps you are thinking of the U.S. Perhaps they are sticking to the macro approach. I think the development thrust of the developing member countries has to have another approach."

Speaking for India, Bimal Jalan told the meeting that while the bank should encourage more rapid disbursement program lending, "we are concerned about the attachment of onerous conditionalities accompanying this form of assistance." Conditionalities "seriously erode the benefit of the assistance," Jalan said. "Usually, the imposition of these conditionalities vitiates the principles of equity and frustrates the very objective of growth with social justice."

While Japan and the U.S. openly differed on the ADF-6 and conditionalities, they apparently agreed that the time was not right to restart lending to China, which was cut off following the massacre in Tiananmen Square last June. A 16-man delegation from the P.R.C., headed by ADB Governor and head of the People's Bank of China Li Guixian, was complemented by a 40-strong unofficial business delegation.

While George Folsom did not mention China, Hashimoto devoted a paragraph to the subject. "Japan, as a country that is situated in Asia and has a long history of mutual relations with the P.R.C., very much hopes that efforts on both sides will repair China's relations with the other countries and the multilateral institutions as soon as possible," the Japanese finance minister stated. Japan-watchers pointed not to the content, but to the mere presence of that paragraph as significant.

ADB officials say the bank is eager to resume lending to China on economic grounds. But ADB Vice President Stanley Katz told reporters the bank couldn't make an independent judgment on the issue, apart that is, from the Group of Seven donor countries' decision to restrict lending to China to "basic human needs," but will be watching the World Bank on the issue. For their part, World Bank officials at the meeting confirmed that they would seek approval on May 29 for

Asia experiencing declining growth

During 1989, developing Asia remained the most dynamic and rapidly growing region in the world, according to ADB's *Asian Development Outlook* for 1990. Though average growth rates, at 5.4%, declined sharply from 1988's 9.3%, they are far better than the world average of 3.2% and less than 2% for other developing countries.

Within Asia, there is a significant gap between the growth rates of the Asian "tigers"—South Korea, Taiwan, Singapore, and Hong Kong—which dropped only this year from over 10% to 6.2%, and the 2-3% growth rates of Indochina and the South Asia nations of Bangladesh, Sri Lanka, and Nepal. In between, the Southeast Asian nations kept to a steady 6-8% growth rate, and India and Pakistan grew at rates of 4.5% and 5.6% respectively. India was down by about half from 1988 due to slowed agricultural output and a shortage of foreign exchange which pinched capital goods imports.

Indian Finance Minister Bimal Jalan attributed the ability of the developing countries of Asia to fare better than Africa and South America to their efforts to solve the food problem, diversified economic and technological bases, and stability in macro-economic policies (i.e., not a lot of outside interference). But, Jalan cautioned, the region continues to face serious problems, including widespread poverty and inadequate financial resources for programs such as basic infrastructure.

a resumption of normal lending to China.

With the politicization of the ADB at an advanced stage, it is to be seen whether the Soviet Union, now a favorite among the donor nations, will be allowed membership anytime soon. "If not the whole Soviet Union, then perhaps some of the Asian republics could apply for the ADB membership," said Viacheslav Zakharov, deputy chairman of the Soviet State Bank, who led a four-man delegation as observers. Zakharov's argument is that if Estonia and Lithuania can have missions at the independent United Nations, why can't the Asian republics have membership in the ADB independent of the Soviet Union?

Bank officials say the proposal cannot be considered serious, because "it would complicate matters for the bank." But in the meantime, the high-level Soviet delegation took advantage of the opportunity to participate in informal dis-

cussions on the new European Bank for Reconstruction and Development.

Environmentalism rears its head

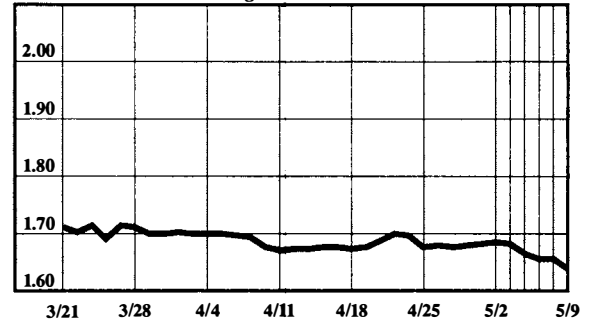
Environment was inevitably another talking point around the meeting. ADB has promised to take environmental considerations into account more systematically, and a number of non-government organizations were present to underline the point. Chip Fay, a rabid environmentalist from the Philippines, demanded that the ADB conduct a complete review and redesign of an ongoing project in the Philippines before committing the second tranche of funding due in July. ADB Governor for France, Denis Samuel-Lajeunesse, who proposed an SDR 1 billion program to explore and implement remedies for the global environment under the World Bank and U.N., said France was prepared to commit 10-15% of the money. U.K. Governor Lynda Chalker, championing environmental causes, warned against "talking about money rather than developing a means of delivering the technology," while the U.S. called for the environmental division to be upgraded.

Interestingly, in a preemptive move, Indonesia is actively discussing its commitment to protecting the tropical rain forests. The Indonesians are leery of being tossed into the same handbasket as Brazil and other countries which have borne the brunt of environmentalist criticism in recent years, and are anxious to stop passage of a bill in the U.S. Congress detrimental to the tropical hardwood industry. Their counter-offensive received considerable publicity around the ADB meeting.

Currency Rates

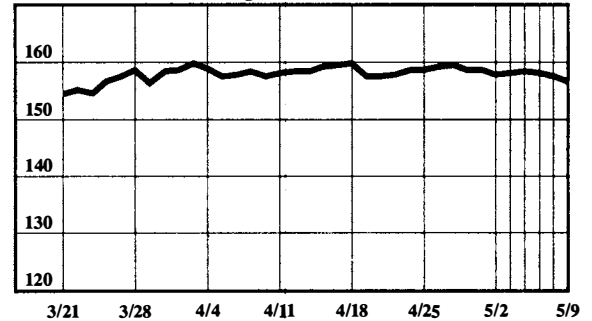
The dollar in deutschemarks

New York late afternoon fixing



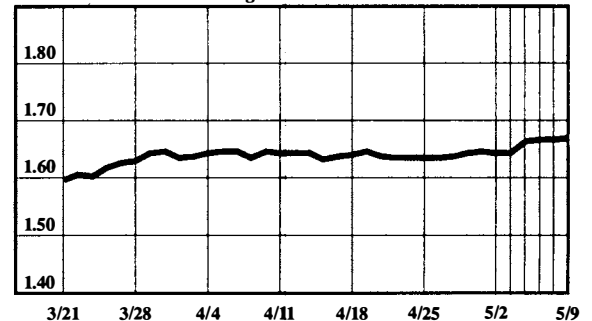
The dollar in yen

New York late afternoon fixing



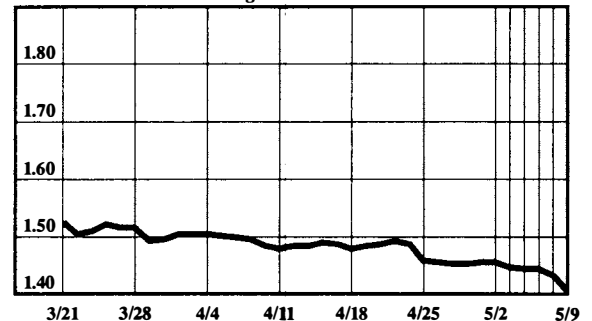
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Overpopulation Isn't Killing the World's Forests—the Malthusians Are

There Are No Limits to Growth

by
Lyndon H. LaRouche, Jr.

There Are No Limits to Growth



Order from:
Ben Franklin Booksellers, Inc.
27 S. King St.
Leesburg, Va. 22075

\$4.95 plus \$1.50 shipping (\$.50 for each additional book)
MC, Visa, Diners, Carte Blanche, and American Express accepted.
(703) 777-3661 Bulk rates available

Highways crippled by Clean Air Act lunacy

by Marsha Freeman

At a press conference on May 8 in Washington, D.C. hosted by the Road Information Program, three former heads of the Federal Highway Administration—two Democrats and one Republican—stated that the legislation that has been passed by the Senate to amend the 1970 Clean Air Act would do “serious damage to the fiscal basis” of the highway system.

The companion legislation of amendments to the act are under consideration in the House, and the former administrators were astonished to learn that congressional staffers working on the bill were unaware of the effect it could have on the nation’s transportation systems.

The amendments would give the Environmental Protection Agency (EPA) veto power over state and local highway projects, along with the punitive power to withhold federal monies from the Highway Trust Fund which are supposed to be spent on desperately needed programs.

In addition, the mandated use of “alternate” non-petroleum fuels will slash the money going into the Highway Trust Fund, by exempting gasohol from 6¢ of the federal gasoline tax of 9¢ per gallon. The approximately \$13 billion per year collected in the Highway Trust Fund could be cut by as much as \$2 billion.

The former administrators pointed out that automobile emissions have actually been lowered 96% over the past decade, and that the requirement that 10% of the nation’s highway fuel be gasohol will not perceptibly “clean up” the air.

Deterioration of highway safety

The amendments as currently proposed change the purpose of transportation projects, from the provision of improved safety and mobility, to the attainment of clean air. Every other purpose is subsumed by this EPA-enforced criterion. Highway safety in the U.S. is no minor issue: Since 1970, over 1 million Americans have been killed on the nation’s highways and roads.

At the press conference, Ray Barnhart, FHA administrator during the two Reagan administrations, reported that the Senate Clean Air amendments say that “safety hazards, caused solely or primarily by congestion or the use of a structure or facility beyond its design capacity should be removed by reducing, controlling, or limiting vehicle access . . . rather than by expanding capacity.” Thus, any project that would allow more vehicles to use the existing inadequate infrastructure, thereby supposedly increasing

pollution, is *de jure* prohibited.

As Barnhart explained, this would mean that a town with an old bridge that is in disrepair would not receive the funds for improvement, if fixing it would result in more vehicles using the roadway.

Every transportation study conducted indicates that America’s highway traffic will continue to grow substantially in the future, and that without major new investments, congestion will increase. Studies have also shown that the number of automobile collisions increases as the square of traffic density. Thus, this legislated prohibition against expanding and improving highways will *necessarily increase* the carnage on the roads.

Absurdly, the increased congestion created by the Clean Air Act amendments will also increase pollution, as cars sit idle for hours on congested roads, rather than moving efficiently on expanded highway facilities.

The ultimate weapon: sanctions

Under the currently formulated Clean Air Act amendments, the EPA will wield the ultimate enforcement weapon: the cut-off of Highway Trust Fund monies to cities and regions judged to be in “non-attainment” of clean air standards. According to maps provided by the American Automobile Association at the press conference, the areas of pollution non-attainment are exactly what you would expect: every major urban area of the United States.

The Highway Trust Fund’s financial resources have been under attack for many years, as budget-balancing fanatics in Washington have withheld funds from approved state highway projects to make it appear that there was more money in the federal budget—and thus, a lower deficit. As the press conference was taking place, the Subcommittee on Investigations and Oversight of the House Public Works Committee was holding hearings on whether there should be changes in the way the Highway Trust Fund resources are administered.

At the press conference, former FHA administrator Barnhart warned that if the amendments become law, Highway Trust Funds withheld for state highway projects could be diverted from transportation to “solving pollution problems.” For example, these funds “might be used to finance water or sewer improvements or to install scrubbers on smokestacks.” He remarked that the American people will have no “trust” in a Trust Fund which is paid for by their gasoline taxes, and is used for other purposes.

The idea of spending yet less money on transport is almost inconceivable. The actual spending, according to the former administrators, should be in the range of \$100 billion per year, compared to the approximately \$68 billion being spent today.

Anyone who drives a car is aware of the safety and sanity problems on our roads, highways, and bridges. If the EPA is given the power to run transport policy for the nation, these problems will only get worse.

Smoke billows from clean air debate

by Rogelio A. Maduro

After months of complacency in the face of the devastating amendments to the Clean Air Act proposed by President George Bush a year ago and about to become law, American businesses are finally waking up and starting a campaign to tell the truth about the consequences of the bill. In advertisements run in major newspapers and radio stations, the Clean Air Working Group and the American Petroleum Institute warned of the loss of 750,000 jobs and the multibillion-dollar swindle behind subsidies for "alternative fuels." Even the news media seem to be waking up. On May 11, the *Washington Times* ran a headline warning, "Clean Air Act is Gorbachev's secret weapon."

Under the bill, industrial, transportation, and business policy will be consolidated in the hands of William Reilly, the head of the Environmental Protection Agency, who will have the power to jail any individual or shut down any business for "environmental violations."

But that is not the end of it, according to syndicated columnist Warren Brookes. In a column published May 9, Brookes says there is a firestorm now erupting in the White House over the initial draft of William Reilly's new "Five-Year Plan" for "Pollution Prevention." One top Bush official told Brookes, "You think the Clean Air Act is bad, wait until you see how far Reilly wants to go."

Brookes says that "the basic premise of this agenda is that American industry must not merely clean up its messes as it goes along, it must avoid even producing any waste in the first place. As Mr. Reilly suggested archly, waste is merely 'misused resource.' In the future, the chiefs of American business, big and small, will be required to make their omelets without breaking any eggs."

Although that may be Reilly's agenda, Brookes warns, "That approach is already implicit in the largely ignored 'Permitting and Enforcement' titles of the Clean Air Act which give the EPA a life-and-death, upstream chokehold over all but the tiniest businesses and every new idea product or process. If these titles become law as passed by the Senate with Mr. Reilly's and President Bush's approval, they will for the first time require as many as 150,000 American businesses from heavy manufacturing to small print shops and dry cleaners to secure specific EPA permits for every single-point source of one or more of 191 'air pollutants' if they emit more than 2.5 to 7 pounds per hour."

As it stands right now, debate is raging on the House version of the bill, which is expected to pass before the

Memorial Day recess. Business and industry had been counting on President Bush to veto any bill that was too extreme, but lately they have come to a realization that he may not. They have, therefore, concentrated their fire on some of the most outrageous aspects of the bill.

Amendments added to the Senate bill by Senators Thomas Daschle (D-S.D.), Tom Harkin (D-Iowa), and Robert Dole (R-Kans.) require, in effect, the use of highly subsidized ethanol to be used in motor vehicles sold in at least nine cities. This would affect 25% of the nation's drivers, costing consumers \$25-50 billion. Rep. Bill Richardson (D-N.M.) has introduced a similar amendment in the House that extends this requirement to 18 other cities, while Rep. Henry Waxman (D-Calif.) has introduced an amendment mandating the production of "alternative fuel" vehicles. The most astonishing fact here is that these amendments won't provide any "clean air," since burning ethanol is much more polluting than gasoline!

Cartels will rake it in

The catch is that there are hundreds of billions of dollars to be made in this swindle, a fact duly noted in an irate editorial that appeared on the May 2 *Wall Street Journal*. "The main beneficiary of this windfall will be Archer Daniels Midland, Inc., which accounts for 75% of U.S. ethanol production," the paper charges, adding that the grain cartel has been giving "generous contributions" to politicians in Washington, and "ADM chief executive Dwayne Andreas is a major contributor to Senator Dole and ADM's foundation has given \$160,000 to his Dole Foundation." The *Journal* continues, "The piggishness of ADM has caused a major political problem for the whole corn industry," says John Ford of the American Corn Growers Association, a group that decries Mr. Andreas's influence in Washington. "The corn industry, the politics of it, is controlled by one man, and Bob Dole is his go-fer on the Hill."

Since the Carter administration approved the use of ethanol in gasoline, as gasohol, producers have received a windfall of \$4.6 billion in subsidies from the government. Most of this has ended up in the hands of Archer Daniels Midland, Inc., whose CEO Dwayne Andreas is one of the best friends that Mikhail Gorbachov has in the West, and one of the main promoters of the East-West trade policy embraced by the Bush administration.

The American Petroleum Institute, which is leading the charge against ethanol, put out ads in all major newspapers blasting "Government Gas," while Sierra Research, Inc., an independent environmental research firm, released a study on May 8 warning that "statutory provisions that encourage or require the use of ethanol-gasoline blends in ozone (smog) non-attainment areas will cause adverse air quality impacts. In combination with the well-established cost penalty and fuel economy loss caused by ethanol-gasoline blends, motorists would end up paying more for dirtier air."

NORBERT BRAININ

first violinist of the legendary Amadeus Quartet



IN CONCERT AT C-256

GUENTER LUDWIG, pianist



Mozart, Sonata in Eb major, KV 481
Brahms, Sonata in A major, Op. 100
Beethoven, Sonata in G major, Op. 96

Norbert Brainin, one of Europe's greatest violinists, who led the Amadeus Quartet for four decades, is coming to America to demonstrate the importance of returning to the tuning used by the classical composers for their music—a middle C set at 256 Hz. C-256 was known throughout the last century as the “scientific tuning,” and was mandated in Italy in 1884 by a decree inspired by the great Giuseppe Verdi. To show that the old, lower tuning is just as crucial for bringing out the beauty of fine instruments as for the human voice, Dr. Brainin will demonstrate the *Saraband and Double* from J.S. Bach's *First Partita for Violin Solo* on his Stradivarius violin, at today's arbitrary, high International Standard Pitch, A-440, and then at C-256 (which gives an A of about 432 Hz.).

The Schiller Institute and Lubo Opera Company sponsored the first modern American performance of Beethoven's opera *Fidelio* at the “Verdi tuning” at Lincoln Center in New York in January 1990.

Wednesday, June 6 8:30 P.M.
Lisner Auditorium
The George Washington University
Washington, D. C.

General admission \$15
Students, seniors \$5

Sponsored by Schiller Institute and Lubo Opera Company
in cooperation with The George Washington University
For tickets call TELETRON: 800-543-3041
For more information: 800-543-1462



HISTORIC COMPACT DISC AVAILABLE!

Norbert Brainin and Guenter Ludwig
First Sonata Demonstration this century at C-256 Hz.
December 12, 1988 Munich, West Germany
Featuring J.S. Bach: Adagio, Sonata #1 in G minor
demonstrated at both C-256 and A-440
Plus: Beethoven Op. 30 no. 2 & Brahms Op. 105
Available from Ben Franklin Books (703) 777-3661

Business Briefs

Health

Short hospital stays add to infant mortality

A major contributor to the high infant mortality rate in the U.S. is that the average length of stay in the hospital for a mother after delivery is two days—four for birth by Caesarean section. In Western Europe, including Britain, women stay in the hospital an average of 6-8 days, the *International Herald Tribune* reported April 19.

The U.S. infant mortality rate was 10 per 1,000 in 1987, compared to 9.1 in England, 7.6 in France, and about 6 in the Scandinavian countries. Most infant deaths occur within 28 days after birth. The longer hospital stay allows staff to observe the baby's health and the mother's ability to care for the child.

In the 1970s, there was a move in the U.S. to reduce hospital stays due to the "risk of infection" in nurseries. "U.S. insurance companies, observing this, began setting limits on coverage," and now allow only two nights for a vaginal birth and four for a C-section.

One World Health Organization official said the most important variable in infant mortality is low birth weight, related primarily to lack of social support during pregnancy and cigarette smoking. In Europe, women are assigned midwives during and after pregnancy, along with their physician. Women get free milk and vitamins, and most receive a financial allotment for each new child—a sharp contrast to the U.S.

Food

FDA approves technology to control salmonella

The use of irradiation to control salmonella and other bacteria in fresh and frozen poultry was approved by the Food and Drug Administration on May 1. It is estimated that 30 to 60% of U.S. poultry is infected with salmonella and that as many as 4 million people suffer from salmonella poisoning a year.

The FDA has already approved low-level irradiation for pork (to control trichina), fruits

and vegetables, wheat, and spices. The decision on poultry has been under study by the FDA for 12 years, a process initiated in 1978 by food irradiation pioneer Dr. Martin Welt. Welt's company now has a petition pending with the FDA to permit irradiation of seafood.

Low-level irradiation of food has been proven to be absolutely safe after more than 30 years of tests.

International Debt

Creditors say Brady Plan increases arrears

The Institute of International Finance said that the Brady Plan of U.S. Treasury Secretary Nicholas Brady, which seeks to ensure debt payment by Third World nations, has engendered "a loss of discipline in the international financial system and the build-up of payments arrears to commercial banks and official agencies," in a report released May 4.

The report by the IIF, which represents major creditor banks, estimated that total interest arrears to commercial banks have risen from \$14.37 billion to \$18.15 billion since the start of the year, up from \$6.45 billion since the end of 1988. This "mistaken policy" has had contagious effects which could worsen the International Monetary Fund's own arrears problem, the report said. It recommended that the IMF revert to granting no money to any country until it has erased arrears to the banks.

The report, entitled "Improving the Official Debt Strategy—Arrears Are Not the Way," labeled the Brady Plan as underfunded and inflexible. Debt reduction deals have not been voluntary for the banks, as claimed, but "almost mandatory." It also said that the Brady Plan had slowed voluntary debt reduction, which was at \$11.33 billion in 1989, down from \$18.38 billion in 1988.

Income

Health care costs wiped out middle-class gains

U.S. health care costs are now so high that they have wiped out most of the income gains of

middle-class American families, according to Citizen Action, a public interest group, the May 7 *International Herald Tribune* reported.

From 1980 to 1987, rising health care costs have erased from 77 to 91% of real income growth for median-income families. Health care expenses have eaten up one-fifth of real U.S. economic growth over the same period, "nearly twice the bite taken out of economic growth by the nation's major international competitors," the group reported.

Americans pay at least twice as much for their health care as do Japanese, West Germans, Canadians, British, and French, Citizen Action reported. Yet, care is far worse in general. The U.S. ranks 22nd in infant mortality and 12th in life expectancy among industrialized countries.

Infrastructure

India's Tehri dam gets final go-ahead

The \$2 billion Tehri Dam project in the state of Uttar Pradesh, which had been stopped by environmentalists several months ago and subjected to another official review, has now been given final approval by the Indian government.

The five-member committee of experts set up by Prime Minister V.P. Singh's cabinet to look into safety aspects questioned in an earlier Environmental Ministry review, concluded that all dangers arising out of the seismicity of the project site have been taken into consideration, and that the design of the dam is completely safe.

The chairman of the Tehri Hydro Development Corp. announced that the project will be completed by 1996, four years ahead of schedule, provided there's no interruption of funding.

World Markets

U.S. court upholds international jurisdiction

In a display of judicial arrogance, a U.S. Court of Appeals upheld on April 18 a two-year-old

lower court ruling which declared that the British-based futures market for North Brent Sea crude oil is a U.S. market because U.S. companies do business there.

The lower court ruling was considered "so absurd" that the market ignored it, certain that it would be overturned on appeal; when it was not, the May 3 *Financial Times* reported, "the market went into shock." Shell cut off all contact with American traders, and Exxon quit the market entirely on the advice of its lawyers.

Under the same insane logic, the Tokyo Nikkei stock market could be declared a U.S. market, as could any of the world's financial and commodities markets, or even, as the *Financial Times* noted, "a Middle Eastern rug bazaar."

Foreign Aid

Bangladesh squeezed by drop in assistance

Bangladesh received an aid pledge of only \$1.8 billion, less than its request for \$2.5 billion, at the mid-April Paris aid consortium meeting. Last year's aid commitment to Bangladesh was \$1.78 billion against a pledge of \$2.5 billion.

Bangladesh Finance and Planning Minister, Gen. M. A. Munin (ret.) said that no "political conditionalities" were imposed by the donors, but acknowledged that a mid-term review of economic performance would be required for the first time.

President Ershad's regime's alleged economic mismanagement has become a major point among the donors. The "swelling growth" of expenditures, mostly unproductive, the reduced level of development or investment operations—much foreign aid is held up "in the pipeline" for want of domestic matching funds—and the "high consumption spree" of the government have been singled out for attack.

In a move attributed to the country's deepening financial and economic crisis, the finance and planning ministers resigned suddenly in March. The country's growth rate was 2.09% in 1988-89, compared to 6.7% in 1972-73, a downturn attributed at least in part to the terrible floods of 1988-89.

Botany

Luminescent broccoli used to curb black rot

The U.S. Department of Agriculture has given the go-ahead for scientific field tests in Macon, Georgia, of luminescent broccoli. Broccoli and cabbage, will be the subject of a project run by botanists from Auburn University to curb "black rot."

Scientists will deliberately infect the plants with black rot bacteria that have received a gene containing a code for bioluminescence lifted from a marine organism (*Vibrio fischeri*), which, it is thought, enables fish to "see." The luminescent black rot bacteria will glow in the diseased plants, allowing scientists to trace its progress without having to kill the plants.

Curing black rot, a major disease of the cabbage and broccoli family, would result in higher yields. Some scientists are proposing that field test plots be dug in Lafayette Park so that a "thousand points of light" will be visible from the White House.

Rail Transport

France embarks on investment program

Michel Delebarre, the French minister of public transportation, announced in Strasbourg in early May, a 10-year program for building 3,400 kilometers of track for the French TGV high-speed train. Thirteen routes for the TGV inside France are planned.

Delebarre said that the entire project, to be presented in detail before the summer recess, will cost 160 billion francs. The Paris-Strasbourg route, with a branch leading to the Swiss border via Colmar and Mulhouse, will cost FF28 billion and is scheduled to be completed by 1997. The other routes will be completed by the year 2000.

New locomotive model has also recently been developed that can be run on all four existing electric currents, increasing the attractiveness of the TGV for use outside of France.

Briefly

● **THE AIDS EPIDEMIC** is the worst in the world in New York City, according to the May 2 *New York Post* which cited a study conducted by the U.S. Centers for Disease Control. "The New York City-New Jersey rate is not only the highest in the country, it is also higher than reported in Africa."

● **MEDICAL** emergency calls increased 48% between 1984 and 1989 in Houston, Texas, the *Houston Post* reported May 7, taxing the capability of the system. Fire department officials estimate that 30% of its EMS dollars are used in the care of illness or injury related to drug abuse.

● **THE PENSION** Benefit Guaranty Corp., a government agency which is liable for defaults on pension obligations it insures, said there is a \$14 billion shortfall of payments into the fund for just the 50 largest plans which include General Motors, RJR Nabisco, and United Brands.

● **PRODUCTIVITY** fell 1% in the first quarter, according to the Department of Labor, despite a 4.1% increase in manufacturing productivity resulting from one time factors: Recovery from the Boeing strike and the Loma Prieta earthquake.

● **THE HUNGARIAN** economy "moved into sharp recession" in the first quarter of 1990 with the collapse of exports to the Soviet Union and the government's tight-money policy, the *Financial Times* reported May 5. Industrial production of state-owned enterprises fell 9.7%, Deputy Minister of Industry Henrik Aouth said.

● **ROMANIA** should not follow the policies of Thatcher and Jeffrey Sachs, but those of the "Asian Tigers," wrote Silviu Brucan, former member of the Romanian National Front, in the May 4 *International Herald Tribune*. Sachs's policies have so far produced "food riots" and a minimum wage of \$22 a month, "not even a tenth of the average worker's food and rent costs."

U.S. could leapfrog Europe, Japan in maglev technology

Although a foolish decision cost the U.S. its early lead, a policy shift now could revolutionize our crippled transportation by the 21st century. Marsha Freeman reports.

Over the next five years, U.S. scientists, engineers and transport designers could be putting on line a demonstration prototype of America's first advanced magnetically levitated transport system. The science and engineering has been under development for 20 years, but in the United States it has been under a funding embargo since 1975. In that year, the High-Speed Ground Transportation Act, passed a decade earlier, expired. The federal government decided that the cost of refurbishing the collapsed conventional rail lines, such as the bankrupt Penn Central, would soak up all the resources it could put into surface transportation. A foolish, short-sighted decision was made, which cost the U.S. its early lead in advanced magnetic levitation technology.

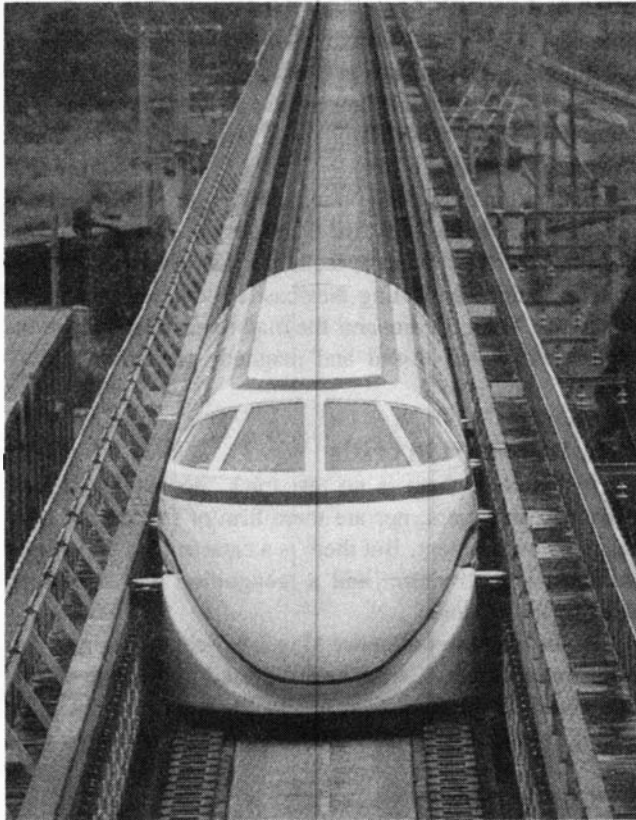
Over the same decade, Japanese and West German government and industry interests spent about \$1 billion each in developing this transport technology. A handful of different approaches to maglev has been under active development: attractive maglev systems with conventional copper coil magnets in both Germany and Japan, and an experimental superconducting system in Japan. The West German Transrapid technology has been offered for sale to the U.S. by the German industry consortium which developed it, and in Pittsburgh, Florida, and Las Vegas, government and industry consortia are considering the offer. The Japanese have expressed interest in funding such a proposal, though they would not be exporting their own maglev system, which is less developed than the German.

Helping to finance the export to the U.S. of the German technology, however, would create a market for this future transport system, which the Japanese also plan to have ready

for export around the turn of the century. The Japanese have already conducted market studies, indicating the potential for maglev studies in South America, and developing nations, such as Indonesia.

It may seem, at first glance, that the only way to have maglev in the U.S. in the near future, is to take up the German offer to export their Transrapid system. But importing maglev systems would mean the U.S. would create neither this advanced transport industry, nor the technologies, such as superconductivity, that will have multiple applications throughout the rest of industry. Moreover, the engineering and economic considerations used in the European and Japanese designs do not necessarily apply to the transport requirements in the United States. Both Europe and Japan have, for example, much higher primary energy prices and greater population-density than the United States. Their systems are optimized based on criteria which may not be as important here. Both nations also have functioning conventional and high-speed wheel-on-rail networks, which do not exist in the United States. Similarly, the distance between major population centers is much less, making short-distance air travel less important, and governments have preserved good, functioning rail systems that are economically attractive to passengers.

Finally, the West German Transrapid technology, which uses less technologically advanced attractive maglev, does not use superconducting magnets and has less operating flexibility and higher capital cost. The use of maglev technology will not be commercially introduced into the German transport system on an operational basis until the end of this



Japanese National Railways

The Japanese MLU-001 is equipped with superconducting magnets on the vehicle and on-board cooling units. On the sides of the guideway are coils for propulsion and guidance.

decade. There is, therefore, still a window of opportunity for the U.S. to “leapfrog” ahead into the second or third generation of maglev systems, using the most advanced superconducting, power-handling and -conditioning, and other technologies.

For the first time since the mid 1970s, the fiscal year 1990 budget includes a small amount of funding for a look at national maglev requirements. The Army Corps of Engineers is spending \$1 million this year, to begin to evaluate system designs, and the Federal Railroad Administration’s (FRA) \$500,000 is being used for initial safety studies.

For FY91, the Department of Transportation has requested \$6.2 million for the FRA maglev effort, and \$3.5 million has been sought for the Army Corps of Engineers, but only to study maglev requirements and technology status, and to begin safety and other institutional examinations of all maglev technology. Interestingly, the current renewed interest in maglev led to the requirement in the Senate amendments to the Clean Air Act, that within six months of passage of the law, an environmental assessment of maglev be done.

At a Government/Industry Maglev Forum in Washington on May 2-3, it was clear from the presentations, and discussions with the scientists and engineers who created and devel-

oped the idea for advanced superconducting repulsive maglev, that the only thing stopping the full-scale demonstration of the technology is the political and financial will to do it.

Dr. Gordon Danby, who, with Dr. James Powell, holds the original advanced maglev patent granted in the 1960s, stated at congressional hearings on March 21, “The technology has been in hand for years. There are no technical barriers to building maglev. . . . What is required is a third generation design, and leadership to pull this together.”

Worldwide status of maglev

The Japanese government and industry have pursued the development of both attractive, or electromagnetic system (EMS), maglev, using conventional magnets for levitation and propulsion, and the more advanced repulsive, or electrodynamic system (EDS) designs, which use superconducting magnets. The less advanced attractive system, called the HSST, has been under development by Japan Airlines. It is considered an intermediate-speed system, limited to about 180 miles per hour because it picks up propulsion power from the guideway. It will be superseded by the more advanced technology.

The goal of Japanese maglev deployment is to bring all of the major cities within a one-day roundtrip of each other. Routes are being designed which are even geographically difficult in order to open up interior regions of the country that have limited surface transport access to economic development. For example, the Tokyo to Osaka system, which is projected to begin testing in 1995 for full commercial operation by the year 2001, could have been built along the shore, near the right-of-way established for the Bullet train. Instead, an expensive, mountainous route was chosen, which will require that 60% of the 300 miles of maglev guideway go through tunnels.

The system is expected to cost more than \$21 billion, one-third of which will be paid for by the government largely through long-term debt. It is projected to carry 100,000 people per day. The Japanese would like to avoid the burgeoning of inefficient and petroleum-wasteful, short-haul air traffic the U.S. experienced, as their transport needs grow. A number of years before that 300-mile system is completed, however, a smaller 30-mile advanced maglev commercial demonstration project will be put into operation from the airport near the city of Sapporo, which is the capital of Hokkaido. The system is projected to cost about \$3 billion. In 1994, this will become the world’s first commercial superconducting maglev system.

The Japanese work in maglev started in the 1960s, soon after Drs. Powell and Danby patented their concept. In 1977, the four-mile-long Miyazaki test track opened to test the ML series of vehicles. Two years later, the ML-500 set the world’s speed record for maglev at 321 miles per hour. In 1980, the MLU-001 began tests, with a new and improved design for the guideway. Future testing

must include testing prototype vehicles at full speed, the passage of vehicles through tunnels to study aerodynamic effects, the wind effects of two vehicles passing each other at high speeds, and the development and testing of track-switching devices.

It has been pointed out that the fact that electricity costs are in Japan are three times those in the United States has led to design choices that minimize power requirements, but increase capital costs. For instance, shorter block lengths for the electrical activation of the guideway for propulsion; using discrete coils in the guideway rather than continuous conductors strips; and using non-magnetic, low-conductivity steel alloy reinforcing rods, all reduce electricity consumption, but increase the construction and materials costs of the guideway.

In West Germany, the major effort has gone into the operational development of the less advanced, and nearer-term, attractive, non-superconducting maglev technology, though repulsive maglev research was initially also done in the 1970s. The attractive system produces only a small, 3/8 inch gap between the vehicle and the guideway, which requires that it be maintained in nearly perfect condition, and thereby eliminates the inherent low-maintenance advantage of non-wheel-on-rail surface transport. In 1974, Transrapid was formed by Krauss-Maffei and the aerospace giant Messerschmitt-Bölkow-Blöhm. Two years later, the 10-ton Kommet vehicle was tested on a one-mile guideway, and soon after, the steel firm Thyssen joined the consortium. The major test facility, which has carried passengers in demonstration runs since 1982, is the Emsland Test Track. The vehicle under development is the Magnetbahn Transrapid.

The limits of the attractive technology have confined the system to speeds of about 250 miles per hour, and it is seen as suited to lower speed applications than the superconducting technology, and therefore, not competitive with air transport.

TABLE 1
Alternative rail technologies (operational above 125 mph)

	Cruising speed	Cost (\$/mi)	Applicability
High-speed steel wheel on steel rail			
Japan—Shinkansen Bullet train	150	\$21 mn	Intercity
France—Train à Grande Vitesse	185	\$10 mn	Intercity
Sweden—(Asea Brown Boveri)	150	\$10 mn	Intercity
Maglev: attractive force (electromagnetic system (EMS))			
Germany—Maneto-Bahn	40	N/A	Commuter's
Germany—Transrapid	250	\$12 mn	Intercity
Japan—HSST	30	N/A	Commuters
Maglev: repulsive force—electrodynamics system (EDS)			
Japan—Railway Technical Research Inst.	250	\$16 mn	Intercity

It is not too much faster than the French Train à Grande Vitesse (TGV), the German Inter-City Express (ICE), or other high-speed rail lines in operation.

In 1999, Transrapid plans to have an operational line over the 90-mile route from Hamburg to Hanover. The system is to cost \$1.7 billion.

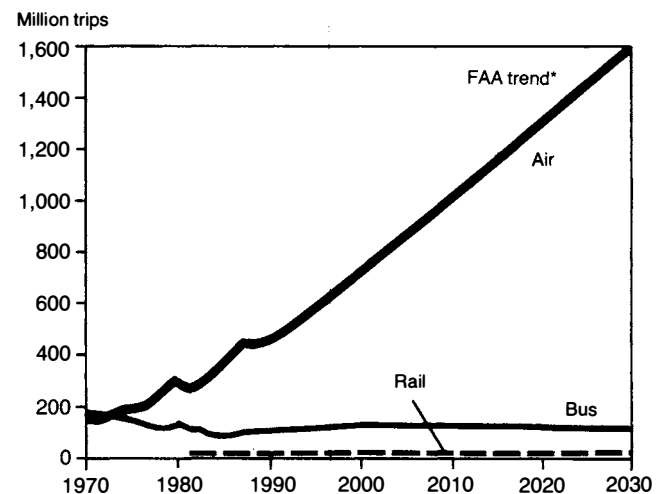
In addition to bidding on regional maglev transport projects proposed in the U.S., the Germans have also studied the potential for this transport technology in Saudi Arabia, as well as a line connecting Newcastle-Sydney-Canberra, in Australia. **Table 1** compares the major characteristics of the high-speed wheel-on-rail and magnetic levitation technologies.

U.S. transport in crisis

In the U.S. there is no test track, no maglev vehicle carrying passengers, nor are there firm or funded plans for maglev development. But there is a catastrophic collapse of transport infrastructure, and a recognition that something must finally be done.

At the maglev conference May 2-3, Federal Railway Administrator Gilbert Carmichael reported that in the 1920s, one could travel from Chicago to St. Louis by rail at an average speed of 120 miles per hour. Today, no matter what

FIGURE 1
Intercity commercial passenger travel is projected to grow annually 4.1% to 2000



Source: Argonne National Laboratory

*The percentage of adults who have flown increased from 49% in 1972, to 72% in 1986.

Since the mid-1970s, the growth of passenger transport has been overwhelmingly in the air mode. Without a new transport technology to relieve some of that burden, the nation's air transport system will become increasingly congested.

In another indication of the turn of this nation's transport toward servicing entertainment centers, a second region actively planning to meet future transport needs is on the route between Los Angeles and Las Vegas. The plan is to operate a high-speed surface transport system in this corridor by about 1998. The approximately 250-mile system must be built at no expense to the state of California and bids are due in July. As of now, it is expected that there will be proposals representing the French TGV rail system, and also the German Transrapid maglev. Projections are that the TGV would cost about \$2 billion, and the maglev about \$3.5 billion. The project requires congressional authorization for dual use of the interstate right-of-way, which has been raised in Washington.

In Pennsylvania, there has been an aggressive effort to revitalize transport and the economic viability of the region for more than a decade. Recently, a study led by Carnegie Mellon University has been completed, proposing that the German Transrapid system be imported, but be licensed for production in unused factories in the Pittsburgh area. Promot-

ers of this plan hope that Japanese financing would be available. Eventually the system would connect the major urban centers of Pittsburgh, Philadelphia, and the state capital at Harrisburg, but would start with a smaller demonstration project. It has been projected that 4-12 million riders per year would be attracted to this novel system.

The route most in need of maglev technology, however, is the Northeast corridor, which is heavily congested. No new airline flights can be added in any of the major airports. Maglev USA, formed recently by General Electric, Westinghouse, the Grumman Corp., CSX, Rust International, and Sverdrup, is promoting the construction of a Baltimore-to-Washington maglev line.

Clearly, this should be the first leg of the full Boston-to-Washington system. Spokesmen for the project have used the example of the Washington-to-Baltimore telegraph line in the last century, which stimulated the development of telecommunications nationwide, as the role the corridor can play in maglev development.

Over the 1970s, as the situation in the Northeast corridor worsened, the federal government poured more than \$1 billion into upgrading the deteriorated Amtrak rail line, explicitly as a tradeoff to simultaneously being able to use the corridor as a showcase of the most advanced U.S. transport technology.

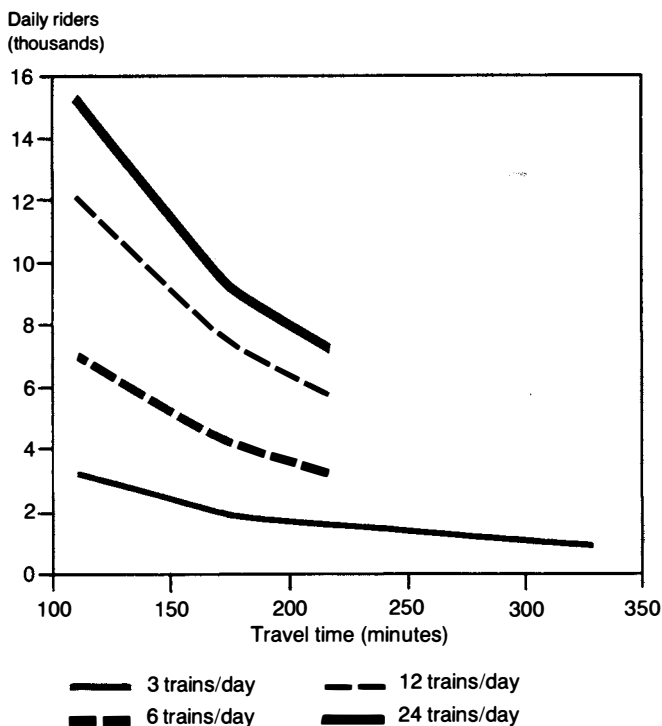
It has been proposed by Maglev USA and the experts who have studied this region for Sen. Daniel Moynihan (D-N. Y.) and the Senate Committee on Environment and Public Works, that freight be included in the service provided by maglev, particularly along this corridor. It is an important freight route, unlike the entertainment orientation of many of the other proposed routes. Dr. Gordon Danby reports that multipurpose maglev vehicles can be designed to carry both passengers and freight. Containerized freight, which is carried by airplanes and trucks today, could be moved on maglev. A fully intermodal system would allow the quick transfer of freight from one transport system to another.

Because there has been no federal leadership in transportation, and particularly in high-speed ground transport, for 15 years, different systems are being considered in various parts of the country. If these projects go ahead, it will eventually be difficult to link them up to a national maglev grid. We can see that very problem in Europe, with the effort to integrate rail systems with different gauges.

Figure 2 is a conceptual plan for starting the national system by connecting hub airports to maglev networks. Architectural plans have also been drawn up for the interface between the air and surface modes, so passengers can deplane and enter the maglev terminal, rather than renting a car or taking an additional short flight to reach their final destination.

In passenger transport, and even more so for freight, intermodal operation with clean interfaces and added convenience can exponentially increase the productivity of the en-

FIGURE 3
Effect of travel time on ridership
Detroit-Chicago corridor



Source: Federal Reserve Bank study, 1984.

Travel time and the frequency of departures have been found to be the two major factors influencing how passengers choose among various transport modes.

tire system and make traveling safe, rapid, efficient, and environmentally pleasurable.

What makes maglev 'economical'?

In a article in the *New York Times* in September 1989, Eric W. Beshers insisted that high-speed rail cannot pay for itself. Unfortunately, Mr. Beshers is not just a misguided commentator, but the former deputy director of the office of economics of the Department of Transportation. It is no wonder we have had no investment in transportation. Aside from Beshers' insults that the French and Japanese high-speed trains are nothing but "boondoggles" and that the claims of cleaner air, energy efficiency, etc. are "nonexistent," it is interesting that he has no historical understanding of the role of transportation as the "enabling" capability to all economic activity. As most U.S. schoolchildren know, before there was large-scale development of industry and agriculture west of the Mississippi, there were the trains. Before that, the network of man-made and improved internal waterways allowed the East to develop.

There is no cost-benefit analysis that can be carried out which will show that infrastructure can "pay for itself." Do children "pay for themselves?" Their role is to be "enabling" for the future of society.

It is also disturbing that Mr. Beshers makes no attempt to reveal what parameters, particularly for financing, he is using. At the recently held maglev symposium in Washington, Dr. George Lodge from Harvard University referred to the difficulties that the government-supported Sematech consortium is facing in promoting U.S. commercial leadership in semiconductors.

Semiconductor industry leaders, who are developing a product which *is* supposed to be able to make a profit, have told the Congress that, unless credit at lower interest than currently exorbitant commercial rates is made available, they cannot compete with a Japanese semiconductor industry which can borrow capital at 5-6% interest. The United States has nearly succeeded in proving that it is actually possible to make *all* productive economic activity unprofitable!

At the maglev symposium, where the Bush administration fixated on partnerships between the public and private sectors to build new transport systems, aerospace industry representatives, whose companies would build the airplane-like maglev vehicles, readily admitted they had no capital for large-scale private investment. The week before, these same aerospace companies had announced more than 10,000 layoffs—their portion of the "peace dividend."

Fairly detailed analysis of the costs of maglev systems have been done, partly to discover how further advancements in the proposed component technologies and system designs can cheapen the cost of this revolutionary new transport. Dr. Richard Thornton has suggested that the technology be made more "elegant" and simpler, as the way to reduce the cost. At the maglev symposium, he remarked that the German

Transrapid system could be used to serve vacationers and casino tourists, but the U.S. needs a national system, to serve the needs of the whole country.

Figure 3 describes two of the most important considerations, from the passengers' standpoint, in choosing a particular mode of transport. The longer a trip takes, the fewer riders will prefer that mode. Also, the higher frequency of departures, the more passengers. Maglev systems for the U.S. have been conceived of as consisting of one-car vehicles, which can have a headway, or time between departures, as short as one minute. This is possible because the sophisticated computer controls which are necessary for the levitation, propulsion, and guidance of the 300 mph vehicles already require the constant monitoring and control which would allow the vehicles to have relatively small distances between them.

As Table 1 shows, the per mile cost of building high-speed rail ranges from \$21 million for the Japanese Bullet train, to perhaps \$10 million for the French and Swedish versions. For maglev, it is estimated that 80-90% of the cost will be for the construction of the guideway. The vehicles are relatively inexpensive. While it is too early to estimate with any degree of confidence what the superconducting maglev system will cost, it is interesting to note that interstate highway construction can cost \$15 million per mile in suburban areas, and as high as \$30 million per mile in urban regions. Of course, included in these figures is the highly inflated cost of real estate. As Vice President Dan Quayle pointed out in a speech on May 1 before the annual meeting of the American Institute of Aeronautics and Astronautics,

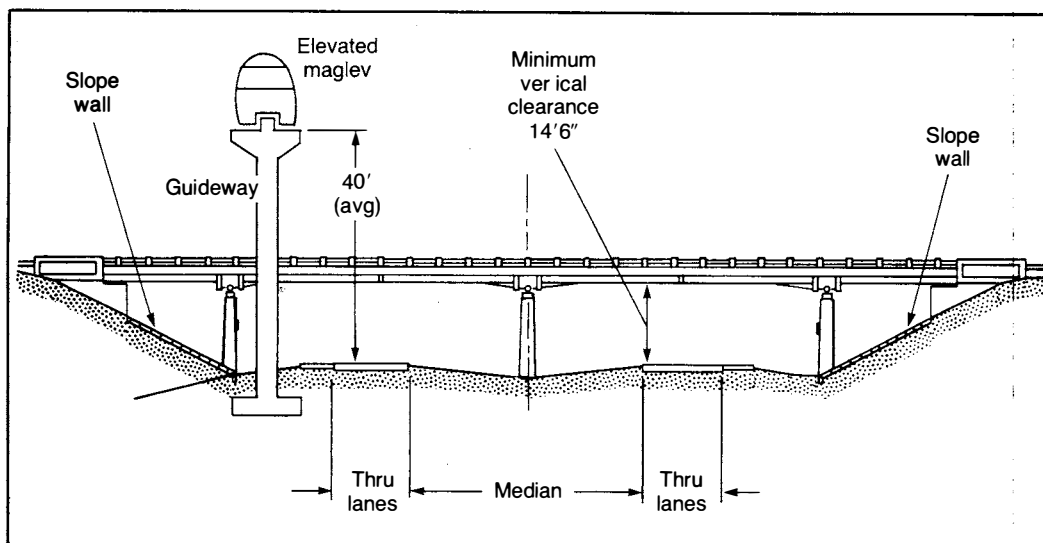
TABLE 2
Energy-intensity comparison for a 300-mile trip with a load factor of 0.6*

System or mode	Cruising speed (mph)	Energy-intensity (Btu/PM)
West Germany TR07 Maglev	310	1,150
Canadian second generation maglev	280	890
Japanese MLU002 maglev test vehicle	260	1,420
Japanese six-car maglev revenue train	310	890
Magneplane (MIT)	225	1,340
Ford Motor Co. Maglev		
Base case (80-pass)	300	5,540
Modified (140-pass)	300	4,190
Three-car train	300	3,380
Base case with LSM	300	1,390
Aircraft	400-500	9,170
Personal highway vehicle (at 32.3 mi/gal)	65	1,940

*Data are for cruising speed only, except for aircraft, which include all gate-to-gate operations.

FIGURE 4

Elevated guideway design for Northeast corridor



To avoid slowing down for rises and dips in the road, as well as for increased safety and all-weather operations, it has been proposed that the Northeast corridor maglev system be elevated perhaps 40 feet.

Source: Report of the Maglev Technology Advisory Committee, 1989.

since early in this century, the U.S. has spent about \$2.5 trillion on its interstate highways. In earlier periods of history, national leaders clearly decided that infrastructure was "cost effective."

Designers have used the construction cost of \$10-15 million per mile as target for maglev systems designs. Table 2 clearly demonstrates why this technology should be fostered. Though even with the energy parameters in BTUs per passenger-mile, maglev consumes less than one-third as much energy as aircraft, and no more than automobiles and conventional rail; in addition, aircraft and autos use petroleum-based liquid fuels, of which, at the current time, 54% is imported. Here, the quality of the fuel is more important than simply the quantity. Maglev is an all-electric transport mode. While conventional and high-speed rail in Europe is almost entirely electric, in the United States, less than 10% of the total rail trackage is electric. The rest is serviced by liquid fuel-engined locomotives. For improved energy and transport security, as well to avoid environmental noise and air pollution, all-electric transport is required.

The proposal by the Maglev Technology Advisory Committee, contained in its report, "Benefits of Magnetically Levitated High-Speed Transportation for the United States," benefits from the years of research by Drs. Danby and Powell, as well as Drs. Henry Kolm and Richard Thornton, who developed and tested their superconducting Magneplane concept, in scale model, in the 1970s. The committee proposes to build the maglev guideway using the right-of-way of the existing interstate highway along the Northeast corridor. The center median is typically 50 feet wide, which is adequate for an elevated maglev system. The physical features of the

road, the report points out, such as dips and rises, bridges, and interchanges, would limit vehicle speed at some locations if the guideway were at ground level. In addition, at 300 miles per hour, at ground level, the passengers would see nothing but a blur. To solve that problem, it is proposed that the maglev guideway be elevated to a height of approximately 40 feet, so it can pass over existing structures with adequate clearance, as Figure 4 shows.

For abrupt angle curves, the guideway would depart from the interstate. Offline loading would allow the maglev vehicles to maintain higher speeds and only stop at selected stations. It is proposed that the guideway be constructed with prefabricated beams and piers, installed on concrete footings, and the beams have their aluminum conductors laid on top. The optimum distance between beams, according to the report, is in the range of 50-100 feet. While the system is under construction, one guideline must be minimum disruption of normal highway travel. A rough estimate made by the scientists, engineers, and industry advisers is that such a system could be built at a cost of \$11-13 million per mile for a two-way guideway, including components and installation.

One important requirement for the U.S. system operating in the Northeast, is that it be operable in all weather conditions. The guideway must be designed so it does not accumulate ice or snow. According to Dr. Danby, this is a geometric problem, which is easier to solve on an elevated system, where there is no possibility of drifting. A porous design, for example, would prevent snow from sticking to the guideway. If the guideway is elevated, the weight of the vehicle becomes a constraining factor. Superconducting maglev vehicles are projected to be in the 40-ton range, whereas the attractive,

non-superconducting maglev vehicle weighs typically 100 tons. Dr. Danby estimates that containerized freight in the range of the 80,000 pounds carried in trucks, could be hauled on an elevated maglev guideway.

It is estimated that for approximately the same \$1 billion that has been spent by the Germans and Japanese over the past decade, a superconducting demonstration maglev project could be built in the United States. This could likely be completed over the next five years. From there, commercial systems could be designed, to be in operation at the turn of the century.

There is little argument that the U.S. has the *capability* to leapfrog into second and third generation maglev technologies. How to fund moving from the research and study stage of maglev into the construction of full-scale systems is the subject of a number of pieces of legislation, as well as discussions in the scientific and industrial communities.

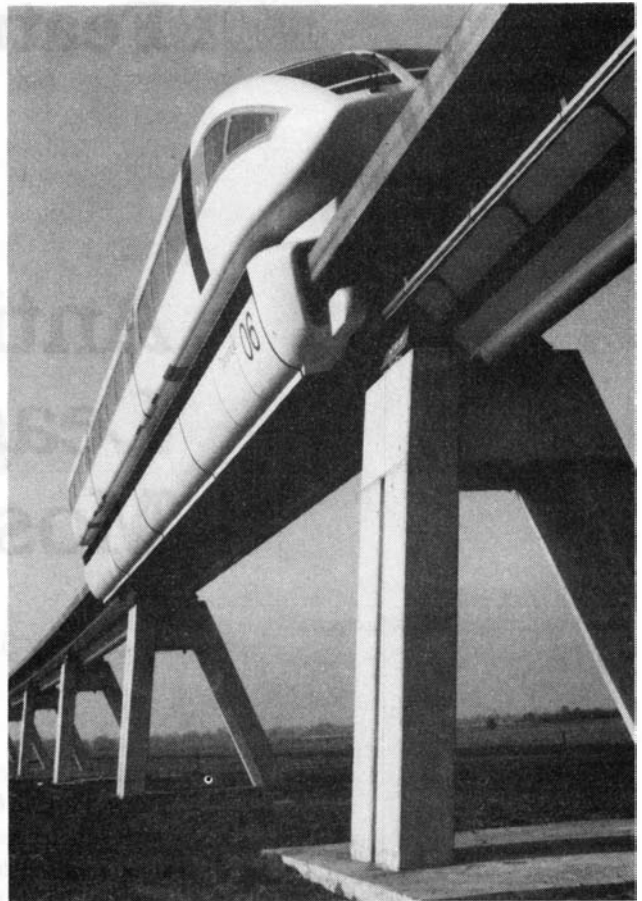
Moving maglev forward

Numerous bills have been introduced in the Senate by Senator Moynihan and others to try to get maglev off dead center. They vary in the amount of money which would be available, and the way the work is to be paid for. Proposals range from the use of government employees' pension funds to guarantee loans to industry, to direct appropriations through the budget, and there is even a proposal to return to a 1960s pro-growth policy of investment tax credits for industry. Though Moynihan has made great public fanfare of the scandal that the Social Security Trust Fund surplus is being ripped off to alleviate the budget deficit, the senator fell silent at the maglev symposium when this reporter suggested that the more than \$60 billion fund be used to extend long-term, low-interest credit to an emerging maglev industry.

The collapsing aerospace industry, now following the unprotected "smokestack" industries of the past decade into economic oblivion, is in no position to "share costs" in maglev development. Recent reports indicate that the political defense policies being pushed by the Bush administration to take down defense production *and* defense research and development, could easily push the heavily indebted defense and industrial capability of this nation over the edge.

The billion dollars required to build a demonstration maglev system should be paid for from the federal research budget in transportation, as well as the bloated tax receipts already being collected through the Social Security payroll tax, and the surpluses in the highway, air, and other "user fee" trust funds. Credits at 1-2% interest over 10-15 years would allow industrial firms to participate in the rebuilding of American transport, using the technology of the 21st century.

According to FRA's Carmichael, there are people in the Bush administration discussing using the Highway Trust Fund, once again, for transportation. Carmichael stated that perhaps there should be a new intermodal trust fund for technologies such as maglev. Currently, the nation spends \$600



The German attractive maglev vehicle is the Transrapid. It is being developed for commercial operation between Hamburg and Hanover.

billion per year on transportation. Surely, a small percentage of that should be put into future technology.

Next month, the FRA will present a report to the Department of Transportation evaluating the market potential, and interest in U.S. industry for maglev. According to Maj. Gen. Patrick Kelly of the Army Corps of Engineers, the goal of the U.S. R&D effort is the development of U.S. advanced maglev technology by the end of the century. In June, the Army Corps of Engineers will present an implementation plan for the government interagency effort in maglev. At the maglev symposium, General Kelly reminded the audience that the Corps had helped NASA put a man on the Moon.

Unless the decision is made to make that investment soon, the window of opportunity for U.S. maglev development will close. Then, 10 years from now, our Trade Representative will be making visits to Tokyo to convince the Japanese to implement trade barriers which prevent the export of Japanese maglev systems to the U.S., while the transport systems and economy here collapse into a heap of rusted metal.

Anti-Defamation League spreads Moscow's lies

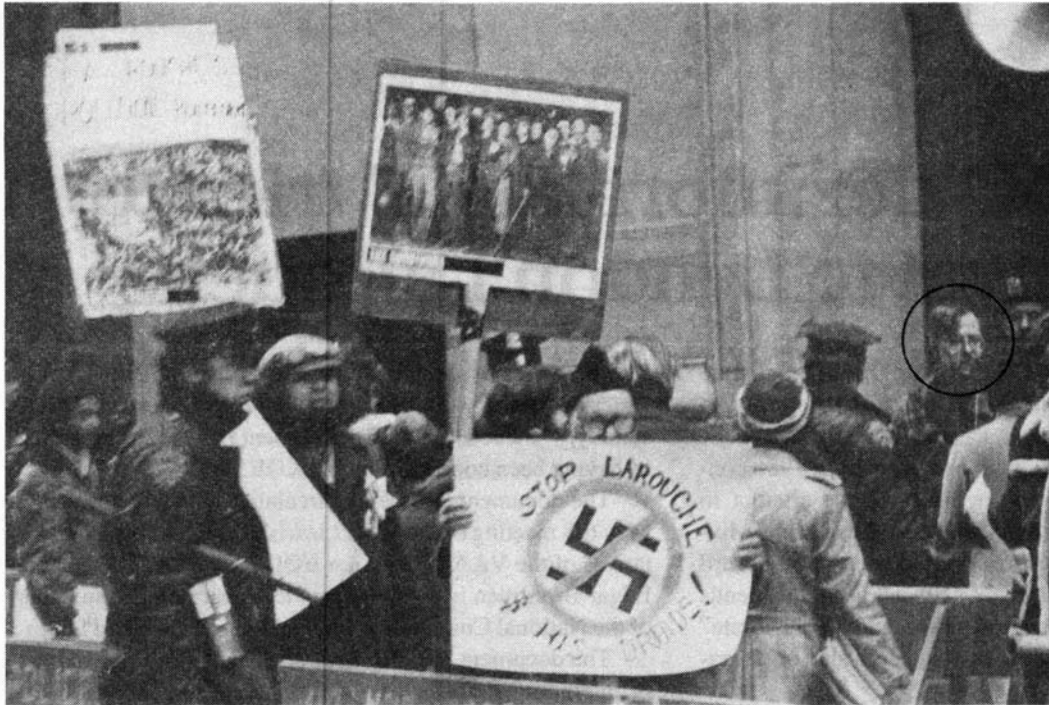
by Jeffrey Steinberg

Lyndon LaRouche, independent Democratic candidate for U.S. Congress from Virginia's 10th Congressional District, has issued a sharp warning to all Western intelligence agencies that they are about to be confronted with one of the most ambitious penetration campaigns ever undertaken by the Soviet foreign intelligence services. LaRouche issued this warning upon receiving reports on the May 6-8 conference in West Berlin of the World Jewish Congress—a conference punctuated with repeated signals that the WJC under Edgar Bronfman's leadership, the Anti-Defamation League (ADL) of B'nai B'rith, and other Bronfman-dominated, pseudo-Jewish organizations have entered into a deep collaboration with the Gorbachov regime in Moscow and have placed their capabilities at the disposal of senior KGB foreign intelligence official Gen. Markus Wolf, former head of the infamous East German Ministry for State Security (Stasi) and a leading collaborator of the late KGB chief Yuri Andropov.

LaRouche situated the strategic conjuncture by contrasting the good and bad aspects of the opening of the Berlin Wall, and similar events in Czechoslovakia, Hungary, and Poland. The good side is that Eastern Europe will be opened to economic integration with the West, as well as the obvious political freedom which is afforded to the Captive Nations in this process. The unfortunate part, as emphasized by Admiral Martini of the Italian intelligence services in recent interviews with the Italian media, is that Western Europe and the United States, the NATO countries, are caught flat-footed, totally unprepared to deal with a massive infiltration of the West by KGB agents under the direction of former East German intelligence chief Markus Wolf.

In Berlin, the ADL emerged as co-authors of an ongoing hoax against LaRouche and his friends (see page 30). As the intelligence packet presented in the following pages shows, the ADL is a longstanding collaborator of the Soviet Chekist services, and a most intimate collaborator of Markus Wolf.

In the last week of April, Admiral Martini, the head of the Italian SISMI intelligence agency, gave an interview to the magazine *L'Europeo* warning of the dangers posed by the open borders between East and West Europe. While



The ADL stages a rally against Strategic Defense Initiative originator Lyndon LaRouche in 1981, outside a conference in New York City of the philosophical organization founded by him. Circled is Dennis King, ADL-funded author of a book-length slander of LaRouche.

welcoming the developments in Eastern Europe as a whole, he cautioned that activities by agents of the Soviet intelligence services will likely skyrocket. Martini warned that the West is ill prepared to handle these new challenges.

Martini's expressions of concern did not even begin, however, to take into account the shifting alliances of groups like the ADL and the Bronfman leadership of the World Jewish Congress, which have their base in the West, and which, present potentially even more dramatic counterintelligence challenges to Western intelligence agencies which themselves may already be contaminated by these groups.

As LaRouche noted on May 8, the ADL is part of an international gang which is traditionally associated chiefly with the dirtiest side of British intelligence. That section of British intelligence has a longstanding alliance with the Teddy Roosevelt circles from the United States, and has established a very important and powerful foothold inside the United States, to the point that the ADL today is more significant than what is generally called the Zionist Lobby around the American-Israeli Public Affairs Committee.

In the context of current developments, a strange thing has occurred: As Britain collapses under the weight of the follies of Margaret Thatcher and similar kinds of economic and social thinking, and as a condominium develops among Washington, London, and Moscow to constitute a global empire, the forces centered around the ADL and the Bronfmans have moved ever closer toward Moscow, particularly toward the Chekist elements of the Soviet state.

LaRouche said that they have done so because they are becoming vulnerable in the Western nations, and, therefore,

rather than remaining simply collaborators of the Soviet KGB, and mere channels of influence, they are moving to become more integrated into the Moscow Chekist apparatus. That is because they believe that they secure greater bargaining power by doing so. They are trying to operate within the condominium as an agency historically attached to the British side of the Western imperium and who find it expedient now to shift their base to make themselves indispensable to the Moscow side of the condominium in order to have greater bargaining power and maneuvering room within the evolving condominium arrangement.

LaRouche cited recent moves by the Bronfman and other financial interests closely allied to the ADL into the newly created financial markets in Central Europe as one critical area in which these circles are currently functioning as de facto agents of the KGB—no longer merely as agents of influence. The ugly fact is, he warned, that the United States, and most of continental Europe as well, have no effective counterintelligence capability to deal with the Soviet intelligence onslaught in which the ADL, Bronfman, and allied forces are principal Soviet conduits.

It is in the interest of addressing some of these intelligence gaps that the Counterintelligence staff of *EIR* presents in this issue a summary dossier on the aims, goals, personnel, and operations of the Anti-Defamation League. Since 1974, and on a dramatically escalated scale since 1978, the ADL has conducted a multimillion-dollar "active measures" campaign against LaRouche, whose policies the Kremlin labeled as a *casus belli* for his well-known role in helping to frame the Reagan administration's Strategic Defense Initiative.

KGB-ADL 'dezinformatsia' tries to link Pamyat to Lyndon LaRouche

Once again, the Soviet KGB and the Anti-Defamation League (ADL) have been caught cooperating in a *dezinformatsia* (disinformation) smear against Lyndon LaRouche and his collaborators. The ludicrous campaign in 1986 conducted precisely by these two agencies in the attempt to blame LaRouche for the assassination of Swedish Prime Minister Olof Palme, is now recurring in an even more absurd form, with the attempt by these two agencies and their friends to spread the line that LaRouche and associates "collaborate" with the avowedly anti-Semitic, neo-Nazi Russian organization Pamyat.

This new "big lie" is being circulated in the form of a memorandum written in Russian by a Soviet entity called the League for Struggle Against National Socialism and Racism/ADL, which is affiliated with the Soviet Jewish organization VAAD, or in English, Congress of Jewish Communities and Organizations of the U.S.S.R. The memorandum purports to document episodes of anti-Semitism in the U.S.S.R. from February to April 1990. At its conclusion, the memorandum states that it was "commissioned by the council of the ADL."

On its second page, the document reports on a press conference allegedly given in Moscow on March 21, 1990, by several organizations ostensibly representing a new, Great Russian anti-Semitic coalition. The purpose of the purported event was to announce the creation of the new coalition. One speaker, a certain Aleksandr Eduardovich Kulakov, head of a Pamyat splinter group called Orthodox National Patriotic Front-Pamyat, is quoted by the memorandum: "Precisely with the rebirth of the Orthodox spirit in the people, will begin the annihilation of the forces of evil on the Earth—that is, Zionism. We, through you [the press], wish to appeal to all the healthy forces in Europe, with a proposal for consolidation of our actions. These [healthy forces] are the National Front of Le Pen [in France], the European Party of LaRoche [sic], the Republican Party of Schoenhuger [sic], and the Irish Republican Army."

It should be noted that the particular misformulation "European Party of LaRouche," has been used earlier by the late senior KGB-Comintern operative Ernst Henry, writing in the Soviet magazine *New Times*.

In a lunatic fashion rarely seen even in the Soviet Union, Kulakov and other cited speakers rave against Judaism, their epithets interspersed with praise for the Soviet Army and for

"the activities of the healthy forces of the KGB and MVD [Interior Ministry] in their fight to protect social and state stability." Indeed, the entire document has the strong aroma of having been concocted by the KGB.

The document was being circulated privately during the May 6-8 meeting of the World Jewish Congress by representatives of the VAAD/"Russian ADL." The WJC's President Edgar Bronfman is an honorary vice-chairman and member of the National Commission of the ADL in the United States.

The document has also been made available to a variety of international journalists, and there are indications that it is to be distributed in the United States and West Germany.

These KGB networks may find it even more difficult to make this slander stick, than the line that "LaRouche killed Olof Palme," since it is a fact that for years LaRouche has consistently attacked Pamyat as typifying the rise of Great Russian chauvinism in the Soviet Union. Indeed, *EIR*, of which LaRouche is a founding and contributing editor, was probably the first publication in the Western world to expose Pamyat. Soon after Pamyat's first public appearance in the U.S.S.R. in May 1987, *EIR* published the first of many blistering exposés of the group (see *EIR*, Aug. 14, 1987, "Mikhail Gorbachov's stable of Great Russian writers"). In September 1988, a "Global Showdown Update" *EIR* Special Report contained a chapter titled "Pamyat: the engine behind anti-Semitism and neo-Stalinism." From his jail cell, LaRouche has continued to attack Pamyat. Speaking from the Rochester, Minnesota Federal Medical Center on Jan. 11, 1990, he referred to his own unceasing campaign, since the spring of 1983, against the Great Russian chauvinists. He attacked Pamyat as typifying the "raskolniki monster inside Muscovy," and pointed to the backing for Pamyat in the Soviet military and relevant elements of the KGB.

What a contrast with senior officials of Bronfman's World Jewish Congress who as late as 1989 were making public attempts to *minimize* the Pamyat threat! Following a Feb. 11-12, 1989 trip to Moscow, WCJ vice president and Bronfman aide Isi J. Leibler of Australia stated that the Pamyat threat should not be exaggerated: "A bit of Pamyat hooliganism doesn't worry me," he said. Only days later, the London *Daily Telegraph* reported that Pamyat "attracts no less than a million followers," and was a major threat to the Jews.

The KGB-ADL pipeline

The "LaRouche-Pamyat connection" hoax is being done exactly the same way the "LaRouche killed Palme" hoax was carried out. On March 1, 1986, only hours after Palme had been killed, the Soviet intelligence services put out the word that "LaRouche did it." That line was quickly spread by Irwin Suall, head of the Fact-Finding Division of the ADL, and conduited into ADL-tainted media channels. The KGB-ADL collaboration was so close during the following months, that the Soviet publication *New Times* published an attack on LaRouche and associates in its Sept. 15 edition, under the headline, "Nazis without swastikas." The headline was adapted from a document authored by Dennis King, the ADL-backed anti-LaRouche operative in the United States. Three weeks after the *New Times* piece appeared, the headquarters of companies associated with LaRouche in Leesburg, Virginia were raided by a massive U.S. government force.

The following facts are worth considering in this connection:

- At the May 6-8 WJC meeting in Berlin, an official of the VAAD, Yuri Sokol, was being chaperoned by the British magazine *Searchlight*, a mouthpiece of the British Campaign Against Racism and Fascism, which is linked to the ADL and to the intelligence-espionage networks of "ex"-Stasi head

Markus Wolf. In *Searchlight's* April 1990 issue, which went to the printer at almost the same time that the ostensible Kulakov pronouncements were made, there appeared an article explicitly praising the KGB and KGB head Gen. Vladimir Kryuchkov for a new KGB campaign of "fighting anti-Semitism." The same issue contains a wild attack on LaRouche and on West German Chancellor Helmut Kohl. *Searchlight's* role in collaborating with the ADL in the "LaRouche killed Palme" caper was documented in *EIR's* October 1986 Special Report, "A classical KGB disinformation campaign: Who killed Olof Palme?"

- From March 26-31, 1990—right after the alleged Kulakov statements in Moscow—senior VAAD official Mikhail Chlenov visited the United States to meet with Elon Steinberg, personal assistant to Bronfman, at the New York office of the WJC. On March 28, Chlenov visited the office of the ADL to meet with ADL International Affairs Director Kenneth Jacobson. Chlenov was one of the featured participants at the May 6-8 WJC meeting in Berlin.

- One of the featured speakers at the WCJ meeting was Neal Sher, head of the U.S. Department of Justice's Office Special Investigations, which has specialized in framing up anti-communists on behalf of the Soviet Union. Sher defended the reliability of evidence provided by Soviet individuals and entities.

LaRouche on the reaction to Carpentras atrocity

The Soviet KGB and allied networks of Edgar Bronfman and the ADL in France are using a horrifying series of incidents at a Jewish cemetery in the village of Carpentras, near Avignon, to destabilize the political and social structure in Europe.

On May 10, it was discovered that over 30 Jewish gravestones had been desecrated at the cemetery. The culprits had exhumed the body of an 81-year-old man who had died a month ago, and impaled the corpse on the shaft of an umbrella. Some observers said that even when the Nazis occupied France, they never did anything like this with a corpse.

Bronfman's World Jewish Congress immediately released a statement from Paris, charging that the Carpentras atrocity is part of "the resurgence in France and Europe of the neo-Nazi ideology that threatens our democracies." The WJC had been pre-mobilized to react to anti-Semitic incidents during the just-concluded May 6-8 Berlin-Wannsee conference. The near-simultaneity in time of the

Berlin-Wannsee conference and the Carpentras atrocity, is both breathtaking and highly suspicious.

Reached for comment on the affair in Rochester, Minnesota, where he is a political prisoner, Lyndon LaRouche pinpointed the Soviet-ADL origins of the provocation, which he likened to the notorious ADL practice of having agents paint swastikas on Jewish graves and synagogues. "The operation which moves in to exploit the cemetery incident, and so promptly," he said, "is not only a reaction which comes from only one place, but the reaction itself is part of an operation which was already in motion prior to the incident. It comes from the Bronfman/Markus Wolf/Moscow operation, and it comes in the context of the Bronfman-led conferences in Germany and Bronfman events in Germany, in Europe. . . ."

"The *exploitation* of the event is what we're addressing. . . . The event, the process, the reaction to the event, was organized and in motion before the event itself occurred. That is the essence of the evidence. . . . The operation which subsumed the leading reaction to the event, that reaction *was in process before the event to which the reaction occurred, existed*. The operation comes from Moscow's KGB, by way of Bronfman and his cronies, which includes, of course, the Klarsfelds and *Searchlight* magazine in London."

Tax-exempt treachery: a profile of the Anti-Defamation League

by Jeffrey Steinberg, Scott Thompson, and EIR's Counterintelligence Staff

1. What is the ADL?

The Anti-Defamation League of B'nai B'rith proclaims itself to be a non-profit corporation "designed to eliminate defamation of Jews and other religious and ethnic groups; to advance proper understanding among all peoples; and to preserve and translate into greater effectiveness the principles of freedom, equality and democracy" (from the Bylaws of the ADL of B'nai B'rith, as amended by the National Commission, June 1982).

Nothing could be further from the truth.

In repeated flagrant violation of Section 501(c)3 of the Internal Revenue Service Codes, the ADL operates as a tax-exempt public interest organization, while in reality it engages in a wide range of activities that are inherently criminal in nature, including interference in the judicial and law enforcement process, support for domestic and international terrorist organizations, instigation of "hate crimes," espionage, support for suspected international narcotics traffickers, unregistered political activities, and covert activities on behalf of both hostile foreign governments and U.S. government agencies generally linked to the international social democracy. (It is a matter of historical record that before, during and immediately after World War II, the ADL functioned as a "covert action" arm of the British Special Operations Executive under its North American chief Sir William Stephenson, in close liaison with the FBI's Division Five.)

Through its 151-member National Commission and its paid staff maintaining regional offices in 31 cities in the United States and a number of locations in Europe, the Middle East, Ibero-America, and the Soviet Union (a Moscow office is in the process of being opened at the invitation of President Mikhail Gorbachov), the ADL operates as a covert strike force whose corrupting influence extends into the pores of the financial community, the legal establishment, the media, and the U.S. government at the federal, state, and local level.

Above all else, the ADL is a public-relations front for that branch of American organized crime founded by Meyer Lansky during the early decades of this century, under the patronage and sponsorship of leading Anglo-American financial interests. ADL officials, for this reason, were report-

edly deeply dismayed when Lyndon LaRouche dubbed the ADL the "American Drug Lobby." More recently, the ADL has moved to deepen its ties to the Soviet foreign intelligence services operating in the West and in the newly liberated nations of Central Europe.

2. Organizational structure and key personnel

The ADL, according to its bylaws, is run by a National Commission (NC), which currently consists of 151 members. It is chaired by a national chairman, currently Burton Levinson, an attorney from Beverly Hills, California. The National Commission formally meets once a year.

According to Article VII of the bylaws, in the interval between the NC annual meetings, the ADL's National Executive Committee (NEC) acts for it. The NEC is composed of a chairman (now Ronald B. Sobel, a senior rabbi at Temple Emanu-El in New York City) and vice chairman; the elected officers of the NC, the president, executive vice president, and honorary (past) presidents of B'nai B'rith, together with their counterparts from B'nai B'rith Women; the appointed chairmen of all of the ADL standing committees; and the president of the ADL Foundation, together with 15 additional members of the NC who are elected by it.

The ADL, founded in 1913, is formally affiliated with B'nai B'rith. However, this link is principally maintained through the B'nai B'rith's representation on ADL's National Commission. Unlike its parent organization, the B'nai B'rith, the ADL is not a membership organization. One cannot join the ADL; membership is by nomination or invitation only. In this sense, the ADL bears a greater likeness to the secret lodges of Freemasonry than its B'nai B'rith parent organization, which was originally conceived in the mid-19th century as a Jewish branch of British Freemasonry.

The current president of B'nai B'rith is Seymour D. Reich, a longstanding activist and officer of the ADL prior to his election to head B'nai B'rith.

Of the current 151 active National Commission members, a smaller core group directs the overall activities of the ADL's staff through participation in standing committees of the NC. The standing committees are organized in precise

parallel to the ADL staff divisions and departments, thus permitting the maximum flow of marching orders and other inputs from the National Commission into the day-to-day activities of the League's paid employees. In this sense, Edgar Bronfman and other leading National Commissioners run the ADL.

Standing committee chairmen of the ADL, who, together with their committee members, are appointed by the national chairman, include: Howard P. Berkowitz, Planning; Donald R. Mintz, Civil Rights; Michael Nachman, Community Service; Sherwin Newar, Budget; Melvin I. Salberg, Communications; Michael E. Schultz, Administration; Joel Sprayregen and Lucille Kantor, International Affairs; David H. Strassler, Intergroup Relations; Robert G. Sugarman, Leadership; and, William Veprin, Development.

These committees correspond to the divisions of the ADL's full-time staff. The divisions include:

- Administration. Concerned with the ADL's internal affairs, it is directed by Philip Shamis, who had previously been controller for the American Jewish Committee.

- Civil Rights. This division works through departments on Fact Finding (headed by Irwin Suall), Research and Evaluation (Alan M. Schwartz), Legal Affairs (Steven M. Freeman), a Washington, D.C. office (Jess Hordes), where a Task Force on Nazi War Criminals (Elliot Welles) is based, and four regional area coordinators. Its director is Jeffrey P. Sinensky, who had previously been associate director of the division.

- Community Service. This division directs the 31 regional offices throughout the United States, whose directors work closely with regional boards appointed by the NC. Its director is Charney V. Bromberg, who was previously the deputy director of the International Relations Department of the American Jewish Committee.

- Communications. Handles public relations and the production of material. Until January 1990, its director was Lynne Ianniello.

- Development. It oversees the fundraising activities of the ADL Appeal—e.g., ADL honorary vice chairman Edgar Bronfman is also head of the Greater New York Appeal.

- Intergroup Relations. It is made up of departments on Education (Frances M. Sonnenschein); Higher Education/Campus Affairs (Jeffrey A. Ross); Interfaith Affairs (Rabbi Leon Klenicki, who is also liaison to the Vatican); Television, Radio and Film; Publications (Howard J. Langer); and an International Center for Holocaust Studies (Dennis B. Klein). Its director is Alan Bayer, who was previously executive director of the Jewish Federation of San Antonio, Texas.

- International Affairs. It comprises departments in the United States concerned with European, Latin American, and Middle Eastern Affairs, and is in charge of ADL's overseas operations, including the offices in Paris (Robert Goldman), Rome (Lisa Palmieri-Billig), and Jerusalem (Harry Wall). Its director is ADL National Director Abraham Fox-

man, who employs associate division director Kenneth Jacobson for daily operations.

- Leadership. Recruits potential future leaders, and coordinates an ADL National Leadership Conference. Its director is Marvin S. Rappaport. The National Leadership Conference recently brought 250 ADL members from around the United States to Washington, D.C. for three days of meetings with officials of the Bush administration, the Congress, and the Israeli embassy.



Sen. Howard Metzenbaum

The ADL has over 300 people who hold leadership or honorary leadership positions. Among this list are a number of honorary vice chairmen who are closely linked to the ADL, but who for various reasons—including government service—cannot serve as active officers. This group includes Senators Rudy Boschwitz (R-Minn.) and Howard Metzenbaum (D-Ohio), former Carter administration Secretary of Commerce Phillip Klutznick, former Reagan administration arms control negotiator Max Kampelman, and former Sen. Abraham Ribicoff (D-Conn.) and Rep. Sidney Yates (D-Ill.). World Jewish Congress president Edgar Bronfman is also an honorary vice chairman, along with two other major crime figures from the old Meyer Lansky orbit, bankers Leonard Abess and Theodore Silbert. With the exception of the members of Congress, all the above-listed honorary vice chairmen were at one time active National Commission members.

The active operatives

Among the active core of ADL operatives are:

- Burton S. Levinson, ADL national chairman since 1987. His work with ADL dates back to 1950, when, as a student at Los Angeles City College, he infiltrated a group affiliated with Gerald L.K. Smith. Now he is a senior partner in the Beverly Hills-based law firm of Levinson & Lieberman.

- Abraham H. Foxman, ADL national director since 1987. He has worked on the staff of the ADL since 1965. Born in Baronowicze, Poland in 1940, Foxman is one of the most mysterious figures in the ADL leadership. U.S. intelligence sources, and even some top-ranking ADL members, reportedly suspect Foxman may be a Soviet "illegal"—a long-term penetration agent operating without any links to the official Soviet diplomatic corps.

- Arnold Forster was associate director of the ADL under Ben Epstein since 1946, and is now a member of the NC and ADL general counsel. He has been "Of Counsel" with the New York law firm of Shea & Gould, a firm intimately tied to the late mob lawyer Roy Cohn.

- Kenneth J. Bialkin. This former ADL national chairman from 1982-86 is today an honorary chairman and NC

member, as well as president of the ADL Foundation.

- Theodore H. Silbert. An honorary vice chairman, he works with Edgar Bronfman in the lucrative Greater New York Appeal for the ADL. Silbert is chairman of Sterling National Bank (see below).

- Burton M. Joseph, ADL national chairman from 1976-1978, is today an honorary chairman. His family runs the Minnesota-based agricultural products firm I.S. Joseph. After World War II, Joseph teamed up politically with liberal Democrat Hubert H. Humphrey, through whom he became friends of Max M. Kampelman (now ADL honorary vice chairman) and ADL top funder Dwayne Andreas. Together they form the "Minneapolis ADL mafia."

- Edgar Bronfman, ADL honorary national chairman and head of its Greater New York Appeal (see below).

- Irwin Suall. Since 1966, he has headed the Fact-Finding Department of the ADL's Civil Rights Division.

- Meyer Eisenberg, ADL vice chairman and former head of the National Commission's Civil Rights Committee (with oversight over the Fact-Finding and Legal departments). He served from 1959-70 as an attorney with the U.S. Securities and Exchange Commission, attaining the position of deputy general counsel of the SEC before his retirement from government. In private law practice with a string of Washington, D.C. area firms, Eisenberg remains one of the nation's experts on securities law.

3. The ADL and organized crime

It was no public relations gaffe when, in 1985, the ADL gave its Torch of Liberty award to gangster Morris Dalitz, a founder of the notorious Purple Gang and longtime crime partner of the late mobster Meyer Lansky. The present leadership of the ADL is dominated by figures with longstanding ties to organized crime, particularly to the international drug money-laundering apparatus.

Foremost among these contaminated ADL officials is Kenneth Bialkin, the ex-national chairman who is still an honorary national chairman and a director of the ADL Foundation. While with the New York law firm of Willkie Farr and Gallagher throughout the 1970s, Bialkin masterminded Robert Vesco's looting of Investors Overseas Service (IOS) of more than \$60 million. Vesco, the fugitive financier now living in Havana, Cuba, was an early partner of Medellín Cartel dope smuggler Carlos Lehder Rivas, helping Lehder to set up his marijuana and cocaine smuggling routes through the Bahamas. On April 17, 1989, Robert Vesco was again indicted by a federal grand jury in Jacksonville, Florida, which charged him with involvement in a Medellín Cartel cocaine-smuggling conspiracy from 1974-89.

In January 1980, a jury in the U.S. Southern District of New York ordered Willkie Farr and Gallagher to pay \$35 million to victims of the IOS looting, and found that Bialkin

had been instrumental in structuring the money-laundering and theft scheme at every level. Law enforcement officials believe that IOS was one of the early conduits for billions of dollars in drug profits, and was a cash repository used by Meyer Lansky.

Recently, Bialkin left Willkie Farr to join the country's largest law firm, Skadden Arps. In much the same way that Willkie Farr pioneered the elaborate offshore money-laundering schemes that today constitute the bloodstream of the international drug trade, Skadden Arps pioneered the junk bond and leveraged buy-

out schemes through which billions of dollars in dubious offshore money have been repatriated through hostile corporate takeovers and asset stripping of America's industrial sector. Two of Skadden Arps's most notorious clients are Drexel Burnham's Michael Milken and Ivan Boesky—both of whom, not coincidentally, have been ADL contributors.

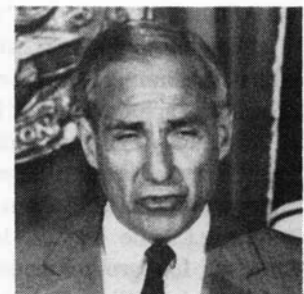
Another ADL national chairman, Burton Joseph, played a pivotal role in the Robert Vesco takeover and looting of IOS, by putting Vesco into contact with his protégé, financier Meshulam Riklis of the Rapid American Corp. Riklis, according to court records, purchased a controlling block of IOS stock as a surrogate for Vesco. Riklis was later linked to Bialkin, Edgar Bronfman, Henry Kissinger, and other ADL figures in a real estate scandal involving the illegal purchase of large tracts in the Israeli Occupied Territories and Christian and Muslim sections of Jerusalem.

During Bialkin's tenure at Willkie Farr, the firm also handled *pro bono* legal work for the ADL, and represented major ADL donor and suspected crime figure Edmond Safra. Bialkin represented Safra in the Syrian banker's takeover of American Express, a transaction that ended years later in a fiasco, with American Express officials accusing Safra of money laundering.

On Jan. 3, 1989, officials of the U.S. Customs Service and the U.S. Drug Enforcement Administration in Berne, Switzerland identified Edmond Safra as a major figure in an international drug money-laundering scheme involving the Shakarchi Trading Co. The government reports identified Safra as a lifetime friend and business associate of Mohammed Shakarchi, and identified numbered accounts at Safra's New York City Republic National Bank as pass-through accounts for drug profits from Syrian, Lebanese, Bulgarian, and Colombian trafficking organizations.

According to aides to Safra, he arranged that the ADL receive \$1 million from money he won in a lawsuit in 1989.

There is one financial institution that is more closely linked to the ADL than any other: Sterling National Bank of New York City. On Jan. 29, 1982, Italian authorities filed



Kenneth Bialkin

Leo Scanlon

civil suit against Sterling National Bank and other U.S. financial institutions on behalf of depositors in Banca Privata Italiana, charging that \$27 million had been looted. The chairman of Sterling, both at the time of the alleged theft and today, is Theodore H. Silbert, another honorary vice chairman of the ADL and the former head of the ADL Appeal, its major fundraising arm.

Moneybags at Sterling National

Law enforcement sources have identified Sterling National as a mob front since its founding in 1929 by Meyer Lansky associate Frank Erickson. Sterling National was also implicated in a tax evasion scheme in the early 1980s through another ADL-linked bank director, Arnold Burns, a Reagan-era U.S. deputy attorney general. Burns's law firm, Burns and Summit, apparently set up a string of Caribbean tax shelters which shielded millions of dollars in taxable income through nonexistent "R&D investments" in Israel.

Former Reagan official, Ambassador to Italy Maxwell Raab, is another longstanding Sterling National director. Raab was a onetime business partner of Meyer Lansky in the International Airport Hotel Corp.

Yet another mob-linked banker who sits on the ADL's National Commission and is listed in the League's most recent "Purpose and Program" as an honorary vice chairman, is Leonard Abess of the City National Bank of Miami. In 1981, Abess brought Colombian cartel money launderer Alberto Duque onto the bank's board, where he remained until he was jailed on money-laundering charges in 1986. The following year, Donald Beasley was named City National's chairman. Beasley was the former director of the Nugan Hand Bank, believed to have been a major laundering conduit for Southeast Asian heroin proceeds, as well as "black" funds derived from the illicit arms trafficking of Theodore G. Shackley and other former top CIA officials later implicated in the Iran-Contra scandal.

A listing of ADL financial contributors and award recipients over the recent decades reads like a "Who's Who" of the Meyer Lansky international crime syndicate. Longtime Lansky cronies such as Victor Posner, Hollywood attorney Sidney Korshak, and Moe Dalitz all appear as ADL patrons.

The same pattern holds true at the regional levels of the ADL. For example, Phil Baskin, a Pittsburgh attorney and Democratic Party fixer known to be the chief operator of the ADL in western Pennsylvania, was forced to resign as the senior partner in his law firm after being implicated in an effort to deliver a major airport construction contract to a top figure in the New York City Gambino family, "Nicky" Sands.

Further south, Paul Lipkin, the chairman of the Virginia Regional Board of the ADL, was for decades the personal attorney for Arthur "Bootsy" Goldstein, the biggest pornography distributor in Norfolk. Goldstein was arrested 85 times and served three jail terms for crimes including selling glue to minors and peddling sex paraphernalia.

The booze baron

No discussion of the ADL's ties to organized crime and the drug apparatus would be complete without reference to Edgar Bronfman, ADL honorary vice chairman and chief of its New York Appeal.

Today touted as a leading international businessman, philanthropist, and the chairman of the prestigious World Jewish Congress, Bronfman has been unable to erase the taint left by the fact that his entire family fortune—Seagram's Corp., its majority share in E.I. du Pont de Nemours Co., etc.—derived from his father's Prohibition-era bootlegging activities. Known at the time as the "Bronfman Gang," the Canadian Bronfmans were the main illegal suppliers to America's crime syndicate known as "Murder, Inc." By no later than 1920, when Edgar's father Sam Bronfman and Arnold Rothstein agent Jacob Katzenberg were dispatched to Hong Kong to arrange opium supplies, the bootlegging routes were also utilized for the smuggling and retail distribution of illegal drugs.

To this day, elements of the Bronfman family remain tied to the gutter levels of organized crime, while Edgar and his brothers and cousins have managed to wrap themselves in a somewhat ragged cloak of respectability. Edgar's nephew Mitchell Bronfman was named in a 1972 Montreal Crime Commission report as an intimate of local crime boss Willy Obront: "Their relationship extends into illegal activities in which they have mutually or jointly indulged . . . the special kinds of favors they did for each other and the resulting advantages of each in the fields of loan sharking, gambling, illegal betting, securities, tax evasion and corruption" (from *The Bronfman Dynasty*, by Peter C. Newman). Obront and another Mitchell Bronfman crime partner Sidney Rosen were both jailed in the mid-1970s for drug money laundering and related crimes.

When in 1978 the links of the Bronfman family to organized crime were published in the book-length study of the international illegal drug trade, *Dope, Inc.*, commissioned by Lyndon LaRouche, Bronfman, according to Quebec police sources, ordered his attorneys to prepare a multimillion-dollar libel suit. But after careful deliberation, the attorneys strongly argued against such an action. Instead, Bronfman reportedly poured large amounts of money into the ADL. Almost immediately, the ADL began a shrill publicity and dirty-tricks campaign, slandering LaRouche as an "anti-Semite" and demanding his elimination.

4. The ADL and the Soviet Union

In its March-April 1990 edition, the West German magazine *Semit*, self-described as "the independent Jewish magazine," published a blistering exposé of ADL honorary vice chairman Edgar Bronfman's dealings with the now-toppled regime of East German communist dictator Erich Honecker.

The article, by Jacob Dachauer and titled "A Whiskey for the Holocaust," documents how Bronfman used his post as president of the World Jewish Congress to make deals with the Honecker regime on behalf of his Seagram's liquor empire, and it is accompanied by a picture of Bronfman receiving the highest state medal of "People's Friendship in Gold" from Honecker in October 1988.

The essence of the *Semit* exposé is that Bronfman used his credentials as head of the once-respected World Jewish Congress to absolve the German Democratic Republic (G.D.R.) of any responsibility for the wartime Holocaust, in return for a series of lucrative concessions to market his whiskey in the German communist paradise.

As *EIR* has reported, Bronfman's courtship of the Honecker regime began in 1986, when an associate of his traveled to East Berlin to meet with Klaus Gysi, the communist regime's secretary of state for religious affairs. Klaus Gysi's son is Gregor Gysi, the "reformer" successor to Honecker as chief of the SED communist party (now called the PDS). In subsequent trips, Bronfman met with Honecker and SED Central Committee member Hermann Axen. During one visit in 1988, Bronfman pledged that he would personally arrange a state visit to Washington, D.C. by Honecker by 1990 at the latest. Subsequent events, of course, have made it impossible for him to live up to that.

Edgar's brother and business partner Charles Bronfman of Montreal became a prominent figure in Canadian-East German friendship groups, and had veto power over all G.D.R. visas issued to Canadians until the collapse of the communist regime in November 1989. These extensive G.D.R. links have led some intelligence analysts to conclude that Edgar and Charles Bronfman have especially close ties to Gen. Markus Wolf, the head of the East German Staatssicherheitsdienst (Stasi) intelligence service and a leading protégé of the late KGB and Soviet Communist Party boss Yuri Andropov.

Edgar Bronfman enjoys equally close ties to the regime in Moscow, and those links have grown even firmer since the accession to power of Mikhail Gorbachov in 1985. According to sources familiar with Bronfman's Russian links, the Canadian whiskey baron has been a longtime associate of Alexander Yakovlev, the former Soviet ambassador in Ottawa who is now one of Gorbachov's closest advisers. Yakovlev sits on both the Politburo and the newly formed Presidential Council.

In scores of speeches and commentaries written since Gorbachov's rise to power, Bronfman has called upon the United States to grant the Soviet Union Most Favored Nation status, membership in GATT, and access to the most advanced Western technologies. In a press release issued by his office on March 22, 1989, for example, Bronfman hailed Gorbachov for overturning "socialism in one country," declaring, "It is in U.S. interest to prevent even a partial reversal of perestroika."

Bronfman is a board member of the U.S.-Soviet Trade and Economic Cooperation Council (USTEC), a collection of American Fortune 500 executives and Soviet trade officials actively pushing expanded trade between the two superpowers. According to a U.S. State Department document, the Soviet delegation to USTEC is known by the CIA to be dominated by KGB and GRU (Soviet military intelligence) operatives. Up until recently, the Soviet co-chairman of the group was KGB Gen. Yevgeni Petrovich Pitrovanov, a longtime Stalin ally who survived the post-Stalin shifts and became the head of the Soviet Chamber of Commerce.



Carlos de Hoyos

Edgar Bronfman

Jewish slaves for Israel

On Jan. 23, 1989, syndicated columnists Evans and Novak reported on a secret meeting at Edgar Bronfman's New York City apartment which also involved USTEC officials Dwayne Andreas and James Giffen, together with Morris Abrams and Simcha Dinitz. The group reportedly hatched plans to mobilize Zionist lobby support for the repeal of the Jackson-Vanik Amendment, in exchange for unrestricted Soviet Jewish emigration to Israel.

The genesis of that scheme dates back to January 1985, when Edgar Bronfman, at the governing board meeting of the World Jewish Congress in Vienna, proposed that the organization oppose the Reagan administration's Strategic Defense Initiative, "on Jewish grounds." When Bronfman also announced in April of that same year that he would lead the WJC in an effort to prevent President Reagan from visiting a German cemetery at Bitburg during his state visit to the Federal Republic, Moscow reciprocated by inviting him to the Soviet Union in his official capacity as WJC chairman. The invitation, extended by Russian Federation Justice Minister Alexander Sukharev, specifically proposed to discuss Soviet Jewish emigration.

In similar gestures of support for Gorbachov, Bronfman has taken the point in forcing the resignation of the head of the West German parliament, Phillip Jenninger, for a speech delivered in November 1988 on the 50th anniversary of Nazis' "Night of the Broken Glass" anti-Jewish pogrom. In addition, at a widely publicized press conference in Budapest, Hungary on May 4, 1987, Bronfman branded Austrian President Kurt Waldheim an "essential component of the Nazi killing machine." The charges against Waldheim were based largely on Soviet-forged documents and perjured testimony, and were part of a major destabilization of Austria and the Vatican.

No wonder Bronfman became a frequent commuter between New York and Moscow.

Weeks after Bronfman's secret New York City planning session, on Feb. 11, 1989, Edgar Bronfman led the largest delegation of Jewish leaders to ever visit Moscow. On Dec. 13, 1989, Bronfman was back in Moscow again, this time heading a delegation of 100 Western Jewish leaders to attend the opening of a Jewish Cultural Center. One week later, Kenneth Jacobson, the international affairs director of the ADL, announced that an ADL delegation would also visit Moscow in early 1990 to pursue President Gorbachov's offer to open an office in the Soviet capital.

Next to Edgar Bronfman, Minneapolis grain merchant Dwayne Andreas, who participated in the Bronfman apartment meeting at which the "Jews for grain" plot was activated, is the ADL patron most responsible for the deep ties between the League and the Gorbachov regime.



Dwayne Andreas

Stuart Lewis

Although Andreas is not Jewish, he is one of the ADL's most generous donors. At a critical point in the late 1970s, when the ADL was financially on the skids, Andreas, at the request of ADL National Chairman Burton Joseph of the Minneapolis agricultural equipment firm I.S. Joseph, put up the seed money to establish the ADL Foundation.

Andreas's relations with the ADL date back to his early political training by ADL National Chairman Ben Epstein, a relationship that Andreas described during congressional testimony in 1987: "Mr. Ben Epstein, may he rest in peace, who was my friend for 20 years, to his everlasting credit, was my mentor and guidance on the matters of diplomatic positions. I worked with him for weeks on this problem of how to expand trade with the U.S.S.R."

The Sept. 26, 1986 *Wall Street Journal*, in a front-page piece titled "Gorbachov's Pal: Dwayne Andreas Gains a Position as the Kremlin's Apparent Favorite," identified Andreas as the successor to Occidental Petroleum's chairman Armand Hammer (now 91), as the Soviet regime's favorite "capitalist."

It was apparently Andreas, who has had more private audiences with Gorbachov than any other Westerner, who arranged the invitation for the ADL to set up shop in Moscow ostensibly in order to help combat anti-Semitism inside Russia. A former State Department intelligence officer told *EIR* that the real purpose of establishing the ADL office in Moscow is to improve ADL coordination with the KGB in running pro-Gorbachov propaganda inside the United States.

Another feature of the ADL's current "go east" push is the effort by Bronfman and others to move in on the "lucrative new markets" in the liberated nations of Central Europe—on behalf of organized crime. For instance, the Canadian real estate billionaires, the Reichmann brothers, represented by

the ADL-linked law firm of Shea Gould and the ADL-linked investment house of Bear Stearns, are part of a new investment consortium seeking to establish a major financial hub in Budapest—with the blessings of both the Gorbachov regime and the U.S. State Department.

ADL was on U.S. watch list

ADL links to the Bolshevik regime and its intelligence services date back decades. Even during the World War II, when the Soviet Union and the United States were allied against the Nazis, certain ADL officials were kept on U.S. Military Intelligence watch lists as suspected Soviet agents. According to one eyewitness account, Sanford Griffith, who headed the equivalent of the Fact-Finding Division during and immediately following World War II, was on such a list.

The April 5, 1955 issue of *Headlines And What's Behind Them* catalogues a controversial instance in which the ADL provided cover for a known Soviet intelligence asset. The Soviet agent in question, Vladimir Stepankowsky, had been deported from France and Switzerland in the mid-1930s after having been identified as the head of the Bolshevik Information Bureau, only to emigrate to the United States and immediately go to work for the ADL's Mitchell Solomon. Through Solomon's ties to U.S. Army Lt. Col. Eugene Prince, an intelligence officer in charge of immigration background checks, Stepankowsky was able to penetrate American wartime intelligence operations. In 1954, he was identified by Elizabeth Bentley as a member of a Soviet spy ring; however, he was saved from prosecution through the intervention of his ADL case officer Mitchell Solomon. By this point, the ADL had deployed the Soviet agent into the National Renaissance Party of James Madole, a neo-Nazi counter-gang that had been set up largely by ADL infiltrators in order to create the specter of a new "fascist menace" inside the United States. According to the *Headlines* account, the Madole group attracted a small core of members, principally on the basis of the ADL providing NRP founder Madole with a stable of prostitutes from the Mickey Jelke vice ring. ADL officials Ben Epstein and Arnold Forster then reportedly used Stepankowsky's information to inundate the Velde Commission (House Un-American Activities Committee) with scare stories that the NRP had swelled to 200-700 members in New York City alone.

5. The ADL and Project Democracy

ADL officials, and the ADL as an organization, are guilty of the same crimes for which Carl "Spitz" Channell and Richard Miller were indicted during the 1987 Iran-Contra probe: illegally using private, tax-exempt organizations to conduct covert operations. However, unlike Channell and Miller, who were low-level flunkies in the overall "secret

parallel government" plot, the ADL was deeply involved in every facet of the Iran-Contra scandal and the Project Democracy scheme at the highest levels on both the government and private sector sides.

The ADL's central role in the official Project Democracy apparatus of the Reagan-Bush era was an outgrowth of the ADL's longstanding position as a major agency within the U.S. branch of the Socialist International, which has always been dominated by members of the old Bukharinite "Right Opposition" to Stalin. This link is typified by Fact-Finding Division head Irwin Suall, who was trained by the International Ladies Garment Workers' Union of former U.S. Communist Party chairman Jay Lovestone. Suall was later schooled at the premier Fabian labor school, Ruskin College at Britain's Oxford University, and then passed through the Socialist Party and the Jewish Labor Committee before graduating to his ADL post in 1967. Today, Suall sits on the board of the League for Industrial Democracy and the Social Democrats USA.

The direct links between the ADL and the Iran-Contra fiasco run through the following key players:

- Carl Gershman, a former paid staffer of the ADL's Fact-Finding Division, was the director of the National Endowment for Democracy (NED) throughout the Iran-Contra fiasco. From 1966-72, Gershman was employed by the Research Department of the ADL. According to Jerome Bakst, his supervisor at the time, Gershman used his extensive experience as a New Left activist at Yale University to provide the ADL with detailed dossiers on Students for a Democratic Society, the Black Panther Party, and the Student Non-Violent Coordinating Committee. According to documents procured under the Freedom of Information Act, as well as a recently published book-length account of the FBI's Cointelpro efforts against the black student movement in the 1960s, the ADL dossiers, apparently including Gershman's work, were regularly passed on to the FBI's Division Five.

Early this year, Gershman hired ADL Fact-Finding Division deputy director David Lowe as his executive assistant at the State Department U.S. Information Agency unit. NED was a major government funding conduit for Lt. Col. Oliver North, and for White House deputy Walter Raymond's "Public Diplomacy" project, a black propaganda and "active measures" effort launched to shape media coverage of the Sandinista regime in Nicaragua.

- ADL Latin American Affairs director Rabbi Morton M. Rosenthal was directly financed by the NED in 1985 to conduct an electoral "fact finding" trip through Central America. Among Rosenthal's assignments for the NED was the monitoring of the presidential elections in El Salvador. On May 23, 1983, Rosenthal issued a report charging that the Sandinista regime in Nicaragua was guilty of anti-Semitism. The Rosenthal attack on the Sandinistas was part of an effort to marshal Jewish support for the Reagan administration's

Contra effort. That month, Rosenthal addressed a closed-door White House meeting sponsored by Faith Whittelsey at which aspects of the covert Contra support program were apparently discussed.

In a memorandum to the Latin American Affairs Committee of the ADL dated June 9, 1983, Rosenthal described the ADL's direct role in the anti-Sandinista propaganda offensive:

The ADL's Sandinista anti-Semitism "story's unusually wide international and domestic coverage, by both print and electronic media, stimulated a flood of calls and mail to Nicaragua's Embassy and Consulates and also elicited strong comments from members of Congress. A few days after the story broke, the Nicaraguan Embassy contacted us through intermediaries and inquired if we were willing to meet and discuss the issues. The Embassy then called officially to invite ADL representatives to meet the Nicaraguan Ambassador, Antonio Jarquin. The meeting was held at the Nicaraguan Embassy in Washington on Monday, June 6."

- Kenneth Bialkin, then the national chairman of the ADL, was the attorney for Saudi billionaire Adnan Khashoggi during 1984-85 when Khashoggi provided the initial funds through which the Iranian government purchased arms from the North-Secord-Hakim "Enterprise." At the time of these transactions, Bialkin was also a member of an administrative commission revamping U.S. federal codes. Another member of the commission was C. Boyden Gray, the general counsel to Vice President George Bush, who formally ran the administration's Special Situation Group/Crisis Pre-Planning Group, the White House interagency units set up under National Security Decision Directive 3 to oversee the Reagan-Bush government's Central America policy.

- The Lake Resources front company in Geneva, Switzerland, through which Gen. Richard Secord and Albert Hakim laundered the Iranian profits to the Contras, was controlled from the outset by attorney Willard Zucker. A former partner of Bialkin's at Willkie Farr, Zucker had been installed by the ADL national chairman in 1972 as the chief of the IOS legal department, making him a key inside player in the Vesco looting of the fund.

- Edmond Safra, one of the ADL's major financial "angels," was the co-owner, with Willard Zucker, of the fleet of corporate jets which were used to shuttle then-National Security Adviser Robert McFarlane and Lt. Col. Oliver North to secret meetings in Teheran.

The ADL itself was directly involved in the "active measures" department of The Enterprise, through its sponsorship of a series of propaganda broadsides attacking as "anti-Semites" leftist groups which opposed the administration's Central America policy. One such study commissioned by the ADL in 1983 resulted in a book-length attack by writer Harvey Klehr on the group called Clergy and Laity Concerned. Another study, by longtime ADL stringer Rael Jean Isaac, made similar attacks against the Institute for Policy Studies.

In 1984, ADL chapters around the country hosted a speaking tour by Isaac. Both Klehr and Isaac were funded during the same period by the Smith Richardson Foundation, a North Carolina-based tax-exempt foundation with very strong ties to the social democratic wing of the U.S. intelligence community. Reagan-era National Security Adviser Richard Allen and U.N. Ambassador Jeane Kirkpatrick both currently sit on the board of Smith Richardson.

6. The ADL and domestic terrorism

Today more than ever, the ADL as an organization represents a major agent-provocateur factor within the United States, fomenting racial and ethnic tensions, all the while claiming to be great defenders of civil rights.

Freedom of Information Act records show that the ADL played a major role in the FBI's Cointelpro "Racial Matters" and "White Hate Groups" operations, targeting the civil rights movement as well as its opponents. Among the paid informants used by the ADL during the civil rights struggles of the 1960s were Ku Klux Klan members implicated in the murders of three civil rights workers in Mississippi.

A Feb. 13, 1970 article in the *Los Angeles Times* by investigative reporter Jack Nelson first revealed FBI and ADL joint patronage of the Roberts brothers in the June 30, 1968 murder of a Klanswoman named Cathy Ainsworth. At the time of the shootout in front of the Meridian, Mississippi home of ADL official Meyer Davidson, which resulted in the death of Ainsworth and the near death of her associate Thomas A. Tarrants III (who survived over 70 shotgun, rifle, and pistol wounds), Alton Wayne Roberts and six other Klansmen had already been convicted for federal civil rights violations in connection with their infamous murder of civil rights workers Chaney, Goodman, and Schwerner in Philadelphia, Mississippi in 1964.

Roberts' case was under appeal when, according to various newspaper accounts and local police reports, the brothers were approached by Adolph "Sam" Botnick, who is still the ADL's regional director in New Orleans, with the proposition that they would be paid \$69,000 to act as agents provocateurs in setting up a Klan bombing of ADL official Meyer Davidson's home. Botnick had been a close associate of the FBI Division Five (counterintelligence) chief in New Orleans, the late Guy Bannister, who had established the left-wing Fair Play for Cuba group that was part of the milieu of President John F. Kennedy's purported assassin Lee Harvey Oswald. Bannister had also been a controller of an agent provocateur network in the Minutemen which, according to one well-informed U.S. intelligence source, helped break James Earl Ray out of prison, so that he could be used as a similar patsy in the April 4, 1968 murder of Dr. Martin Luther King in Memphis, Tennessee, just a few weeks prior

to the Meridian, Mississippi shootout staged by the Roberts brothers at the behest of the ADL and FBI.

A police file report dated June 10, 1968 by Detective Luke Scarborough, confirms the *Los Angeles Times* report of the Ainsworth setup, namely that there was a three-way deal between the ADL, FBI, and local police in the matter, for which the ADL had provided the money. As the apparent result of such ADL-FBI cooperation, the federal government "trode lightly" in punishing Alton Wayne Roberts for his part in the murder of Schwerner, Goodman, and Chaney when, on March 17, 1970, he was sentenced to only 10 years, and was paroled in three. The Roberts brothers were reportedly later given the status of "Federally Protected Witnesses," and remain on the FBI and ADL's informant roster to this day.

As for the ADL officials, Sam Botnick still runs the ADL's New Orleans regional office, and his then-assistant Richard Lobenthal took over ADL operations in Detroit. Lobenthal was later caught funding local members of the Communist Labor Party, a violent Maoist group infiltrated into local auto plants. Justin J. Finger, who ran the ADL's Atlanta-based Southern legal department during the heyday of civil rights activities and Klan murders, is now associate national director of the ADL.

Baiting the Black Panthers

ADL dirty tricks in collusion with the FBI were later run against segments of the anti-war movement during the late 1960s and early 1970s.

FOIA documents released by the FBI (cf. 100-530-X from the Special Agent in Charge Los Angeles to FBI Director Hoover on the subject "Black Panther Party"/"Racial Matter") point to ADL-FBI collusion against the Black Panther Party as well. The document in question is an Oct. 22, 1968 ADL report on the Black Panther Party by Carl Gershman and Jerome Bakst, which concludes: "For the present at least, increasingly frequent and increasingly violent encounters can be expected between the Panthers and the police." The discovery of this inflammatory report in FBI files corroborates a passage in the recent book *Racial Matters* by Kenneth O'Reilly in a chapter titled, "The Only Good Panther," which says:

"Division Five tried to disrupt the Panthers by manipulating Rabbi Meir Kahane and the 'vigilante-type' Jewish Defense League (JDL), leaking information to college administrators and sources in the Anti-Defamation League, and working with newspaper columnists. The FBI compared Panther ideology with 'the traditional anti-Semitism of organizations like the American Nazi Party' and the even more traditional anti-Semitism of the late Adolf Hitler. In the case of the JDL, the FBI did not limit itself to 'the furnishing of factual information' because Kahane's group could not 'be motivated to act' unless 'the information . . . concerning anti-Semitism and other matters were furnished . . . [with] some embellishment.' "

Doing the FBI's dirty work

The ADL has continued its involvement in such Cointelpro-type operations to this day. In fact, well-informed U.S. intelligence sources charge that after the scope of the FBI's criminality in Cointelpro had been exposed and condemned by the U.S. Congress, the FBI temporarily "shopped out" all such Cointelpro operations to the ADL. Two illustrative cases:

- James R. Rosenberg (a.k.a. Jimmy Mitchell, Jimmy Anderson) is a full-time paid agent of ADL Fact-Finding Division. Police reports corroborate statements to *EIR* that Rosenberg was the ADL's infiltrator into the Ku Klux Klan chapter in Trenton, New Jersey, who sought to provoke the group into bombing Trenton's chapter of the National Association for the Advancement of Colored People (NAACP). Pay stubs from the ADL to Rosenberg at this time have been recovered.

Like many provocateurs employed by both the ADL and the more overtly violent Jewish Defense League, Rosenberg was given military training in Israel as an Israeli Defense Forces soldier "on loan" from the U.S. National Guard.

In 1981, a female JDL member, using the code-name "Ricky," told *EIR*: "I met Jimmy in Israel around 1978 when I was at the Kfar Saba Kibbutz near the West Bank. . . . He was always bragging about how he worked for the Anti-Defamation League to infiltrate the Ku Klux Klan. . . . Jimmy got all messed up on Valium. He even had to go for drug treatment, and that upset him because he got impotent for about six months. . . . Jimmy really wanted to be in the Israeli military, and he made it—he sent me a picture. . . . But he's a 'jobnik,' a paper pusher; they wouldn't trust him in combat."

Rosenberg returned from Israel in 1979 to continue his work for Irwin Suall, who apparently used Jimmy's new military training to have him infiltrate the paramilitary Right, which had become a major target of the ADL. On Dec. 7, 1981, Rosenberg appeared in his undercover capacity on a WCCO Television documentary in Minneapolis, titled "Armies of the Right," where he made the most violent and anti-Semitic statements of any of the members of the Christian Patriots Defense League on the show. Either by oversight or intent, the producers never identified Rosenberg as an ADL provocateur. They simply identified him as "Jimmy Anderson," an official of the Queens, New York chapter of the Christian Defense League. Rosenberg and another ADL infiltrator/provocateur in the group were later arrested on the roof of a Manhattan brownstone brandishing automatic weapons.

- Mordechai Levy (a.k.a. James Gutman, James Frank, Mark Levine, Mark Levy, Morty, etc.). On Aug. 10, 1989, Mordechai Levy was apprehended by the New York Police Department after he mounted the roof of his 6 Bleecker Street apartment building in Greenwich Village and wounded an innocent passerby in wild sniper fire. The shooting occurred

after Jewish Defense League (JDL) leader Irv Rubin tried to deliver a subpoena to Levy, who now heads the rival Jewish Defense Organization, for a civil libel case.

The arrest of the 30-year-old terrorist on charges of attempted murder, first-degree assault, and reckless endangerment brought to light a new chapter in the pattern of FBI and ADL collusion in domestic terrorism, reminiscent of Cointelpro. In a July 18, 1984 court deposition, the ADL's Irwin Suall admitted that he



Mordechai Levy

has met and has had telephone conversations with Levy "from time to time for quite a long time." Suall's admissions drastically underplayed Levy's longstanding role as one of the ADL's agents provocateurs. But in an interview with *Village Voice* reporter Robert Friedman, another ADL Fact-Finding Division official, Gail Gans, confirmed Levy's status as an ADL operator. Levy was in fact a shared asset of the ADL, the FBI, and other police agencies. Two of Levy's FBI controllers are known to be FBI Special Agents Joseph Valiquette and Paul Locke, both of the New York Field Office. Freedom of Information Act documents show that the New York Field office had an official liaison with the ADL's national headquarters since at least the 1960s.

In February 1979, Levy was caught attempting to provoke a major riot in Philadelphia. Using the pseudonym James Gutman, Levy obtained a rally permit for a neo-Nazi rally at which he planned to display banners reading: "Hitler Was Right—Gas The Commie Jews." Working out of the Philadelphia offices of the JDL, Levy, under his phony "neo-Nazi" cover, was in the process of contacting all of the local KKK and Nazi groups to draw them into the event. Simultaneously, he was working with local left-wing and Jewish groups and black churches to organize a counter-demonstration. When some local reporters learned of Levy's scheme and informed the National Park Service, the rally permit was canceled. Local press headlines exposed the plot with headlines such as in the *Journal*, "Jew Applied for the Permit for Nazi Rally," and the *Philadelphia Bulletin*, "Nazi Rally-Rouser Really Jewish?"

At the same time, the ADL ordered Levy to conduct a harassment campaign against associates of Lyndon LaRouche, which involved scores of death threats phoned into the offices of Campaigner Publications in New York City, and countless harassing phone calls to the homes of LaRouche associates. By Levy's own admission, that effort culminated in an attempted JDL armed assault against Lyndon LaRouche's Riverdale, New York apartment and a menacing demonstration of JDLers and Yuppies (Youth International Party) in front of the Campaigner offices.

Jury tampering

The ADL's direct use of Levy in criminal activities came to light in an affidavit submitted in October 1984, during LaRouche's civil libel suit against the National Broadcasting Corp. and the Anti-Defamation League of B'nai B'rith in U.S. District Court in Alexandria, Virginia. Levy admitted to a California LaRouche associate that he had been ordered by the ADL to launch a telephone harassment campaign against the Alexandria jurors, which would be blamed on followers of LaRouche. The ADL, according to the affidavit, provided Levy with the names and addresses of the jurors. FBI Special Agent Richard Wade of the Alexandria Field Office was ordered by federal Judge James Cacheris to investigate the Levy jury-tampering evidence, but the investigation was quashed. On Nov. 20, 1984, Levy fired a .45 caliber slug into the Los Angeles house of a LaRouche associate who was investigating this jury-tampering incident.

In 1985, Levy also emerged as a suspected accomplice in several of the most significant domestic terrorist acts in years:

- On Aug. 15, 1985, Tschirim Soobzokov, a leader of the Circassian Muslim community in Paterson, New Jersey, was the target of a bombing of his home, which caused his death on Sept. 7. Just days before the explosion, Mordechai Levy had been in Paterson, publicly attacking Soobzokov in a local synagogue with the same charges by which the U.S. Justice Department's Office of Special Investigations had unsuccessfully tried to prove Soobzokov was a "Nazi war criminal." A few days after the bombing, Levy held a press conference in Paterson applauding the attack, but denying responsibility. One week prior to the bombing, Levy had phoned a death threat to Soobzokov's attorney in the OSI case, Michael Dennis, Esq., during which Levy also vowed to kill Soobzokov.

On Oct. 11, 1985, Alex Odeh, the Santa Ana, California head of the Arab-American Anti-Discrimination Committee, died at 11:21 a.m. after a bomb rigged to the door of his office exploded as Odeh was reporting for work. The night before he was assassinated, Odeh had been interviewed on two national television shows, on the hijacking of the *Achille Lauro* cruise ship which Odeh said had been the work of an anti-Arafat terrorist splinter group from the Palestine Liberation Organization. Highly reliable sources report that Odeh had been the recipient of multiple threats from Mordechai Levy, the JDL, and the JDO.

Although FBI Director William Webster, a longtime "friend" of the ADL, was obliged to publicly identify the "Jewish underground" as the most active terrorist organization in the United States during 1985, no arrests were ever made in either the Soobzokov or Odeh cases. Sources close to the late Alex Odeh were candidly told by the FBI that there would be no arrests, because of the killers' links to Israeli intelligence. The sources were also told that Levy would not be prosecuted despite evidence of his complicity before the

fact—because he was to be used by the government as a witness in upcoming federal trials of Lyndon LaRouche.

7. ADL and international terrorism

Top officials of the ADL are suspected accessories in a number of major international political assassinations, including the murders of Swedish Prime Minister Olof Palme and Indian Prime Minister Indira Gandhi. While no evidence is known to exist linking the ADL to the actual executions, very strong evidence does exist in all three cases implicating top ADL officials in the preparation or the coverup of those crimes.

In the case of the assassination of Indira Gandhi on Oct. 31, 1984, eyewitness accounts of a courtroom encounter with ADL officials Irwin Suall and Barbara Wall just hours after Mrs. Gandhi was murdered by a Sikh fanatic who was a member of her own security detail, report that the two were visibly elated over her assassination.

The key link between the ADL and the Sikh extremists who murdered Prime Minister Gandhi runs through Rabbi Rosenthal a senior ADL employee and head of the league's Latin American Affairs Division, who is directly linked to the man who ordered the assassination, Dr. Jagjit Singh Chauhan. It also runs through Rosenthal's longtime intimate political collaborator and sometimes business partner Jon Speller. Speller is widely believed to be a high-level intelligence agent for British intelligence and Scottish Rite Freemasonic networks associated with Lord Nicholas Bethel and Julian Amery, although he also had documented links to Israeli, Soviet, and American intelligence services.

One year before Mrs. Gandhi's assassination, Speller sponsored a U.S. visit by Jagjit Singh Chauhan, which included meetings with conservative members of the U.S. Senate. It was partly on the basis of that American tour that Soviet news agencies blamed the Reagan administration for the Gandhi assassination—even though then-Defense Secretary Caspar Weinberger was in the process of deepening U.S.-Indian military cooperation, which was threatening Soviet influence in the subcontinent.

After Mrs. Gandhi's death, Rabbi Rosenthal and Speller, operating through a front company they had jointly established called Transglobal Resources, arranged a series of secret meetings in Washington, London, and Quito, Ecuador, which resulted in the Ecuadoran government offering Chauhan a large tract of land on which to establish a Khalistani homeland. As the ADL's full-time director of Latin American affairs, Rosenthal had utilized the agency's channels inside the Ecuador to help establish a safe haven for Sikh extremists, some of whom had recently blown up an Air Canada flight and had plotted the assassination of Mrs. Gandhi's son and successor Rajiv Gandhi during a state visit to Washington in December 1984.

The Sikh extremists have never tried to hide their intention of eliminating Mrs. Gandhi. Jagjit Singh Chauhan, the “president-in-exile” of the nonexistent separatist state of Khalistan, issued his widely publicized call for Mrs. Gandhi’s assassination on June 9, 1984—three days after Indian Army troops had stormed the Golden Temple in Amritsar and liberated it from the hands of armed Sikh radicals linked to Chauhan. Less than one week before Mrs. Gandhi’s murder, Chauhan had told a caller into his Reading, England headquarters, “Some man will come forward and take off the head of Mrs. Gandhi.”

Chauhan’s call led immediately to the formation of the terrorist World Sikh Organization. Representatives of the WSO were soon meeting with officials of the ADL’s Interfaith Affairs Department, according to Rabbi Leon Klenicki, the department’s director. The meeting had been set up at the request of Landrum Bolling, the chairman of the Eli Lilly Endowment, which heavily funds the League’s interfaith unit.

Surjit Singh, a top official of the WSO who has been intimately linked to Chauhan since 1947, is also a close personal friend of ADL Honorary National Chairman Kenneth Bialkin.

The Palme assassination coverup

If the assassination of Indira Gandhi was intended as a blow to improving U.S.-Indian relations to the benefit of the ADL’s London sponsors and Soviet and Israeli friends, the assassination on Feb. 28, 1986 of Swedish Prime Minister Olof Palme appears to have been similarly motivated by a common objective of certain circles in Moscow, London, and Washington: to cover up the biggest international weapons and drug trafficking scandal in history—a scandal that only began to surface with the Iran-Contra revelations in the United States and Western Europe and the more recent “Stasi-gate” in East Germany.

When Prime Minister Olof Palme ordered Swedish police to raid the offices of Karl Erik Schmits, a prominent international arms dealer, just months before his assassination, significant evidence began to turn up concerning American, British, Israeli, as well as Soviet bloc arms trafficking to Iran, Iraq, and the Nicaraguan Contras all in apparent collusion. Palme reportedly became deeply concerned when the full extent of Swedish socialist democratic involvement in the arms trafficking and profiteering was documented in records seized in the Schmits raids, and began to crack down on the flow of arms from Sweden to the Persian Gulf. At that point, the prime minister became an expendable adversary of the very intelligence services for whom he had worked throughout his political career.

While the identity of the assassin team may never be known, a profile of the responsible agencies emerges from the massive coverup which began within hours of the Palme murder, with the first news leak that the European Labor

Party (ELP), which is associated with the ideas and policies of Lyndon LaRouche, was under police investigation. The false trail of accusations linking LaRouche to the Palme murder diverted investigators from pursuing legitimate leads for the first two months of the probe, thereby wrecking any prospects of solving the crime. It was the ADL, along with KGB, which played the pivotal role in that critical coverup phase.

Since 1982, the ADL had been involved with some of the most notorious KGB agents of influence in Sweden in slandering the ELP. ADL official Irwin Suall, an active member of the Socialist International, is an intimate of Swedish Social Democrat Pierre Schori and West German Social Democrat Klaus-Henning Rosen, the chief aide to former Chancellor Willy Brandt. Schori was named by confessed Norwegian KGB spy Arne Treholt as a leading KGB “agent of influence” in Scandinavian social democratic circles.

In 1982, Suall aided Swedish television producer Goran Rosenberg in preparing a series of slanders labeling the ELP as “neo-Nazi.” Two years later, the daily *Svenska Dagbladet* published a similar slander by Willy Silberman, based on “research” by journalist Hans Lindquist, a protégé of Joachim Israel. Investigations at the time revealed that Lindquist had been directed in his efforts by the ADL’s European director in Paris, Shimon Stanley Samuels. Samuels, in turn, had coordinated the anti-LaRouche campaign with Gerry Gable, the London-based editor of *Searchlight* magazine and a member of the Communist Party of Great Britain. *Searchlight* is believed to be one of the KGB’s major front-publications in Western Europe. Thus, at least two years before the Palme assassination and coverup, the ADL was already involved with Soviet intelligence networks in slandering LaRouche in Europe.

Within 72 hours of Palme’s murder, Danish, West German, and Soviet news outlets were naming the ELP as prime suspects of the Swedish police. This set the stage for the detention nine days later of Victor Gunnarsson, a local Stockholm weirdo who had once signed a petition endorsing the ELP’s party status, possibly on-behalf of socialist party-run police networks who had used him for years as an informant on groups opposed to the Palme’s Socialist Labor Party (SAP).

Unconfirmed reports suggest that the ADL deployed a team of operatives to Stockholm in early March 1986 to fuel the accusations against the LaRouche associates, but that the team was summoned back to the United States when two LaRouche associates won the Illinois Democratic primary elections for lieutenant governor and secretary of state on March 18, 1986.

What is confirmed is that Jonas Hafstrom, the first secretary of the Swedish embassy in Washington, was put in contact with the ADL’s International Affairs Director Abe Foxman by Israeli embassy deputy chief of mission Elyahim Rubenstein-Migdal. Foxman funneled ADL “files” on

LaRouche into the hands of Stockholm Police Chief Hans Holmér, the chief investigator of the Palme murder, through a Swedish Foreign Ministry official named Nils Rosenberg. Those files became an integral part of the Palme task force's coverup. At the same time, U.S. State Department Swedish desk officer Richard Christensen steered American reporters to ADL stringer Goran Rosenberg, the producer of the 1982 television slander, who was by then based in Washington, D.C.

On March 18, 1986—the same day as the Illinois primaries—Irwin Suall appeared on NBC Nightly News in an interview with Brian Ross, in which he said that LaRouche associates were capable of assassinating Palme. On March 19, Swedish police released Gunnarsson for lack of evidence, although the “Gunnarsson-ELP” track of the investigation was pursued for many months.

The Suall-ADL propaganda offensive intersected an identical campaign by top Soviet officials to blame the Palme murder on LaRouche and the ELP. The Soviet disinformation effort was steered by Sergei Losev, the director general of the official Soviet news agency TASS, and was coordinated in Stockholm by Soviet ambassador Boris Pankin. Pankin, a former director general of VAAP, the Soviet copyright office, has been identified as a lieutenant general in the KGB and a former director of KGB Service A, the disinformation unit, before he became ambassador in Stockholm in 1982.

On Aug. 24, 1989, the Swedish daily newspaper *Expressen* revealed that officials of the Swedish national police (SÄPO) counterespionage unit had bugged the home of a Soviet embassy official and suspected KGB man and had obtained taped evidence that the Kremlin knew in advance of the Palme assassination. Thus, the ADL was not only complicit in a major international assassination coverup scheme; the scheme at least in part concealed Soviet complicity before the fact in the assassination of a Western head of state.

8. ADL subverts justice: the OSI

One of the most significant focal points of Soviet and Israeli intelligence penetration of the U.S. government is through the Justice Department's Office of Special Investigations (OSI), a unit created by congressional action in 1978 to ostensibly hunt down Nazi criminals and deport them from the United States to stand trial for their crimes back home.

In fact, the OSI has always functioned as a pipeline for Soviet-forged evidence and other contamination of the American judicial system, and for Soviet and Israeli propaganda directed against Eastern European emigré circles within the United States. The ADL maintains a full-time liaison officer to OSI posted in Washington, and another full-time ADL official works with Israeli authorities in Tel Aviv.

Where forged documents have not been sufficient to com-

plete the railroading of the OSI's targets, more violent means have been frequently used. The already cited case of Tschirim Soobzokov is one such example. The more recent events in Israel involving John Demjanjuk, a retired Cleveland autoworker falsely accused of being Treblinka concentration guard “Ivan the Terrible,” are an even more telling case of ADL-KGB collusion.

On Nov. 29, 1988, Dov Eytan, a respected attorney and member of the Israeli establishment, plunged to his death out of the 15th floor of his office building in Tel Aviv. At the time of his death, Eytan, a former judge, was preparing Demjanjuk's appeal before the Israeli bar which would expose the Soviet KGB's hand in forged documents, witness coercion, and the suppression of exculpatory evidence by the U.S. Department of Justice's Office of Special Investigation, all of which had led an Israeli court to sentence Demjanjuk to death as “Ivan the Terrible.” On Dec. 1, at Dov Eytan's funeral, after a quick ruling by the Israeli government that he had committed suicide, acid was thrown in the face of Yoram Sheftel, John Demjanjuk's other lawyer, who had argued forcefully that Demjanjuk was the victim of mistaken identity perpetrated by the OSI and Soviet KGB.

In fact, virtually all of the witnesses against Demjanjuk had either earlier given contradictory testimony, or had been proven to be liars during the course of the trial. The key piece of “evidence” against Demjanjuk, a concentration camp ID card, had been flown to Israel from Moscow by Soviet agent Armand Hammer aboard his Occidental Petroleum private jet. Demjanjuk's attorneys presented conclusive evidence that the ID card was a KGB forgery.

More recently, in the United States, the ADL launched an attack against Rep. James Traficant (D-Ohio), because he charged on Aug. 2, 1989 that the OSI may have deliberately withheld information showing that a key witness against Demjanjuk, Otto Horn, perjured himself when he identified Demjanjuk as “Ivan” during 1981 denaturalization proceedings. The proof of the perjury was discovered in two internal OSI reports found in a trash can outside their office, which were then given to Demjanjuk's son-in-law. Traficant, who has asked Attorney General Richard Thornburgh to authorize an “objective review” of OSI work on the Demjanjuk case, said that no one “really knows” if Demjanjuk is Ivan. “We endanger the rights of all Americans by allowing John Demjanjuk to be hung out to dry under such unusual circumstances,” Traficant added.

Not only had the OSI suppressed evidence of Otto Horn's perjury, but there is reason to believe that the entire case had been fabricated by the OSI. ADL honorary vice chairman Edgar Bronfman has also mobilized the World Jewish Congress, of which he is president and chief contributor, in tandem with the OSI on numerous other cases. The original list of 200 suspected Nazi war criminals living in the United States, which constituted the bulk of cases since probed by the OSI, was prepared by Charles Allen, a one time research-

er for the WJC who headed up an American-East German friendship group known to be a front group for the Communist Party USA.

Two years after the OSI's founding, OSI officials Allan Ryan and Neal Sher, armed with the Charles Allen "list," traveled to Moscow, where they met with General Rudenko, a Soviet military official, to review Russian files on the accused wartime Nazis. Gen. Roman Rudenko was well-known for his handling of Moscow's genocide policy toward Ukrainians in the 1930s, when 8-10 million Ukrainians died of starvation—a performance that had earned him a promotion to be one of Josef Stalin's favorite prosecutors during the purge trials. When the OSI's Sher and Ryan met with him in 1981, they arranged to introduce the sort of KGB-manufactured evidence for which the OSI would become notorious.

As the ADL's Teitel writes: "The United States-Israel cooperation in this [Demjanjuk] case was only the tip of the iceberg. Without similar cooperation between the U.S. and the Soviet Union, John Demjanjuk might never have been found." And the September 1984 edition of the *ADL Bulletin* carried a two-page article by Neal Sher, who had succeeded Ryan as OSI director, defending the OSI against charges from Eastern Europeans that this agreement with the Soviets had introduced KGB "forged documents" and "intimidated witness" testimony to U.S. courts.

The Arthur Rudolph and Kurt Waldheim capers

Edgar Bronfman was a willing accomplice in the OSI's frameup of the rocket scientist Dr. Arthur Rudolph, who was illegally forced into exile from the United States in the spring of 1984 after he had been targeted as a "Nazi war criminal" in Soviet publications. The real reason why the Soviets and Bronfman targeted the celebrated designer of the Pershing I and Saturn rockets, was because he was part of the Strategic Defense Initiative project, which was then Soviet intelligence's number-one priority to disable. Kept by lack of funds and advanced age from waging a full defense against the groundless charges, and fearful that his wife and children would be driven into poverty were his U.S. government pension revoked, Rudolph reached an agreement with the OSI that he would voluntarily return to his native Germany. A subsequent investigation by West German courts found him guiltless of any involvement in the crimes the OSI accused him of.

Bronfman's next case of collaboration with the OSI was his campaign against former United Nations general secretary and current Austrian President Kurt Waldheim, whose biggest crime appears to have been that, in agreement with the Helsinki Accords, he has given Soviet Jews passing through Austria the right to settle wherever they choose—not just in Israel, as implicitly demanded by Bronfman and the ADL. Waldheim's defenders charge that Bronfman's

WJC distorted the facts and even solicited perjured testimony against the Austrian leader. Noted war crimes investigator Simon Wiesenthal has been a harsh critic of the WJC, and has defended Waldheim. Nevertheless, Bronfman's evidence led the OSI's Neal Sher to place Waldheim on a watch list of those prohibited from entering the United States.

9. ADL penetration of law enforcement

Despite the fact that the ADL has been repeatedly linked to organized crime, foreign espionage agencies, and domestic and international terrorist groups, the League has managed to conduct a highly successful campaign to insinuate itself into the day-to-day workings of virtually every major police department and sheriff's department in the United States. In doing so, it has drawn heavily upon its longstanding "special relationship" with the FBI—which has blossomed under recent directors William Webster and William Sessions—and upon its deep involvement with the Justice Department's Office of Special Investigations.

In the spring of 1989, Justin Finger, the ADL's associate national director, led a delegation of American law enforcement officials to Israel on an all-expenses-paid tour that included meetings with the Israeli National Police, the Shin Beth, the Mossad, and special anti-terrorist units. Among the police executives along on the trip were: Charles Barry, the Massachusetts Secretary of Public Safety; Cornelius Behan, the police chief of Baltimore; Lester Forst, the Connecticut Commissioner of Public Safety; Michael Hennessey, Sheriff of San Francisco County; Robert Hightower, Police Chief of Cobb County, Georgia; Leroy Martin, Superintendent of the Chicago Police Department; Charles Plummer, Sheriff of Alameda County, California; Peter Ronstadt, Police Chief of Tucson, Arizona; Jerry Williams, Police Chief of Aurora, Colorado; and Aristides Zavaras, Police Chief of Denver, Colorado.

The trip was the third in a series of ADL-sponsored visits to Israel by major urban police since 1987, and is part of the League's escalated penetration of the American law enforcement and judicial community. Since 1988, the ADL has been publishing a *Law Enforcement Bulletin*, which is distributed free of charge to police departments, private security firms, and federal government agencies.

The *Bulletin* provides a crazy quilt of accurate and severely distorted information, principally targeted at the Palestinian movement, pro-Palestinian elements within the left, all varieties of right-wing groups, and Lyndon LaRouche.

In 1986, *EIR* learned from police officials in Atlanta, Georgia that Charles Wittenstein, the regional director of the ADL, had approached police officials there with an offer to finance and manage their entire informant program. Similar approaches apparently have been made elsewhere

around the country.

A review of the past decade's issues of the ADL's monthly newsletter reveals that in the 31 regional offices in the United States, staff directors devote the majority of their time to liaison with police and prosecutors, often providing information generated from the ADL's own agents provocateurs inside the radical left and right. For example:

- In February 1984, Stan Anderman, ADL regional director in St. Louis, and Michael Lieberman, ADL Midwest regional director, addressed a Missouri Law Enforcement conference at Ozark Lake. Other speakers included Jim Winter, the director of the FBI's Counter-Terror Program; Jim Elder, head of the St. Louis office of the Bureau of Alcohol, Tobacco and Firearms (BATF); Tom Kelly, head of the Kansas Bureau of Investigations; Howard Hoffman, head of the Missouri Highway Patrol; and Mark Middleman, a former Missouri assistant attorney general who was hired as a staff consultant to the ADL.

- On Feb. 13, 1986, two ADL officials, Michael Kozin and Midwest regional director Michael Lieberman, addressed a Chicago conference on Law Enforcement's Response to Extremism in the Farm Belt. Among the other participants in the conference were Illinois U.S. Commission on Civil Rights director Rhona Stewart; Chicago FBI office chief Joseph Lewis; Chicago BATF office chief James Seaves; Illinois State Police Director James Zagel; and Chicago U.S. Attorney James Reidy.

- In February 1987, the ADL sponsored an all-day conference on terrorism at the FBI headquarters in Indianapolis, attended by 140 police officials. The conference was ostensibly in preparation for the Pan-American Games, and the keynote speaker was Robert Kupperman of the Center for Strategic and International Studies at Georgetown University in Washington, who is a frequent participant in ADL sponsored terrorism events.

- In other, similar conferences with local police, the ADL has inserted "experts" with longstanding known ties to the Mossad. Among them: Prof. Uri Ra'anana, the recruiter of convicted spy Jonathan Pollard, and Prof. Yonah Alexander.

10. The ADL, Israel, and the Temple Mount plot

Since the founding of the state of Israel, the ADL has kept its own "special relationship" with the Israeli Mossad intelligence service, especially with corrupt intelligence circles linked to what author Jacques Derogy dubbed "the Israeli Mafia."

Meshulam Riklis, the protégé of ADL National Chairman Burton Joseph who was implicated in the Bialkin-Vesco looting of IOS, has been the financial "angel" of Israel's former Defense Minister Ariel Sharon for years. Riklis purchased a large ranch in the Negev Desert and gave it to Sharon, the

leader of Likud's extreme militant wing, as a gift. It was at that ranch, that a series of secret meetings took place in May and November 1982 to plot out an ambitious real estate scam, aimed at consolidating permanent Israeli control over the Occupied Territories of the West Bank, the Gaza Strip, and East Jerusalem, and laying the basis for the recent years' flood of Russian Jewish immigrants.

According to eyewitness accounts, the Sharon ranch meetings brought together representatives of the Bronfmans, Britain's Lord Harlech and Lord Carrington, Henry A. Kissinger, and the ADL's Kenneth Bialkin.

Operating through an extensive network of American-based Christian fundamentalist groups, the ADL-Sharon group arranged for the illegal purchase of dozens of buildings and tracts of land in the contested territories, and planned for their ultimate settlement by militant Jewish activists. A network of fanatical Jewish fundamentalists based in a series of yeshivas (Jewish parochial schools) inside Jerusalem, including Ateret Cohanim, began illegal excavations on Islamic holy sites in the Old City, proclaiming that they would rebuild the Third Temple on its original site—even if it meant blowing up the Dome of the Rock on the Temple Mount, the second-most holy place of Islam. These Jewish fanatics, many of them linked to the Meir Kahane Jewish Defense League and Kach Movement and heavily funded by JDL and ADL financial backers in the United States, have carried out machine-gun and hand-grenade attacks on the Dome of the Rock on dozens of occasions in recent years. In almost every instance, Ariel Sharon defended the actions, and even led protest rallies when Israeli police removed militants by force.

The most dramatic confrontation occurred during the Easter celebrations this year, when a group of 150 Ateret Cohanim fanatics illegally obtained a sub-lease on the St. John's Hospice in the Christian Quarter of Old Jerusalem and attempted to occupy the building. When the Greek Orthodox Patriarch of Jerusalem led a peaceful protest against the action, Israeli police gassed him and other demonstrators.

On April 17, the caretaker Likud government of Yitzhak Shamir issued a statement admitting that the Housing Ministry, headed by Morton Rosenthal and Jon Speller collaborator David Levi, had secretly funded the Ateret Cohanim takeover of the hospice. These incidents caused Pope John Paul II to tell Easter pilgrims in Rome that the "grave incidents" in Jerusalem "are a cause also for me of suffering and profound concern."

Spying for foreign intelligence services

The ADL's involvement in the dirty underbelly of Israeli politics did not begin with the Sharon plot. According to court records and other sources, the ADL has been used for decades as a cover of convenience for Israeli Mossad operations inside the United States. More often than not, those operations were in direct conflict with U.S. national security interests.

In 1967, former B'nai B'rith official Saul I. Joftas filed a slander suit charging that he had been fired for his refusal to cooperate with secret Israeli intelligence spy operations being run through the B'nai B'rith and the ADL. Depositions taken in this suit show that in 1960, ADL honorary vice chairman Phillip Klutznick, then president of B'nai B'rith, established a B'nai B'rith cover for an Israeli intelligence operation in New York, that sought to penetrate U.S. intelligence by dangling bits of information about the U.S.S.R. The Mossad case officer for this operation was Uri Ra'anan, then the director of the Israeli consulate's information department in New York, who later helped recruit Israeli "false flag" agent Jonathan Pollard. Another member of this cell was ADL general counsel Arnold Forster, who was then the ADL's associate national director.

Another operation run by this group was uncovered during the court proceedings in a letter to Joftas dated July 7, 1961 by then-ADL national director Benjamin Epstein. The letter read in part: "As you know, the Anti-Defamation League for many years has maintained a very important, confidential investigative coverage of Arab activities and propaganda. . . . We have maintained an information-gathering operation since 1948 relating to activities from the Arab Consular Offices, Arab United Nations Delegations, Arab Information Center, Arab Refugee Office, and the Organization of Arab Students." The rest of the letter elaborated upon this espionage activity, then requested additional funds for it.

Behind the Pollard spy case

This 1960s collusion between ADL and the Mossad in running spy operations inside the U.S. apparently continued unabated until the November 1985 arrest of Jonathan J. Pollard. A Naval Investigative Service (NIS) counterterrorism analyst, Pollard was part of a spy network set up by "Dirty Rafi" Eytan, a Mossad official and intimate of Ariel Sharon who at one time headed an elite killer squad out of the prime minister's office.

Pollard was initially profiled for Mossad recruitment by Dr. Uri Ra'anan, the former Israeli Consulate official and longtime ADL collaborator who had taken up a special teaching post at the Center for International Security Studies at the Fletcher School of Diplomacy at Tufts University in Boston. Once recruited, Pollard was "handled" by Col. Aviem Sella, an Israeli Air Force officer operating under the cover of attending graduate school at New York University. Sella's wife Ruth was employed during the entire time of the Pollard-Sella operation in the Legal Department of the ADL headquarters in New York. In protest over the sentencing of Pollard to life in prison for his espionage activities, the Israeli government promoted Sella to the rank of general. In response, an ADL delegation rushed off to Israel to prevent a full diplomatic rift that might have prompted a deeper investigation into the Pollard network leading ultimately to the ADL headquarters.

Secretary of Defense Caspar Weinberger had asked the court to impose the maximum sentence on Pollard once U.S. intelligence "damage assessments" had revealed that much of the top-secret information stolen by Pollard had found its way into the hands of the KGB and GRU. Weinberger reportedly concluded that the entire Eytan network had been working both for the Mossad and for the Russians. Weinberger ordered a more extensive probe to determine the identity of an "X Committee" believed to have been working with Pollard. Some U.S. intelligence specialists believe that a full probe of the "X Committee" would reveal a significant interface with the National Commission of the ADL.

While Weinberger was pressing the Pollard affair, a separate scandal began to emerge involving another top ADL associate, Deputy Attorney General Arnold Burns, a director of the ADL's Sterling National Bank. His law firm Burns and Summit was caught running a string of phony offshore tax shelters that claimed big tax write-offs for nonexistent investments in Israeli research and development firms. One of the attorneys linked to the scam was Howard Katz, the paymaster for the Pollard spy ring.



Arnold Burns

Yet another still active ADL link to the Pollard spy ring centers around Mira Lansky Boland, the head of the ADL Fact-Finding Division office in Washington. Lansky Boland had been a classmate of Jonathan Pollard at the Fletcher School, and was part of the same tightly knit group of students under Professor Ra'anan. At approximately the same time when Ra'anan was helping to place Pollard in the sensitive position with NIS, he apparently also helped to secure Lansky her job with the ADL. Lansky Boland has played a pivotal role in the federal-state "Get LaRouche" task force, serving as a principal conduit of information between different state and federal agencies, soliciting press slanders, and even producing "witnesses" for the government's cases.

11. The ADL subverts the farm movement

With the heavy infusion of cash into the ADL from Minneapolis grain merchant Dwayne Andreas, the president of Archer Daniels Midland, Inc., beginning in 1978, the ADL's offices in Minneapolis, Chicago, St. Louis, Atlanta, and Omaha began to function as adjuncts to the major Midwest grain cartels, which were at that time expanding their intelligence-gathering and dirty-tricks capabilities against the mounting threat of farmer protests against foreclosures and impossible operating costs.

ADL links to the grain merchants had blossomed earlier, particularly under the chairmanship of Burton Joseph between 1976-78. Joseph was himself in the agricultural products business, running a Minneapolis firm called I.S. Joseph. Joseph and one of his ADL Vice Chairman Max Kampelman were known as the “Minneapolis Mafia” within ADL inner circles because of their close links to the Minnesota Farm Labor Party and the Hubert Humphrey-Walter Mondale political machine.

ADL had also benefited for years from the financial largesse of the Moore family of the Nabisco Corp.—another giant in the grain industry.

Rather than using physical force to disrupt the emerging farmer popular movement, the ADL resorted to its usual bag of tricks: proclaiming the farm protest movement a hotbed of anti-Semitism and right-wing militance, the ADL churned out propaganda, spread wildly distorted “intelligence” to federal, state, and local police agencies, and worked with a network of left-wing radicals to set up farm protest “countergangs” to steer the ferment into populist and impotent directions.

On Jan. 10, 1986, the ADL’s Minneapolis regional director Morton Wrywick was a keynote speaker at the founding conference of the Family Farm Resource Organizing Committee (FFROC), a coalition of left-wing farm belt groups including the Socialist Workers Party, Groundswell, Prairie Fire, the Center for Rural Affairs, Catholic Rural Life, and the Center for Democratic Renewal. Joe Krastil was the nominal head of the group, which disseminated a just-released ADL report titled “The Farmer and The Extremist” as part of its “counseling service” to recently bankrupted farmers. According to interviews given at the time, Krastil had been trained by Ken Lawrence, a Mississippi-based left-wing activist tied to the London *Searchlight* group, a known KGB front-organization. Lawrence is also a regular writer for the CIA defector Philip Agee’s journal *Covert Action Information Bulletin* and the National Lawyers Guild’s *The Public Eye*, which is edited by Charles “Chip” Berlet, one of the most prominent slanderers of Lyndon LaRouche.

Another founder of the FFROC front, Lenny Zeskind, runs the Center for Democratic Renewal, formerly the Anti-Klan Committee, with Lynn Wells, a former Communist Party youth leader who later helped found the Maoist October League. Dan Levitas, a founder of Prairie Fire, another farm belt leftist insurgency group sponsored by the ADL, recently moved to Atlanta to join Zeskind and Wells at the CDR.

Through ADL officials Morton Wrywick (Minneapolis), Michael Lieberman (Chicago), Stan Anderman (St. Louis), Justin Finger and Yitzak Santus (Omaha), Marvin Stern (Seattle), Sol Rosenthal (Denver), Mark Briskman (Dallas) and Charles Wittenstein (Atlanta), the collection of left-wing farm radicals were presented as legitimate “informants” to regional law enforcement task forces, set up at ADL urging, to deal with the threat of “extremism” in the Midwest.

In interviews conducted in early 1986, Donald Burger,

the head of the U.S. Justice Department’s Community Relations Service regional office in Kansas City, Missouri, and David Tell, head of the Program and Policy Division of the U.S. Commission on Civil Rights in Washington, D.C., both confirmed that the federal government’s efforts in the farm belt were fully integrated with the ADL and ADL-linked operatives like Levitas and Zeskind. Similarly, Mark Tirchie in the office of Minnesota Gov. Rudy Perpich, and Ann Kesten in the office of Minnesota Attorney General “Skip” Humphrey, confirmed their dependence on the ADL to provide information and direction to their efforts to “combat extremism” in the farm community.

12. ADL targets pro-life movement and the Vatican

In recent years, the ADL has played a major behind-the-scenes role in opposing the pro-life movement, both through the filing of a series of *amicus curiae* briefs in all the major abortion cases now up before the U.S. Supreme Court, and through the deployment of its spy and agent provocateur networks to vilify the Right to Life movement as a haven for neo-Nazis, anti-Semites and right-wing terrorists.

On May 1, members of the Civil Rights Division of the ADL confirmed in interviews with *EIR* that the ADL has intensified its campaign to destroy the pro-life movement. An ADL team of lawyers and analysts are reviewing videos and news coverage of the huge pro-life march held in Washington, D.C. on April 31, in order to identify “extremists” and “anti-Semites” who participated. Another ADL source revealed that the ADL has compiled dossiers on anti-abortion activists, with particular attention to monitoring members of Operation Rescue. The dossiers reportedly are being made available to law enforcement authorities who are trying to fraudulently apply the so-called RICO, anti-racketeering statutes to the prosecution of Operation Rescue.

The ADL has filed a series of *amicus curiae* briefs taking a radical pro-abortion stand. Honorary ADL chairman Kenneth Bialkin filed the brief with the U.S. Supreme Court in the cases No. 88-790, No. 88-805, and Nos. 88-1125 and 88-1309. Bialkin filed his brief as the Counsel of Record for the Anti-Defamation League of B’nai B’rith, B’nai B’rith Women, Catholics for a Free Choice, and Women’s American ORT. Listed as “Of Counsel” were such ADL bigwigs as Honorary Vice Chairman Meyer Eisenberg, ADL Associate National Director Justin J. Finger, and Civil Rights Division director Jeffrey P. Sinensky.

The ADL *amicus* brief argues that the anti-abortion statutes of “Illinois, Minnesota, and Ohio . . . violate the establishment clause by endorsing one religious theory of when life begins” and that they impose “an impermissible burden on a woman’s free exercise of religion by restricting her fundamental religious interest in deciding whether to contin-

ue a pregnancy.” The argumentation is in keeping with their dozens of *amicus curiae* briefs to remove prayer from school, in that it advocates a “value-free” school and society in which scientifically grounded moral principles have no force.

Still more to the point, Laura Kam-Issacharoff, a member of the ADL’s Israel office, wrote an article for the March 6, 1990 *Jerusalem Post* entitled “Anti-Semitism in the Anti-Abortion Movement.” Its opening paragraph reads: “Increasing anti-Semitic manifestations in the volatile debate on abortions are worrying Jewish leaders in the U.S. In several states, the FBI has begun probing the burgeoning hate mail that has been directed at ‘pro-choice’ Jewish political leaders and doctors.” The remainder of the piece contains one exaggerated claim after another that somehow pro-life activists believe Jewish doctors are killing Christian babies out of revenge for the Holocaust.

Going after the Pope

One day after Pope John Paul II expressed “concern” about incidents at St. John’s Hospice in Jerusalem (see above), ADL national director Abraham Foxman made the following statement, as reported in the May 3 *Washington Jewish Week*: “I am concerned and disturbed at the way the Christian community has responded by escalating this into an international religious confrontation. . . . To hear this orgy of criticism [i.e., from the Pope] has sinister undertones. It may even border on elements of Crusadism.”

Foxman’s remarks are only the latest of a series of dramatic confrontations between the ADL and the Vatican. The last confrontation in the fall of 1989 followed a provocation by friends of ADL-controlled terrorist Mordechai Levy in the Coalition of Concern, who attempted to shut down a Carmelite convent located just outside the grounds of the former Auschwitz concentration camp in Poland.

Glenn Richter, a friend of Levy, issued a press release after he had accompanied Rabbi Avraham Weiss, also a friend of Levy, in what became a confrontation with workmen at the convent, describing how his group had surrounded it, demanding that it be removed, and complaining “that the 24-foot cross desecrated the memory of the Jewish martyrs of Auschwitz.” Rabbi Avraham Weiss issued a press statement saying that Cardinal Franciszek Macharski of Krakow, Poland was “repugnant” for blaming the Coalition of Concern for “lack of respect for the nuns and for their human and Christian dignity” and for failure to respect “the symbols of faith and piety” through “attempts at taking [the convent] over.” Rabbi Weiss called “upon Jewish leaders to freeze dialogue with the Vatican” until it removed the convent. In an article in the *New York Post* he claimed that Pope John Paul II and the Vatican had done nothing to protect Jews from the Nazis.

On Aug. 15, 1989, Elan Steinberg, an aide to Edgar Bronfman, denounced the Pope for anti-Semitism arising out of the Pope’s attempts to “de-Judaize the Holocaust.”

Steinberg said that it was “obscene” that the Pope had met with Austrian President Kurt Waldheim. Steinberg told a journalist that the chief theological problem was the Pope’s “triumphalist vision,” which he said was a step back from the “progressivism of Vatican II.” The Pope, Steinberg warned, is mounting a “conservative international” which is regressive on issues ranging from abortion, to sexuality, to the interreligious dialogue between Catholics and Jews, to failure to support Liberation Theology in Central America, to pushing Solidarnosc in Poland on a dangerous course that might undermine Edgar Bronfman’s friend, Soviet President Mikhail Gorbachov.

13. The ADL defends Satan

Last year, when a group of Texas state legislators introduced a bill criminalizing certain Satanic ritualistic practices, the Dallas office of the ADL cried “anti-Semitism!” and attempted to mobilize the Jewish community to block its passage. The ADL effort fell on deaf ears, since most rabbis and other Jewish community leaders had been duly horrified by the recent discovery in Matamoros, Mexico of a ritualistic mass burial site on a ranch used by a notorious drug-smuggling ring. Texas Gov. William Clements summoned both houses of the state legislature into special session to unanimously pass the bill, the first of several such anti-Satanism bills to become state law around the country.

The ADL’s “religious freedom” antics in Texas reflected longstanding ADL complicity in the spread of Satanism and the drug-rock-sex counterculture. The first documented instance of ADL involvement dates back to the early 1960s, when Rabbi Maurice Davis, later of Westchester County, New York, participated in Project MK-Ultra, the CIA’s foray into the use of LSD-25 and other psychedelic drugs in mind control and mass social manipulation. Davis was the chaplain at the Lexington, Kentucky Addiction Research Center, a hotbed of the CIA’s secret LSD testing. According to Davis’s co-workers at the time, the rabbi helped track some of the LSD human guinea pigs when they were released to outpatient treatment. The full extent of Davis’s involvement in the CIA project may never be known, because the CIA’s chief chemist, Dr. Sidney Gottlieb, shredded millions of pages of MK-Ultra records in 1972 at the behest of outgoing CIA director Richard Helms.

It can be assumed, however, that Davis’s services were appreciated, because following his transfer to Indianapolis in the mid-1960s, he became one of the first patrons of the Rev. Jim Jones and his People’s Temple—what several authors have described as another Anglo-American Occult Bureau “project.” Davis was joined in that effort by Episcopal priest and later Bishop Paul Moore, offspring of the same patrician Moore family that has heavily funded the ADL over the past several decades. Moore later moved to New York

City where he has presided over the Cathedral of St. John the Divine, a notorious center of New Age and outright Satanic cultism, as well as terrorism. (For years the New York City Police Department's Arson and Explosives Unit identified the cathedral as a safehouse for the FALN, a Puerto Rican terrorist group that carried out dozens of bomb attacks in the Metropolitan area during the 1970s.)

(In 1978, as the ADL launched its Big Lie campaign branding Lyndon LaRouche as an "anti-Semite," Canon West, a top aide to Bishop Moore at the Episcopal Archdiocese, confided to a visitor that they had "gotten the Jews" to take care of LaRouche, an indication that the relationship between the ADL and the blueblood WASP establishment ran much deeper than the Moore-Davis tie.)

In Indianapolis, Davis and Moore sponsored Jim Jones onto a number of community boards. Davis personally arranged the sale of his own synagogue to Jones and arranged the mortgage for what would be the first People's Temple.

When Davis moved to the New York area shortly after Jones relocated his followers to San Francisco, the rabbi, by now an active figure in ADL circles, became one of the first religious figures to warn about the dangerous proliferation of coercive cults. But far from being a Damascus Road conversion, Davis's new profile as an anti-cult crusader merely represented a continuation of his involvement in the Occult Bureau efforts. Along with other MK-Ultra veterans such as Dr. Louis Jolyon West and Robert J. Lifton, Davis launched the "deprogramming" movement in the early 1970s as the "solution" to the mushrooming problem of coercive cults which Davis himself had helped to foster. Over the next decade, hundreds of members of pseudo-religion and therapy cults like the Unification Church, the Church of Scientology, The Way International, est, and the Hare Krishnas were kidnaped and subjected to grueling round-the-clock ego stripping, physical abuse, and other forms of behavior modification—often no different than the treatment they received when they were inside the cults. In nearly every instance, the parents of the cult members paid through the teeth for the kidnaping services provided by Davis and his collaborators.

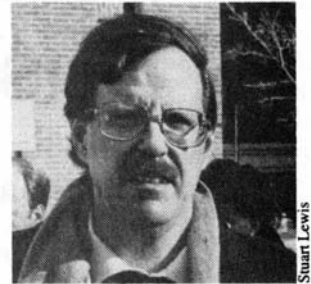
The 'Son of Sam,' and Dennis King

In 1974, Davis founded Citizens Engaged in Reuniting Families (CERF), a deprogrammers' front which later merged into the two major anti-cult agencies, the American Family Foundation and the Cult Awareness Network. Capitalizing on the post-Jonestown reaction, the ADL established a full-time anti-cult center, housed at the Washington, D.C. headquarters of the B'nai B'rith and run by Esther Dietz and Asya Komm. The Cult Center of B'nai B'rith maintained joint offices with the Cult Awareness Network. In this way, the ADL established formal, ongoing links to the AFF/CAN, which continue through to the present.

Among Davis' employees in CERF were Dennis King and Kalev Pehme, both of whom later played prominent roles

in the post-1978 "Get LaRouche" drive, and worked for a mob-run weekly on the East Side of Manhattan, *Our Town*. In 1978, Pehme wrote for *Our Town* a glowing piece on the Foundation Faith of the Millennium, formerly the Process Church of the Final Judgment. This outright Satanic outfit had been so closely linked to the Manson Family murders on the West Coast in 1969 that they were forced to relocate their operations back East and change their name. According to *The Ultimate Evil* by Maury Terry, which is an account of the 1976-77 "Son of Sam" murders in New York, the Process Church, now based out of Westchester County, was suspected of links to those ritualistic killings as well.

Another person who turned up with the *Our Town* rag controlled by mobster Ed Kayatt, was Dennis King, a protégé of Maurice Davis and author of hate literature against Lyndon LaRouche. King published one of his nastiest slanders against LaRouche in the pages of *High Times* magazine, the voice of the dope legalization lobby and drug paraphernalia industry. King's most intimate collaborator in the LaRouche-bashing effort, which mushroomed into a full-scale government frameup strike force, was Charles "Chip" Berlet, for years the Washington, D.C. bureau chief of *High Times* and an activist in NORML, the official dope legalization lobby.



Dennis King

By 1979, King was a full-time asset of the ADL's Fact-Finding Division and an anti-LaRouche informant to a variety of federal and state agencies and prosecutors. Throughout that period, King was a member of the Humanist Society of New York, a secular humanist club linked to the Society for Psychical Research, SIECUS (the radical sex education movement), and other New Age kook outfits.

The ADL links to explicitly pro-Satanist circles was no low-level effort. ADL mogul Edgar Bronfman has been associated with this project since no later than April 17, 1989, when he and Britain's Prince Philip launched the Sacred Literature Trust, an effort aimed at publicizing the religious foundations of ecology and environmentalism—i.e., the revival of Mother Earth and other forms of paganism. At a United Nations press conference in New York City on that date, Bronfman aide Rabbi Arthur Hertzberg and Prince Philip's spokesman Martin Palmer announced the project. Palmer's numerous writings on various aspects of pagan and gnostic theology are published by the Lucis Trust—formerly the Lucifer Trust—an elite group which grew out of the 19th-century Theosophy movement. As for Rabbi Hertzberg, he first gained attention at a conference in Assisi, Italy in 1986, where he advocated the revival of the gnostic Jewish Cabala. The proposal for the Sacred Literature Trust was first floated at that Assisi conference.

Baltic republics fear Bush sellout at summit

by Konstantin George

The leaders of the Baltic republics, struggling to achieve in fact their declared independence from Moscow, fear the worst from Mikhail Gorbachov and George Bush. They fear that the May 30 Bush-Gorbachov Washington summit will finalize the Bush administration's sellout of the Baltic republics, by giving Moscow a "green light" to do as it pleases with Lithuania, Latvia, and Estonia. The pre-summit warning was sounded loud and clear by the president of independent Lithuania, Vytautas Landsbergis, in a May 9 interview with *Expressen*, Sweden's largest circulation daily.

The interview was run with a banner headline, quoting Landsbergis: "The West is Helping the Soviets to Crush our Freedom," and contains Landsbergis's strongest denunciations to date of the U.S.-Soviet condominium policies, responsible for the global isolation of the Baltic republics. Commenting on Gorbachov's ultimatum threat of reprisals against Lithuania's neighbor, Latvia, after it had declared independence on May 4, Landsbergis said: "I wasn't surprised. I understand that Gorbachov has received permission to crush Baltic freedom. Therefore, even the form chosen by the Latvians in their striving for freedom was not acceptable to him."

Landsbergis was referring to the fact that for Latvia, full independence will come after a two-year transitional period, and will not take effect immediately as was the case with Lithuania.

Lithuania, Latvia, and Estonia were annexed to the Soviet Union in 1940 as a consequence of the secret protocols of the infamous 1939 "Hitler-Stalin Pact" in which the Nazi and Communist dictators stunned the world by signing a mutual non-aggression treaty. On Aug. 23, 1989, the 50th anniversary of that shameful treaty, 1 million citizens of the three tiny

republics formed a "human chain" extending across Latvia, Estonia, and Lithuania. This peaceful protest was an eloquent harbinger of the events of the past weeks, which have thrown to the winds all the calculations of the Kremlin imperialists about controlling their subjects through "blood and soil" ethnic allegiances and setting national groups against each other.

Although for the past 50 years the United States has officially refused to recognize the forced incorporation of the three small states on the Baltic Sea bordering Poland, Russia, and Finland, into the Soviet empire, nevertheless, the U.S. Bush administration has refused to take the most obvious steps since Lithuania, following its first free elections in half a century, declared independence from Moscow last March 11. Allegedly out of a fear of weakening Mikhail Gorbachov's hold on power in Moscow, the United States has failed to extend full diplomatic recognition to Vilnius and to use its own considerable economic weapons to force the Kremlin to respect the self-determination and sovereignty of the Baltic states.

Lithuania faces supply crisis

In his interview to the Swedish daily, Landsbergis noted, that as the summit date approaches, the situation is becoming more and more tense in the Baltic states: "And this tension depends on the superpowers. Gorbachov can do what he is doing to Lithuania and the Western countries agree." Landsbergis then detailed how Gorbachov and the Soviet leadership will move through the remainder of May, to bring the crisis in Lithuania to a head, timed with the summit and the Bush sellout.

First, the supply crisis in Lithuania will become very critical by the end of May: "Then we will have no other fuel

than that which we have been able to buy at high prices in Belorussia and in Ukraine. . . . But we will see to it that food transport and ambulances still operate. The worst thing is perhaps not that the fuel will run out, but that the lack of raw materials will force us to close the factories.”

Together with the fuel and energy crisis coming to a head by around May 30, Landsbergis forecast that Moscow will step up its targeting of Lithuania’s food-processing industry: “Then comes the final test for Lithuania. Probably there will be organized demonstrations of displeased non-Lithuanians, either in Vilnius or Klaipeda [Memel]. There will be attempts to cause discontent among the peasants, by ensuring that there isn’t enough tractor fuel.”

Landsbergis closed the interview with a final warning to the world of what evil is being planned by the superpower condominium at the May 30 summit: “If the May 30 summit succeeds, it will mean that Gorbachov receives a letter of complete indulgence. He can then seal off the sea and all borders to us.”

Baltic states line up behind Lithuania

The very last sentence we have quoted from the Landsbergis interview, where the Lithuanian President warns that Bush is planning to allow Gorbachov to “seal off the sea and all borders to us,” contain the crucial physical detail of the planned summit sellout of Lithuania. For without such a Washington-endorsed sealing off of all borders, Gorbachov’s blockade strategy against Lithuania will have failed, and the failure will have become evident to the entire world soon after the May 30 condominium summit.

Events in the Baltic region back up this perspective. Behind the bellicose threats and ultimata, Mikhail Gorbachov’s blockade strategy, of starving Lithuania into submission and intimidating the other Baltic republics into indefinitely postponing independence, was already in a shambles by May 8, when Estonia followed the move taken by Latvia on May 4, with its own declaration of independence.

Concerning Lithuania itself, Moscow had hoped that the blockade would widen the pre-March 11, or pre-Declaration of Independence splits that had existed in the Lithuanian electorate, concerning the timetable for independence, and thus break the popular will to resist. Instead, the blockade backfired, by uniting all Lithuanians as never before behind President Landsbergis. Beyond that, the blockade forced the other Baltic republics, despite previous reservations and hesitations, off the fence and into solid support for embattled Lithuania and its brave President.

The turning point came on May 4, when the parliament of Latvia, with Landsbergis present in the chamber, voted up Latvia’s Declaration of Independence by a two-thirds majority, serving Moscow notice that Latvia was demanding that the “transition period” to achieving full independence be a maximum of two years. Landsbergis had come to the Latvian parliament with a Lithuanian delegation carrying a torch

of freedom lit in Vilnius, to the tumultuous cheers of the Latvian deputies.

Latvia’s support was not confined to mere words. An accompanying resolution stated that Latvia, which borders on Lithuania, would break the blockade and provide Lithuania with sorely needed goods. On May 8, Estonia’s parliament followed with the third Baltic Declaration of Independence, and pledge to support Lithuania. Thus, almost overnight a Baltic united front behind Lithuania had emerged, and the rage of the tyrant Gorbachov knew no limits.

Gorbachov is in a corner, unless he can get Bush’s backing for a totally resealing all of Lithuania’s borders, which means concretely, sealing off Lithuania from its sister Baltic republics. If Bush would not play Neville Chamberlain to Hitler-Gorbachov, then the Kremlin Führer would either have to quickly find a face-saving way of backing down against Lithuania, or would have to extend the blockade to encompass all three Baltic republics, an act that would have devastating consequences for the entire Soviet economy.

Gorbachov, in his rage over Latvia’s independence declaration, threatened to proceed with the latter course. He threatened, as reported by the Soviet news agency TASS on May 5, “retaliatory measures . . . of a political, economic and administrative character” against Latvia, unless that republic reverted back to its pre-May 4 status. Whatever he does, he can only do from outside Latvia. It is a measure of how deep the revolutionary process has become in the entire empire that Gorbachov can do nothing politically inside Latvia, despite the fact that nearly 50% of the republic’s population are ethnic Russians, and this ethnic base was what the Moscow rulers were counting on to oppose Latvia’s break from the Russian center.

This development was reflected in an opinion poll, published on April 30 in the Soviet government daily *Izvestia*, which admitted that 45% of the Russians living in Latvia favor immediate independence. In response to the question, “If Latvia became independent, would you remain in Latvia or emigrate to Russia?” nearly 70% of the Russians said they would definitely remain in an independent Latvia.

All these events and facts show the depth of hope and potentially excellent prospects for these nations, who as victims of the Hitler-Stalin Pact, have lived under brutal Soviet occupation for 50 years. This very hope now threatens to be crushed via the May 30 summit sellout.

Every single person who at one time or another had expressed the conviction, “If I had been around in 1938, I would have done something to stop the Munich rape of Czechoslovakia and stop Hitler in his tracks,” now has the opportunity to speak out and act to stop the planned superpower rape of the Baltic. If the sellout is clinched at the summit, the brave peoples of the Baltic will pay a high and bitter price today, the aggressor’s appetite will be whetted, and in the not too distant future, we will all be paying a far higher price for not having acted in time.

Gorbachov courts Soviet military as pillar of stability for the empire

by Konstantin George

On May 9, under the approving eye of Soviet President Mikhail Gorbachov, who stood on the Lenin Mausoleum reviewing stand while Defense Minister Dmitri Yazov, newly promoted to Marshal of the Soviet Union, stood on his right, a military parade spectacle was staged in Moscow's Red Square. The parade commemorated the 45th anniversary of the Soviet Union's victory over Nazi Germany, and was the first Moscow May 9 military parade held in five years. The parade featured a mix of World War II military hardware, including columns of T-34 tanks and BM-13 multi-barrel rocket launchers, the famous "Stalin Organs," followed by a display of modern weaponry. This included the strictly offensive weapon, the SS-21 short-range nuclear missile, and two types of hardware never before put on public display: The most modern version of the T-80 tank, and the SA-10 anti-aircraft missile.

The event and the speeches delivered by Gorbachov and Yazov provided the final piece in a chain of evidence since March 15, ridiculing the well-cultivated disinformation myth of "tensions" and "conflict" between Gorbachov and the military command widespread in the Western media on the eve of the May 30 Bush-Gorbachov Washington summit.

Every step taken by Gorbachov leading up to May 9, has been to accommodate political demands by the military. This began with the Moscow parade itself, which the military had demanded, and which Gorbachov had authorized through a presidential decree to symbolize the Army's role as the "savior" and sole pillar of Great Russian institutional stability, along with military parades in the capitals of all 14 non-Russian republics. These too, were held on May 9 with Soviet occupation troops, missiles, tanks, and artillery parading in the Baltic capitals of Vilnius (Lithuania), Riga (Latvia), and Tallinn (Estonia), in the Transcaucasus capitals of Tbilisi (Georgia), Yerevan (Armenia), and Baku (Azerbaijan), and in the Ukrainian capital of Kiev, as reminders that Moscow has no intention of releasing its hold over the Captive Nations.

Yazov, in his May 9 speech, began by praising Gorbachov, citing the "positive changes in world politics" which have occurred "under the influence of the policy of perestroika." Though these changes "are not yet irreversible," and therefore, "the danger of war continues to exist . . . in these circumstances," it is necessary to keep "defensive strength"

at "sufficient strength."

The evening before, Gorbachov delivered a televised address for the 45th anniversary celebration which repeatedly stressed that the Soviet wartime victory was due to the "unity" and "sacrifices" of the entire population which rallied to support the soldiers at the front. He called the war "a genuine People's War," where "everyone" contributed to victory, from the soldier at the front, to those working "in the rear," down to "the slandered and innocent, unjustly convicted camp inmates in the mines of Vorkuta and Magadan." Gorbachov then said: "Today, we are again at the crossroads," and called for the same wartime qualities of "unity" and "sacrifices" to overcome the present crisis.

Gorbachov echoes military attack on Stalin

Gorbachov's speech was one that could have been given by any Soviet military leader, especially when he blasted the pre-war "blunders" and crimes of Josef Stalin. The attack on Stalin has been reported in the Western media, but not the detailed formulations, which were identical to the attacks of the Soviet military command over the past two years. Gorbachov declared that Stalin had made "the most flagrant strategic blunders . . . which in the opening phase of the war, cost millions of lives." He listed the blunders, singling out precisely those which have been most stressed by Soviet military figures, including the former chief of the Soviet General Staff, Marshal Nikolai Ogarkov: 1) The pre-war terror purges killed or imprisoned "40,000 officers," which caused "the decapitation" of the military command. 2) Stalin had blundered by overruling the military and not accelerating the pre-war buildup of the most modern tanks and aircraft. 3) What Stalin had gained through the 1939 Hitler-Stalin Pact—time to prepare for war, and territorial gains—"at the price of enormous political and moral cost," was "lost" through his blunders in ignoring the intelligence provided by the U.S.S.R.'s intelligence services (including military intelligence, or GRU), who had informed him of the coming invasion.

Gorbachov's speech is of extreme importance. The Soviet President was declaring on television to the nation that the common denominator of Stalin's blunders and crimes was that Stalin had decimated the officers' corps, repeatedly refused to listen to the military, ignored their advice and warn-

ings, and refused to give them a say in determining policy. The message could not be clearer. He, Gorbachov, *will* listen to the military, *will* grant them a say on policy, and *will* grant their demands in the interest of Russia.

Since his March 15 election to the U.S.S.R. presidency giving him dictatorial powers, Gorbachov has gone out of his way to cultivate a close, high-publicity relationship with the Soviet military leadership. The post-March 15 record of events has been, for the most part, meticulously censored by Western media to create the grounds for the Bush administration's "we must save the endangered Gorbachov" pre-summit appeasement stance.

Showering gifts on military

Gorbachov's very first act as President was to meet on the same day he was elected, March 15, with the more than 100 military officers, including nearly every top Russian military official and commander, who are deputies in the U.S.S.R. Congress of People's Deputies. That event was given wide publicity in the Soviet media, with a well-chosen photo in the Soviet press showing a beaming Gorbachov standing next to Gen. Col. Boris Gromov, the last Soviet military commander in Afghanistan.

On March 18, Gorbachov did what nearly every Western Kremlinologist said he would never do: He appointed a military man, Defense Minister Yazov, to the U.S.S.R. Presidential Council—what used to be called "Politburo" status, as the Presidential Council has replaced the party Politburo as the U.S.S.R.'s ruling institution. In filling the Presidential Council, Gorbachov created a second slot, via the back door, for the military through the appointment of Interior Minister Vadim Bakatin. The Interior Ministry controls the 350,000 Interior Troops, whose elite units composed of Army Airborne and spetsnaz veterans have been notorious in the suppression of national freedom movements in the Russian empire. Bakatin is a civilian, but "his" Interior Troops are under the command of Army Gen. Col. Yuri Shatalin. Legal fictions aside, the Interior Troops form a de facto extension of the Army.

Gorbachov's next move came on March 20, when the institution of political organs and political officers for the Interior Ministry and Interior Troops was abolished. The action foreshadows a parallel move expected later this year concerning the structure of political officers in the Armed Forces. Gorbachov had thus taken the first step towards a goal that no other Soviet leader had even dared to contemplate—freeing the military, for the first time in Soviet history, from the system of party control so hated by the military commanders. By this move alone, he had signaled his support for the military to attain its prime demand—real political power in its own right to co-determine Soviet policy.

Gorbachov accelerated the political upgrading of the military on April 29, when he issued a presidential decree promoting Defense Minister Yazov from General of the Army

to Marshal of the Soviet Union. This was the first promotion to Marshal of the Soviet Union by Gorbachov, and the first since March 1983 when four generals, including then-chief of the U.S.S.R. General Staff, Nikolai Ogarkov, were promoted to that rank by the late Yuri Andropov. Another Kremlinologist dogma, that Gorbachov would never promote a general to Marshal of the Soviet Union, had been shattered.

The Yazov promotion accompanied two others decreed by Gorbachov. Singled out for promotion to General of the Army was Gen. Col. Mahmoud Gareyev, a deputy chief of the General Staff, leading protégé of Marshal Ogarkov, and the General Staff author behind the Soviet post-nuclear, high-tech weapons new offensive doctrine featuring the use of Airborne and spetsnaz forces. Adm. K.V. Makarov, the chief of the Navy's Main Staff, was also promoted to Admiral of the Fleet, the highest rank in the Navy. Consistent with the promotion of Gareyev, the Airborne and spetsnaz forces themselves were granted a special honor when Gorbachov presented, from among all military commanders, the award "In Service to the Motherland and Armed Forces of the U.S.S.R." to Gen. Col. V.A. Achalov, the commander of the Soviet Airborne Forces.

All these Gorbachov decrees were covered front page in the Defense Ministry daily *Krasnaya Zvezda* on May 1, but received no coverage in any Western media.

Gorbachov stands with Ogarkov

On May 7, Gorbachov, standing next to Marshal Ogarkov and Defense Minister Yazov, addressed the All-Union Council of War and Labor Veterans' organization, opening the 45th anniversary media spectacle. The retired Ogarkov was present in his new capacity as chairman of that organization, a position he was given on March 16 after Gorbachov became President, and a position which has returned him to public prominence. This occasion was the first time ever that Gorbachov had appeared alongside Ogarkov. Again, Gorbachov said what the military wanted to hear. He launched a fierce attack against "separatism," and the "abuse" of "glasnost" for "nationalist-extremist ends." Gorbachov denounced the "extreme slogans" of the May Day demonstration, claiming that they were "proof" that "the inspirers themselves" see that "their time is running out." Gorbachov went out of his way to praise the military and the way the entire nation united to win the war: "The Soviet people admire the feat carried out by the soldiers at the front and those who worked in the rear in those difficult years." Returning to the present, Gorbachov declared that "the time has come" to adopt "major decisions" on the economy, and on "inter-ethnic relations."

Gorbachov's adaptation to the military will continue. Both for reasons of preserving his own power and to build up the military as the only pillar of stability possible in the dissolution confronting "Czar" Gorbachov's empire, the Kremlin leader has no other recourse, and he knows it.

Carlos Andrés Pérez serves as Kissinger's Socialist Trojan horse

by Gretchen Small

Cuban dictator Fidel Castro may have been relegated to the doghouse of the emerging Anglo-Soviet condominium, but Moscow's armed bands of terrorists in the Western Hemisphere have a new protector: Carlos Andrés Pérez, the social democratic President of Venezuela. Providing able assistance to Pérez in this endeavor, with the usual lucrative remuneration for his efforts, is none other than Henry Kissinger.

At a point when communist tyrannies are suffering defeat around the world, Pérez and Kissinger have set out to force governments of Ibero-America to hand the communists more power than they could ever win on the battlefield, by establishing coalition governments with them.

Nicaragua, El Salvador, and Venezuela's neighbor, Colombia, have been targeted first in this plan.

Still the Sandinista's godfather

Nicaraguan voters delivered a sharp defeat at the polls last February to Moscow's allies in Nicaragua, the gnostic Sandinistas. But when President Violeta Chamorro took office in place of the Sandinistas in April, Pérez and Kissinger moved quickly to ensure she did not use her popular mandate to dismantle the Sandinistas' extensive military and political apparatus in the country.

Pérez accepts credit for convincing Chamorro to take her biggest step in maintaining the Sandinista power base, her surprising reappointment of Sandinista Gen. Humberto Ortega as commander of Nicaragua's Armed Forces.

Chamorro's "most important outside friend is President Carlos Andrés Pérez of Venezuela, whom she met when she and her husband were living in exile 30 years ago," the *New York Times* reported April 30. "Pérez's unusual influence with the new Nicaraguan leader has not been lost on the departing Sandinista President Daniel Ortega, and his brother, General Ortega. On the eve of Chamorro's inauguration, the brothers are believed to have approached Mr. Pérez directly for his support of Chamorro's decision to leave General Ortega in power—a move that was under heated attack," the paper noted.

Visiting Washington, D.C. shortly thereafter, Pérez defended the maintenance of Sandinista control over the Nicaraguan Army as what will "guarantee" peace in Nicaragua. "Only a very profound sectarianism could believe that the solution in Nicaragua would be a violent rupture between the group which won the elections and Sandinismo which lost

it. No. Nicaragua is following the good path of understanding," he told reporters April 27.

The Venezuelan daily *Ultimas Noticias* reported on May 3 that Pérez had consulted with Kissinger on his Nicaraguan efforts, and informed him that he considered the reappointment of General Ortega as positive and necessary. "It is known that Kissinger showed signs of agreement with these ideas of President Pérez, and he even pointed out that, according to his criteria, the President could be characterized as one of the architects of the process of development which has begun in Nicaragua," *Ultimas Noticias* reported.

Pérez helped facilitate the Sandinistas original seizure of power in 1979 with military, economic, and diplomatic support. Immediately upon his return from the United States this year, CAP (as Pérez is known at home) made clear that by his efforts to ensure that the Sandinista machine remains intact today, he intends to facilitate their return to power.

On May 6, CAP served as "godfather" at the Caracas baptism for a newly released book of poetry, customary for authors in Venezuela, complete with godfathers and champagne. CAP poured champagne over *The Awaited Ceremony*, written by the Sandinistas' former minister of the interior, Tomás Borge. Standing proudly next to Borge, who oversaw the details of the Sandinista dictatorship for 10 years, CAP announced that he had decided to attend in order to show his support for his friend of so many years.

Had Borge changed his goals? On the same day, the Venezuelan daily *El Nacional* published an interview with Borge in which he declared that the project for world socialism has not failed. Defending Soviet dictator Mikhail Gorbachov and "his friend" Fidel Castro, Borge promised that the Sandinistas plan to return to power in Nicaragua soon, by "putting a miniskirt on socialism," as the Russians had advised them to do many years ago.

Nicaragua's armed allies in Central America also received an unexpected boost from the Chamorro government. A happy spokesman for the Farabundo Marti Liberation Front (FMLN) of El Salvador, Salvador Samayoa, announced on May 1 that the FMLN had been given permission to keep open its Nicaraguan offices. Admitting freely that the FMLN had been arranging arms shipments through the Sandinista government, Samayoa cooed that now "our activity will be more discreet," promising with a straight face that now the terrorists would only do "political work."

CAP pokes nose into Colombia

Flushed with his success in preserving Sandinista control over the Armed Forces in Nicaragua, Pérez now appears to be turning his sights on Colombia. His efforts to destabilize Colombia will, of course, put that country's narco-terrorist forces into play on both sides of the Colombia-Venezuela border. It is no coincidence that CAP has supported gnostic terrorist forces inside Venezuela, associated with congressman Walter Márquez.

In fact, Carlos Andrés has used his ties with the narco-terrorist apparatus to meddle in Colombia's internal affairs for some time. In mid-April, he met with the directorate of the April 19 movement (M-19) for a series of strategy sessions in Caracas. CAP hailed the M-19 for declaring that it had abandoned terrorism in order to wage political warfare; but his allies made no pretense of having broken with the cocaine cartels who hired them in 1985 to assault Colombia's Justice Palace and murder Supreme Court judges. The centerpiece of their "political" campaign is drug legalization and demands that the government "negotiate" with the drug cartels.

Now it appears Pérez is being wooed by the oldest and most powerful of Colombia's narco-terrorist armies, the Communist Party's Revolutionary Armed Forces of Colombia (FARC). In existence since the 1940s, the FARC enormously increased its capabilities in the last half of the 1980s by moving in on the drug trade. Last year, Colombia's military estimated that the FARC cocaine interests—dubbed the La Uribe Cartel after the town where the FARC has its headquarters—are equal or greater in scope to the economic power of the Cali Cartel.

Jacobo Arenas, the FARC's 64-year-old ideologue and long-standing military leader, announced in an April 28 interview with Colombia's Caracól radio chain, that the FARC has asked Pérez and his buddy, former U.S. President Jimmy Carter, to intercede with the Colombian government on behalf of the Guerrilla Coordinating Group (CNG). Joining with the Moscow-allied FARC in the CNG are the Maoist People's Liberation Army (EPL) and the Castroite National Liberation Army (ELN), which divides its time between blowing up oil pipelines and kidnaping or murdering opponents.

Pérez "wants to make a great contribution to the peace process in Colombia, and he is talking to his many friends in the world so that they contribute to facing the problem of peace," Arenas said, adding that the CNG was asking unnamed European statesmen and "people of enormous weight in U.S. society to take an interest in our problems so we don't continue depending on advisers of the present government who don't know how to manage politics."

Pérez, interviewed from New York City on the proposal by Caracól, confirmed that he was already an advocate for the FARC-led coalition. "We are ready to do anything in our power to open a frank dialogue between the government and sectors in opposition and the guerrillas," he said. He added

that his friend Carter had also shown interest in taking part in "peace efforts" in Colombia.

Naturally, the narco-terrorist alliance had already announced the conditions which they expect their friends to demand from Colombia's government in return for their participating in talks. On April 27, the CNG demanded changes in Colombia's constitution, a ceasefire, and the presence of international "observers" to guarantee the government follows orders.

Pérez's "offer" was rejected sharply in Colombia. President Virgilio Barco responded that his nation did not need its neighbor meddling in internal matters. "We are dealing with our own problems. In no way do we need mediation. We Colombians can sort it out," Barco told reporters on May 2. The leading presidential candidate in Colombia's upcoming elections, Cesar Gaviria, also rejected the idea, stating that there is no need to "internationalize" Colombian affairs.

Just a matter of business?

From Moscow's standpoint, Pérez, with his friends of "enormous weight in U.S. society," can provide Ibero-America's narco-terrorists with better protection than Fidel Castro ever could. Indeed, CAP met with President Bush *after* securing General Ortega's post as army commander, and emerged from his meeting to report that he and Bush had discussed Central America's problems. "I am very pleased and satisfied to be able to say that President Bush and I fully agreed on these matters," he announced at an April 27 press conference.

Pérez was welcomed in the United States in late April as a model debtor who has placed his nation's resources up for sale at rock-bottom prices. He was accompanied at all times by Gustavo Cisneros, Rockefeller's favorite Venezuelan billionaire, who sits on the board of several U.S. corporations, including Chase Manhattan Bank, Beatrice Foods, and Pan American World Airways.

Pérez also verified his association with the FARC, before heading off to a breakfast at Kissinger's home. Among those joining the Venezuelans at Kissinger's was *Wall Street Journal* editor Robert Bartley, Kissinger Associates director Alan Batkin, American International Group chief Maurice Greenberg, and Chase Manhattan president Thomas Lebreque. The Bush administration was represented by Commerce Secretary Robert Mosbacher.

At the end of the meeting, Pérez announced that his government had hired Kissinger, along with "the presidents of other important businesses such as Toyota," to establish an Advisers' Council on Foreign Investment.

A pleased Kissinger said Pérez is "an old friend of mine, who has worked so much for Venezuela and for all the Americas. . . . Venezuela is a country which offers much hope for investment: The reforms which President Pérez and his government is executing are going to foster foreign investment in Venezuela," he promised.

Colombian drug lobby blames military for political assassinations

by José Restrepo

Former Liberal Party ex-President Alfonso López Michelsen has publicly blamed Colombia's military for the deaths of three presidential candidates, and is demanding a "reorganization" of that nation's defense and security forces. López is infamous for having met with the drug cartels—the so-called "Extraditables"—on May 6, 1984, one week after their murder of the anti-drug Justice Minister Rodrigo Lara Bonilla. In January 1990, just months after the mafia murder of front-running presidential candidate Luis Carlos Galán, López again went public about his meeting with cartel lawyer Guido Parra, in order to negotiate a pact between the Extraditables and the government.

It is perhaps no coincidence that López's "reorganization" proposal was sounded at the same time that Conservative Party Sen. Alvaro Leyva Durán, another would-be go-between for the drug cartels and a López co-thinker, issued a complementary call for a deal with the Moscow-run FARC narco-terrorists, whereby they would "demobilize" under a government amnesty that would permit them to retain their weapons and serve as a private domestic militia to guard the nation's borders. Leyva did not say what—or if—the military would have anything to say about such an arrangement.

A 'strange coincidence'

On April 26, an assassin hired by Medellín cartel chief Pablo Escobar killed Carlos Pizarro León-Gómez, presidential candidate of the recently legalized narco-terrorist group M-19. The next day, former President López said, "The successive evidence of inefficiency surrounding the deaths of three presidential candidates forces us to consider the reorganization of the security forces." According to his arguments, the "security forces" were responsible for the killings, and not the drug traffickers with whom he has had long-standing cozy relations. López also demanded that a civilian be named defense minister, a post historically held by the military.

Immediately after López's statement, the Extraditables issued their own, offering a concrete plan for "the reorganization of security forces." Among other things, they called

for removing all leading police chiefs: National Police head Miguel Antonio Gómez Padilla and his deputy chief Carlos Arturo Casadiego Torrado, political police (DAS) chief Miguel Maza Márquez, and the head of the judicial police Oscar Pelaez, who, according to the Extraditables, "prevented the President from establishing the peace with our organization."

El Espectador, Colombia's most courageous newspaper in opposing the drug mafia, succinctly answered the drug lobby's propaganda barrage on April 30: "Ex-President López Michelsen proposes the reorganization of the state's Public Forces and intelligence services. Immediately, the Extraditables demand . . . the heads of Generals Maza Márquez and Gómez Padilla, precisely the leading figures in the anti-drug fight. Strange, suspicious coincidence," concluded *El Espectador*.

The coincidence is not only between López and the Extraditables. The M-19 has refused to accuse cartel chieftain Escobar of the murder of their leader Pizarro, despite clear-cut evidence that Pizarro's death was ordered by the drug mafia in order to wreak havoc with the electoral process—perhaps even forcing the suspension of May 27 presidential elections—and to pave the way for the drug lobby's assault on the military, the sole remaining bastion of the anti-drug effort.

Antonio Navarro Wolf, the M-19's new presidential candidate, openly covered up for the traffickers, saying that his group does not believe the cartel could have done it, because the M-19 had signed a non-aggression pact with Escobar in 1981. And Pizarro's own brother Eduardo publicly blamed "certain state sectors" rather than the drug mafia for Carlos Pizarro's death.

U.S. hamstrings anti-drug effort

The line of López and his narco-partners—that national militaries are the real threat to democracy in Ibero-America, because they are corrupt and ruthless—was just defined as the policy of David Rockefeller's Trilateral Commission, in a report issued in Washington, D.C. at their April annual meeting. The Trilaterals suggested that the region's security

forces be reorganized, even replaced outright, by a supranational force.

Sure enough, right in the middle of Colombia's crisis, Bush administration officials stepped forward to make clear that they are toeing that line all the way. On April 28, the *Los Angeles Times* reported that the Bush administration has decided to block the sale of Cobra helicopters to Colombia, because they are too "lethal." John Walters, chief of staff to U.S. anti-drug czar William Bennett, told the paper that the U.S. does not believe the helicopters are "an appropriate piece of equipment" for Colombia. "This particular weapon system involves firepower in excess of anything [we] believe is appropriate."

To allege that there is a danger in providing "excessive" aid to Colombia's military at this time, is criminally insane. The drug mob killed 38 policemen in the city of Medellín in April alone. Since August 1989, they have detonated at least half a dozen enormous car-bombs in Colombia's cities, and have blown up a civilian airliner in mid-flight. Three presidential candidates have been killed in this year's electoral race—so far.

Colombian President Virgilio Barco has responded to the latest candidate murder by ordering a doubling in size of the Police's Elite Corps. Leading presidential candidate César Gaviria—top on the traffickers' hit list—answered with a national address calling for renewed attack against the drug cartels, no matter the cost. "Our survival as a civilized society, as a democracy, depends on a monopoly of the [armed] force in the hands of the Colombian State," said Gaviria.

Gaviria pledged not to yield in the fight against drugs and narco-terrorism. In a speech transmitted nationwide by radio and television on April 27, he said, "We must punish the narcoterrorists, the terrorists, the assassins, the sponsors of paramilitaries, the terrorist guerrillas. . . . It is time for clarity and for courage, not for negotiations and dialogue with terrorism. It is time to face up to it: The demented attacks of which we are victim will admit no course but confrontation. Terrorism must be confronted without concessions, but with principles. We will fight it until it is defeated, never evading the responsibility of leadership which we claim. . . ."

"To fight implies strengthening our spirits for what is to come and to accept the risk, even as the assassination threat escalates. The merchants of terror will not prevail against the solidarity of the nation," Gaviria promised. "All of Colombia must stand up and be counted. Our responsibility to our children and to the future is undergoing the test of fire. We cannot be inferior to our mission."

Gaviria will offer no deals

Gaviria's words mean that as soon he is President of Colombia, he will end the most important mistake the country has made in the war on drugs. Since President Belisario Betancur (1982-86), the government has sought to "make peace" with the so-called "guerrillas," in vain hope that they

could somehow be distinguished from the criminal drug cartels. The "dialogues" promoted by Betancur resulted in the creation of a new above-ground political party, the Patriotic Union (UP), by the underground FARC narco-terrorists. While the UP "dialogued," the FARC gained breathing space to reinforce its armed ranks and carve out new territory for itself. Today, the FARC is considered Colombia's third cocaine cartel, after the Medellín and Cali groups, because of its vast drug-trafficking operations.

At the same time, Betancur ordered the Armed Forces to suspend operations against "guerrilla" forces in order to respect "peace agreements" that put the narco-terrorists in control of whole sections of national territory, zones where the national constitution and Colombian law were effectively suspended. The legitimacy given the "guerrillas" allowed them to recruit new people and expand operations, while increasing their legitimacy through the dialogue process. Betancur's peace experiments were soon promoted by the U.S. State Department as a model for Central America, especially for El Salvador.

Initially, President Barco continued Betancur's policy, with some variations. The result was the "legalization" of the narcoterrorist M-19, the same group whose occupation of the Justice Palace in November 1985 led to the total destruction of that building, and the executions of half of the Supreme Court justices. Although the M-19—currently a legal political party—has apparently not retained a part of its armed organization, as the FARC did, the group has offered itself as a mediator between the government and other "recalcitrant" terrorist groups, and between the government and the drug mafia.

On May 7, candidate Gaviria said Colombia should halt that policy. In a nationally televised speech he argued for imposing the reign of law over the narco-terrorists, the paramilitaries, the assassins, and so-called common criminals. He said: "We are not going to do away with the guerrillas as long as they retain their sources of financing. As long as we allow them to resort to political dialogue, without the condition that they . . . abandon weapons and violence; as long as we give them credit for political changes. . . . Nor are we going to be successful against the paramilitaries as long as there are citizens who believe that the way to confront the criminal actions of the guerrillas is to promote the same excesses by people organized outside the law. We will have no success in the war against the drug trade as long as certain sectors and leaders think that the way to confront these organizations is to respond to their crimes with every kind of concession from society and from the government."

Gaviria added: "The Colombian Armed Forces must recover a legitimate monopoly over force, which is essential in any democracy. It is necessary for our military and police forces to be adequately supplied and to have greater collaboration on the part of the civil population. Only thus will their actions be more effective than they have been in the past."

Establishment lashes out at Scottish civil rights lawyer

by Katharine Kanter

Unrest has broken out in the Scottish legal community over a complaint for grave professional misconduct served upon a Glasgow solicitor known to his colleagues as the most combative civil rights lawyer in the country. It is virtually unheard of for the most senior judge in Scotland to personally report a lawyer to the disciplinary tribunal of the profession. This bolt from Mount Olympus falls from the hand of one David Hope, Lord President of the Court of Sessions and Lord Justice General—that is, head of the supreme court of Scotland, and head of its entire judiciary. Its target is John Carroll, a criminal lawyer working from an office scarcely largely than a cupboard, who has drawn to himself considerable hostile attention from the British government, by winning against it a number of criminal cases before the Human Rights Court at Strasbourg, France.

Carroll, who has paid for these cases largely from his own pocket, also happens to be attached as *amicus curiae* (friend of the court) to the defense of Lyndon LaRouche, for whom he has appealed to U.S. President Bush demanding U.S. government disclosure of exculpatory evidence that would free LaRouche.

Police commit 'pious perjury'

Lord Hope's writ alleges that "grave professional misconduct" took place, when Carroll read out to a jury published statements from then-police commissioner Sir David McNee, whereby McNee owned to the Royal Commission, that the police sometimes commit "pious perjury" in order to get results. Although the full text of Lord Hope's complaint is not yet published, the Edinburgh weekly *Scotland on Sunday* reports that Lord Hope described this act by Carroll as "reflecting his own personal opinions" and was susceptible of provoking a miscarriage of justice.

Lord Hope added that he considered it a fundamental rule of advocacy, that an advocate "not state his personal opinions on matters of fact." No such rule of advocacy is known to exist, and Scots lawyers consulted wonder how Lord Hope, who is not a criminal lawyer, and never sat on the bench before being elevated to its most august post, even deigned

to notice Carroll's existence in the first place. Prominent criminal lawyers throughout Western Europe have expressed astonishment that Lord Hope singled out as "misconduct" what is "an everyday occurrence in every court on this continent."

No one in Europe, and that includes any potential juror able to read and write, could possibly have missed the events of October 1989, when four Irishmen, known as the "Guildford Four," who were held for 15 years in English jails on the basis of perjured declarations by the police, had their convictions quashed. Several hundred press articles at the time dealt with the issue of police perjury.

So why is Carroll being picked on? Reached for comment in the U.S. federal prison at Rochester, Minnesota, political

Overtaking perjury can 'go no further'

To the issue of "pious perjury," we reproduce below a public statement by Lord Denning, an English law lord who was Master of the Rolls, and who is now so old that he is allowed to say in public what the Establishment only dares to think in private. Lord Denning refers to the famous case of the "Birmingham Six" Irishmen, who were appealing against conviction for terrorist offenses on the basis of police misconduct: "If the six men win, it will mean that the police were guilty of perjury, that they were guilty of violence and threats, that the confessions were involuntary and improperly admitted in evidence, and that the convictions were erroneous. This is such an appalling vista, that every sensible person in the land would say that it cannot be right, and this action should go no further."

prisoner Lyndon LaRouche noted: "The charge merely plays onto the side of those who might rally to John Carroll's defense. The point is, that the state *is* out of control, and there are people in Scotland who would also say, that the state is out of control, that policemen do lie, just as they lie in the United States. . . . Judges condone this, lies and lying. And all on behalf of the cause of pious perjury. Those going after Carroll pose a very interesting problem for themselves in that respect."

'Efficiency' means no civil rights

Shortly before Lord Hope's writ was served, on March 28, 1990, Carroll won a case for one Joseph Granger in the European Human Rights Court, whereby the court held that the Human Rights Convention was violated when the Supreme Court Legal Aid Committee denied the accused legal aid to appeal. Were that decision to be binding on the British government, tens of millions of pounds for legal aid would have to be disbursed in the very short term. Now, although Lord Hope is by his position head of the entire criminal justice system of Scotland, he appears to have paid little heed to the fact that his courts do not serve only business and finance.

In his inaugural address as Lord President on Sept. 28, 1989, he stated: "The Scottish courts must play their part in serving the increasing and changing demands of the business community in this country . . . ever greater efficiency and economy insofar as these can be combined."

The day before, he told the *Glasgow Herald*: "The respect in which the public holds its courts, depends partly on the integrity of the judges, but also on the efficiency with which its business is conducted."

But in the area of criminal law, lives are at stake. If the accused is to be properly represented, his trial may well be, not "economic and efficient," but a costly, protracted affair. In Britain over the last decade, deep budget cuts for legal aid have caused most first-class lawyers to drop such work almost entirely. Or, as statesman LaRouche put it in his speech to the Martin Luther King Tribunal on Jan. 14, 1990: "Where there is no economic justice, there is no such thing as civil rights."

Scotland to become a new Hong Kong?

In the background, of course, there may be other elements on the move. Among the ranks of the Conservative Party, a growing faction is convinced that Scotland, which has an entirely separate legal system from England, should be forcibly cracked open and turned into a kind of offshore financial paradise, now that Hong Kong is on the outs. The Scottish legal system, with all its flaws, has been a barrier to that. In this light, other remarks by Lord Hope, also published by Sept. 28, 1989 *Glasgow Herald*, are perhaps relevant: "Scots law, the legal principles, are under increasing pressure both from parliamentary change and also economic forces, and I think we

Dehumanized language begins rights violations

Legal decisions move ever further away from basic principles of natural justice, wrote John Carroll in a paper presented to the Martin Luther King Tribunal on Jan. 14 in Washington, D.C. "The violation of basic human rights . . . is often preceded by institutionalized vilification of the intended victims . . . people are first of all dehumanized in language, and we read of them as 'elements,' 'the unemployed' 'factions' . . . 'the enemy within' . . . This fashioning of attitude of mind to correspond with the desires of the manipulators reaches into all levels of society, including the personnel of defense, law and order, lawyers and judges. Propositions founded on natural law principles . . . are often rubbished by courts, and violations of human rights . . . when committed by or on behalf of a state, are excused in law on little more than a semi-official hint that some unspecified matter of security is connected with it."

In the same paper, on the invasion of Panama, Carroll wrote: "No doubt lawyers will seek to justify the actions in law and the courts will likely support the arguments of the state. . . . Was it necessary to kill, maim, injure, and destroy the homes and belongings of so many people to catch one man? Are we to believe it really was only to do with drugs, or is the judicial process being manipulated for ulterior purposes?"

have to be very careful that the principles, while they must be respected . . . should not stand in the way of progress. I'm not one who would regard it with dismay, if a long established legal principle of Scots law had to be changed in order to recognize that circumstances have altered."

Scots law having proven at least adequate to the great days of industrial enterprise in shipbuilding, machine tools, and steel—all torn down by the free enterprise crowd over the last decade—what progress can Lord Hope have in mind? Is Scotland to become a new Las Vegas?

One thing in any event is certain: Against the background of the independence movement in the Baltic, disquiet stirs in London over the likelihood of an upsurge in Scotland; the absurd "over-kill" in the case of John Carroll, who is not a political activist, may be one knee-jerk reaction to that perceived danger. They forget, that to level cannon at sparrows is the surest way to create a folk hero. And He who sees the sparrow fall, has always had the last word.

Mideast tensions rise as Soviet Jews emigrate

by Joseph Brewda

Current plans by the U.S. and Soviet governments to ship some 750,000 to 1 million Soviet Jews to Israel over the coming months and years, may dramatically destabilize an already tense region. It is expected that all the Soviet Jews will be settled on the Israeli-occupied West Bank which was seized from Jordan in the 1967 Arab-Israeli war. The massive increase in Jewish settlements on the West Bank is expected to lead to the formal annexation of the occupied territories by Israel as part of a plan for "Greater Israel." On May 5, King Hussein of Jordan called for an emergency Arab summit to deal with the effects of the influx.

Not the least among regional concerns is the way this population boom might trigger a new Arab-Israeli war. The next Israeli government will probably be run by Likud leader Yitzhak Shamir, but will be dominated by a triumvirate of Gen. Ariel Sharon, David Levi, and Yitzhak Modai—all fanatically committed to territorial expansion. According to some reports, certain strata in the Israeli leadership associated with Sharon may be planning a solution to the "Palestinian problem" once and for all. Their ambitious plan reportedly entails expelling the Palestinians from the West Bank into Jordan, overthrowing the Jordanian King, and declaring that Jordan is now "Palestine." The West Bank would then be populated by incoming Soviet Jews.

There are currently some 70,000 Jews who live among the 1.75 million Palestinians of the West Bank and Gaza Strip. Israel's total Jewish population is approximately 3 million. Israeli government spokesmen have projected that between 100,000 and 250,000 Soviet Jews will arrive in Israel this year. They estimate that as many as 500,000 may arrive by 1991. More than 10,000 Soviet Jews arrived in Israel in April 1990, compared to less than a 1,000 in April 1989. The Israeli Bank of Israel has already called for borrowing \$2 billion over three years to house these expected immigrants. Meanwhile, the construction of Palestinian homes on the West Bank has been de facto banned.

Soviet Jews used as condominium pawn

The policy of funneling Soviet Jewish émigrés into Israel, rather than letting them into the United States or elsewhere, is a policy agreed to by both superpowers at the Malta summit, and reflects the strong, if somewhat conflicted relationship which both Moscow and Washington have to Tel Aviv.

Israel and Syria are the main condominium partners in the region; both Moscow and Washington intend to increase the strength of both states, at the expense of others in the region.

Ever since U.S. Secretary of State Henry Kissinger and Soviet Foreign Minister Andrei Gromyko negotiated the first phase of détente in the early 1970s, the issue of Soviet Jewish emigration has been used in the most cynical fashion. To some degree, Moscow's shifting policy on allowing Soviet Jews to leave, who justifiably fear Russian anti-Semitism, has served as a barometer of superpower relations. So, while 29,000 Soviet Jews were allowed to emigrate to the United States in 1979, Reagan's announcement of the Strategic Defense Initiative in 1983 and related policies drove the rate down to less than 500 in 1984. Since the 1986 Reykjavik summit, emigration has been steadily rising, up to 37,000 in 1989.

The problem from the Israeli standpoint with this emigration is that virtually all Soviet Jews have preferred to emigrate to the United States rather than Israel. Furthermore, large numbers of Israeli Jews have also fled to the United States throughout the 1970s. The Zionist dream, even for Israelis, is simply not working.

Soviet Jews turned away from U.S.

To deal with that concern, the Reagan and Bush administrations, together with the Gorbachov regime, have employed a series of cruel measures.

Until recent years, all fleeing Soviet Jews would emigrate through Vienna, where they would typically receive international refugee status. This status would allow them to come to the United States without being subject to national quota restrictions. The U.S. Justice Department, partly to deal with this "problem," began slandering Austrian President Kurt Waldheim as a "Nazi," and put him on a "watch list." As a result of this downturn in U.S.-Austrian relations, the channel has been constricted.

Similarly, the opening up of Israeli diplomatic negotiations with Russia has led to arrangements for shipping Soviet and Eastern European Jews to Israel on direct flights. These fleeing Jews are granted immediate Israeli citizenship upon their arrival—thereby placing them under restrictive U.S. quota allotments. The Bush administration only allows 20,000 Israelis to emigrate to the U.S. each year—and only those who meet various educational standards. The Bush administration has also reduced maximum Soviet Jewish emigration to the U.S. to a low 30,000 a year.

In short, Washington will accept only a small number of Jewish refugees, and has forced the rest to move to Israel, despite the fact that virtually none of these refugees want to go there. This was the technique used to build up the Jewish population in Palestine, and then Israel, in the post-war period. Jews fleeing Europe were denied entry to the United States by the anti-Semitic U.S. Establishment. They had nowhere else to go.

Did U.S. agents arm Colombian mafias?

If Israeli investigators are right, Bush bears part of the blame for the estimated 7,000 Colombians murdered last year.

Col. Eduardo Herrera Hassan, who heads the security forces of the U.S.-installed Panamanian government—most of whose senior officials are partners of the Colombian cocaine cartels—has conducted Israeli-supplied weapons to Colombia's drug capos. This information about Herrera, who admits to being an agent of the U.S. Central Intelligence Agency, was provided by Israeli officials investigating how a large shipment of Israeli-made Uzis, rocket launchers, infrared nightscopes, and other weapons reached Colombian drug lord Gonzalo Rodríguez Gacha. The weapons were found by Colombian authorities after Rodríguez Gacha was killed in a shoot-out with Colombian police in December.

Israel claims its records show the arms were sold to the security forces of the tiny Caribbean island of Antigua. Antigua denies it, and says its territory was illegally used to transship the arms. According to the Israeli press, the weapons purchase was in fact arranged by Lt. Col. Yair Klein (ret.) for "Panamanian dissidents—including Eduardo Herrera, a former Panamanian ambassador to Israel and now head of its police—who wanted to oust [Gen. Manuel] Noriega," reported the *Washington Post* on May 7.

Last September, even before the weapons cache was discovered at the ranch of the dead Colombian drug lord, an arrest warrant was issued against Klein by Colombia's government, on charges of having trained the drug cartel's hit-squads. While admitting that he had hired mercenaries to train "self-defense groups," Klein, in a newspaper interview on Aug. 28,

1989, said he did not learn until later that the groups were tied to the drug lords. In another interview published Oct. 10, Klein was asked: "Do you feel any sorrow for what has been done in Colombia, and for the death and destruction your students have carried out?" No, he replied: "Is it the education minister's fault if his students smoke dope in the schools?"

Klein also attempted to open a school in Antigua for training Herrera's anti-Noriega invading force and other hitmen. The Antiguan government kept the school from opening, Klein's lawyer, Yigal Shapiro, told Reuter on May 9. Presumably the school would operate on a ranch owned by Maurice Sarfati, an Israeli citizen living in Miami. According to Reuter, the Israeli daily *Yediot Aharonot* said U.S. authorities suspect Sarfati was involved in the murder of an Israeli flower seller, Arik Afek, who knew about the Klein-Sarfati deal.

Sarfati, whose name appears as the purchaser of record for the weapons, got the Antigua ranch with guarantees provided by a U.S. government agency, the Overseas Private Investment Corporation. OPIC has since reportedly put the ranch in receivership. According to the *Post*, "When the United States invaded Panama on Dec. 20 and toppled Noriega, the training school's mission became unnecessary and, according to the [Israeli] television account, the Panamanian sponsors requested that the weapons be shipped from Antigua to Panama."

Colonel Herrera has denied transferring the weapons to the Colombian drug lord, but Israeli officials say "the weapons were shipped to Panamanian

exiles who had links with [Rodríguez] Gacha and they sent the weapons to Colombia," reported Reuter on May 9.

Herrera was recruited by the U.S. government in 1987, while he was Panama's ambassador to Israel. In an Oct. 29, 1989 interview with the *New York Times*, he said that he was contacted by State Department official William G. Walker and asked to join the effort to topple Noriega. He met with officials at the White House, the Pentagon, the State Department, and the CIA. Three weeks later he was fired by the Panamanian government. He came to live in the U.S. in May 1987, where he was paid \$4,500 a month by the CIA, out of Panamanian government funds seized by the U.S. as economic warfare.

The CIA claims it cut contact with him in April 1989, because his planned invasion could have resulted in the killing of Noriega. At that time U.S. law banned involvement by the U.S. government in the murder of foreign leaders—a ban lifted under the "Thornburgh Doctrine."

By the time the CIA supposedly ended contact with Herrera in April 1989, the Israeli operation headed by Klein was in place. Using U.S.-based Panamanian exiles, who were given Panama's government funds in the U.S. Treasury, a "consultant" was hired by the Israeli government to help Herrera to build his "Contra" force. The Israeli consultant provided a "breath-takingly detailed" plan for removing Noriega, reported the *Washington Times* Jan. 23.

After the invasion, command of the police that replaced the Panamanian Defense Forces was first assumed by a Colonel Armijo. Armijo was soon fired to make way for Herrera—on charges of "corruption," based on information supplied by "U.S. intelligence agencies."

Pope calls for Ibero-American unity

In Mexico, the "land of martyrs" of Ibero-American Catholicism, millions respond to the Pontiff's call for hope.

Pope John Paul II, who arrived in Mexico May 6 on a seven-day visit, severely criticized "the superficial analysis" of those who interpret events in Eastern Europe as the victory of liberal capitalism. Speaking to 1,500 businessmen from across Mexico, the Pope called on them to fulfill the social doctrine of the Church and undertake true "Latin American solidarity." Spoken to a nation which has been presented by the radical liberals of the International Monetary Fund as an example the whole Third World should follow, John Paul II's words shook all of Mexico.

The Pope defined the causes of the oppression of Mexico, which has suffered a decade of economic and moral oppression unprecedented in the country's history, in a meeting with accredited diplomats in Mexico City: "Another question that inevitably affects world stability [is] the phenomenon of the foreign debt . . . the mechanism that was to have served as an aid to the developing countries has instead become a brake, not to mention that in certain cases it has even accentuated underdevelopment. . . . I feel obliged to emphasize the urgency of diligently appraising the ethical dimension of these crises."

On May 6, in statements to Mexican President Carlos Salinas de Gortari, the Pope focused on the need for Ibero-American unity: "These days, we are experiencing moments crucial to the future of this beloved country and also of this continent," he said. He returned to this theme in addressing the diplomatic corps: "I believe it necessary to stress the importance of the unification of the entire Latin

American family. . . . The common historic, cultural, and linguistic roots, no less than the religious ones, both favor and impel the arduous task of unity.

"I ask that you not be led astray, but that you persevere in the construction of that solidarity, to have confidence in the capacity of your people to carry it out. I encourage you to work untiringly for the unity that will bring you an unquestionable place on the world stage." To Mexico's teachers he stated his conviction that "the Church looks with certain confidence upon Mexican culture, as it does with the other cultures of Latin America. Human and Christian are called upon to free the civilizing potential which has yet to full show itself."

In a May 8 challenge to 2 million Mexican youth, gathered in San Juan de los Lagos, Jalisco, the Pope demanded: "Look around you, and see much darkness, much pain and suffering among your Mexican brethren. . . . Faced with this panorama, can you remain indifferent?" Journalists reported that "an absolute, decisive, unrestrained *No!* filled the air from 2 million throats."

The population revealed its religious devotion in a beautiful process of spiritual ennoblement before a Pope, whom they see as the last hope to change their situation.

The renewal of hope, of the Catholic faith, of the solidarity and dignity of the Mexican people, was the main purpose of this second papal visit to Mexico—the first was 11 years ago. The Pope called San Juan de los Lagos "land of the martyrs," a reference to the fact that that city was the heart

of the resistance to efforts by gnostic President Plutarco Elias Calles to destroy the Mexican Catholic Church in the 1920s.

The Pope told his collaborators how impressed he was by the people's love. "It fills me with joy to learn that Mexicans represent one-fourth of the Latin American Church," he said upon his arrival. In the first four days of his seven-day visit, some 15 million Mexicans turned out to hear and see the Pope. Upon his arrival in Mexico City, people filled the streets amidst shouts of "John Paul II, the whole world loves you," and "Mexico is always faithful." A human barricade formed along the 16-kilometer route between the airport and the Basilica of Guadalupe where the first mass was celebrated. Similar demonstrations were repeated everywhere he went, and nearly all of Mexico was glued to its radio and television sets to hear his words.

John Paul II chose Chalco, one of the poorest suburbs of Mexico City, to issue his first urgent call for implementing the Church's social doctrine. "In many of you I see the face of suffering Christ," he told them. "The words of the good shepherd fall upon this people, whose faces show the suffering features of Christ: *Misereor super turbam* (Matt. 15,33). I feel compassion for the multitude because they are abused and oppressed, like sheep without a shepherd (Cf. Matt. 9,36). . . . Today, as yesterday, the Church wants to be the voice of those who have no voice."

There is little doubt that the Pope's message will have profound impact upon all of Ibero-America. Prophetically, he warned in the city of Aguascalientes May 8: "The entire international community begins a new phase in its history, which will also have an impact here in the not so distant future."

Project Democracy gang under attack

ProDem's friends in Brazil are starting to lose faith in Collor de Mello's loyalty to their free-market liberalism.

During May Day celebrations in Brazil, President Fernando Collor de Mello's speech caused more than a few jitters among the monetarist liberal elite of the country. Paying homage to his grandfather, Lindolfo Collor, Brazil's first labor minister, the President said:

"Those who believe, as I do, in the market economy as the best path to development, would like to issue a warning. One cannot speak of market economies in a society where the majority of the workers are not integrated into the market. Only cultural backwardness can explain why many of the well-off sectors of our population promote free enterprise, but continue to cling to the vice of earning a lot but paying little."

Prominent spokesmen of those "well-off sectors" reacted with exasperation to the President's words, describing them as "populist" and protesting that with such posturing, the President is trying to single-handedly apply the teachings of his grandfather, who formulated legislation to protect the worker during the first government of nationalist Getulio Vargas.

In fact, Collor de Mello's speech was the latest of a series of skirmishes his government has been involved in with the monetarist liberal sectors of the country, especially the influential friends of Project Democracy—the secret U.S. government behind the Iran-Contra affair. For example, in the days just prior to Collor's address, the Liberal Party headed by Project Democracy deputy Afif Domingos, broke with the Collor government. That break occurred during congress-

sional deliberations on the new government's reforms. On April 12, *O Estado de São Paulo* reported that Domingos and others had lobbied to try to prevent insurance companies and other financial institutions from taking a bath due to some of the anti-speculation measures included in the government's reform proposals.

On April 28, during a meeting in Belo Horizonte of the National Council of Liberal Institutions in Brazil, a resolution was issued criticizing President Collor's behavior publicly for the first time. "Despite his liberal speech, the President adopted measures that we consider interventionist," it read. It is noteworthy that the Liberal Institutions proliferated in Brazil as of 1987, as part of Project Democracy's Latin American initiative. It was at this time that the Peruvian Institute for Liberty and Democracy (ILD), the machine behind the failing presidential campaign of Mario Vargas Llosa, emerged; its objective is to pave the way for a new Thatcherite era in South America.

The worst skirmish occurred on April 26, with the administrative jailing of a prominent Project Democracy mouthpiece, "businessman" Amaury Temporal, for tax fraud of nearly \$1 million. On April 28, the daily *O Globo* commented that Temporal's crimes were first discovered in 1988 but were covered up. Now, added *O Globo*, it was "by direction of President Collor himself" that the tax collection authorities decided to act against tax evaders, beginning with "repeat offenders."

Amaury Temporal maintains

close ties to the Project Democracy networks inside the United States. He was president of the National Federation of Brazilian Trade Associations (CACB). In 1987, through a series of conferences, the CACB solidified its ties to the business arm of the National Endowment for Democracy (NED), the Center for International Private Enterprise (CIPE), both arms of Project Democracy. It was CIPE which sponsored the activities of Peru's Vargas Llosa and the advocate of the "informal economy," Hernando de Soto. In November 1987 de Soto traveled to Brazil to promote his book *El Otro Sendero (The Other Path)*—his tour sponsored by the Liberal Institutes and by CACB. On Oct. 26-27, 1987, CIPE held a seminar on the informal economy in Washington; Temporal represented Brazil and distributed a paper at the seminar written by Afif Domingos.

During deliberations of the National Constituent Assembly, the visible network of Project Democracy to which Temporal and Domingos belong attempted to impose a liberal constitution. Key to their plan was the dismantling of the state sector of the economy, starting with the oil company Petrobras. They failed.

President Collor's provocative statements do not, however, mean that he is free of the influences of the free-enterprise project. His political orientation will only become clear when the government defines what kind of privatization it plans to carry out. Will it follow the line of Henry Kissinger and the banks, which presupposes the surrender of state companies through debt-for-equity swaps; or will it opt for a more cautious program premised on defense of the national patrimony, along the lines of the programmatic study recently issued by the Superior War College, entitled "1990-2000, the Vital Decade"?

International Intelligence

Panamanians exhume invasion's victims

Angry families of Panamanians killed in the Dec. 20, 1989 U.S. invasion began exhuming bodies of those buried in mass graves, and, according to the headline of the normally pro-government newspaper *El Siglo* of May 7, "4,000 bodies will be unearthed; some cadavers were bound." The paper described the first two days of excavating only the first of many mass graves in the Jardín de Paz cemetery in Panama City.

The exhumation is being carried out by the Committee of Families of Victims of the Invasion, whose president, Isabel de Corro, told *El Siglo*: "We have begun with the common grave at Jardín de Paz, and we will continue with the rest until we are able to bury every last body in a dignified manner. These patriots deserve a special place among Panamanians."

In just the first two days, 122 bodies were found, including three that were bound hand and foot. *El Siglo* commented, "Everything indicates that they did not die in combat, but were killed in cold blood." UPI ran a story on the exhumations and said that "unofficial estimates [of dead] are between 2,000 and 4,000." The U.S. official estimate is that fewer than 100 civilians were killed in the invasion.

Environmentalists seek to ban Antarctic drilling

Environmentalists testifying before the U.S. Congress on May 2 called for a total ban on mining and drilling in the largest unexplored wilderness in the world, Antarctica.

At a congressional hearing, Jacques Cousteau and representatives of Greenpeace and the Antarctica Project criticized a pending international treaty on Antarctic mineral development, and urged the United States to give up its "minerals option" under the treaty. Several countries, including France and Australia, have sided with these ecological fascists, and have urged a ban on mining.

Greenpeace witness Susan Sabella said the continent should be a "world park." (Quite a place for a picnic!)

East German elections give posts to CDU, SPD

The first free municipal elections in East Germany will hand most mayors' posts to the Christian Democrats (CDU) and Social Democrats (SPD), although the two parties received fewer votes than they did in March 18 elections for the national parliament. Some observers cited a "demobilization effect," causing many voters to stay away from the polls.

Noteworthy was a strong vote for the Farmers Party in rural districts, and the remarkable gains for non-party citizen groups in numerous cities (especially the university cities).

The three bigger parties CDU, SPD, and the communist PDS consolidated their positions. The communists were still able to poll 14% on the basis of the administrative strongholds of the old regime, showing that the "apparatus" is still there.

But in spite of the fact that the PDS gained 30% in East Berlin, 17% in Frankfurt am Oder and Schwerin, most—if not all—mayoralties will be taken by either the SPD or the CDU, which are expected to form "grand" multiparty coalitions in many municipal parliaments. East Berlin will be run by an SPD Lord Mayor, Dresden by one from the CDU, Leipzig by one from the SPD.

Accuse IMF, World Bank of rights violations

Davison Budhoo, who resigned from the International Monetary Fund to protest that institution's genocidal practices against the Third World, charged at a press conference in Washington, D.C. on May 3 that the IMF is engaging in a "systematic pattern of violation of my human rights and the human rights of others associated with my work."

Budhoo, who held the press conference to announce the publication of his book, *Enough Is Enough; Dear Mr. Camdessus*, his open letter of resignation to the IMF Managing Director, said that the IMF's harassment of him had "intensified since, particularly, October of last year. I will not stand for it any more." The story of Budhoo's exposure of IMF skullduggery was featured in *EIR*'s issue of Jan. 27, 1989.

A number of high officials of the IMF and its sister institution, the World Bank, have been resigning and blasting the policies of their former employers. Budhoo cited the World Bank's director of personnel, Dr. Michael Irwin, who, in an open letter published by the *Wall Street Journal* on March 30, said that he was tired of the Bank's "bloated and overpaid bureaucracy, wasteful practices, poor management, and unjustified arrogance."

David Knox, former World Bank director for Latin America and the Caribbean, is another former employee who has denounced the policies of the IMF and the World Bank, Budhoo revealed. Knox attacked the handling of Latin America's foreign debt, and said that debtor nations "have no alternative but massive default."

Italian terrorists given 22 years

The founder of a left-wing pro-terrorist newspaper, *Lotta Continua*, was sentenced to 22 years in prison by an Italian judge for the assassination of a police inspector 18 years ago. Luigi Calabresi was killed in Milan on May 17, 1972, after an intensive campaign of slanders against his person, particularly appearing in *Lotta Continua*, the paper of a terrorist group of the same name.

Adriano Sofri, the founder of *Lotta Continua*, and Giorgio Pietrostefani, one of the leaders of the group, ordered the assassination of Calabresi, and one Ovidio Bompresini actually pulled the trigger, according to Leonardo Marino, a former *Lotta Continua* activist who confessed to being the driver for the assassination team.

Marino also revealed the existence of

Briefly

● **HERMANN ABS**, the former chairman of West Germany's Deutsche Bank, has been placed on the "Watch List" of the U.S. Justice Department's self-proclaimed Nazi-hunting agency, the Office of Special Investigations. Those on the list cannot obtain U.S. visas. A Deutsche Bank spokesman said that this came as a shock, since Abs has traveled to the U.S. numerous times and was active in the anti-Hitler resistance.

● **A NIETZSCHE SOCIETY** was founded in London in the first week of May. A Nietzsche revival has hit both British and American universities, the *Sunday Times* of London reported. American commentator Stanley Rosen called Nietzsche "the most influential philosopher in the Western world"—witness Hitler's Nazis, although Rosen said nothing of that.

● **PRINCE CHARLES** popped up in Hungary May 8, and called on the West to help Eastern Europe recover from the "ecological Armageddon" it suffered under communist rule. The region has suffered a "terrible catastrophe," he said. "Somehow we must find a way to help reverse this apparent ecological Armageddon."

● **TEN THOUSAND** Czechs gathered in the city of Pilsen for a rally commemorating the 45th anniversary of the city's liberation by Gen. George Patton's 3rd Army. Czech President Vaclav Havel unveiled a memorial plaque in the little town of Rokycany, where Patton was ordered to halt his advance on Prague under the Yalta agreements.

● **'THE SUMMER** will be tough. I expect a fresh strike wave," Soviet Labor Minister Vladimir Sherbakov told a Spanish interviewer May 4. "If people are demanding better meat supplies, and there is not any meat in the country at all, no matter how many laws are approved, the situation will not change."

an "underground" level in Lotta Continua, responsible for robberies and terrorism. Out of that underground emerged other top terrorists in the course of the 1970s.

On May 2, a Milan court sentenced Sofri, Pietrostefani, and Bompresi to 22 years in prison, and Marino to 11 years. Sofri is an adviser to Socialist Party leader and Deputy Premier Claudio Martelli. Socialist Party general secretary Bettino Craxi, the former prime minister, immediately criticized the sentence, saying he was "surprised" at it. Martelli has attacked it as "unjust."

Italian President Francesco Cossiga, a day before the sentencing, had given an unprecedented speech blasting the "intellectuals" who supported and justified terrorism, calling them "bad teachers who, with an irresponsibility equal only to their conceit and moral and physical cowardice, for the most part bourgeois, full of complexes, and well established in university professorships and newspaper editorships . . . induced young people . . . leading them to a destiny of suffering and prison, but covering their own social and economic interests very well."

Cuba launches big military exercises

Cuba's armed forces, battle-tested in Africa, have engaged in nationwide maneuvers, and President Fidel Castro has stated that Cuba would be another "Vietnam or worse" for the United States if it tried to attack. The mobilization of forces on the communist-ruled island has gathered momentum since May 2, when the government launched the "Cuban Shield" exercise to counter what it said was the threat posed by three simultaneous U.S. military maneuvers in the Caribbean. "The Yankee maneuver is an opportunity for us to hold our own exercise," Castro said in a visit to a military command post in Havana.

The Cuban mobilization of regular military forces, reservists, and militia appeared to be one of the biggest since the 1962 missile crisis, Havana-based diplomats said.

Washington said May 4 that the U.S.

exercises, "Ocean Venture," "Global Shield," and "Defex," were routine and not aimed against Cuba.

President Bush has fiercely criticized Castro's government for refusing to follow political reforms in Eastern Europe and change the island's one-party communist system.

Across Cuba over the weekend, firing ranges crackled to the sound of automatic arms fire as civilians in the militia uniform of green trousers and blue shirts received weapons training from military instructors. Cubans from 17-year-old youths to 65-year-old grandmothers put on black camouflage paint, crawled through assault courses, and learned how to shoot and throw hand grenades. In Havana alone, more than 120,000 of the 2 million inhabitants were mobilized for defense.

Communists, fascists lose in Italian election

The Italian Communist Party lost about 7% of its former vote in May 6 city, provincial, and regional council elections, in which the Christian Democrats suffered small losses while the Socialists enjoyed small gains. The right-fascist MSI lost 2%, while the left-fascist Greens lost 1% compared to their vote in the European Parliament elections of 1989 (but gaining about 1.5% compared to 1985).

The Lega Lombarda, which favors autonomy for the Lombard region, got an extraordinary 20% of the vote there.

Electoral slates associated with the views and program of international statesman Lyndon LaRouche competed in the Rome area and the town of Caorso in northern Italy. The Rome slate, called "Liberty for LaRouche," received 5,000 votes. In Caorso, the site of a nuclear plant rendered idle by Italy's 1987 referendum banning nuclear power, the Italians for Progress slate won 1.5% of the vote, with its chief campaign demand being the reopening of the nuclear plant (see *EIR*, May 4, 1989, "Pro-nuclear party on the ballot").

Jury refuses to buy Bush's Iran-Contra story

by Sandro Mitromaco

A federal jury in Portland, Oregon on May 4 acquitted a former CIA contract agent charged with lying to a judge—a development which means that the thick shell of lies surrounding the Iran-Contra case has finally been broken open. President Bush could be the first to go down under the debris.

The defendant, Richard Brenneke, had been indicted for making false declarations, in testimony concerning a super-secret October 1980 airplane flight to Paris by George Bush, William Casey, and other notables from the Reagan-Bush election campaign team, to meet with representatives of Ayatollah Khomeini and discuss a cynical plan to free U.S. hostages—but only *after* the U.S. presidential elections.

“Now people will be confronted with the problem of ‘President Quayle,’ ” said a source close to Brenneke’s defense. “It is no joke anymore. People will be forced to approach the issue. This is the only bad side of the court victory.”

Brenneke was accused of having lied to Denver, Colorado Federal Judge J.R. Carrigan, when he testified under oath on the deal the group around vice presidential candidate Bush concluded with the representatives of Khomeini. The Bushmen, he said, promised money and weapons if Teheran delayed the freeing of the hostages. That is exactly what happened: Khomeini let the hostages free on Jan. 20, 1981, the day of the inauguration of Reagan and Bush.

Whether or not Brenneke’s version of the “October Surprise” is correct in every particular is not the point; the critical fact is that the jury’s decision, occurring at the same time as certain curious, related developments, can cause “all the trees in the forest to fall,” as intelligence community parlance would have it.

Just four days after the Portland verdict, U.S. District

Judge Norma Holloway agreed to order the government to release 1,400 pages of Oliver North’s diary, which were kept mysteriously classified until now. On one of the pages, there is reference to a meeting between North and Bush on Aug. 6, 1986—a meeting that, according to the sanitized chronology which the Bush group admits to, never took place. We will see how this fits into the illegal Contra operation.

But there is more to come. Over the past days and weeks, the European media have played up the story of a telegram sent by the Venerable Master of the masonic lodge Propaganda-2, Licio Gelli, to Philip Guarino, a close associate of Bush and a special assistant in the Republican National Committee for the last 17 years. The telegram read: “Tell our good friend Bush that the Swedish tree will be felled.” Three days later, on Feb. 28, 1986, Swedish Prime Minister Olof Palme (“palm tree”) was killed by an assassin.

Brenneke tells his story

Brenneke was indicted for alleged false declarations to a federal judge, a charge that is stronger than perjury and could lead to a five-year jail term. On Sept. 23, 1988, he had testified *in camera* before Judge Carrigan during the trial of one Heinrich Rupp, who was accused of financial crimes. Brenneke voluntarily asked to testify in Rupp’s behalf and stated that Rupp was in reality a CIA agent and the crimes imputed to him had been done in the course of his work for the agency. Besides, powerful forces were interested in destroying Rupp’s credibility. Why? Because Rupp knew too much about the secret deal that took place in Paris in October 1980. Brenneke said that “Mr. Rupp was involved in a flight in which Mr. Bush, Mr. [William] Casey [at that time chairman of the Reagan-Bush campaign and then direc-

tor of the CIA until his death after the Irangate scandal exploded] and a number of other people were brought to Paris, France.”

Brenneke testified that Rupp had told him that Casey “rode in the aircraft he flew.” He also stated: “I was told that the following representatives of the Reagan-Bush campaign and the Iranian government were present at one or more of these meetings: George Bush, William Casey, Richard Allen [then campaign official later Reagan’s national security adviser], [Bush aide and now U.S. ambassador to South Korea] Donald Gregg, Ali Akbar Rafsanjani [then Speaker of the Iranian Parliament and now President of Iran], Jalal ad-din Farsi, and Cyrus Hashemi [the Iranian arms trader who died in mysterious circumstances in London]. I have been told that others were also involved.”

There were three meetings, he said, about the hostages on Oct. 19-20, 1980 at the Hotel Florida and Hotel Crillon in Paris. Brenneke said he had attended one meeting at the Hotel Florida and that “at the meeting I attended, the following individuals were present: William Casey, Cyrus Hashemi, [arms dealer and Iran mediator Manucher] Ghorbanifar, Don Gregg, [French intelligence operative and arms dealer] Robert Benes, Col. Degan, Ahmed Hedari, one other American and two other people, who were not Americans.” Brenneke said that an agreement was reached for \$40 million worth of weapons to be shipped to Iran. He also said that he was at the meeting as “a member of the CIA.”

The prosecutor’s mistakes

Brenneke’s prosecutor, Assistant U.S. Attorney Thomas O’Rourke, was reportedly confident of an easy victory. The rumor was spread among journalists that Brenneke was already finished, so there was no point in even attending the trial—indeed, there were almost no press at a trial in which both Gregg (the protégé of the President) and Allen (a former national security adviser) testified. Apparently O’Rourke felt backed up by the full power of the Establishment. His star witness was the powerful and feared Gregg, formerly of the CIA, and Vice President Bush’s national security adviser in the period of the Iran-Contra shenanigans. The prosecutor also presented two of William Casey’s secretaries, to try to prove that Casey did not go to Europe, two CIA agents to demonstrate that Brenneke was never an agency employee, and two Secret Service agents who were attached to Bush in October 1980, to say that they were with Bush all the time and he did not go to Paris.

These witnesses, starting with Gregg, behaved in an arrogant way that backfired against the prosecution. Donald Gregg sat in the witness stand looking straight at the jurors and repeating again and again that everything Brenneke had said was false. He particularly insisted that he had not been in Paris in that period, and he presented as evidence a couple of photographs portraying himself and his family that he said were taken on Oct. 18-19, 1980 at Bethany Beach, Delaware,

“proving” he could not have been in Paris.

It was a big mistake. What the cocky Gregg could not imagine, was that the defense would produce as a witness Robert Edward Lynott, a weather forecaster who is a legend in Oregon and respected all over the United States. Lynott said that it was impossible that those pictures had been taken when Gregg said they were. The weather conditions at the time would have made it impossible to be at the beach, and photographs taken on those days could not have included any sunshine. The prosecution was unable to counter the testimony of the witness.

But already under cross examination by defense lawyer Michael Scott, Gregg was put on the defensive. He had to go into his having been in the CIA for 31 years, and had to admit that to lie is part of the job. He had also to explain in some detail the agency’s concept of “plausible deniability.” It was established for the jurors that if what Brenneke said was only partially true, then Gregg had to lie as a matter of professional routine. Things were not made easier by the fact that Scott kept accidentally addressing Gregg as “Mr. Casey.”

Another mistake by the prosecution was to produce as witnesses two secretaries of the late William Casey. The ladies were asked whether Casey went to Paris during the last period of the campaign. The first said that “he was every day in the office.” The second said he was there “most of the time.”

The ‘October Surprise’ committee

But that all became irrelevant when former National Security Adviser Richard V. Allen testified on May 1. Allen had been subpoenaed by the defense because he was considered the chief of the “October Surprise” committee inside the Bush-Reagan campaign. It seems that Allen had threatened to do everything in his power to damage the defendant if forced to testify; but when put on the stand, he had to admit a few things. This was the first time that Allen has talked about that period under oath.

First of all, he said that in September-October 1980 he had been in Europe three times, that Casey was with him at least once, but that he “could not remember” precisely when. Such a formulation, according to the experts, could save him from a charge of perjury in the future. Allen thus did not deny the possibility that Casey was in Paris, when Brenneke said he saw him there.

Second, Allen confirmed the “October Surprise” story. He said that the Bush-Reagan campaign was concerned that President Carter would achieve an “October Surprise” through the release of the hostages before election day. Allen even confirmed that the Reagan-Bush campaign had moles in the Democratic campaign, and these sources sent word that Carter was ready to close a deal with Teheran. He identified one of these sources with then Secretary of State Edmund Muskie. Allen also testified that a memo he wrote after the

end of the presidential race, concerning a "deal" with the Iranians, was referring to a promise of unfreezing Iranian assets frozen by the Carter administration.

The alibi Bush used

Another line of testimony that did not work for the government's case was that of the two Secret Service agents assigned to Bush in October 1980. When they tried to demonstrate that Bush could not have been out of the country in that period, they ended up contradicting one another and trying to fit their 21-day shift around what they were doing on the famous weekend in question.

Several affidavits and written reports were presented by the defense, but they were not accepted by the judge. In one informal exchange, apparently the judge said that he would not scandalize a jury of honest Denver citizens with evidence of illegalities committed by the government. Some of the affidavits had been presented by a defense witness, William Northrop, who has been at the center of a similar case in which a number of people were arrested and accused of illegal dealings with Iran while they were working for the government.

Two intelligence operatives from Texas, Gary Howard and Ronald Tucker, testified about their collaboration with Brenneke, showing that he was working with the government and the CIA. Howard and Tucker, who have worked with the Customs Service and other law enforcement agencies, have also said in several interviews, including in the *Washington Post*, that they were contacted by the FBI in order to try a sting operation against Lyndon LaRouche. Reportedly the two now wanted to go on record with statements that would be useful to a lawsuit they have filed against the government for having used them in sting operations without paying them.

Another witness was former CIA agent Frank Snapp.

'Dangerous, very dangerous'

"There are a lot of people in Europe who know what happened in October 1980," Brenneke told the press after his victory. "Now is the time to come forward. These people in Europe can do a lot to arrive at the truth. Please make this message clear."

Brenneke had spent a week during the trial at the St. Vincent Hospital and Medical Center in Denver, after he suffered serious heart problems on the second day of the trial. According to the defense lawyers, he and the lawyers themselves had been receiving death threats.

Brenneke said further that "the unanimous verdict of the jury shows that the American people are capable of recognizing the truth. And though in many similar cases the judiciary process failed, in this case it worked. Thus I am optimistic for the future. Now the American people must know what happened. Maybe this will not occur in a courtroom, but in other forums. I am thinking to write a book. I would like to

go out and lecture; go out in public.

"What has gone on is dangerous, very dangerous. Mr. Bush has not addressed these issues, issues like this trial. He has to comment on this. If I am telling the truth, someone is lying very bad in D.C.! In Washington, people on both sides of the fence want to continue with these half-truths. If more information comes out, like this meeting between North and Bush, then this will make really a difference; otherwise the compromise, the game will go on."

According to defense attorney Scott, the essence of the Portland trial is that "this immense apparatus, all these great resources were not able to produce any credible evidence against Brenneke. The jury listened to Gregg and did not believe him. Now I hope that the Justice Department has to draw the conclusion and start a serious investigation of Gregg."

Will heads roll?

Many observers pointed out after the trial, that now maybe Iran-Contra special prosecutor Lawrence Walsh will feel encouraged to indict Gregg. Right after Brenneke's acquittal, rumors popped up all over Washington, D.C. that indictments are going to be issued against Gregg, former State Department official Elliott Abrams, plus Duane Clarridge and Allan Fiers of the CIA.

Several commentators, like Seymour Hersh in the April 29 *New York Times*, are beginning to target the shameful compromise between the administration and the Democrats in the Congress that led to the coverup of the real leads in the Irangate affair. Then came the bombshell of the hitherto-suppressed pages of Oliver North's notebooks. Among those 1,400 pages there is North's schedule for Aug. 6, 1986. The day started with a phone call to Amiram Nir, the Israeli official who knew everything about Bush's involvement in the Iran-Contra affair and who later died in a mysterious plane crash in Mexico. Later that day, North took a call from Robert Dutton, from the Contra resupply base in El Salvador. One hour later, North was talking to . . . Donald Gregg. And after that he had a meeting at noon with . . . George Bush! It seems that North was facing a real big problem that he could not solve, and had to go all the way up in the secret apparatus behind the illegal Contra resupply project.

The apparent subject of these meetings was certain internal disagreements concerning a close associate of Gregg and Bush, Felix Rodriguez, then deployed in El Salvador in service of the CIA. But Gregg has testified that both he and Bush were unaware on Aug. 6 that Rodriguez was involved in supplying the Contras. On Aug. 8, Gregg met Rodriguez in Washington.

How many more pages of crucial documentation are "missing"? On how many of them does Bush's name appear? "The shadow of Irangate looms again over the White House," wrote the Italian daily *Il Giornale* on May 10, describing the meeting of Bush with North.

Documentation

World press points to Bush's P-2 link

The trial of Richard Brenneke in Portland, Oregon has sparked new international attention to the complex web of intrigue surrounding the Iran-Contra arms-for-hostages deals. The lid is coming off some of the most closely held secrets of the U.S. "secret government," including notably the link to Italian freemason Licio Gelli.

The Swedish newspaper Dagens Nyheter on April 30 reported the startling fact of a 1986 telegram from Propaganda-2 leader Gelli to a close associate of George Bush, hinting at the imminent assassination of Swedish Prime Minister Olof Palme. The article, by Olle Alsen, is titled, "FBI takes on the murder of Palme."

"The FBI headquarters in Washington," Alsen writes, "has decided to place highest priority on the murder of Olof Palme. This information was given by FBI (Los Angeles) agent John McClerg on Feb. 23 [1990] to former Reagan administration official Barbara Honegger. . . . Why is the FBI just now telling Barbara Honegger that the FBI will give highest priority to the murder of Olof Palme? In her book (*October Surprise*, p. 240) Mrs. Honegger writes that a CIA agent called 'Y' alleged that notorious Italian P-2 leader Licio Gelli, shortly before the murder of Olof Palme, sent a telegram to a close collaborator of Bush, reporting, 'Tell our good friend Bush that the Swedish tree will be felled'—which happened three days later, Feb. 28, 1986," the day Palme was murdered.

Alsen recaps his Feb. 19, 1990 column in the same newspaper, where he reported on this sensational telegram as it was read on a Sept. 17, 1988 Los Angeles radio talk show, where "Y," a.k.a. "Racine," read the telegram's text. "Barbara Honegger does not know 'Racine's' name—for 18 years he worked as a CIA agent; he went under the code-name Oswald or Oscar Le Winter. But now it can be revealed that his actual name is Ibrahim Razin and that he works with a Jewish magazine in Frankfurt. These facts have come out around the ongoing trial in Portland, Oregon against Richard Brenneke, the one who first tipped Barbara Honegger off to the 'October Surprise' hostage release affair. CIA agents in Frankfurt have reportedly pressured Razin not to testify as a witness for Brenneke's trial. . . ."

In recent days I was in the U.S. and also had contact with the cited telegram's alleged recipient, Philip Guarino, who is a close friend of Bush and former vice chairman

of the Republican National Committee."

From the Italian magazine Epoca, May 13, an article titled "The venerable trail," by Elisabetta Burba.

"Also the American police will look into the Palme affair. And the new investigations could lead to big surprises concerning the role of Licio Gelli's Propaganda-Two lodge, as revealed by FBI agent John McClerg and reported by the Stockholm daily *Dagens Nyheter*. Who put the FBI on the Italian trail? A telegram signed by Licio Gelli and sent on Feb. 25, 1986 to Philip Guarino: "The Swedish tree will be felled, tell our good friend Bush." . . . The story was taken up by the book *October Surprise* by Barbara Honegger, political analyst for Ronald Reagan until 1984, which put in evidence possible connections between the murder of Palme, the victory of Reagan in November 1980, and the activities of Licio Gelli. . . ."

"Sources supporting Honegger's reconstruction? For example, Richard Brenneke, a CIA agent presently standing trial. Olle Alsen of *Dagens Nyheter* told *Epoca*: 'Before his assassination, Palme was acting as mediator for the United Nations between Iran and Iraq. Maybe he knew too much. . . .' Another lead comes from Denmark, from the *Monthly Press* of Jan. 26, 1989. It's an interview with a lawyer of Stefano Delle Chiaie, fascist terrorist and member of the P-2 lodge. He stated that shortly after Palme's death, his client confessed to him he knew who killed the Swedish prime minister. Now the spokesman of the Committee of Investigation of the Palme murder declares: 'The Italian connection is of extreme relevance.' Is this another coincidence?"

From the Italian daily Avvenire, an article published on Sept. 21 1988, during the U.S. presidential campaign. By Alexander Minak, it is titled, "Also a picture of Gelli to get the Republicans."

"There is a picture circulating around portraying George Bush warmly shaking hands with Licio Gelli. The photograph is actively sought by the staff of the Democratic presidential candidate. . . ."

From the book October Surprise, by Barbara Honegger (Tudor Publishing Company, New York, 1989), p. 240.

"According to Informant Y (a.k.a. Ibrahim Razin), who claims his source to be Licio Gelli's top associate Francesco Pazienza, George Bush himself was made an 'honorary' member of P-2 in 1976, the year that he became director of the Central Intelligence Agency. Though the author has no confirmation for this claim, it is a fact that Gelli's 'lodge,' and especially P-2's sister Comité Montecarlo, has branches in many countries besides Italy and that the grandmaster's [Gelli's] key targets for membership have been top civilian and military intelligence officials. . . . There are additional reports that suggests a possible link between George Bush and Licio Gelli's secret organization."

Summit's approach brings new Soviet demands and more Bush concessions

by Kathleen Klenetsky

Decked out in full uniform and sporting a chestful of medals, Marshal Sergei Akhromeyev, the former chief of the Soviet Armed Forces, marched into Washington in early May and put forth demands that the United States make significant new disarmament concessions, or else face the total collapse of the various arms control negotiations.

With this latest outrageous demand, that great democrat, Soviet President Mikhail Gorbachov, is putting a very clear choice before George Bush: Either grovel some more and give Moscow what it wants, or else suffer the political consequences of having no foreign policy "victory" result from the upcoming summit, to parade before an increasingly-restive American population.

In an appearance before a Senate Armed Services subcommittee May 8, and in other Washington public and private forums, Akhromeyev, who currently serves as chief arms control adviser to Gorbachov, delivered a blunt message: If the United States doesn't agree to negotiate on naval force reductions, then the Soviets will continue to keep the strategic arms (START) and conventional forces (CFE) talks deadlocked.

No concessions, no agreements

The Soviet marshal specifically called on the U.S. to negotiate limits on both sea-launched cruise missiles (SLCMs) and tactical naval battle forces. So far, the U.S. has refused to agree to reductions in these areas because the American strategic deterrent is significantly more dependent upon naval power than is that of the Soviet Union.

Akhromeyev stated flatly that Moscow wants to limit SLCMs. Although he denied it, this position represents a hardening in Moscow's previous stance, and a definite backing-away from the agreement reached by Secretary of State James Baker and Soviet Foreign Minister Eduard Shevardnadze last February. At that time, the Soviets had agreed to deal with the issue by requiring the two sides to simply declare the extent of its SLCM deployments.

While asserting in his congressional testimony that Moscow had accepted the U.S. proposal that both superpowers declare how many of the missiles they will have over the next

five years, Akhromeyev added a big "but": He insisted that Moscow's position is that these numbers must also represent the maximum SLCMs each side is permitted to deploy. "If one were not to do that," he said, "then by building SLCM's, you could bypass the [START] treaty, walk around the treaty, having deployed then several thousand additional SLCMs. And the treaty becomes nonsensical."

Akhromeyev sharply criticized the U.S. for so far refusing to engage in naval arms talks. "We think this policy is unjust and aimed at undermining security and gaining military superiority over the Soviet Union," he said. A decision by the U.S. to change this position "is today one of the decisive preconditions for the improvement of relations between our countries and strengthening of confidence."

Akhromeyev made no effort to soften Moscow's ultimatum that there will be no START or CFE accord without a U.S. concession on the naval issue. When subcommittee member Sen. John Warner (R-Va.) asked him whether the Soviets would insist on naval arms negotiations as a "prerequisite" to forward movement in the START and CFE talks, the Marshal retorted: "You've just said that 100% right." He added: "The Soviet people are beginning to have suspicions and mistrust of the policies of the U.S. because they refuse to enter negotiations on naval forces."

Bush is panicked

The Bush administration has made no definitive reply to Akhromeyev's demands—yet. But even though any move toward acquiescing would mean a lethal blow to U.S. defense capabilities, *EIR* has learned that there is serious discussion among the administration's top echelons that this be done.

"Bush is in a panic right now," one source explained. "Prospects for the summit are looking gloomier by the moment. Just look at what Quayle said in London the other day—that the summit wouldn't be 'totally negative'! And the economy's downswing is making Bush look bad on that front. What he desperately needs is some kind of big public relations plum, preferably a big arms-control breakthrough, to paper over the mess, and Gorbachov isn't going to give

it to him unless Bush is willing to engineer a compromise.”

While no hard evidence exists that Bush will compromise on the naval talks issue, the administration is plying the Soviets with all sorts of other concessions. In early May, the National Security Council approved a new policy that would significantly relax export controls on advanced computers and other high-tech devices, such as microwave technology, to the Soviet Union that clearly could be put to military use.

A week later, while Akhromeyev was in Washington, the administration let it be known that it had informed the Soviet Union that it is ready to halt production of chemical weapons at a date to be agreed upon with the Soviet Union. The decision, a softening in the administration's prior stance, was a last-gasp effort on Bush's part to get some kind of arms agreement out of the summit, in this case, the framework for an accord on chemical weapons, since it had become obvious that there would be no movement on START or CFE.

The change on chemical weapons follows Bush's announcement May 3 that the U.S. would ask NATO to authorize negotiations that could lead to the elimination of all U.S. short-range missiles in Western Europe.

One sign that the Bush men are preparing to meet Soviet demands for new concessions to keep the START and CFE talks alive, came on April 18, when Edward Rowny, the chief U.S. negotiator at the Geneva strategic nuclear arms talks, handed in his resignation, effective June 30. Friends of Rowny put out the word that he was resigning to protest the administration's desperate haste to get a START agreement.

Back in 1979, Rowny resigned as lead delegate to the SALT II talks, a move which contributed to the Senate's refusal to ratify that accord.

On the day he resigned from the Bush team, Rowny gave a speech to the Reserve Officers Association (ROA) warning that Soviets "have toughened their stance. . . . As a matter of fact, they've walked back on some of the agreements and they see the possibility, they think, of getting us to make concessions simply to get an agreement," he said. Rowny cited the Soviet change in position on SLCMs as an example.

Rowny also warned that the Soviets are continuing to modernize their strategic weapons "aggressively." "The bottom line is that the Soviet strategic force that would remain after START reductions have taken place, while smaller, would still be a completely modern, formidable nuclear force," Rowny told the ROA. "The U.S.S.R. is intent on retaining its claim to the status of a superpower equal to the United States that only first-rate nuclear forces can provide."

Soviets exploit internal unrest

The Soviets are trying to bolster their bully-boy blackmail tactics by carefully exploiting the unrest in the Soviet Union to obtain more concessions from the U.S. They are playing

upon Bush's fears that, without new demonstrations of support from the U.S., Gorbachov will be toppled. For example, the current issue of the Soviet magazine *Literary Gazette* carried Shevardnadze's speech to Communist Party members in April, in which he warned that Soviet hard-liners, angry over Gorbachov's "concessions" to the U.S. on arms control (!), may trigger a "social explosion." Copies of the magazine are circulating through the White House and State Department.

And Akhromeyev, in an interview with reporters in Washington May 7, said that Western fears about Soviet political instability are justified. "There is a certain reason for anxiety," he asserted.

The administration, meanwhile, is moving headlong towards massive cutbacks in defense, blindly ignoring the evidence that the Soviets are merely in a period of retrenchment, from which they intend to emerge militarily stronger than before. Joint Chiefs of Staff chairman Gen. Colin Powell gave a lengthy interview to the May 7 *Washington Post*, in which he said that the Defense Department needs to conduct an extensive review that could lead to a 25% reduction in the current size of the U.S. Armed Forces within the next four to five years. If applied to the current year's Pentagon budget of \$291 billion, this would translate into a \$73 billion cut in one year alone.

SIBBET PUBLICATIONS

UP or DOWN

Tomorrow & WHY

Stocks, Bonds & Precious Metals

Recorded 3 Min Message

Changed at 7:00 P.M.

1-900-234-7777

Only \$2.00 a minute. Ext. 33

FREE Instruction manual for service.
Call 818-798-9746 for your copy.

Thornburgh longs to scrap Constitution

by Kathleen Klenetsky

Is it possible for an individual to function honestly and competently as the Attorney General of the United States, when he has worked closely with groups devoted to overthrowing the U.S. Constitution? What might ordinarily be a hypothetical question suitable to classroom civics discussions, has taken on real urgency now that Richard Thornburgh is serving as the nation's chief law officer.

Since his appointment by George Bush, Thornburgh has trampled on the Constitution by promulgating the Thornburgh Doctrine, which maintains that the U.S. has the right to invade another country and kidnap foreign nationals suspected of disobeying U.S. laws. He has campaigned vigorously to strip U.S. criminal defendants of their constitutional rights; and to expand "white collar crime" prosecutions of savings and loan officials, industries in violation of environmental regulations, defense industry executives, and others.

Thornburgh's contempt for constitutional principles is reflected in his past involvement in two groups that have been in the vanguard of the campaign to undo the work of the Founding Fathers, the Committee on the Constitutional (CCS) System, and the National Taxpayers Union (NTU).

The Constitution must go

The CCS was established by former Carter White House counsel Lloyd Cutler in the early 1980s, to fulfill the aims he had laid out in the Fall 1980 issue of the Council on Foreign Relations journal *Foreign Affairs*. There he sharply criticized the U.S. Constitution for creating a political system that permitted the average citizen to have too much influence over elected officials. This, he complained, impedes the imposition of policies which the Establishment elite deems necessary, but which would be politically unpopular, such as deep cuts in Social Security and other austerity measures. Thus, Cutler argued, the constitutional system should be scrapped and replaced with something less susceptible to constituency pressure, such as the British parliamentary system.

According to CCS coordinator Peter Schaffler, Thornburgh was an "active member" of the group's board. Thornburgh is clearly in sympathy with Cutler's overall aim of changing the U.S. government to facilitate austerity measures. Spokesmen for the CCS and NTU report that Thornburgh became involved in their efforts because of his long-

standing commitment to an amendment to the Constitution to require a balanced federal budget.

Presented as a panacea for the nation's fiscal woes, a balanced budget amendment would create an even bigger mess than now exists. Under current Depression conditions, real production is rapidly collapsing, and the tax base along with it, so that balancing the budget would require increasingly savage attack on defense and social spending, leading to further shrinkage in revenues.

It was Thornburgh's commitment to the balanced budget insanity which also brought him to the NTU. This group has played a pivotal role in orchestrating the effort to get state legislatures to adopt resolutions calling on Congress to convene a second constitutional convention, to adopt a balanced budget amendment.

The constitutional convention issue is highly controversial, and rightly so. Leaving aside momentarily the merits of the balanced budget amendment, there is no guarantee that a convention could be limited to this one subject; there are well-grounded fears that it could become a "runaway" convention, with all sorts of amendments adopted. Yet, the NTU runs around from state legislature to state legislature preaching the virtues of the so-called "con con."

Thornburgh's public involvement with the NTU dates to 1987, when he joined an NTU spinoff called "Citizens for a Balanced Budget Amendment." Thornburgh, then governor of Pennsylvania, served as co-chairman, along with Richard Lamm, the former Colorado governor who leaped into notoriety with his 1984 call for the elderly to "die and get out of the way." This, in fact, is the primary motive behind the balanced budget amendment drive: to force through such lethal cuts in spending that lots of people will have no choice but to "die and get out of the way."

Even before that, in 1986, Thornburgh had given favorable testimony before the New Jersey state legislature when it was considering a resolution to call for a constitutional convention.

Thornburgh's anti-Constitution activity has drawn fire from groups such as the Sons of the American Revolution—a development which has not gone down well with Thornburgh's co-conspirators. An NTU staffer bitterly complained that "right-wing crazies in red polyester slacks" are "out to get" Thornburgh, by "trying to show that he is an evil person" because of his involvement with the CCS and NTU.

Indeed, the same "right-wing crazies," along with a coalition of liberal groups, have succeeded in getting two out of the 32 states which had endorsed "con con" resolutions, to rescind them. (A total of 34 states must adopt such resolutions before a constitutional convention is held). Despite these setbacks, an NTU official recently gloated that there is a good chance several other states may soon adopt such resolutions. With the Attorney General in their corner, the enemies of the U.S. Constitution may soon rack up some important new victories.

Who's protecting Beijing's spies?

by Joseph Brewda

Evidence has emerged that the Bush administration may be protecting mainland Chinese intelligence operations on U.S. territory. According to recent revelations, a Chinese national who seized control of the China Spring group last year is a penetration agent of the People's Republic of China Ministry of State Security. China Spring had been the most important U.S.-based Chinese student organization opposed to the Deng Xiaoping regime. Its policy changed dramatically after Feng Shengping—the alleged P.R.C. operative—took charge. Feng works out of the Washington office of former State Department intelligence chief and CIA deputy director Ray Cline. Cline is a decades-long trusted operative for George Bush. This has led some to conclude that the P.R.C. intelligence coup involving Feng was approved by the White House.

Accusations against Feng center around a series of Ministry of State Security internal documents which had reportedly been leaked to, or stolen by, opponents of the Beijing regime and smuggled out of the mainland. The documents, and supporting evidence, have been making the rounds of the Chinese student movement over recent weeks.

One document, dated April 1989 and entitled "Summary of Progress," deals with P.R.C. intelligence operations in the United States directed against Chinese student organizations. The document details Feng Shengping's role in "infiltrating" China Spring. It notes that a state-by-state takeover of the U.S. organization, made possible by Feng and what the ministry refers to as his "task force," was then in progress. It reports that actual opponents of the Deng regime within the organization were being isolated. Other documents report on Feng and his associates' role in regularly funneling information to their superiors relating to Chinese student movement leaders in the United States.

China Spring was formed in 1982 by Dr. Wang Bingzhang, as the first U.S.-based student organization opposed to the Beijing regime. Its organizing among the Chinese student community in the U.S. proved to be quite successful. In the spring of 1987, Deng Xiaoping himself denounced Dr. Wang in his speech before a plenary session of the 12th Chinese Communist Party Central Committee. In that speech, Deng accused Wang of trying to "lead China on the road to capitalism."

Beijing—and possibly its allies in Washington—was worried. Meanwhile, students in China itself were also becoming increasingly radicalized. China Spring literature smuggled onto the mainland became instrumental in that growing radicalization, as Chinese authorities have since stated.

Feng launches a preemptive coup

However, on Jan. 8, 1989, Feng and 15 of his supporters ran a coup within the executive committee of China Spring, and expelled Wang and all of the organization's founders. Feng, who had been an obscure member based at Princeton University, promptly moved to Washington, D.C. to work out of Cline's two-room office on K Street. Feng's first action as head of China Spring was to initiate civil action against Wang for allegedly pilfering funds. Wang was forced to establish a new organization, the Chinese Democratic Party, in greatly reduced circumstances—and as the revolutionary events in Tiananmen Square approached. On June 30, 1989, the mayor of Beijing, Chen Xitong, delivered a speech justifying the Tiananmen Square massacre, in which he specifically denounced Dr. Wang and his Chinese Democratic Party for "inciting students" and having had "a direct hand in the turmoil."

Shortly after taking over China Spring, Feng and his associates began modifying their opposition to the P.R.C. regime to that of mild criticism. At the same time, Ray Cline formed a new publication, *China and Pacific Rim Letter*, and placed Feng on its editorial board. There, Feng joined a number of active and retired U.S. intelligence agents.

Cline's "investment" in Feng proved to be handy. Immediately following the June 1989 massacre in Beijing, Cline dragged Feng from one Washington press conference to another, in order to "explain" what had happened, and also to "explain" the behavior of President George Bush, whose cowardly betrayal of the massacred Chinese students was then provoking international outrage.

Cline then worked with Feng to form a new organization known as the China Solidarity Committee. The stated purpose of this new organization was to serve as a liaison between the Chinese student movement and the U.S. intelligence community. While it is unclear whom Feng is meeting with, Cline's close associates with Asian intelligence backgrounds include former CIA director William Colby and former Pentagon intelligence chief Gen. Richard Stilwell.

Given such connections, it is not surprising what the line adopted by China Spring spokesmen has become. The Beijing students "went too far" and "should have negotiated," they say. This is the White House line. It was also shortly after the Tiananmen Square massacre that Feng began denouncing Lyndon LaRouche and *EIR* for "extremism" and for being "crooks." This is also a White House line. Cline, for his part, has taken to denouncing LaRouche before Chinese students as the "devil."

Prunskiene sets higher goals for U.S.

by William Jones

It was an astute and proud Lithuanian prime minister who came to Washington, D.C. on May 2, a visit which the Bush administration did everything to prevent, wanting to avoid casting any shadow on the summit meeting between President Bush and Mikhail Gorbachov at the end of May.

Prime Minister Kazimiera Prunskiene, the only woman in the new Lithuanian government, had made inquiries with regard to an American visa at the U.S. embassy in Moscow on her return from a visit to Scandinavia in early April. Whatever the details were of that particular encounter, she was informed that this was not the appropriate time for such a high-level visit by a member of the new Lithuanian government, and that if she did come, it would have to be as a private citizen. When House Democrats got wind of this "cold-shoulder" treatment, they set off a flurry of protests, at which point the State Department and the American embassy began making fervent denials of ever having had the slightest idea of denying the prime minister a visa.

She obviously knew her task was not going to be an easy one. The failure of the Bush administration to act in the face of increasing Soviet pressures on Lithuania, culminating in a full economic blockade just days before the Prunskiene visit, made it clear to all concerned that the American President was going to do everything possible to prop up the Soviet leader and that nothing was going to deter him from that goal. It was also clear from the overwhelming support which Lithuania was getting from Americans, including many members of Congress, that President Bush's appeasement policy was not the most popular item on the agenda.

Popular support

On her arrival in Canada on April 30, the first leg of her North American tour, Prunskiene was met by representatives of the Schiller Institute who greeted her with flowers and a copy of the book *Friedrich Schiller, Poet of Freedom*. As she was leaving Ottawa for her flight to Toronto, the prime minister was greeted with the strains of Beethoven's Ninth Symphony—which has become the unofficial anthem of Lithuania—played at a Schiller Institute literature table in the airport. Again in Washington, among the delegation to greet her was a representative of the Schiller Institute who presented her with flowers as she came out of the terminal.

On May 1, the Senate passed a non-binding resolution,

warning President Bush that it would not ratify any trade pact with Moscow while the Kremlin was conducting an economic embargo against Lithuania. The resolution passed with a sizable 73-24 vote. Anxious lest his Lithuanian policy become his political Achilles heel, President Bush agreed to set up a 40-minute meeting with the Lithuanian prime minister on May 1. Even that meeting did little to assuage his more voluble critics. When the limousine of the prime minister pulled up to the White House, it could not enter through the gates to drive up to the building. White House officials claimed that the door had suddenly jammed. Whatever the case may be, the prime minister had to get out of her car, show her passport to the guards at the gate, and then walk up the drive to the door of the White House.

At a press conference the following day at the National Press Club, Mrs. Prunskiene said that she had described for President Bush the situation in her country and expressed her government's plans and hopes for the future. She made it clear that "simply making statements about compromises is not adequate," when the Soviets were interfering with Lithuania's ties to other countries. Although she thought that a summit meeting could serve a positive function, she did not believe that it was wise at the present moment to grant the Soviets Most Favored Nation status, as that would indicate "implicit support" for their actions against Lithuania. Prunskiene also explained how the lack of Western recognition of an independent Lithuania had been a major argument by the Soviets to refuse to recognize the Lithuanian Declaration of Independence.

The Lithuanian prime minister had the occasion to address several congressional groups, including the congressional members of the Helsinki Commission. In her remarks she made it clear that the choice facing the U.S. administration was not between Gorbachov and Lithuania, but rather between a continued democratization in the Soviet bloc or a return to the methods of the Empire. "In fact I would contend," she said, "that the recognition of Lithuania's independence by East and West would be a tremendous victory for democratization in the Soviet Union within the context of perestroika." And besides, she noted later, "we cannot put the rights of the Empire over those of self-determination." In an interview with NBC, Lithuanian President Vytautas Landsbergis phrased the other side of that dilemma, "If the Soviets crush an independent Lithuania, then perestroika is finished."

Prunskiene also stressed in her discussions with the congressmen that the Lithuanian government had always been quite willing to negotiate with the Soviets and would be willing to "temporarily suspend the quick and unilateral execution of the passed legislation if there were international guarantees." They would not, however, under any circumstances abrogate the March 11 Declaration of Independence, a measure which the Soviets have made into a prerequisite for any negotiations.

Conan meets another barbarian

As grotesque physiques and enraged force replace the models of physical fitness of the 1950s, steroid usage grows.

On May 1, President George Bush hosted bodybuilder Arnold Schwarzenegger at the White House. Arnold, who is to anabolic steroids what Dolly Parton is to injectable silicon, rose to cinematic stardom in the movie "Pumping Iron," and went on to star in "Conan the Barbarian" and its sequels, followed by roles as "The Destroyer" and "The Terminator."

George is apparently still trying to shed his wimp image, especially in light of his limp-wristed responses to communist brutality in China and Lithuania. After all, no one could accuse Conan the Barbarian of carrying an umbrella. Besides, George proved he could be as brutal as they come in his little urban renewal exercise in Panama City. Of course there are carpers who say this proves that George is both a bully and a coward.

So George is proving his machismo by pumping iron with Arnold, who, by the way, has been appointed head of the President's physical fitness commission. This is an interesting commentary on the state of the nation.

In the old days it was the practice to appoint an athlete, such as a track man or a baseball player, as the national symbol of physical fitness. The Rev. Bob Richards, an Olympic champion pole vaulter, known as the "vaulting vicar," is one such who comes to mind. Another was the baseball player Stan Musial. These men were highly skilled, stronger than average, but hardly exemplary of massive size or brute strength. Both off and on the playing field, they projected an impression of being at least civilized gentlemen. This was be-

cause the impression cohered with reality.

Now Arnold is huge and quite strong, but not as strong as other less decorative men his size. This is because strength is not the primary goal of his weight training, but the development of large, shapely, and well-defined muscles—in other words, appearance. He looks strong in a certain homoerotic way, but he is a beauty contestant.

The criteria for judging so-called male beauty have undergone a change over the last two decades. In the late 1950s, Steve Reeves, the Arnold Schwarzenegger of his day, starred in a series of movies based on the exploits of the ancient Greek hero Hercules. Reeves was 6' 2" tall and weighed 225 lbs. when he competed in physique contests. For movies, however, he would reduce to 205 lbs., since it was felt that the magnification of a cinemascope screen would make him appear grotesque at his contest bodyweight.

Arnold, if anything, was heavier in his movie roles than when he competed. Yesterday's grotesqueness is today's standard of beauty, or whatever. Another example is 6' 4", 275 lb. Lou Ferrigno, who runs around in green paint and a purple rage as the Incredible Hulk. The Hulk is the alter ego of an enraged wimp, who transforms into a green meany when sand is kicked in his face.

Arnold embodies the "aura of strength" the way our military embodies the "aura of power." Undoubtedly, he could beat the tar out of the average person just as the U.S. military beat the tar out of the big, bad Panamani-

ans. A more interesting question is how he would fare against a trained martial artist of equal physical endowments, in a real fight—an opponent analogous, shall we say, to the Soviet military.

The common denominator of Arnold's characteristic roles, is the amoral application of brute force and rage to problems that confront him. His enemies are supposedly evil, but their evil appears to consist of possessing civilization and intelligence. For example, the villain in "Conan the Barbarian" is played by the talented and literate actor James Earl Jones. Thus the savage, Conan, is pitted against the merciless wiles of thought and quasi-literate speech.

Arnold claims not to have used steroids, and I suspect he is telling the truth. He had the genetic potential to develop a massive physique and applied considerable physical and, yes, mental effort to the task. Unfortunately, he has become a "role model," and those who seek to emulate him are willing to accept the risks he declined.

Studies showing that 5% of high school students use anabolic steroids indicate the extent of the problem. Even if Arnold doesn't use steroids and polemicizes against their use, he is emblematic of what one hopes to attain by using them. All the professional football players who tell kids not to use drugs cannot change the fact that drug use is rampant in professional athletics.

Contrary to some of the characters he portrays, Arnold is not stupid. He accomplished what he set out to, and obtained the rewards of that accomplishment—money, fame, and a marriage into the Kennedy clan via Maria Shriver. As opposed to his more working class colleague, Ferrigno, Arnold is the "yuppie Hulk." Now we know the true identity of the enraged wimp.

Economic holocaust looms from Clean Air Act

Although the Senate on April 3 voted 89 to 11 to approve the Clean Air Act and the House Committee on Energy and Commerce passed its own clean air bill on April 5 by a vote of 41 to 1, there is growing concern on Capitol Hill that this particular piece of legislation could create an economic holocaust in the U.S.

In comments on the House floor on May 8, Rep. Tom DeLay (R-Tex.) said he considered it "very frightening when we have scientists in our country that are more interested in the emotionalism and firing people up than being effective, than being honest." Noting that much of the debate around the Clean Air Act consisted of "a lot of rhetoric, a lot of hysteria, a lot of emotionalism" and "little or no scientific facts," DeLay warned that the Clean Air Act had the potential "of shutting down America's economy and for putting up to 3.7 million jobs at risk."

Brady proposes top-down control of economy

In a dramatic move on May 8, Treasury Secretary Nicholas Brady and Undersecretary Robert Glauber told the Senate Agriculture Committee that the administration wants to remove control over stock index futures from the Commodity Futures Trading Commission and give it to the Securities and Exchange Commission.

Currently, the CFTC regulates the Chicago futures markets, while the SEC oversees the stock market. Brady said the administration would file a bill to that effect during the coming week.

In a letter from the Treasury Secretary to the committee, Brady said

their goal was to make the SEC the one regulator over both stocks and stock index futures, since having one regulator, it is claimed, would help prevent fraud. As the Bush administration is faced with a general collapse of U.S. financial markets, they are making a frantic attempt to install top-down control, hoping thereby to avoid the full brunt of a ratchet-collapse—a move which would toll the death-knell for this administration.

"If we do not take the necessary steps to correct the problem now," said Brady, "we are more likely to see minor events trigger major market disruptions like the ones we experienced in October of 1987 and October of 1989."

Senate Agriculture Committee members seemed to give a rather cold reception to the proposal. CFTC Chairman Wendy Gramm, a strong opponent of the move, warned that such "jurisdictional gerrymandering will disrupt our markets."

Congress irked by Supreme Court tax ruling

More than 70 members of Congress announced on May 3 they are sponsoring legislation to block a recent Supreme Court decision that allowed judges to order local government officials to raise taxes.

In the recent case of *Missouri v. Jenkins*, the Supreme Court ruled that the judge in the case had exceeded his authority in raising taxes himself. But a 5-4 majority said the judge did have the power to make local officials raise taxes—even when the tax increases violated Missouri law.

"A local government with taxing authority may be ordered to levy taxes in excess of the limit set by state statute where there is reason based in the

Constitution for not observing the statutory limitation," wrote Justice Byron White.

In a dissenting opinion, Justice Anthony Kennedy said the majority's ruling "disregards the fundamental precepts for the democratic control of public institutions."

Some congressmen, anxious also about the constitutional implications of this decision, are preparing to take the court on. Sen. Charles Grassley (R-Iowa) called the decision "a frontal assault on the separation of powers."

"We expect to oppose this decision," said Sen. Strom Thurmond (R-S.C.), the ranking Member on the Senate Judiciary Committee and one of the bill's co-sponsors. "We expect to go all the way with it."

"It's time for us to send a message to the Supreme Court: We are in charge of this country and not you," said Rep. Tommy Robinson (R-Ark.).

The bill would prohibit federal judges from issuing any judicial decree requiring the federal or any state or local government to impose any new tax or to increase any existing tax or tax rate.

Congress told of Soviet INF treaty violations

In testimony before the Senate Foreign Relations Committee on May 3, Ronald Lehman, Director of the Arms Control and Disarmament Agency, said that the Soviets may be violating the Intermediate Nuclear Forces agreements. Lehman explained how his agency had "found SS-4 related equipment at an undeclared site."

Lehman said his agency is investigating the discovery of the missile parts and would not "prejudge" whether it was a violation of the 1987

INF treaty. An administration official explained to the *Washington Times* that a spy satellite filmed two SS-4 missile launchers and four transporters last month at Kotovsk, near the Soviet border with Romania. The Soviets claimed the equipment is "junk," according to the official.

Lehman also said the Soviet transfer of several SS-23 short-range missiles to Eastern Europe, in violation of the INF agreement, is being investigated by ACDA "very, very seriously."

Sen. Jesse Helms (R-N.C.) said the SS-23 missiles in East Germany, Czechoslovakia, and Bulgaria are "clear-cut examples of the existence of Soviet covert INF forces."

Battle over Red China MFN status looms

With the approach of the anniversary of the massacre in Tiananmen Square, President Bush is scheduled to make a decision on whether to renew the People's Republic of China's Most Favored Nation (MFN) trade status. The MFN issue will again bring to the fore the question of whether there has been any positive change in China with regard to human rights as a result of President Bush's Chamberlain-like appeasement of the Chinese butchers.

The British embassy in Washington has already begun lobbying Congress not to withdraw MFN status, warning that its removal could strip Hong Kong of several billion dollars worth of business. Even Winston Lord, a Kissinger protégé who opposed Bush's sending of National Security Adviser Brent Scowcroft and State Department official Lawrence Eagleburger to China to toast the butchers of Tiananmen in December of 1989, is proposing a go-slow atti-

tude with regard to withdrawing MFN status.

Senate Majority Leader George Mitchell (D-Me.) strongly opposes the renewal of MFN status for the P.R.C., and opposition is expected to be intense. Outrage in Congress over the Tiananmen massacre led to a series of sanctions imposed on China, but these were vetoed by the administration.

Senate resolution supports Latvia

As the nation of Latvia declared its independence on May 4, a Senate resolution was introduced by Sen. Dennis DeConcini (D-Ariz.) to the Senate Foreign Relations Committee backing the Latvian move.

The resolution urges that the government of the United States "1) immediately offer its moral support for the Latvian decision to seek its independence from the Soviet Union, and 2) urge the Government of the Soviet Union to respond to the Latvian offer to enter into negotiations with the elected officials of the Republic of Latvia leading to full independence for the Republic of Latvia."

Bush War on Drugs found ineffective

A report issued by the Senate Judiciary Committee on May 10 said that the Bush administration was undercounting the cocaine-addict population of the U.S. by a factor of almost 3 to 1, fueling charges that the administration's claims of success in the drug war are overstated.

The report, described by committee staffers as the most comprehensive yet, concluded that about 2.2 million

Americans use cocaine at least once a week—nearly three times previous official estimates. The report also indicated that there are about 2,000 "hard-core" cocaine abusers in the District of Columbia, 53,000 in Virginia, and 47,000 in Maryland.

Committee Chairman Sen. Joseph Biden (D-Del.) said the figures suggest that the nation's hard-core cocaine problem is "far worse than any previous guesses," and justifies a "massive new effort" to increase spending for drug treatment, aid for austerity-plagued cities, and building more prisons with treatment facilities. No new proposals were contained in the report, although Biden has recommended spending as much as \$14.6 billion next year to combat drugs. The administration wants to spend \$10.6 billion.

Frank denies knowledge of prostitution ring

A former female prostitute testified for three hours on May 11 before the House ethics committee about a sex-for-hire ring that she claimed was run from the home of Rep. Barney Frank (D-Mass.) with the knowledge of the congressman. Frank called the woman's statements "complete lies and fabricated stories about events which did not happen."

Frank has submitted an affidavit to the committee from his former landlady, who said she did not believe that Frank knew of the activities of his homosexual lover, Stephen Gobie, who was operating the ring. In her sworn statement, the landlady, Mary Jo Daugherty, said she complained to Frank about Gobie entertaining visitors in the summer of 1987. Frank, she said, "seemed stunned," and subsequently she "never saw Gobie again."

National News

SAC chief challenges Cheney budget rationale

Gen. John T. Chain Jr., commander of the Strategic Air Command, told reporters that the decision to reduce by 50% the purchase of B-2 strategic bombers was motivated by fiscal, not strategic considerations, and reflected the actions of Pentagon civilian budget cutters and not the military views of the Air Force.

Chain directly contradicted the argument that "a reduced target base in Europe" limits demand for the strategic weapon, an assertion made by Secretary of Defense Richard Cheney during a budget hearing in late April.

Chain emphasized that the weapons carried aboard the B-2 are not designed for use in Eastern Europe, and added that if further reductions in the size of the fleet are proposed, he will not support the administration's arms control package for the upcoming summit. Chain's remarks reflect a growing fear among military leaders that the defense cuts of the Bush administration will accelerate as the economic collapse wipes out revenue projections. Chain has actively lobbied for Air Force programs in defiance of the secretary of defense.

Judge orders government to list Noriega assets

U.S. District Judge William M. Hoehveler on May 5 ordered U.S. government prosecutors to provide a list of \$20 million in assets seized from Panamanian Gen. Manuel A. Noriega.

In issuing the order, Judge Hoehveler said that while General Noriega clearly could not use "ill-gotten gains" to pay his lawyers, the government could not arbitrarily seize money without proving that he had earned it through drug trafficking or other illegal means.

At the May 5 hearing, chief defense lawyer Frank Rubino contended that American intelligence agencies had paid \$11 million

to General Noriega, and that other foreign governments had paid him \$6 million more. "I don't know if you can call money from the CIA tainted or not," Rubino said, "but it's certainly not drug money."

The government insists that Rubino has been already paid \$1 million or more and insists it is under no obligation to turn over drug-tainted funds to the jailed suspect. But Judge Hoehveler, noting that Noriega had been a military officer for more than 20 years, said he must have acquired some money legitimately.

Gen. Fred Woerner, former head of the Southern Command in Panama, told an audience at the Florida International University that the prospects of convicting General Noriega are slim. Fired from his command position over his opposition to the Bush administration invasion plans, Woerner said he had "very little confidence in the veracity" of statements made to the U.S. Congress by Noriega oppositionist José Blandón, in particular, and said that he had made an intensive intelligence investigation into rumors of Cuban infiltration of the Panamanian Defense Forces throughout his tenure, and found "no evidence of Cuban troops in Panama" during that time.

Loggers protest against environmentalist insanity

On April 28 more than 1,500 loggers, mill workers, and their families demonstrated in Hoquiem, Washington against the environmentalist destruction of their livelihoods. With signs calling for an end to taking more and more forests out of production to save the spotted owl, demonstrators for an hour blocked the main north-south highway on the coast of Washington.

The demonstration was organized by contractors and workers outraged over the recent recommendation that 25% more of the old growth forests of Washington, Oregon, and northern California be set aside to protect the spotted owl. In the Olympic Peninsula area of Washington State alone, more than 10,000 jobs will be lost if this recommendation is acted on, as is likely, by

the federal government.

In late April, more than 8,500 loggers and mill workers drove their logging trucks into Portland, Oregon in protest against the expansion of land taken out of production to save the spotted owl. Another demonstration will be held in Kelso, Washington on May 19.

On May 9, Ed Christie, the "Free LaRouche" candidate for governor of Oregon, held a press conference and rally at the University of Oregon in Eugene, calling for economic impact hearings before any environmental bill can be enacted.

Eco-fascist insanity on California ballot

Over 800,000 signatures were filed in California by environmentalists on April 25 in an attempt to put the most draconian environmental policies yet into law through a voter referendum.

Leading eco-fascists told the press they expect to win in November. "There's no way we can lose. . . . This is a done deal," Bob Mulholland, the "Big Green" initiative's campaign manager told the *New York Times*.

Policies which the referendum would mandate include a complete ban on all pesticides judged by a panel of environmentalists to have the slightest possibility of causing cancer or reproductive damage, a ban on foods produced out-of-state if a trace residue of such chemicals is detected, and a cut in the emissions of carbon dioxide of 20% by the year 2000 and 40% by 2010. Oil drilling within three miles of the coast would be forbidden unless the President declared a national emergency.

According to a preliminary study by Spectrum Economics, Inc., of San Francisco, the initiative would increase gasoline prices by 25-50¢ a gallon, raise electricity rates by more than 20%, force food processors, supermarkets, restaurants, and shippers to spend millions of dollars to replace refrigeration units, and would cost the state 1 million jobs by the year 2000.

Briefly

Americans dropping out of 'the system'

A study on "The Media and the Electorate" released by the Markle Commission reported that nearly two-thirds of the American electorate no longer participate in elections, according to May 6 press accounts.

A large percentage of people surveyed could not name the vice presidential candidates in the 1988 race; 33 million households have not sent in their census forms—a rate of non-compliance 12% higher than expected by the Census Bureau; and for every \$5 in taxes owed, \$1 is being evaded.

"A dangerous disconnection is widening between the American electorate and its own political process," according to Eugene Patterson, editor emeritus of the *St. Petersburg Times* and a member of the private foundation which released the study.

This latest report comes on the heels of an upheaval in the television industry which was caused by a Nielsen survey which discovered that over 4% of television viewers have "dropped out" in the last several years and are just not watching the tube. Burton Yale Pines, director of the Heritage Foundation, claimed this is a "happy apathy" of a population satisfied with the performance of its government.

OSI 'Nazi-hunters' under investigation

The U.S. Justice Department has begun a probe of alleged misconduct on the part of the leading officials within the Office of Special Investigations, according to the May 8 *Washington Post*.

Two congressmen, Reps. William Dannemeyer (R-Calif.) and David Dreier (R-Calif.), have received letters from the DoJ stating that the department's Office of Professional Responsibility has "initiated an inquiry" into the extradition of Andrija Artukovic, a former minister of the wartime gov-

ernment of Croatia, now part of Yugoslavia.

Artukovic, a longtime California resident, was charged by OSI with having supervised the mass murder of Jews and Serbs. He was extradited by the OSI in 1986, subsequently convicted of murder in a Yugoslav court, and died in prison in 1988 while appealing his conviction and death sentence.

The *Post* said his son Radoslav Artukovic, had caught the attention of officials in Congress with documents that suggest OSI officials may have withheld evidence of contradictory testimony by two key witnesses; misled a federal magistrate about OSI's role in organizing the extradition, by claiming, falsely, that it was the Yugoslavians who initiated the extradition, when it was the OSI; and relied upon the testimony of a discredited witness.

LaRouche seven prepare Supreme Court appeal

Lyndon LaRouche and six associates, who were railroaded to jail last year, will file their appeal to the U.S. Supreme Court on May 17. The brief will highlight facts showing that every due process requirement was sacrificed to efficiency or the "rocket docket" known as Judge Albert Bryan's court.

The high court will be asked to take this case because of what occurred—a 35-day rush to trial, the selection of a jury in less than two hours in the face of massive hostile pre-trial publicity, and the court's issuing an order which prevented the defendants from putting their defense before the jury—procedures which, if accepted as standard, will mean there is no justice to be had in the United States today. The LaRouche case will be the test case to determine whether the U.S. will fully succumb to judicial fascism.

The U.S. government will have until mid-June to respond to the brief. The Supreme Court will then decide if it will take the LaRouche appeal for briefing and argument, or whether it will condone the Fourth Circuit's rubberstamping of Judge Bryan's railroad.

● **THE TASK FORCE** for Black Empowerment plans to file a petition with the U.N. Human Rights Commission in Geneva, Switzerland on human rights violations against black politicians in the U.S., its attorney, Mr. Knox, said May 7 on WGCI-AM radio in Chicago.

● **THE LEADERSHIP** of the Washington, D.C. Democratic Party was defeated May 3 in its attempt to force through a resolution calling on Mayor Marion Barry not to seek reelection. Committeeman Richard Clark called it "unfair, undemocratic," and "an execution order."

● **FAY YAGER**, who faces charges of child abuse stemming from her efforts to help child victims of satanic abuse, told the May 7 *Atlanta Journal-Constitution* that she's being persecuted by authorities because she knows too much. Yager said, referring to organized rings of child abusers, "I've got the goods on them. The bottom is going to fall out."

● **HARVEY VAN FOSSAN** of Springfield, Illinois, was fined \$450 and sentenced to three years probation after fulfilling a city order to rid his lot of pigeons. Van Fossan was prosecuted under the Migratory Bird Treaty Act after the poison he laid out for the pigeons also killed two doves and two grackles.

● **THE NATION** of Islam has announced its first foray into electoral politics, fielding Abdul Alim Muhammad, spokesman for Louis Farakhan, for Maryland's 5th Congressional District; George X. Cure, for U.S. Delegate from D.C.; and Shawn Brakeen for a D.C. school board seat.

● **PRESIDENT BUSH** has set up an emergency board to try to head off a nationwide rail strike. "The national mediation board has concluded that the situation is extremely critical," the White House said May 4.

Editorial

Two steps backward, one step forward

It now seems likely that the upcoming Bush-Gorbachov summit will be stalled on disarmament questions, with the Soviets backing off from previous agreements, and increasing their demands on the United States. For example, they now demand linkage of signing of the START treaty to consideration of submarine-launched cruise missiles (SLCMs). The question is, what is the military-strategic position of the world over the medium to long term, and with emphasis upon those things which must be taken into consideration immediately, respecting decisions, political and others, which must be made, because of their long-term effect?

In general, it should be obvious that all of the strategic assessments, overt and possibly covert, around the Bush administration, are incompetent. The Bush administration, and the institutions functioning as part of the Bush administration team, have no comprehension of what is happening in the world.

We cannot say that the Bush administration is dedicated to preserving the United States as it was founded, as a republic, in respect to adversary forces; that is, forces which are adversary to that purpose, and that interest which the United States was founded to represent, as a constitutional republic. Rather, the Bush administration is itself betraying, irrevocably, if it continues the present course, the most fundamental interests of both the United States as such and Western civilization as a whole.

On the other side, the Soviets maintain a commitment to preserving the historic Russian "Third Rome" policy. The Russians are willing to accept a tactical retreat in eastern Europe, in order to regroup their forces, and reorganize their armed forces to incorporate technologies based upon new physical principles, such as radio-frequency devices.

In that light, what the Russians are doing, to whatever degree they are or are not aware of this fact, is that they are copying Lenin's "two steps backward, one step forward." Faced with the fact that they cannot hold certain ground, under present conditions, but also the fact that the Anglo-American financial economic sys-

tem is in a process of collapse, with what that implies, the Russians are retreating to some degree, with a view of moving forward in the future—once the full effect of the Anglo-American financial economic debacle occurs.

In the United States there is a prevailing insanity, that military policy must be shaped around demands of the budget, rather than on the question of the imperatives of national defense. This gives rise to the wishful thinking that the Soviets are no longer an enemy.

What the military imperative implies, is a buildup of Western economies, to enable them to carry the necessary defense burden. In the United States this means scrapping the policy of the past 25 years, scrapping the rock-drug-sex counterculture, scrapping monetarism, scrapping the hideous cult of free trade, and so forth. It means going to a development policy in the developing nations. That is, a policy of high-technology, scientific, and technological development. It means scrapping so-called environmentalism, or at least the cult form in which it's rolling around Reilly's Environmental Protection Agency today.

There are two ways of looking at military technology: One is the development of the most advanced military technologies, such as those implied by the original LaRouche policy for a Strategic Defense Initiative. From such a course of investment, productivity spin-offs into the general economy would essentially make the program self-financing.

The other approach, assuming a dominant pacifist mood in policy circles because of fear of offending the Soviets, at the minimum we must defend the military logistical potentials of the economy to allow rapid rearmament. This means a surge of industrial activity and energy-dense, capital-intense investment per capita, and large-scale infrastructure investment and investment in the development of the machine-tool industry. Unfortunately, the Bush administration is wedded to Maggie Thatcher's lame duck free-market economics, just as they are blindsided about the reality of Soviet policy.

LaROUCHE

YOU MAY LOVE HIM

YOU MAY HATE HIM

BUT

YOU'D BETTER

KNOW WHAT

HE HAS TO SAY



The Power of Reason: 1988

an autobiography by Lyndon H. LaRouche, Jr.



The Power of Reason: 1988

An Autobiography by Lyndon H. LaRouche, Jr.

Published by Executive Intelligence Review

Order from Ben Franklin Booksellers, 27 South King St., Leesburg, VA 22075. \$10 plus shipping (\$1.50 for first copy, .50 for each additional). Bulk rates available.

The story of those who paved the way for the American Revolution, long before the Declaration of Independence: Massachusetts Puritan Cotton Mather, Virginia's Governor Alexander Spotswood, British satirist Jonathan Swift. . . .

How the Nation Was Won

America's Untold Story 1630-1754

by H. Graham Lowry

Published by Executive Intelligence Review

Order from Benjamin Franklin Booksellers, 27 South King Street, Leesburg, VA 22075. \$14.95 plus shipping: \$1.50 for first copy, \$.50 for additional copies. Bulk rates available.

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 deutschmarks 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.

Why doesn't the United States stand up for freedom and justice any more?

AMERICAN LEVIATHAN

Administrative Fascism under the Bush Regime

EIR's Special Reports have proven devastatingly correct and ahead of their time over and over again. This intelligence dossier on the U.S. Secret Government, distilled in spring 1990 from two decades of investigation by hundreds of independent researchers on three continents, includes:

- Lyndon LaRouche's "U.S. Elites Adopt Administrative Fascism." Why the imprisonment of the economist and former presidential candidate means the self-destruction of the U.S. Establishment.
- The first full-length exposé of the career of Attorney General Richard Thornburgh, the inventor of the so-called "Thornburgh Doctrine," used to justify the invasion and the slaughter of thousands of civilians in Panama.
- Published for the first time in the West: The ties of Col. Oliver North's "Enterprise" to the East bloc, especially to East German communist arms and drug dealer Alexander Schalck-Golodkowski.
- A rare insight into the accord between Washington and the Soviet and Chinese dictators, resembling the "family" affairs of private bankers and mafia chieftans.
- What's behind it all: the racist, malthusian imperial policies of Bush's ego-ideal, President Theodore Roosevelt.



212 pages, illustrated, with index. Also available in German-language edition.

Make check or money order payable to:

EIR News Service, Inc.

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

MasterCard and Visa accepted; include signature, card number, and expiration date.

\$100
postpaid
per copy