

It's All Over, and Now

... Back to the Future

This edition of *CounterPunch* leaves the presses as voters prepare for their sorties to the polling booth. As political education, Campaign '96 has been useful. Awareness of the overwhelming weight of corporate money has been considerably enhanced, with the Lippo Affair evoking the archetypal Democratic bagman of our time, the late Ron Brown.

Two years ago, in the wake of so-called "Newtquake", *CounterPunch* disputed the notion of a seismic change in the political landscape, of the sort ecstatically heralded on the editorial pages of the *Wall Street Journal*. We were right and the *Journal's* editors were wrong, as they have been with gratifying frequency ever since.

We also disputed the likelihood — tirelessly promoted by *The Nation* and other liberal periodicals — of a legislative bloodbath executed by the far right. We said then that the neoliberal agenda represented far more of a threat. And so it came to pass. It was the Clinton administration, not the Young Turks massed behind Dick Army which:

- annulled the rights of immigrants to review evidence against them amassed by the FBI and INS;
- extended police surveillance and eavesdropping powers;
- upheld the 100-to-1 imbalance in sentencing for cocaine and crack possession;
- passed the "Securities Reform Act", a gargantuan gift to Wall Street, the insurance industry, the big accounting firms and Silicon Valley;
- pressed for nullification of US laws under the terms of the free trade agreements;
- hollowed out the Endangered Species Act.

It's hard to recall a president keener on registries and police data bases designed to ensnare the poor and the suspect. Clinton's favorite target of self-righteous abuse has been the black teenage mother. He has postured vilely on the death penalty. His most enduring legislative triumph thus far has been the ending of the federally guaranteed welfare entitlement.

In 1992 Clinton pledged to end welfare and many liberals deluded themselves with the thought that this was rhetorical cover for a national jobs program. Ever since that pledge, the liberal advocates have been content to provide the president with political cover from the left, exacting no price except personal advancement. In Chicago, with the ink still not dry on his signature on the welfare bill, they endorsed Clinton with scarcely a hiccup.

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It is not hard to forecast the legislative contours of Clinton's second term as an onslaught on Social Security and Medicare. This has already been announced by White House Chief of Staff Leon Panetta in mid-September when he told *USA Today* that Clinton hopes his "legacy" will be reform of these two mementos from the New Deal and the Great Society. It won't be long before Clinton will pick the bankers and planned shrinkers to sit on the bipartisan commissions which will recommend cuts which the liberals will ultimately forgive as being necessary to ensure the succession of Al Gore. The function of the right, as before, will be to press maximalist bills from which Clinton and the Democrats can then boast they have trimmed the worst excesses.

This was a bloodless election, in which the Demons tirelessly evoked by Democratic fundraisers — Newt Gingrich, Pat Buchanan, the Christian Right — were forced into the shadows by the obvious fact that they were death to the larger Republican cause. It was an election in which there was an often astonishing fissure between the demure banality of political discourse and the lurid headlines advertis-

ing the true nature of things, such as the \$100 million fine — the largest criminal penalty for price-fixing in the nation's history by a factor of seven — levied on Archer Daniels Midland, one of the most prominent paymasters of both Democrats and Republicans, and also disburser of funds — about \$6 million a year — to the Lehrer News Hour, which reaffirmed its loyalty to ADM in the wake of the \$100 million fine.

For the left the campaign was a pretty mixed bag. The Nader campaign failed to capitalize on considerable enthusiasm, largely because the candidate had no wish to offer himself as anything more than what he frankly told *CounterPunch* he was; someone who felt that the left had to offer some alternative, however symbolic, to Clinton.

But if the more serious question now is what sort of resistance is mounted between these forays to the polling booth, it is hard to descry anything more than the most embryonic challenge from the left. Big Labor threw all its resources behind Clinton. The nascent Labor Party has ruled out electoral politics, and also any vigorous reform movement within the unions. The New Party has developed promising economic and wage strategies in cities such as Milwaukee, but is still far from making a national impact. All in all, there is scant threat to the sort of tripartisanship that saw Bob Dole vote approval for 97 percent of Clinton's judicial nominees to the federal bench (34 percent them were millionaires) and that saw "independent socialist" Bernie Sanders vote more often (about 94 percent of the time) for the Democratic line than did the Democratic Majority leader himself, Dick Gephardt.

The populist tinder is always dry and ready to be kindled. Buchanan briefly ignited it, albeit in a manner fatally stained by racism. Nader and Perot failed. But the constituency is there, and growing. The *New York Times* has launched Bill Clinton on his second term with the encouragement that with suitable adjustments to his morals he could end up as one of the century's great presidents. The liberals dream that now at last Bill will allow himself to be Bill. Part of our role here at *CounterPunch* is puncturing illusions and introducing uncomfortable and inconvenient facts. The next four years promise to be fertile ones for such an endeavor. ■

Russia's Nukes: New Deal

Behind closed doors in Washington and Moscow rages a furious battle over the fate of 500 tons of nuclear material from the warheads of Russian nuclear missiles. The material is highly enriched uranium (HEU). It can easily be used to make new weapons, which is why the Bush administration decided to buy it from the Russians — for \$12 billion. Now a group headed by a mysterious Russian-American businessman with high level connections in Washington and Moscow is trying to take over the trade.

The "HEU deal", as it is commonly known, was born at the time of the collapse of the Soviet Union. The idea was to take the lethal bomb-grade material from Russian warheads, dilute it with natural uranium and thus render it suitable as fuel for nuclear reactors. The US government would then buy it, recouping its investment by selling the material to nuclear power companies in the US. As eventually negotiated, 500 tons (enough for 25,000 simple nuclear weapons) would be delivered over 20 years for a total cost of \$12 billion.

On the Russian side the deal was in the hands of Minatom, the colossus that controls the nuclear industry there, including the famous "secret cities" where the weapons are made and dismantled.

Victor Mikhailov, the powerful Minatom chief who has tried to make money by selling nuclear technology to the Iranians, was delighted at the prospect of such an enormous flow of cash. His dealings with the West have not always ended happily. Nuexco, an American nuclear trading company, went bankrupt owing Minatom almost \$430 million — al-

Shusterovich's ties to the master of the Russian nuclear complex has given him an inside track to buy billions in nuclear material.

though Mikhailov himself may not have done so badly. "There is a common perception in the (nuclear fuel) industry that the \$30,000 Rolex Presidential watch he wears came from Nuexco," one nuclear executive confided in an interview.

The Americans appointed the United States Enrichment Corporation (USEC), wholly owned by the government, to handle the US side of the bargain. In 1993, Congress declared that USEC — highly profitable, thanks to heavy subsidies

from the taxpayer — should be privatized so as to raise \$1.5 billion for the Treasury. The scheme was fomented by Department of Energy officials who later became executives of USEC, and who hope to be at the helm when the corporation is sold off. Although the removal from Russia of material for making 25,000 nuclear weapons was the original objective, the USEC wheeler dealers found they could make even more money by discouraging the Russian shipments and obtaining their raw material at a cheaper rate elsewhere.

But now another player has emerged on the scene. Earlier this year a new company called Pleiades announced its intention of buying USEC at the still-to-be-concluded privatization sale. Pleiades, a privately-owned Delaware corporation is certainly not a known player in the nuclear industry. The company does, however, have an interesting Russian connection in the form of its president, Alexander Shusterovich, a 30-year-old US citizen who shuttles between Moscow and New York.

Born in Russia, Shusterovich came to the US with his parents at the age of 12 and ultimately graduated in law and business from Harvard University. Even while at Harvard he was hard at work exploiting the business opportunities of the new Russia. His interests in Moscow have reportedly included a share in a movie studio, an art gallery, a brewery and a scientific publishing business. Sources in the Russian nuclear industry, who detest this interloper, have alleged that he has also been involved in the flourishing Russian pornography business. When in Moscow he moves around amid a robust team of bodyguards.

Why would a well-protected "scientific publisher" think he has a chance of getting the right to buy \$12 billion worth of nuclear weapons material? Part of the answer lies in Shusterovich's very intimate connection with the master of the Russian nuclear complex, Victor Mikhailov. The two are so close that Mikhailov is commonly referred to as Shusterovich's "godfather". The older man attended Shusterovich's graduation ceremony, the pair have traveled together in the United States and, most importantly, Mikhailov is unreservedly backing Shusterovich's nuclear bid. As chief counsel of Pleiades, the youthful Nasir Hashim, a lawyer bereft of nuclear

Guns, Drugs and the CIA: Sequel

When we left him in our last issue of *CounterPunch* the *Washington Post's* Walter Pincus was expending many thousands of words in efforts to demolish charges that his erstwhile would-be employer, the CIA, had ever had any connection with the drug smuggling from Nicaraguan contras to the inner cities and white suburbs of the United States.

Pincus went back into action in the *Post* for October 31, in a modified hang-out posture. He concedes that when Eden Pastora (aka Commandante Zero) was head of the contra group known as ARDE, he was engaged in cocaine trafficking with Miami-based drug smuggler George Morales, and that the CIA was aware of this.

But once again Pincus gets it wrong. The CIA was always happy to tout stories about Pastora because the Agency regarded him as a loose cannon. What Morales told the Kerry Committee and certain journalists was this: he flew arms from Florida down to John Hull's ranch in Costa Rica, to a group supported by the CIA and aimed at supplanting Pastora and ARDE. Morales carried back drugs to Florida and recounted how his landings at Homestead and other airports, though in DEA and CIA-monitored airspace, were always remarkably trouble-free. He was clear that the CIA connived at the drug smuggling. Morales was killed in a car crash some years ago. ■