

# EIR

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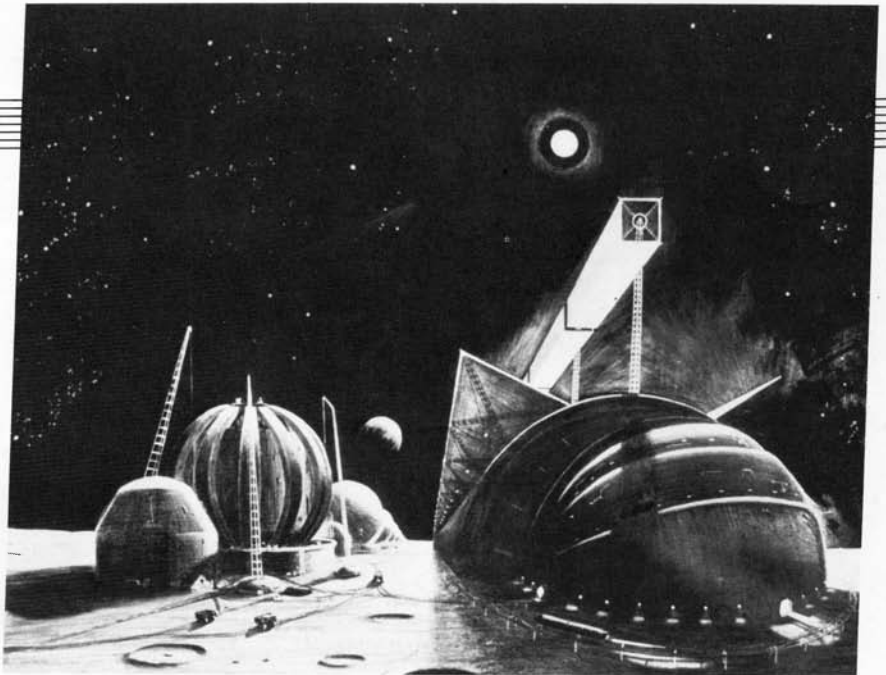
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Kissinger warns of INF impact

**Brazil AIDS conference  
rips health establishment**



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# EIR

## From the Editor

The contents of this issue are grouped around the three areas which explain the dramatic growth of influence of *EIR* and its founding editor, Lyndon H. LaRouche, Jr.: our authority on AIDS, the economy, and strategic issues.

- **AIDS.** The cover story reports on a conference in Brazil addressed by three frequent contributors to *EIR*, medical editor Dr. John Grauerholz; Dr. Jonathan Tennenbaum, who has written numerous *EIR* articles on optical biophysics; and Mexican physician Dr. Bertha Farfán. As we were translating Dr. Farfán's speech, which details the effects of the economic austerity which has turned Ibero-America into a hotbed for disease, news arrived from Europe (see page 9) that AIDS experts at a conference in Italy had massively vindicated *EIR*'s and LaRouche's thesis of the economic co-factors determining the spread of AIDS in Africa—a thesis many of these same experts previously denied.

- **The economy.** The historic avalanche in the Dow Jones industrial average on Friday, Oct. 16 was not a mere "downward correction" of the stock market in the midst of the ongoing "recovery," as the nervous pundits of U.S. liberal establishment media would have it—unless you believe that the meeting between the Titanic and the iceberg was a "downward correction." Rather, we are witnessing the warning tremors of a financial crash that may no longer be postponable. There is only one political leader who has both anticipated such a crisis and prepared an emergency program to deal with it—Lyndon H. LaRouche, Jr. See *Economics* and the lead article in *National*, for more ramifications.

- **Strategic crisis.** A special investigative report appears on pages 44-48, on the mysterious death of West German politician Uwe Barschel in Geneva on Oct. 11, and the leads pointing to the East-West "Trust" circles involved both in shipping arms to Khomeini's Iran, and preparing the New Yalta sellout of Europe to the Soviet Union. On page 56, we present Lyndon LaRouche's analysis of Kissinger's warnings about the dangers of the imminent INF treaty, together with a report on the Atlantic Commission meeting where the warnings were put out.

*Nora Hamerman*

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## The end of the Great Bull Market

by Chris White

The "Great Bull Market" is over. The five-year speculative bash on Wall Street came to an abrupt end during the course of third week of October. With the end of the bull market so ends too the financial underpinnings of Ronald Reagan's "Great Recovery," now supposedly, in the 59th month of sustained economic growth, and according to some, challenging the "recovery" of 1933-38.

There's been a lot of discussion about what should be done now. Some demand that internal U.S. interest rates be increased. Others demand a further campaign to collapse the U.S. dollar on foreign exchange markets. Alan Greenspan's Federal Reserve meanwhile is playing games with the federal funds rate, the interest banks have to pay to borrow funds from the Federal Reserve System, in order to pump money into the banking system to try to keep things afloat.

Whatever the geniuses supposedly in charge decide to do, the stage has been set for the next phase of the crisis, which some are already calling the "big one." Granted, the Dow Jones Index has shed, by this writing, over 17% of the nominal value it chalked up at the market's highwater mark in August, after this publication began to warn of the disasters that lay ahead for September and October. What lies ahead, in what the more perspicacious of market analysts are already calling "uncharted territory," is much more than the awesome intellects who created the worsening crisis are equipped to deal with.

### Cut off by foreign creditors

Leave aside their proposed remedies for the moment, to focus on the question of what is driving the unraveling of the stock market. On one level, the United States, dependent on a capital inflow of between \$150-180 billion per year to keep afloat, has been cut off by its foreign creditors, especially West Germany, Japan, and the oil producers of the Persian

Gulf. While foreign central banks have spent about \$90 billion so far this year, intervening against their own economies to hold the dollar relatively stable, the inflow of foreign funds has not happened. Net, the inflow of foreign funds, for the year so far, has been zero.

After all, why should Germany and Japan, and others among U.S. creditors, continue to throw good money after bad, and risk destroying their own economies, too?

The drying up of new foreign funds underlies the development of the actual crisis that is presently functioning as the driver for the more apparently sensational collapse of the stock market. That crisis is represented by the collapse of the bond markets, markets for government and other kinds of securitized debt. The collapse in that market is shown by the steady increase in interest rates on government and corporate bonds.

The conventional wisdom is that during stock market "corrections," money leaves the stock market and goes into bond markets, where returns are less glamorous but supposedly more secure. This time the collapse of the bond markets is sucking liquidity out of stocks at an accelerating rate.

### The end of 'innovative' banking

Those who demand the increase of interest rates, or the further collapse of the dollar will only make things worse. But, what is it that they will make worse?

This publication, and its sister, *EIR Quarterly Economic Report*, have been almost unique over the last five years of the so-called "bull" market's existence, in warning against the proliferation of what some, like former Treasury Secretary and White House Chief of Staff Donald Regan, have been known to call "creative" or "innovative" banking practices.

Since the unleashing of the debt crisis in the fall of 1982,

the big commercial banks have moved, at an increasingly rapid rate, out of the practices traditionally associated with banking. They no longer lend to encourage a borrower's capacity to increase his potential to repay a loan. Instead, they package and pass on negotiable instruments, securities, making their money on the difference between what they pay to borrow, and what the purchaser of the negotiable notes pays them.

They have developed, on these margins, a chain-letter or Ponzi scheme bubble unparalleled in human history. The formal name for the phenomenon is the banks' "off-balance-sheet liabilities," liabilities which are not tied to banks' reserves, or to their deposit base, by any relation at all. Such off-balance-sheet liabilities, unsecured paper, amount to about \$7 trillion, growing from nothing in 1982. The liabilities that the U.S. banks keep off their balance sheets are far bigger than the total gross national product, and about half of the total debt obligations accounted for by the U.S. credit system.

The stock market is collapsing because the funds are being sucked into bond markets by liquidity-desperate banks. Meanwhile, the daily upticks in bond market interest rates are wiping out the margins on which the banks have depended since 1982 for their survival.

This has shown up in the recent collapse of First Bank of Minnesota. It was the first bank to reportedly go under because of the effects of the declining spreads on the bond market. The efforts by Chemical Bank and Marine Midland in Buffalo to organize a stampede for an increase in interest rates proceed from the same causes. Chemical just announced losses of \$66 million for the recently concluded quarter, and has laid off 10% of its staff, and cut back on its real estate holdings. Marine Midland is desperately trying to induce the Hongkong and Shanghai Bank to expand its share in the bank to the whole operation.

Similarly, at the level of the investment banks themselves: There, two of the largest, Salomon Brothers, and Kidder Peabody, have announced layoffs, and the closure of whole departments, all for the same reasons.

Then, we presented the analysis some months ago that an increase in interest rates, to the level of 8½-9%, would be sufficient to push about 1,000 of the country's approximately 3,000 thrift institutions over the edge.

The collapse of the securitized "off-balance-sheet liability" shell game, threatening the banking system as a whole, is the reality behind the stock market collapse. The bankruptcy of the banking system, wrecked by so-called "innovative" banking practices, has set off what could well become a self-feeding liquidation cycle which will suck all into the abyss.

### Three sets of options

What this implies is quite straightforward. Whatever Treasury Secretary Baker and Federal Reserve Chairman "Ayatollah" Greenspan decide to do over the next short period ahead, through Oct. 26, when U.S. bank regulators have

to, yet again, decide what to do about Brazil's defaulted debt, will be pretty much irrelevant. They may seek to demonstrate that someone is in control in the United States to halt the slide in the stock market, but they will not be addressing the liquidity crisis in the bankrupt banking system, which is driving the liquidity out of the stock markets.

Does this mean that the next phase of the crash is, as of now, unstoppable? Not necessarily. Baker and Greenspan, given their limitations, will play around with three sets of options. Increasing interest rates, collapsing the dollar, and opening up the printing presses and floating the U.S. banking system out into the sunset on a sea of freshly printed liquidity. Given the way these characters work, they will probably implement some combination of all three, in order to secure the broadest "support" from the banking system.

However, collapsing the dollar further, in the range of another 15-30% against the deutschemark and the yen, will force Germany and Japan to definitively choose between self-preservation and self-destruction. Increasing interest rates will accelerate the process of dissolution that now is getting off the ground, to the effect of wiping out a whole section of the commercial banking and thrift sectors. Recourse to the printing press, which the Fed employed on both the Thursday and Friday of Wall Street's disastrous week, may buy time, but at the cost of making the next eruption that much worse, while also helping to drive Germany and Japan out of U.S. markets.

And then, it's not simply a problem for the United States. "Innovative banking practices" have swept the world in the last five years. There is not one capital market, or banking sub-sector anywhere in the world, which can withstand what is now unleashed. Some may be bigger, more vulnerable bubbles than even that in the United States—and there are a few of those around the world—and some may be in relatively stronger shape. The same sickness rots out all.

What's now unleashed is the kind of crisis that only presidential candidate Lyndon LaRouche foresaw, and only LaRouche has a policy to deal with. The banking and credit system can be secured, and he is the one, with the ideas to do it. The others, the Bakers and the Greenspans, not only don't know what to do, they're part of the crowd which created the problem in the first place with the stupidity of their get-rich-quick, "grab the money while you can" types of ideas.

Left to their own devices for even a few weeks, the chances are that Baker, and the degenerates from the banking sector, will succeed in creating a problem that moves rapidly from bad to worse, jeopardizing the banking sector as a whole. The storms that hit the stock market in mid-October will then pale in comparison to the consequences of the decisions such characters are about to make.

It doesn't have to be that way. And it may be that those consequences, with help from the printing press, and further arm-twisting of allies and friends, can even be delayed into the spring. Whichever way it is, Reagan's bull market just came to its definitive end.

# Gasohol corrodes Petrobrás and the Brazilian nation

by Lorenzo Carrasco Bazúa

For the first time in its 33 years, Petrobrás, the immense Brazilian state-owned oil monopoly, has lost money. The \$600 million losses on its first-half balance sheet were mainly due to the extremely high subsidies it gives the National Alcohol Program (Proalcool). The losses will be covered through foreign borrowing at interest rates above 10%, evaporating the myth that Brazil's program of substituting alcohol for petroleum would save foreign exchange.

Brazil has wasted tens of billions of dollars of capital investment in alcohol substitution over the past decade, including \$9 billion in government credit subsidies. Over 10 million acres of the country's best land have been converted to sugar cane, causing food prices to inflate and contributing substantially to the malnutrition that afflicts 36 million Brazilian children. For a decade, food-grade carbohydrates have been used unnaturally to replace lower-quality hydrocarbons. Only now that the Proalcool monster is harming Petrobrás prices on the stock market, is the mass media here beginning to question what it long promoted as "Brazil's salvation."

The crisis caused by the failure of Proalcool is so grave that the nationalist factions which created and defended the

state oil monopoly see its continuation as the worst threat to Petrobrás. That is the opinion of the president of the National Petroleum Council, Gen. Roberto França Dominguez, from ex-President Ernesto Geisel's group. "We run the risk of going down in history as those responsible for having dug the grave of Petrobrás," he warned.

To keep 3.5 million alcohol-fueled autos running, burning 191,000 barrels of alcohol per day, would mean Petrobrás paying \$35 million a month in subsidies: a direct subsidy of \$1 per gallon, plus storage and financing costs. With alcohol filling gas tanks, Petrobrás has had to export 150,000 barrels per day of gasoline it refines, without any profit at all. Thanks to this, Petrobrás has lost \$1.5 billion since 1983 on alcohol distribution alone, Petrobrás President Ozires Silva recently recognized.

Proalcool also receives indirect subsidies through state credits given away to the alcohol-producing industry. For example, on Sept. 22, the National Monetary Council decided to refinance \$280 million in internal and \$400 million in foreign debts of alcohol producers, at low interest rates and 12-year terms, with two years' grace. Despite giving producers credit facilities unavailable to most productive sectors, the government will not prevent more than 40 producers from going bankrupt.

## Proalcool eats for 165 million people

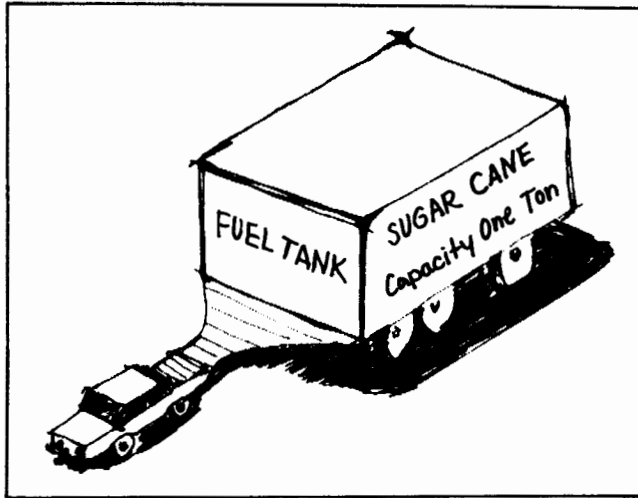
More than \$20 billion has been spent on subsidies to Proalcool since its founding in 1975, Augusto Gurgel, the president of the only Brazilian national automobile maker, estimates. Gurgel reports something even worse: The area planted in sugar cane to supply one automobile "would feed 50 people; thus, 3.5 million cars eat, in one sugar harvest, for 165 million people," 35 million more than Brazil's entire population today.

This absurd genocide is due to the thermic inefficiency and low energy flux density inherent in the use of biomass as an energy source. Sixty to eighty tons of cane per year can

TABLE 1  
Brazil's farmland wasted by alcohol production

Year	Cane alcohol production (mn. liters)	Cane planted for alcohol (thous. hectares)	Alcohol-run vehicles (cumulative)
1975	175	47	
1980	2,591	700	241,000
1985	9,244	3,243	2,400,000
1987	12,000	4,800	3,500,000
1992	22,000	10,000	





be forced out of one hectare (2.4 acres) of optimally fertile irrigated land. Each ton of cane yields 60-75 liters of alcohol. These figures mean that each private car requires more than a ton of cane per week, more than a hectare of Brazil's best farmland per year. Each taxi requires seven hectares. To keep 3.5 million autos on the road requires sowing more than 4 million hectares (see Table 1).

It took more than 4 million hectares of prime land to produce 1986's record 10 billion liters of alcohol. In the state of São Paulo alone, the mostly densely populated region of the country and the area with the highest technological development of agriculture, 2 million hectares were wasted on this. On the national level, 8% of the 60 million hectares used for agriculture, are planted in cane. And every year, more than 500,000 hectares are added to this insanity.

### An expensive way of saving money

The incompetent creators of Proalcool imposed it in 1975 on the projection that oil prices would reach \$100 a barrel, the level which makes alcohol "cost-effective." Since the price never broke \$30 and today is less than \$20, the only way to keep the program going is by artificially raising gasoline prices. Brazilian motorists pay over \$2 a gallon for gas, or \$90 a barrel.

In 1981, it cost Petrobrás \$41 for each barrel of gasoline it refined from oil imported at \$30 a barrel. It cost \$80 a barrel, i.e., double, to produce each barrel of alcohol. Since 1983, alcohol's production cost has fallen to \$70, but gasoline has fallen below \$30 a barrel. The alcohol production cost would be much higher were it not for the fact that the more than 1.5 million cane cutters and other workers in the program are paid less than \$3 a day.

In order to persuade consumers to buy alcohol-driven cars, the law states that gasoline prices must be kept 50% higher at the pump than those of alcohol, despite the fact that

alcohol costs more to produce. That policy, and lower sales taxes on alcohol-driven vehicles, result in 90% of new cars sold being alcohol-run.

The alcohol policy distorts the economy as a whole. It imposes structural inflation on the economy, both in terms of the immense subsidies and expenses it requires and because it inflates the cost of all other agricultural products by displacing them into less fertile regions with less technological development, further from the population centers. The outcome of this policy is a 17% net reduction in the area devoted to producing food for internal consumption by a growing population.

In sum, Proalcool is leading Brazil's whole economy toward bankruptcy. The only ones to benefit are a small group of oligarchical families, tied to the European oligarchy, who use Proalcool to guarantee their possession of immense latifundias and to give them large profits at the expense of the national economy. Thus, despite the program's manifest inefficiency, they think Brazil will tolerate their insanity, forever. They calculate that in 1992, Brazil will produce 22,000 liters of alcohol, which would require more than 10 million hectares (24 million acres) of sugar cane.

It seems that these families want to make Brazil into one big sugar plantation, based on the slave labor of millions of Brazilians. If their plans were followed, Brazil would go back to an "essentially agricultural" nation, just as it was during the Braganza family empire of the previous century.

It is a tragic irony of history that the state oil monopoly, Petrobrás, created by President Getúlio Vargas as one of the pillars of Brazil's industrialization, pays immense subsidies, at the expense of its own financial stability, to the oligarchical families who violently opposed its founding. If the alcohol program is not stopped, the landed oligarchy could easily break Petrobrás's monopoly.

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## Why markets are losing confidence

*Central banks that had pumped credit into the financial markets for the last five years, are now fearfully pulling back.*

**T**he world's stock markets are losing confidence. Over the past year, stock prices have soared, with investors anticipating that the collapse in energy costs would guarantee a prolonged period of industrial growth without inflation.

Now, this assumption is being questioned, and the "bull" market in stocks is itself being explained as a by-product of the unsound credit policies pursued by the central banks of the major industrial countries in recent years.

The new mood of uncertainty has undermined the markets. The U.S. market suffered the sharpest one-week points fall ever in the Dow Jones Industrial Average, in the five-day period up to Oct. 9. European markets are well below the peaks they reached a few months ago.

Only in Japan are stock prices still bidding high. But, there, Japanese authorities are still inflating the market to ensure a good reception for the government's sales of its holdings in Nippon Telephone and Telegraph, the telecommunications corporation, and in Japan Airlines, both of which are slated before the end of this year.

Investors would, by now, probably have seen through the oil price euphoria, but there is another factor which is causing markets to tremble.

It is a factor which stirs unhappy memories of the 1920s.

It is that the central banks, having pumped funds into the financial sectors of their economies—very little of which, predictably, percolated through to finance industrial investment—now appear to be drawing back in trepidation

from the overblown credit bubble which they have created.

It was in 1929 that, in similar circumstances of overheated stock markets, the Bank of England tightened its own credit policy and persuaded the United States Federal Reserve to do likewise. That was in May of that year; it was in October that Wall Street crashed.

The Bank of Japan, of all the major central banks, shows the clearest signs of wishing, if it could, to reverse its actions of the past five years. Its reckless policies have led, over that period, to a quadrupling of stock prices.

Even modest two-bedroom houses in Tokyo now sell at \$1 million apiece.

The Japanese central bank cannot cut off the supply of credit to the financial sector without risking heavy repatriation of funds by Japanese banks and insurance companies to shore up values in the domestic financial markets.

This kind of capital flow would drive the yen higher, prompting further de-industrialization of Japan as Japanese companies relocate operations in low-cost areas abroad. It would devastate those financial markets, most notably in the United States, which have relied for support on regular infusions of Japanese funds.

If the Bank of Japan could persuade the United States Federal Reserve to tighten its credit policies simultaneously with the imposition of a more restrictive credit regime in Japan, the risks of this disaster scenario unfolding might be lessened.

United States dollar securities

would remain relatively attractive to Japanese investors, and the Bank of Japan would have a better chance of cooling down its domestic financial markets in an orderly way.

The only casualties would be United States industry and the less developed countries, both of which would be saddled with higher real borrowing costs.

These arguments are likely to have been presented to the United States representatives by the finance ministers and central bankers of the Group of Seven leading industrial countries at their most recent meeting in September.

This meeting was billed as an important step on the road to restoring order to the world's chaotic foreign exchanges.

Those present, in fact, spent little time discussing this subject, possibly because they know that the situation is beyond remedy and that all they can do now is to seize individually what advantage they can from it.

Instead, the time of the meeting was largely devoted to financial market excesses and the need for higher interest rates. The United States representatives seem to have been persuaded that a hike in interest rates was a necessity, to judge by the subsequent tightening in the Federal Reserve's credit stance.

The stock market's apprehensions are a reliable leading indicator of the troubles that lie ahead for the productive sectors of the economy. A general move toward higher interest rates, when such huge credit imbalances feature in the world financial system, threatens the onset of an industrial depression.

*Stephen Lewis is a financial consultant in the City of London who periodically contributes this column to EIR.*

## AIDS will cause 'hecatomb'

*Scientists meeting in Italy break the cover-up: At least 30-60 million Africans have AIDS!*

**T**here should be no illusions. There will be a hecatomb in Africa, due to the spread of AIDS, said Belgian AIDS researcher Nathan Clumeck at a conference held in Naples, Italy Oct. 8-9. "Africa is the mirror of our own destiny in the very near future," he warned.

Six hundred scientists and researchers attended the meeting, whose theme was the correlation between AIDS and tumors in Africa.

After more than two years of deliberate cover-up of the spread of AIDS in Africa, finally scientists are being forced to state the truth. The official line of the World Health Organization and the Atlanta Centers for Disease Control, that AIDS only affects "risk groups" and cannot be spread "casually," was attacked head-on by prominent scientists.

Specifically singled out for fire was a statement made in August by CDC spokesman Harold Jaffe, that "the people really exposed to danger remain only the homosexuals, the drug addicts, and hemophiliacs. Outside these categories, and therefore for the majority of the population, the eventuality of infection by the AIDS virus is virtually nil."

The Italian daily *Corriere della Sera* reported, "There was too much unwary optimism at that time. Yesterday in Naples, all the scientists agreed in contradicting this statement by Jaffe. . . . In Africa, AIDS is spreading everywhere, and especially among heterosexuals, something which has silenced Jaffe definitively."

The other hideous lie which was exposed, was the World Health Organization's line that AIDS was not

really a problem in Africa, that there were really only a few cases. In a discussion this writer had with the late Dr. F. Assad, spokesman for the WHO in Geneva in August 1985, he scoffed at my questions on the risk AIDS posed to Africa, saying, "Malaria, now that's a real problem, not AIDS!" At an international conference on AIDS held in Belgium, in October 1985, Soviet bloc representatives blackmailed African representatives into taking the same line.

The deliberate playing down of the threat AIDS poses to African populations, since it first became known, means that tens of millions more will die than need have done, had international action been taken to remedy the crisis in health, nutrition, and sanitation on the continent.

In Africa, in the very near future, *everyone* will risk infection with AIDS, reported speakers at the conference. French Prof. Luc Montagnier stated, "We have to correct the official picture. We have to estimate that the number of infected people on that continent is between 5 and 10%. This means there are *between 30 and 60 million people infected*. The real worry comes from another discovery. There are nations on the continent which were absolutely 'clean' up to three or four years ago, without one single case of AIDS registered. Now they are included in the pool of the worst-stricken countries like Zaire, Tanzania, and Uganda. This means that the transmission of the disease is taking place at *breathtaking speed*."

Zairean expert Dr. Kapita described official AIDS statistics as "an underestimate." The official figures of

5,826 cases of AIDS in Africa "must be taken with 'white gloves' [caution]. We don't know how many people there are in Africa infected with AIDS. At the same time, a census of infected people is very difficult to make. We estimate that there are more than 2 million people suffering from AIDS in Africa. But we are certain about some things. In 80% of the cases of infection with AIDS, the people affected are heterosexual, and not homosexual as in the United States, or drug addicts, as in some European or Latin American countries."

The question of the role of environmental factors was also raised, reported the Italian daily *La Stampa*. "Extreme poverty and the lack of sanitary conditions favor the spread of AIDS in Africa." The scientists reported that "the very grave social and sanitary situation in Africa, where there is already a very high death rate from other causes, like malaria, tuberculosis, hookworms, and leprosy—this very serious situation in Africa is a very fertile ground for incubation and spreading of this disease."

An explosive report by a group of German doctors on the situation in the Central African nation of Malawi was "precipitously withdrawn" from the conference, according to *La Stampa*. The report detailed a study of several hundred people in Malawi, described as "generally at risk of disease, but not members of risk groups for AIDS." Of these, a horrifying 56% were infected with AIDS, and 83% were carriers of hepatitis-B virus.

The implications for the future of Africa were described by Professor Clumeck. "What would be terrible," he said, "is if this hecatomb leads to a regression to a society made up of scattered villagers of survivors. We are heading toward considerable social and cultural upheavals."

## Special Report

# An Emergency War Plan to Fight AIDS

EIR's Biological Holocaust Task Force has prepared the world's only science-intensive "Emergency War Plan to Fight AIDS." The newest discoveries of optical biophysics and advanced laser technology can improve diagnosis and lead to research breakthroughs—if governments move now.

The War Plan begins with the President of the United States, in his capacity as civilian leader and commander-in-chief, declaring a War on AIDS and invoking National Emergency powers to avert disaster. In parallel, heads of state of other nations of the Western alliance shall declare war on this scourge to mankind.

A 150-page *Special Report* for governments, scientists, public health officials, and all citizens concerned with a policy to fight AIDS, before a pandemic wipes out millions.

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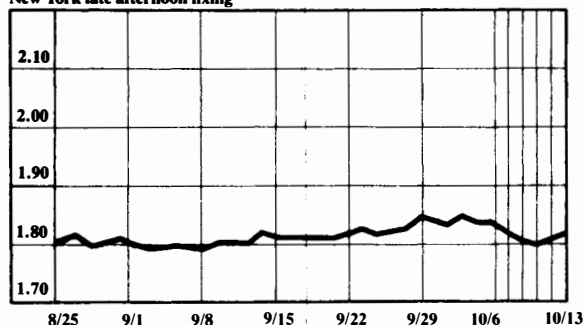
- I. The emergency war plan to fight AIDS and other pandemics
- II. The real story of AIDS in Belle Glade, Florida
- III. AIDS in Africa: the unfolding of a biological holocaust
- IV. The biology of AIDS
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- VIII. The Soviet command and control of WHO's AIDS Policy
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- X. The necessary public health program to fight AIDS

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## Currency Rates

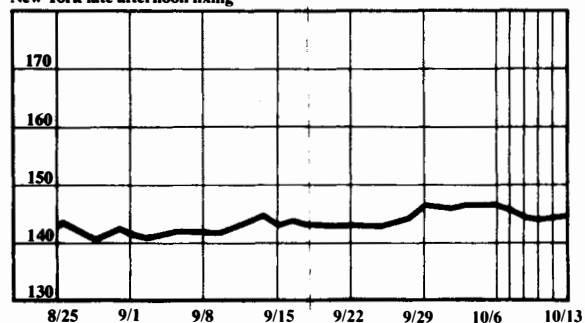
### The dollar in deutschemarks

New York late afternoon fixing



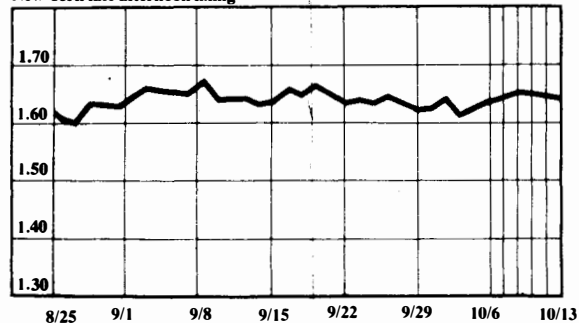
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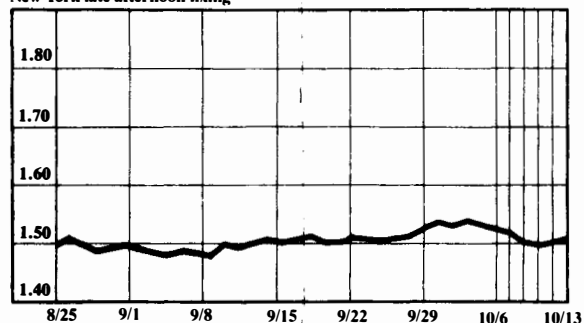
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



## War among central banks

*As European governments tighten capital flows, the United States threatens to collapse dollar.*

**T**reasury Secretary James Baker III issued a veiled threat Oct. 15 to force the U.S. dollar down, in a competitive devaluation. Baker was responding to a general, preemptive tightening of European and Japanese monetary policy.

Baker threatened to undertake the policy most likely to produce an immediate general crisis on financial markets.

But none of the alternatives acceptable to Baker and the New York banking crowd he represents could work, after America's overseas creditors signaled their intention to cut back on the \$200 billion per year capital inflow from abroad which has kept the United States solvent so far.

Since net foreign private inflows of money dried up in November 1986, and Japanese institutional investors are now trying to reduce their holdings of U.S. paper, the central banks' decision seals the fate of the U.S. market bubble.

Central banks bought \$78 billion U.S. dollars through foreign exchange intervention during the first half of 1987, and invested those dollars in United States Treasury securities, meeting virtually the whole Treasury financing requirement for that period.

The result, European central bankers noted with alarm, was a threatened flight out of all currencies, marked by a 25-50% rise in precious and base metals prices during the year's first half.

Authoritative European financial sources warn that the United States monetary authorities plan another round of dollar inflation, in reaction to

the near-certain aggravation of the Third World debt crisis in the weeks ahead.

The Oct. 26 meeting of U.S. bank regulators to determine the status of Brazil's debt, which has paid no interest since February, may force a \$20 billion write-down of major U.S. banks' assets.

Under the circumstances, banking observers think the U.S. monetary authorities will have no choice but to pump money into the banking system. Brazil may not be the worst of the banking system's problems in any case (see *Banking*).

In that regard, the Swiss daily *Neue Zürcher Zeitung* reported Oct. 13 that the coordinated rise in European and Japanese interest rates preempted such action by the U.S. authorities; the Europeans do not want to be stuck with the bill for the bailout of the U.S. banking system.

"There is an immediate fear that the massive money-creation by the central banks as a result of their dollar support operations will lead to inflationary tendencies. The stronger the major industrial nations' governments commit themselves to exchange rate stability, the greater the inflationary potential. There are very concrete fears that the new rise of raw materials prices, especially higher metals prices, could strike through to the general price level in the industrial nations . . . and in the background, there is the growing foreign debt of the U.S.A., which they fear will lead in time to the irresistible temptation to lighten the weight of debt service by eroding the real value of the dollar. A strong inflation of

the dollar would also contribute, in part, to a 'solution' of the debt crisis of the developing nations," the Swiss daily characterized central bankers' views.

It appears that the central banks made their decisive move on Oct. 9, when, in Japan, yields on 10-year government bonds rose sharply to 6.08% from 5.86% the previous day. West German government bond yields rose to 6.87% from 6.75%.

Baker's bitter complaint against his Western European colleagues, to the effect that their recent interest rate increases violated the "spirit of our recent consultations," as well as the February 1987 Louvre agreement to stabilize exchange rates, has some justification. That agreement presumed that the European central banks would print money indefinitely (or at least through the November 1988 elections) in order to sustain the American stock market bubble.

In a heated exchange with Baker days prior to the Oct. 1 annual meeting of the International Monetary Fund, former West German Economics Minister Count Otto von Lambsdorff warned that such action by the Europeans and Japanese was politically impossible. James Baker should have listened harder.

In fact, Baker had promised tighter money at the IMF meeting, by suggesting that an index of raw materials prices including gold might determine Western monetary policy. That represented a verbal concession in the direction of the Bank for International Settlements, the syndicate of European central banks.

But Baker has now discovered that he could not undertake such tightening without bringing down the U.S. securities markets, as well as huge chunks of the banking system. The Europeans are forcing him in that direction, willy-nilly.

## Peruvian tanks roll on banks

*The efforts of the narco-bankers and their Communist trade unionists to hold on to financial institutions are failing.*

**W**hile Peruvian bank owners continued to “sleep in” at their banks Oct. 9, President Alan García signed the long-awaited law providing for state ownership of all Peruvian banks, finance companies, and insurance companies. The law went into effect one minute after midnight Oct. 12.

Hours later, the general manager of Peru’s largest private bank, Banco de Crédito, Juan Francisco Ruffo, announced a desperate ploy to preserve “the owners of Peru.” He said the bankers had “sold” 50.57% of the bank’s stocks to 4,297 of the bank’s employees. He said his finance company subsidiary, La Financiera de Crédito, had loaned each employee \$2,000 to buy the stock. They hoped to waltz through a loophole in the law which exempts from expropriation the “little guy” who owns less than 1% of a bank’s shares.

Some newspapers claimed the bankers were thus showing solidarity with their former employees; others suggested that Trotskyist former Constituent Assembly member Magda Benavides, who controls the bank workers union local, had fooled the bankers. What really happened is that the union communists provided a cover for the bankers, while condemning President García for “defrauding the people’s expectations” for not having nationalized Peru’s other industries.

The leader of the leftist faction of García’s own APRA party, party secretary Armando Villanueva, gave credibility to the swindle, saying, “I don’t think it was a ruse or a maneuver by the bankers to prevent the law from

fulfilling its social purpose.” He said the bank workers had shown why a “Worker’s Bank” should be created. Perhaps he was thinking of the Workers’ Bank in Colombia, which laundered dollars for the narcotics traffickers.

The finance ministry, however, issued a communiqué Oct. 12 saying the bankers had “mocked the country.” The bank owners had given unsecured loans to their employees with collateral of shares, “despite their not having been paid for.” The bank workers were really being used as a facade for their ex-bosses, who would retain control of the banks. It is worth recalling that, as documented in *EIR*’s Aug. 21 issue, Banco de Crédito laundered large quantities of dollars for Peru’s cocaine traffickers.

The Ministry of Economy and Finances’ communiqué states that the maneuver “seeks to create juridical confusion whose sole objective is to pay the bankers—with the deposits of savers in the bank and finance company—a high price for their shares, simulating a sale.”

The bank owners irrefutably proved the point which Alan García has been trying to make since he announced the nationalization of the banking system July 28: The bank owners irresponsibly used the savings of the public and the trust deposited in them for their own selfish advantage. They proved García was right that the state would have to manage the banking system to assure Peru’s scarce capital were used to finance capitalists who wanted to build industries, rather

than for speculation.

The government simply declared that it would only recognize as stockholders those on record “Friday, the ninth, the last business day at the stock market” before the law went into effect. It forbade any further bank stock sales and then closed the stock market entirely.

The battle of words concluded on the afternoon of Oct. 14, when an armored personnel carrier smashed through a side door of the Banco de Crédito headquarters in Lima. Hundreds of heavily armed police entered and rapidly cleared the building of bank employees who had barricaded themselves on the ninth floor. Designated government intervenors then entered; the bank’s nationalization was accomplished.

By the time the afternoon was over, the Peruvian government had taken the Financiera de Crédito and Peru’s number-two private bank, Banco Wiese. Interior Minister Abel Salinas that night declared, “The intervention was made necessary by the artifice by which all the savings and deposits in the Financiera de Crédito were used to pay the large stockholders of the Banco de Crédito. . . . The bank stockholders paid themselves off, using the savings in one of their entities without having set a just price for their shares.” The next day, 16 more financial institutions were seized.

The bankers will now fight using judges corrupted by Banco de Crédito’s lawyer, Juan Lengua Balbi, who himself was the judge of the Sixth Court of Lima until expelled in 1976 with his clerk, Aerovisto Chávez, after they were found guilty of illicit acts. In some cases, they had stolen pensions. In one, they had brought a dead man legally “back to life.” They have a \$2 million slush fund to try to do the same with their former banks.

## Rates rise to the breaking point

*Thousands of additional bank failures may result from the interest rate increase.*

**R**oughly 1,000 savings banks, in addition to the 500-plus now considered unsalvageable, will fail if short-term interest rates rise to the 8½-9% range, Federal Home Loan Bank Board analysts calculated earlier this year. Such failures would bring the ultimate cost to the U.S. government, which guarantees their deposits, to the range of \$150-200 billion, as opposed to the mere \$50 billion now sitting on the FHLBB's desk.

*EIR* called attention to this time-bomb in the banking system early this year, before the interest rate fuse had burned close to the powder. Now, with 90-day certificates of deposit yielding just 9%, the trouble begins.

Nor is the problem limited to the cited 1,000 savings banks, which are paying short-term market rates to fund a portfolio of fixed-income mortgages. In the weakest parts of the U.S. banking system, the farm and oil belts, commercial banks employed the increase in their bond portfolios during the big bond market rally of 1985 to cover for losses in their lending operations. By selling bonds at a profit, banks in the Dallas Federal Reserve district cut their losses in half, a survey by the Chicago Federal Reserve showed.

Now, that source of apparent profits has evaporated, precisely at the point that the oil belt's banking crisis has come to a head.

The actual total of Texas bank failures this year to date is 116, not the reported 42. The bailouts of the BancTexas group and First City Bancorp were, in effect, closures of those

holding companies' banks, under the euphemism of "assisted transfer." BancTexas had 11 subsidiary banks (fully independent banks, not branches) and First City had 61. In addition, two private banks failed in Texas this year, which do not show up on FDIC statistics. Thus, the actual number of bank failures in Texas this year is the FDIC "official" failure list of 42, plus the 61 banks associated with the First City bailout, and 11 associated with the BancTexas bailout.

Federal Deposit Insurance Corporation Chairman William Seidman is predicting that about 200 banks will fail this year. Last year's then record high of bank failures was 144; 158 had already failed during 1987, as of Oct. 5. Of the 13,937 banks regulated by the FDIC, 1,609 were on the "problem" list as of the agency's mid-year review. The rise in banks' cost of funds will force a large proportion of these banks out of business immediately; the indirect effects, e.g., in the real estate market, will claim an even larger number.

What pops out of the woodwork may, however, eclipse the known dangers. First Bank of Minneapolis's admission Oct. 12 that it lost \$700 million by "misjudging" the bond market extends the pattern of major speculative losses arising from the April-May plunge in U.S. bond markets. Merrill Lynch, First Boston, and other big players registered multi-hundred-million-dollar losses during that period.

With the assistance of foreign central banks, the Federal Reserve stabi-

lized bond prices. Now that the yield on U.S. long-term Treasury bonds has risen to about 10¼% (as of Oct. 16), 2½% higher than a year ago, and bond prices have crashed correspondingly, it is inevitable that major institutions will face huge losses. Some of these might be of sufficient size to trigger a crisis of confidence.

Among the major brokerage houses, Salomon Brothers has already reacted, by laying off 800-1,000 employees and closing both its municipal bond and money market units. Salomon dominates the U.S. Treasury securities market. Kidder Peabody will lay off 100 employees. Reportedly, Deutsche Bank, Germany's largest, will close down its New York bond-trading operations, due to the "instability" and "unpredictability" of U.S. markets, Frankfurt sources report.

Much more difficult to gauge is the potential for trouble in the nearly \$200 billion per year Eurobond market, which, since the 1982 banking crisis, has dominated international lending.

The deregulation of the London securities market in October 1986 persuaded numerous firms to commit capital and staff to expanding their Eurobond operations. A year later, the *Wall Street Journal* wrote Oct. 14, only "three types of players generally remain in the market here: the bruised, the badly bloodied, and those in a body bag."

Banks "securitized" their assets after 1982, hoping that holding tradeable debt, rather than book loans, would allow them to bail out in case of trouble. The folly of "securitization" became clear in December 1986, when a \$200 billion section of the market, in floating rate notes, stopped trading. The failure of one significant Eurobond market-maker could turn literally hundreds of billions of dollars of bank assets illiquid overnight.

# Business Briefs

## Africa

### Kaunda highlights debt, AIDS crisis

Zambian President Kenneth Kaunda, recently reelected President of the Organization of African Unity, told a press conference in Washington on Oct. 9 that a "special summit" of the OAU has been scheduled for Nov. 30-Dec. 1, to deal exclusively with the topic of unified action on the debt.

Kaunda, who had recently announced that his own son had died of AIDS, also gave an impassioned appeal for an all-out international effort on AIDS, warning that it could destroy all mankind.

Asked by *EIR* whether he had discussed AIDS with President Reagan during his four-day visit to Washington, Kaunda replied that he discusses it with everyone he meets. "My main point is that we are wasting valuable time. AIDS is an enemy of mankind. It cuts across East and West, North and South, rich and poor. It cuts across ideology, color, and region, and all artificial barriers, to attack mankind as a whole. We must fight it realizing this, or AIDS will destroy us."

## Biological Holocaust

### AIDS in Yugoslavia nears African levels

The spread of the AIDS epidemic in Yugoslavia is heading for a rate of infection like that in parts of Africa. According to the Foreign Broadcast Information Service's translation of an article printed July 9 of this year in *Rilindja*, the daily paper in the poverty-stricken Kosovo province of Serbia, Yugoslavia, the AIDS virus was detected in 698 out of 5,624 persons tested—nearly 13%! Equipment to test all blood donors in Kosovo, the report said, was to be ordered only in September.

Kosovo, the site of violent strife between ethnic Albanians and Serbs, is one of the poorest areas in Europe.

## Medicare

### U.S. plans more cuts in health services

The Reagan administration is drafting a proposal to cut Medicare costs, by publishing lists of cheaper "preferred" doctors, and by slapping financial penalties on those Medicare users who choose doctors who do not cut costs, according to the *New York Times* Oct. 13. Medicare provides health services to 31 million elderly and disabled people.

The idea, according to Dr. William Roper, the head of the Medicare program, is to save "at least \$50 million" in the first year, and much more later. Dr. Roper said that the plan was to "steer Medicare patients toward certain doctors who practice a conservative style of medicine, who have a proven track record of providing appropriate medical care without unnecessary utilization of services."

## Dirty Money

### Britain's 'Guinnessgate' scandal explodes

Heads are rolling in the City of London. The British government on Oct. 13 arrested billionaire Gerald Ronson, head of Heron, the U.K.'s second-largest private company, and one of Britain's richest men, on charges of fraud and grand larceny; former Guinness chairman Ernest Saunders was re-indicted on 37 additional counts of fraud and theft. Five days before, on Oct. 8, broker Sir Jack Lyons was arrested on charges of theft and embezzlement. London broker Tony Parnass was arrested three days ago in Los Angeles.

These are the biggest arrests of City insiders in recent history. "Thatcher wants someone in jail," says a source who reports that the prime minister and Chancellor of the Exchequer Nigel Lawson are behind the arrests.

The political connections of the arrested men are suggested by the fact that Tiny

Rowland, a trader with Khomeini's Iran, put up \$400,000 bail for his business associate Ernest Saunders. Rowland reportedly benefited handsomely in deals with Saunders, at the time that Saunders, together with Wall Street's Ivan Boesky, convicted for insider trading, and Rapid American's Meshulam Riklis, illegally rigged the January 1986 takeover of Distillers.

## Austerity

### Bonn slashes industry subsidies, health care

The West German government on Oct. 7 announced sweeping budget cuts, totaling 19 billion deutschemarks (\$8.7 billion). The cuts will hit most sharply against state subsidies to coal mining, steel and iron production, shipbuilding, and agriculture.

The government had already announced that 30,000 miners and another 35,000 steel workers will be fired in the next 18 months. And of the 22,000 German shipbuilders, some "30 or 40% will have to quit," said Economics Minister Martin Bangemann.

The second-largest area of budget cuts will be in health care. An example of the effect of the recent budget-cutting, is the case of Düsseldorf University Hospital, which failed to get the money it needed from the state government of North Rhine-Westphalia. A secret letter from the hospital director to staff physicians was leaked to the press on Oct. 12, itemizing austerity measures to be taken:

- Treatment "of very expensive patients" will be reduced;
- Therapy for cancer patients will be done on an outpatient basis;
- Patients with "very expensive dialysis procedures" will not get them as often as before;
- No new personnel will be hired;
- Surgical instruments and garments, catheters, and sheets will be reusable;
- The disinfectant supply will be reduced.

"Other measures in order to save costs can follow," the letter ended.



## **Narcotics**

### **Britain, U.S.S.R. set anti-drug program**

Great Britain and the Soviet Union are negotiating a memorandum of understanding on cooperation against drug trafficking, according to the British Foreign Office. The negotiations were initiated during the April visit to Moscow of Prime Minister Margaret Thatcher, by Foreign Minister Sir Geoffrey Howe.

Officials of both countries met in Moscow July 9-10, including Home and Foreign Offices, police, and Customs. The talks were very productive, a Foreign Office source said Oct. 12.

On Oct. 8, two Britons were arrested in London on charges stemming from the seizure of almost \$3 million worth of cannabis—the result, British officials say, of cooperation between Scotland Yard and Russian authorities.

## **International Trade**

### **Moscow charts new deals with Iran**

The Soviet Union and Iran have announced that at the end of October, the Soviet airline Aeroflot will resume its Moscow-Teheran flights. This is the latest of several recent moves to increase economic ties between the two countries.

Iranian Oil Minister Gholamreza Aqazadeh was scheduled to visit Moscow in mid-October, to discuss the construction of an oil pipeline through Iran to the Soviet city of Baku. The pipeline would have a capacity of over 700,000 barrels per day, and be used as a transit pipeline for Iranian oil exports.

Also under discussion is a plan to construct a new railway linking Iran and Soviet Azerbaijan.

On Oct. 3, Iran announced that the two countries would soon begin a joint search for oil and gas deposits in the southern Caspian Sea.

On Oct. 6, Iran's transport minister said that a joint shipping line would be established in the Caspian Sea, between Baku and Iranian Caspian ports.

The Soviet ambassador to Teheran met early in October with Iranian Premier Mousavi, and with the Iranian finance and economics minister, to discuss the construction of two power plants in Iran, with Soviet aid and technical personnel.

## **Conditionalities**

### **Argentina's Alfonsín sets austerity regime**

Argentine President Raúl Alfonsín on Oct. 14 announced a shock austerity program, which bankers said is only paralleled by measures adopted during the Great Depression.

He devalued the national currency another 11.8%, on top of a 12.93% devaluation the week before; freed interest rates from government ceilings; freed some consumer items from price controls; increased prices on public services such as bus fares and gasoline by 15%; and he will ask the Congress to pass major tax increases and forced savings measures. He will also make debt-for-equity swaps by foreign creditors easier: 70% of new local projects will be allowed to be financed through such swaps.

These measures are precisely what the International Monetary Fund has been demanding. Argentina had failed to meet IMF targets that were to have been conditions for getting more IMF money. Alfonsín wants to get the IMF to approve the release of \$700 million, through the austerity program.

Inflation in Argentina is up 101.6% so far this year, and 135% from a year ago. The trade surplus is expected to fall to \$900 million or less from last year's \$2.1 billion. Interest payments due this year total \$4.4 billion.

International bankers and the world financial press are applauding the measures. The Argentine trade union federation CGT initially threatened a strike in protest, but then opted to wait and see.

## **Briefly**

● **E.F. HUTTON** representatives met with Justice Department officials on Oct. 8, to try to head off an indictment of the Wall Street brokerage house. Hutton's Providence, Rhode Island office allegedly converted vast sums of cash into "bearer bonds" for operatives of organized crime. Sources say that most likely there will be an indictment, but the Justice Department has made "no final decision."

● **PABLO ESCOBAR** and Jorge Luis Ochoa, the heads of Colombia's Medellín Cartel of drug traffickers, are featured in *Forbes* and *Fortune* magazines, on a list of the world's 20 top billionaires. The source of their ill-gotten fortunes is not mentioned.

● **DAVID ROCKEFELLER** told a group of industrialists in Toronto that all "intelligent" countries will adopt IMF austerity measures, the Venezuelan daily *El Universal* reported Oct. 4. "The IMF has been made a scapegoat," he said, "because it recommends measures that all intelligent governments must adopt anyway. But we cannot blame the IMF; the truth of the matter is that unless these austerity measures are implemented, these countries will not recover."

● **COMECON**, the Soviet Union's economic bloc, is close to "formal recognition" of the European Community (EC), said Soviet official Lev Tolkunov, who headed a 10-man delegation to Brussels and Strasbourg, at the invitation of the European Parliament. "An agreement could be drawn up and ratified by the end of this year or early in 1988," he said.

● **CARLO DE BENEDETTI**, the Venetian operative who heads the Olivetti firm in Italy, is circulating a proposal for a "Marshall Plan" aid program for the Soviet Union and Eastern Europe, French sources report. De Benedetti has been warning in recent months of the imminent collapse of the economy of the Western world.

## Brazil AIDS forum challenges health establishment

*The following has been adapted from the presentation of Dr. Bertha Farfán of Central Hospital in Mexico City, to the Second International Conference on AIDS in São Paulo, Brazil on Sept. 25-26, 1987.*

*Two weeks ago, in our Oct. 9 issue (Vol. 14, No. 40, page 6-7), we reported that the São Paulo conference, in the country which has the second-highest reported incidence of AIDS, had challenged the policies of the World Health Organization and its branch, the Pan-American Health Organization, by throwing a spotlight on the possible means of transmission of the disease by mosquitos and the role of economic co-factors in its spread. EIR was one of the official co-sponsors of the conference, which also heard presentations by our medical editor, Dr. John Grauerholz, by Jonathan Tennenbaum of the Fusion Energy Foundation of West Germany, by Dr. Caroline McLeod of the Institute of Tropical Medicine in Florida, and by Dr. Ricardo Veronesi, the head of the Brazilian Society for Infectious Diseases, among others.*

Ladies and Gentlemen: It is an honor to be in this country, Brazil, the synonym of wealth in our continent.

It is also an honor to be before my colleagues from all parts of the world, and in saying "colleagues," I refer not only to physicians but to all those persons who have been fighting a real struggle against Acquired Immune Deficiency Syndrome in the world. To fight against this disease means to have sufficient moral integrity to change the subhuman conditions of life in which the majority of humanity lives today, and which have caused them to be scourged by multiple diseases, even including ones that in the past had already been eradicated. Thus, the fight against AIDS cannot be limited to the combat against this disease, but has to be a decisive struggle for the advance of science and for the rescue of the Western moral values of mankind.

### **Epidemiology**

Between June 1981, when the first five AIDS cases were reported in the United States and in the world, and Aug. 30, 1987, 58,880 cases of AIDS in 122 countries had been reported to the World Health Organization, of which approximately 10%



Bertha Farfán

*The children of Brazil's favelas: The collapse of nutrition and health services places the future of the nation in danger of AIDS and other epidemic diseases.*

were in Ibero-America.

This figure is actually very low and could make us believe that AIDS is not a serious problem in Ibero-America, or that we Ibero-Americans enjoy a certain immunity from this disease. However, we all know this is not true. What is happening in Ibero-America is that we don't even have a real or approximate figure of the number of cases that have existed or do exist, for various reasons:

- Not all of our colleagues have been trained to diagnose this disease yet. Although in some countries an effort is being made—as in Mexico—this has only succeeded in reaching the third-level doctors, not those of the first level, which is where the patient will initially arrive. This lack of knowledge on the part of our doctors must have led to mistaken evaluations and even to the signing of death certificates with a wrong diagnosis, which mention as the cause of death only the infections resulting from immune suppression, such as tuberculosis and pneumonia, which are frequent illnesses in our countries.

- There are now facilities in most of our countries to carry out both the initial screening and the diagnostic tests, but six months or a year ago this was still practically impossible; and since the diagnosis could not be confirmed, it was excluded from the world statistics.

- A part of our population resorts to traditional magic medicine.

- Another part of our population has no access to health

services.

But even with this limited information on the number of cases, let us see what is going on with AIDS in Ibero-America. **Table 1** shows the number of reported AIDS cases in eight countries. **Table 2** compares the total reported cases in March and August 1987 with the total infected, and the density of infected population, in two countries, Mexico and Brazil. **Table 3** looks at the situation in two populous Brazilian states. The disease is doubling in Ibero-America, as can be seen from these charts, in a smaller amount of time than in the United States, every 6-9 months, compared to every 12 months in the United States.

The number of reported cases is increasing exponentially (see **Figure 1** for the case of Mexico).

From the behavior of retroviruses in animals, such as feline leukemia virus, the Visna maedi virus in sheep, and others, we have been able to appreciate the fact that such epidemics develop faster under certain specific conditions, to wit: 1) living conditions, 2) malnutrition, and 3) high incidence of insects.

### Living conditions

- **Housing.** There presently exists a great housing deficit in Ibero-America. In Brazil, for example, the deficit is about 6-7 million dwelling units, and in Mexico, 5 million, a deficit which is growing at the rate of 1 million units per annum.

- **Water.** In 1980, the World Health Organization car-

ried out a study in which 26 Ibero-American countries participated, representing 90% of the total population, which is 370 million inhabitants. The study showed that only 72% have access to water, while 28% are without easy access to water. The figures for urban and rural populations clearly

show what is occurring. Of the urban dwellers, 87% have easy access to water and only 13% lack it, while of the rural population, 57% lack easy access to water.

The 26 countries of Ibero-America who participated in this study set themselves the goal of providing water and sanitation services to 100% of the population by the year 2000, with the purpose of improving the health condition of their populations, and they decided to call the 1980s the "International Decade of Provision of Potable Water and Health Services." However, despite the advances that were obtained between 1980 and 1983, these are totally discouraging compared to the advances that took place between the 1960s and 1970s. Even if they had achieved the goals that were set for supplying potable water, 37 million people of the urban areas would have remained without easy access to water, principally those with low resources.

This is not just important to keep in mind for the transmission of AIDS but because, in most Ibero-American countries, gastroenteritis and diarrheic sicknesses are among the 10 top causes of death; in the five countries where life expectancy is lowest, they are in first or second place as the cause of death.

### Malnutrition

There is no doubt that malnutrition is one of Ibero-America's most serious problems that must be solved in order to raise the level of health and welfare in general. It mainly affects children.

In 1980, Ibero-Americans were consuming only two-thirds of the total amount of animal protein per capita recommended to stay healthy, which should be 65 grams per person per day. In 1976 in Peru, for example, the great majority of Peruvians included in the official categories of the middle and lower strata consumed half of the normal calories per day (3,200 per person per day), and half of the grams of protein; and in 1979 those figures went down to less than half.

In Mexico in 1970, according to the National Institution of Nutrition, the daily consumption proteins was 170 grams of meat per capita, and in 1984 it was 38 grams. In other words, it was reduced to less than one-fifth, and as of mid-1986, according to the same Institute, 40% of the Mexican adult population are malnourished, and 80% of the children suffer protein deficiency; of 2 million children born each year, 100,000 die before reaching 5 years of age, 1 million are left with irreversible physical and brain impairment because of malnutrition, and only 900,000 can carry on a normal life—fewer than half the children born each year.

In 1967 in Brazil, the consumption of animal protein per capita was normal (65.7 grams), and 19 years later, in 1986, it was reduced to almost half that.

A study made in Brazil in 1986 indicates that more than two-thirds of the population of 90 million consumes less than half; 2,400 calories per day, and 22 million consume fewer than 2,000 calories per day.

TABLE 1  
Reported AIDS cases

	1979-1985	1986	1987*
Argentina	26	58	69
Brazil	262	829	1012
Colombia	4	50	30
Haiti	377	501	785
Mexico	24	161	316
Panama	3	—	12
Peru	—	—	9
Venezuela	24	40	69

Source: Pan-American Health Organization.  
\*Through March 1987.

TABLE 2  
AIDS cases and AIDS-infected reach alarming levels in three countries  
(March and August 1987)

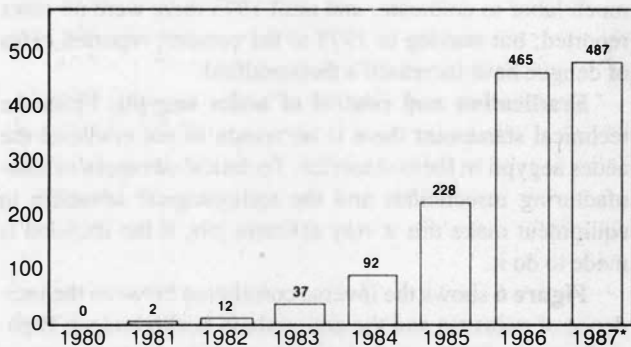
	Cumulative cases		Infected		Density infected population	
	March	August	March	August	March	August
Brazil	1,012	2,013	101,200	201,300	1/1,285	1/645
Haiti	785	na	78,500	na	na	na
Mexico	316	700	31,600	70,000	1/2,531	1/1,130

TABLE 3  
AIDS cases in some states of Brazil  
August 1987

	Cumulative cases	Infected	Density infected population
Sao Paulo	1,188	118,800	1/255
Rio de Janeiro	312	31,200	1/384

FIGURE 1

**Mexico: reported AIDS cases**



Source: Health Ministry of Mexico.

\*Up to April 30, 1987.

There are studies showing that one-third of Brazilian families live in misery, while another fourth lives in poverty.

The general health of the population reflects this situation: One of every five children of Brazil's Northeast suffers Vitamin A deficiency, making them susceptible to blindness and mental retardation. From 1979 to 1983, more than 3.5 million people died in northeastern Brazil, most of them children; of every 1,000 babies born in the Northeast, 300 die of starvation and 300 of various diseases before reaching one year of age. Of the 400 survivors, more than 70% are undernourished.

Although there are no precise statistics available, it is well known that throughout Ibero-America there has been a severe reduction of caloric consumption per capita and that diets are tending toward less nutritious, cheaper foods.

What is certain for Brazil, also holds for Mexico, Peru, Colombia, Venezuela, and even for Argentina, where meat consumption has been cut down substantially. Even though every day the nutritional levels, especially in protein, are very low, these countries all export food. Ibero-America as a whole exports 25% of its agricultural production. Peru in 1975 exported chickens while its own population ate chicken feed; Brazil is the world's second-largest exporter of soya, a food high in vegetable protein, and also exports meat and corn.

If the present austerity prescriptions persist in our countries, millions of human beings will starve. Even before reaching that point, general malnutrition carries with it the weakening of the immune potential. Worldwide, malnutrition is the prime cause of immune-suppression. The continent is turning into what has already happened in Africa, a hotbed for old and new diseases, like AIDS. Also, when one has this sickness, the period from then until the first symptoms appear is getting shorter, and the period from symptoms to death is

also getting shorter. In our countries, each of these periods lasts for two years; four years in all, whereas in the developed countries these periods are each four years long, an average of eight years.

Figure 2 compares incidence of pulmonary tuberculosis in three regions of Brazil.

**Insect incidence and disease**

AIDS is a blood-borne disease. Both the Pasteur Institute of France and the Institute of Tropical Medicine of Miami, Florida, have demonstrated the possibility for insects to be able to carry the AIDS virus, which notably increases the possibilities that they might mechanically transmit the virus. To evaluate the prevalence of insects in Ibero-America, I will use as indicators the diseases known to be transmitted by insects. The data come from the Pan-American Health Organization.

**Malaria.** In Ibero-America, the total number of malaria cases increased by 30.5% (629,081 to 913,912) between 1981 and 1984. This was mainly due to increases in Brazil, Colombia, Ecuador, and Mexico (Figure 3). This was primarily because the use of insecticides was cut back. In 1981, there were a total of 7,525,467 sprayings, while in 1984 there were only 3,725,155 sprayings done—half the 1981 figure (see Figures 4 and 5). The broader correlation between cut-backs in spending and the resurgence of parasites, is reflected in Figure 6, which graphs the rising Annual Parasite Incidence against the falling percentage of health budgets assigned to malaria control.

**Yellow fever** continues to be one of the principal endemic diseases of South America. Peru and Bolivia have 75% of the reported cases, but it is also a problem for Brazil, Colombia, and Ecuador. This is because of the increase in the *aedes aegypti* mosquito in extensive areas of the continent, not only in rural areas but also in urban areas.

**Chagas** or American tripanosomiasis. This disease is



Speakers at the Second International Conference on AIDS: Dr. Bertha Farfán (right) and Dr. Ricardo Veronesi (see article, p. 25).

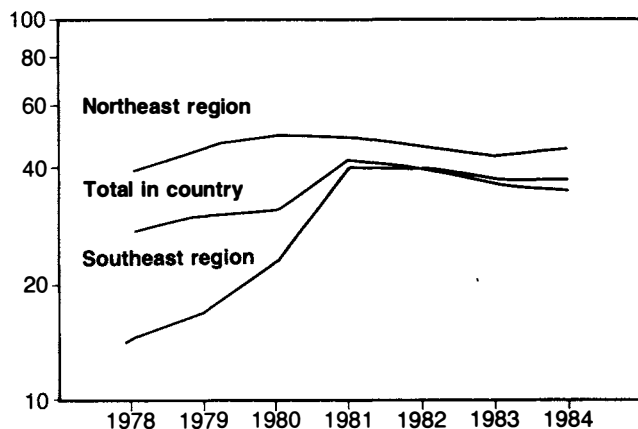
native to the Americas, and is found from Mexico to Argentina. Most cases originate in the rural areas and the marginal urban zones where this disease is endemic due to precarious socioeconomic conditions.

**Dengue.** It has increased considerably over the last few

FIGURE 2

**Brazil: Incidence of pulmonary tuberculosis, direct positive tests 1978-84**

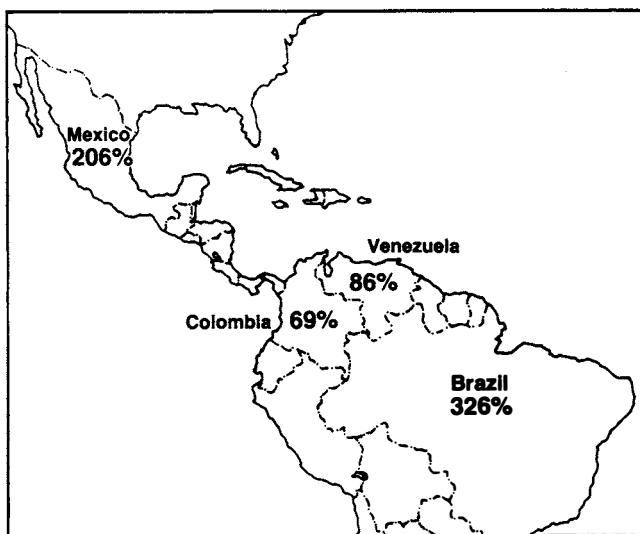
(cases per 100,000 inhabitants, logarithmic scale)



Source: Pan-American Health Organization.

FIGURE 3

**Increase in malaria 1974-84**



Source: Pan-American Health Organization.

years due to the proliferation of *aedes aegypti*. There are countries in Ibero-America where dengue had been totally eradicated. In Mexico, for example, it cost many lives and much labor to eradicate, and until 1975 there were no cases reported; but starting in 1975 to the present, reported cases of dengue have increased a thousandfold.

**Eradication and control of *aedes aegypti*.** From the technical standpoint there is no reason to not eradicate the *aedes aegypti* in Ibero-America. Technical advances in manufacturing insecticides and the technological advances in equipment make this a very efficient job, if the decision is made to do it.

**Figure 6** shows the inverse correlation between the incidence of parasites and the anti-malaria health budget: Especially in the 1980s, as the percentage of the budget spent on this fight plummeted, the incidence of parasites climbed. **Figure 7** shows the resurgence of *aedes aegypti* in the decade 1974-84.

**Plague.** After bubonic plague had been practically eradicated to the point that it no longer constituted a public health threat, the cases of plague have been on the increase in recent years. Over the years 1981-84, 971 cases were reported to the Pan-American Health Organization, mainly by Brazil, Bolivia, Ecuador, and the United States. Plague thus increased by 224% over four years.

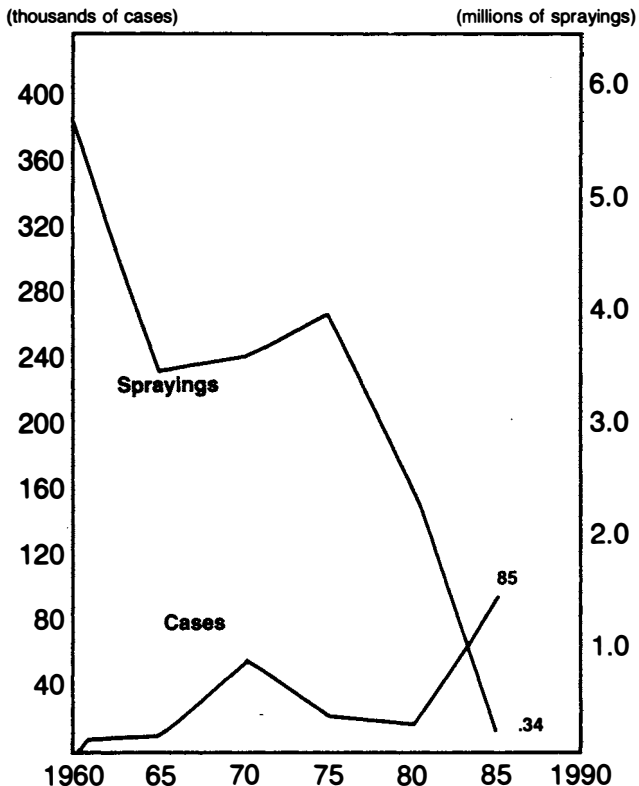
**Viral hepatitis.** In general, its incidence is very high in South America. It goes from figures like 24 in every 100,000 inhabitants in Venezuela, to 93 infected out of every 100,000 inhabitants of Uruguay and parts of Brazil. These figures are higher in the temperate zones of South America. It mainly attacks children under 15 years old (50-85% of reported cases).

In studies done in Mexico and in Chile with children, the disease is shown to be acquired in the early years of life in the lowest socioeconomic states, where 95% of children of preschool age are infected, while in the highest socioeconomic states this figure is only reached in later grades of school. This is mainly viral hepatitis A.

Some studies on viral hepatitis B carried out in Ibero-America show that its transmission is the same as in other parts of the world: contact of skin and mucous membranes with blood or other secretions of infected human bodies. In adults, probably the commonest form of contagion is sexual (hetero or homo) and contact with contaminated needles (drug addicts' or inadequately sterilized). In areas where hepatitis is endemically very high, it attacks children, and the means of transmission can be perinatal, contamination through open wounds, contact with contaminated needles, or by insects.

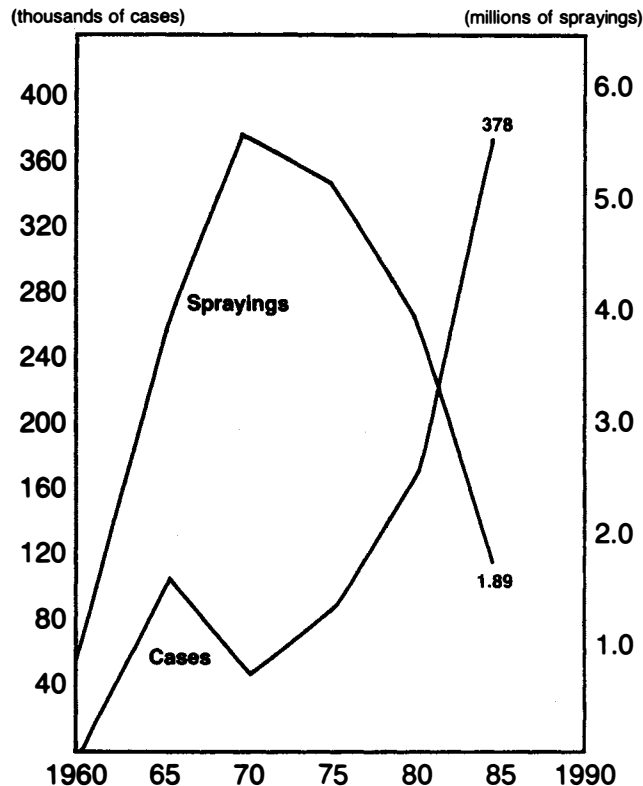
What you may not know is that our health authorities know perfectly well what is going on in the continent and they blame the lack of economic and human resources for not being able to implement fully the insect eradication programs. They also blame the deterioration or lack of health services for their incompetence to be able to control the

FIGURE 4  
**Mexico: spraying and malaria cases 1960-84**



Source: Pan-American Health Organization.

FIGURE 5  
**Brazil: spraying and malaria cases 1960-84**



Source: Pan-American Health Organization.

proliferation of insects and the consequent increase in insect-transmitted diseases.

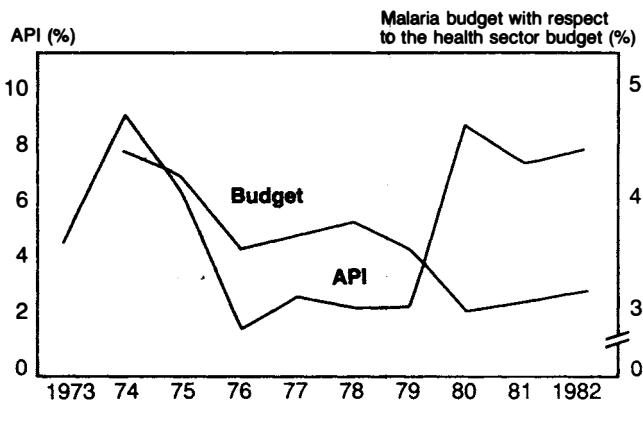
### Health and economics

We have seen that the standards of living of our Ibero-American population have fallen in housing, water and sanitation services, the drop in nutrition levels, and the proliferation of insects because of the lack of eradication campaigns. This all goes hand-in-hand with the economic deterioration which Ibero-America is going through at this time, which is causing us to witness the resurgence of old illnesses and the appearance of new ones. We are living through the ecological-biological holocaust we predicted in 1974. This economic crisis is nothing but the reflection of what is occurring in Ibero-America with the foreign debt, of which only 5.5% is legitimate (Figure 8).

This is the reason that the standard of living has declined in our countries, together with nutrition, health, and general welfare. The worst is that the economic collapse is getting worse by the day.

Our governments do not want to do anything which means

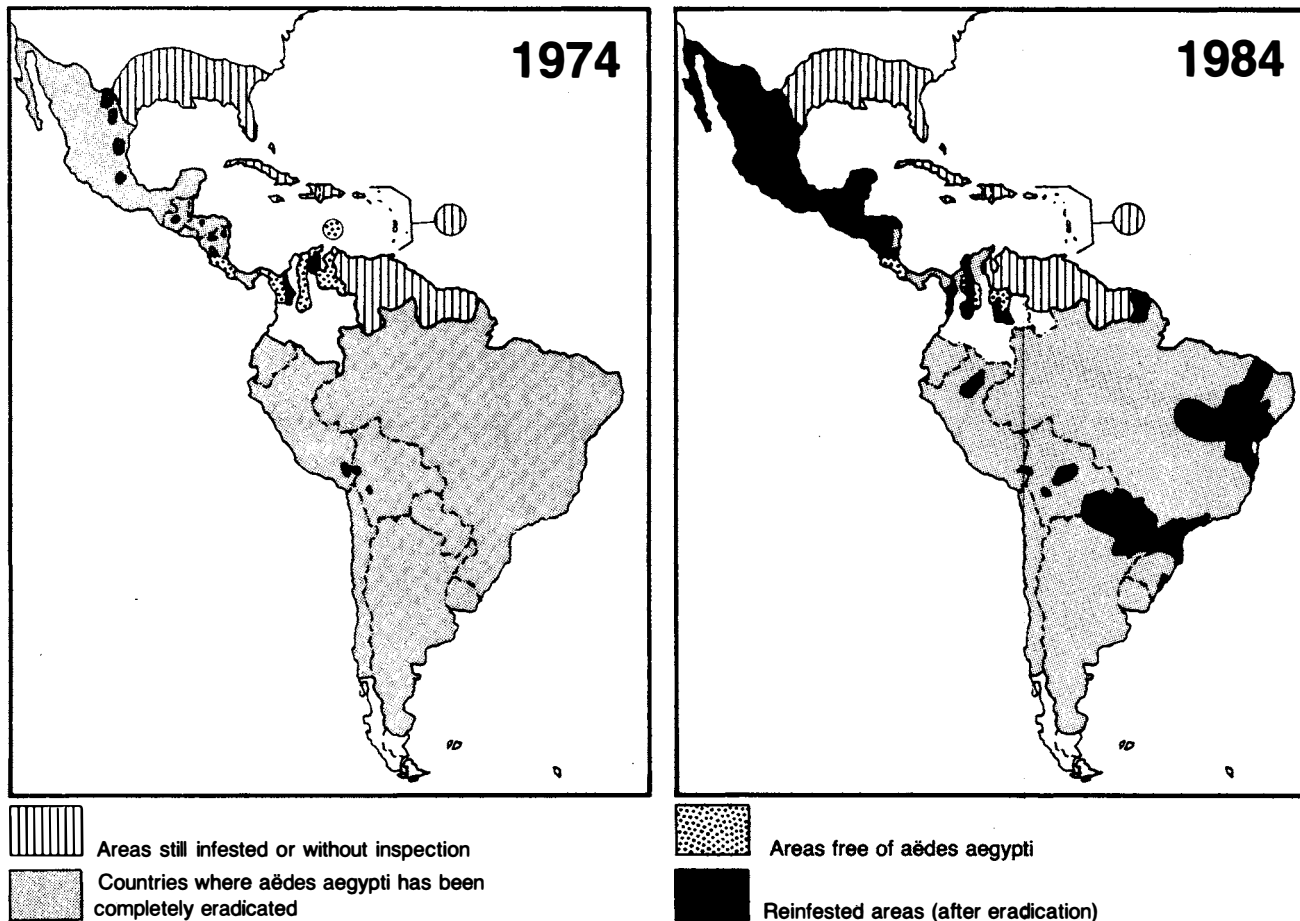
FIGURE 6  
**Ibero-America: annual parasite incidence and budget assigned to the anti-malaria campaign**



Source: Pan-American Health Organization.

FIGURE 7

Status of the eradication campaign of *aedes aegypti* in the Americas



Source: Pan-American Health Organization.

spending money, because today, our moral values have changed. It is said to be more important to save money (to pay the debt), than to work to keep people from dying of hunger or of diseases we have already wiped out, or by new epidemics which are finding an easy way to spread.

I would have preferred not to present the final chart, because it should be enough to say that AIDS is costing lives, but I am going to explain how the cutbacks in the health program not only are condemning people to death but also that there will be no savings of money (Table 4).

I will explain why I must speak of costs and not just of human lives. Twenty years ago, if you met a person who had had an accident in the street, he was picked up and hastened to the hospital, and probably he survived. This was the first concern—to save the person's life—but starting with the 1960s, the doctors themselves began to say that we have kept too many people alive for too many years, and that the world

is overpopulated and we have to start killing people. There are many ways to kill a patient, feeding him insufficiently, giving him inadequate medical care (as Dr. Veronesi reported yesterday, that there are hospitals which don't even have gauze, adhesive tape, or medicine; obviously a patient who lands in that hospital and needs good medical care, will die) and practicing euthanasia so that patients "won't suffer," or so they tell us. However, I wish to explain what euthanasia is from the standpoint of warfare, because medicine is warfare against disease. Euthanasia would be like an army which goes out to face another army which is technologically superior, and the general in command of the technologically inferior army were to kill all his soldiers so that they would not suffer in the fight. It is clear that this does not have to happen, and we have seen battles won under these conditions. But this is euthanasia inside medicine—to be killed without even having been able to fight the battle because we have lost



our morality. Our health authorities are immoral because they know what is going on with our health.

In the report of the Pan-American Health Organization, *Health Conditions in the Americas 1974-1984*, under the subhead "Political, Social, and Economic Situation," it says:

The crisis of the foreign debt and the necessity of the Latin American and Caribbean economies to adjust to severely reduced levels of foreign capital investment were the two dominant socioeconomic factors which affected governments in the Americas in the first half of 1980. . . . It must be noted, however, that since the crisis is still recent, and the health data in this publication are obsolete in some cases, the eventual effects of the crisis cannot as yet be visible in general in the statistics which we have at hand.

These are the statistics which I have been laying out for you; so this means that the real figures are much worse. Our health authorities are malthusians; they believe that there are too many people and people have to die.

In 1951, Lord Bertrand Russell wrote in *The Impact of Science on Society*:

At present the population of world is increasing at about 58,000 per diem. War, so far, has had no very great effect on this increase, which continued throughout each of the world wars. . . . War . . . has hitherto been disappointing in this respect . . . but perhaps bacteriological war may prove more effective. If the Black Death could spread throughout the world once in every generation, survivors could procreate freely without making the world too full. . . . This state of affairs may be somewhat unpleasant, but what of it?

Bertrand Russell and his cothinkers believe that population must be reduced at all costs. This is why they lie that AIDS can be transmitted only sexually and that we have to use condoms. Identifying the infected population by mass testing, isolating those infected with the HIV virus, building special sanitariums and hospitals—why spend the money, if the objective is to kill people? Let us not forget that we Ibero-Americans are, for Russell et al., an inferior race, which is supposed to disappear.

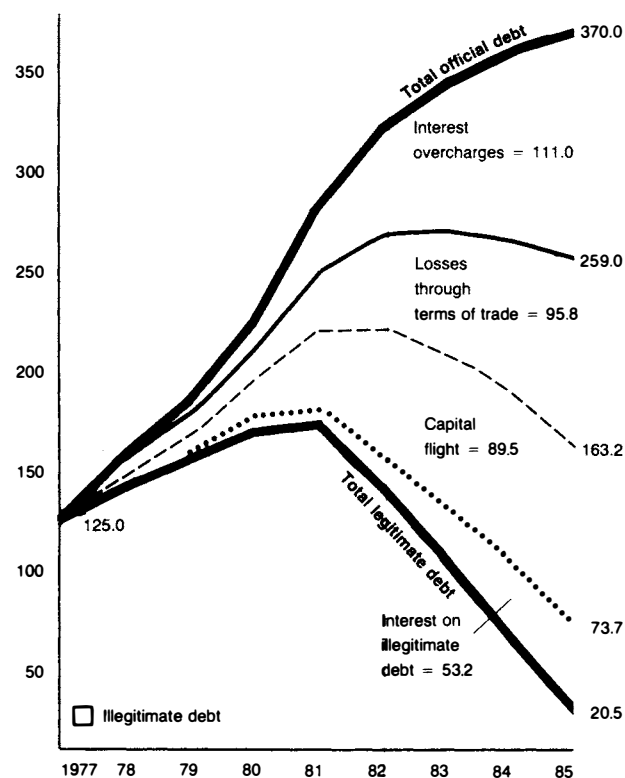
As if it weren't enough for people to die of hunger and hunger-related diseases, and that AIDS is advancing every day, now they recommend prophylactics, whose only certain utility is for birth control—as a way of reducing population.

This demographic map of Ibero-America in 1985 (Figure 9) shows that Ibero-America is actually depopulated, contrary to what the population lobby wants us to believe.

The director of the World Health Organization, Halfdan Mahler, knows what is happening. Late in 1986 he admitted that he had minimized the AIDS problem and that in Ibero-America it was going to spread as in Africa. In Africa, they

FIGURE 8  
**Ibero-America: legitimate and illegitimate foreign debt 1978-85**

(billions of dollars)



Sources: Economic Commission for Latin America, Schiller Institute.

are evacuating cities because over 60% of the populations are infected; this is what the future holds for Ibero-America. We are now experiencing this tragedy.

The most serious part of the problem is that each one of us, every person in our society has lost a certain degree of his morality, including a good number of yourselves who may have come to this seminar to find out whether or not you as an individual might get the disease. "It does not matter if the world goes to the devil if I am all right." Some of you may also be thinking, "Why protest, why get into trouble, why bother to save humanity, if in the end it is the governments that will decide?" This means thinking that nothing can be done to change the situation, to think pessimistically. And to forget this reality, we take refuge in television, we cry with the soap operas, while more people are dying in the world every day, right here around the corner in the *favelas* of Brazil, and we do nothing to stop it. This is immorality.

This immorality, this pessimism has even convinced us

TABLE 4  
**Cost of AIDS in the Americas**

	United States (1991)	Ibero-America (1992)
<b>Medical costs</b>	\$100,000 per case × 270,000 cases <b>\$27 billion</b>	\$ 20,000 per case × 1,532,000 cases <b>\$31 billion</b>
<b>Economic losses</b>	\$20,000 annual average income × 30 YALL* \$600,000 per case × 270,000 cases	\$ 2,800 annual average income × 25 YALL* \$ 70,000 per case × 1,532,000 cases
<b>Total</b>	<b>\$162 billion</b>	<b>\$107 billion</b>
<b>Demographic Impact</b>	Nonlinear	Nonlinear
<b>TOTAL COST</b>	<b>\$189 billion</b>	<b>\$138 billion</b> = \$27.6 billion per year

\*YALL = Years of Active Life Lost.

that the virus is smarter than we are—smarter than man, who is the most perfect creature of Creation.

The only thing to do to stop this epidemic in Ibero-America is to adopt in all of our countries the following measures:

1) Public health measures: The first thing we have to do is to isolate the infected persons, get rid of hotbeds of infection and possible vectors (e.g., bloodsucking insects), improve nutrition, sanitation, hygiene, and medical care for the population.

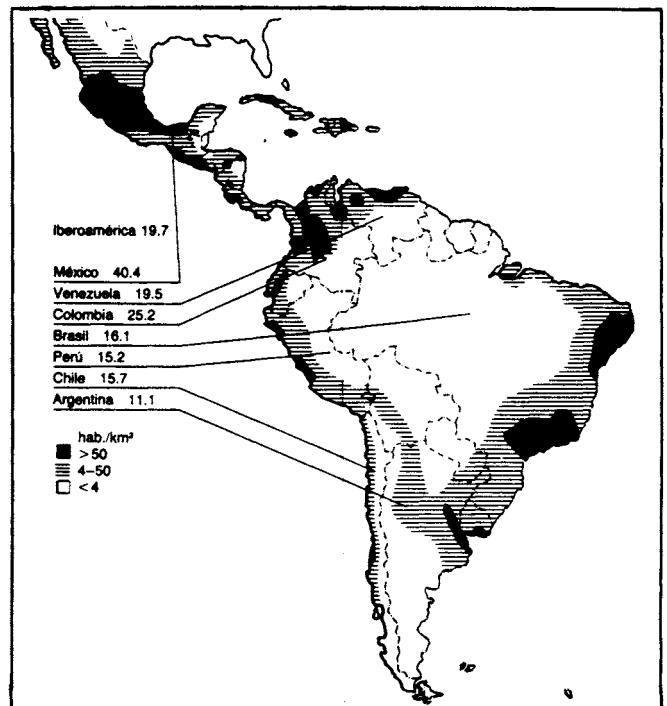
AIDS patients should be treated in special locations, separate from the rest of the population.

2) Scientific research: Ibero-America has to participate in a worldwide effort in this area, and even to lead it, and not just to fight against AIDS but it must also participate in all the world's scientific projects such as the conquest of space. Ibero-Americans have the intellectual capacity to definitively defeat AIDS. We must find treatments, vaccines, and health procedures which are effective against the virus and the disease.

To undertake the sanitary measures cited above, essential elements are lacking in many countries, the acquisition of which on the necessary scale depends on a scientific and technological effort.

All our Ibero-American nations have to wage the war on AIDS in common. In other words, an integrated Ibero-America will conquer AIDS, and it depends on our morality to make it reality!

FIGURE 9  
**Ibero-America: population density in 1985**  
 (inhabitants per km<sup>2</sup>)



Source: Schiller Institute.

# Can AIDS be spread by mosquitoes?

by Dr. Ricardo Veronesi

*Dr. Veronesi is professor of Infectious and Parasitological Diseases at the University of São Paulo Medical School, and president of the Brazilian Society of Infectious Diseases. He was one of the organizers of the Second International Conference on AIDS, held in São Paulo, Brazil on Sept. 25-26. The conference saw a dramatic clash between him and a representative of the Health Ministry, who insisted that "there is absolutely no possibility of mosquito transmission." Dr. Veronesi refuted the ministry's argument that mosquito transmission is ruled out because of the low incidence of AIDS in children. He presented the audience with a series of graphs profiling an unidentified disease by age group. Like AIDS, it showed a low incidence in children. He then identified the disease as malaria, which is universally recognized to be transmitted by the aedes aegypti mosquito.*

*This article was submitted in the wake of the controversy that erupted at the conference.*

AIDS and mosquitoes. Since that subject has aroused a polemic in the press between our opinion, on the one side, and those of the Health Ministry's public health authorities, the São Paulo Health Secretariat, and the U.S. Centers for Disease Control on the other, we would like to use the strongest argument put forward by those who deny the possibility of AIDS transmission by flies, mosquitoes, lice, fleas, and other arthropods, to demonstrate that they are ignorant of the most elementary principles of epidemiology. We see:

The Atlanta Centers for Disease Control (and the "parrots" who do not use the logic of reason) argue, "If the AIDS virus were being transmitted by flies, mosquitoes, etc., why would children (0-14 years) be saved? Don't flies, mosquitoes, and lice like to suck children's blood?" It is necessary to inform such "epidemiologists" of the following facts:

1) Diseases transmitted by arthropods are less prevalent among children (0-14 years) than among adults. The diseases which prevail among children are transmitted by respiratory means (e.g., measles), by ingestion (e.g., poliomyelitis, diarrhea, from viruses and bacteria).

2) The AIDS disease is not common among U.S. and European children (relative to adults), and, even in São Paulo (though here the incidence among youth is double that found

in the United States), but not so in Africa. The Panos Institute in London reports that in 1987, Gabon, with 5 million inhabitants, will have 6,000 AIDS cases among children, while the United States has only 500 infantile AIDS cases, with a population of 240 million. The African model is, thus, completely different from the American and European model.

3) Malaria, a disease which incontrovertibly is transmitted by the *anopheles* mosquito, also has a low incidence among children. According to the state epidemiological service of São Paulo, SUCEM, among the 2,686 cases registered in 1986, the age distribution was as follows:

- 0.18% in infants under one year;
- 2.08% in the 1 to 5 age group;
- 1.89% in the 5 to 9 age group;
- 2.38% in the 10 to 14 age group.

According to the "epidemiologists" at the CDC in Atlanta and those of the Brazilian Health Ministry and São Paulo Health Secretariat, it is highly unlikely that malaria could be transmitted by mosquitoes, given this age distribution of cases in Brazil. This is simply unbelievable!

4) We should also emphasize that in September, the U.S. Congress named a commission of scientists (including Nobel Prize winner Baruch Blumberg) to give their opinions on the subject. It concluded that the possibility exists for AIDS to be transmitted mechanically by arthropods, and that the probability of it is greater in regions where conditions are propitious for that to happen. It recommended that the CDC and scientists the world over investigate the subject more profoundly.

5) The strongest argument supporting the possibility and probability of HIV transmission by arthropods is that for at least 50 years, it has been verified that the virus causing infectious anemia in horses, *retroviridae* family, *lentivirinae* subfamily, a first cousin of HIV, is transmitted from horse to horse and even to man by bites from the Motuca fly. The same could be said for bovine leukemia.

Finally, we must report that in nearly 50% of Brazilian territory, living conditions and environment (housing, sanitation, malnutrition, promiscuous sexual practice among homosexuals, cultural norms, density of flies, mosquitoes, fleas, bedbugs, and lice) are identical to those found in the most underdeveloped regions of Africa, where the epidemiological model of AIDS is completely different from that of America, Europe, and São Paulo. And we must also consider that the HIV-2 virus, which we detected for the first time this year in the Americas in São Paulo, in two dozen inhabitants of that city, showed itself able, in the laboratory, to survive for many hours in mosquitoes, just as has been demonstrated with HIV-1, prevalent in the United States, Europe, and Brazil.

Though arthropods may not yet be transmitting AIDS in the United States and Europe, it is highly probable that they are already doing it in Africa and, perhaps, in Brazil. It is better to spread panic than AIDS.

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## Strategic Defense Initiative gains Milestone I approval

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*Selected SDI concepts and technologies will be entering the demonstration and validation phase. We publish the Defense Department's Sept. 18 announcement.*

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Secretary of Defense Caspar W. Weinberger approved on Sept. 18 the Defense Acquisition Board (DAB) recommendation that selected Strategic Defense Initiative concepts and technologies, which are candidates for Phase I of the Strategic Defense System, enter the demonstration and validation phase of the defense acquisition process.

The Milestone I demonstration and validation review is prescribed by DoD policy for acquisition of all major programs. The Secretary's approval culminated a thorough review by the DAB and a 30-day period when environmental assessments of the SDI demonstration and validation plan were available for public review.

The purpose of the demonstration and validation phase is to evaluate the feasibility of elements of a potential strategic defense system through analysis, experimentation and simulation. All test and evaluation activities planned for the demonstration and validation phase will comply with all U.S. treaty obligations including the 1972 Anti-Ballistic Missile Treaty.

The Milestone I recommendation was made by the Defense Acquisition Board, chaired by Undersecretary of Defense for Acquisition Richard P. Godwin.

The technology research programs which are candidates for Phase I of the Strategic Defense System include:

- Ground-based Surveillance and Tracking System (GSTS)
- Boost Surveillance and Tracking System (BSTS)
- Space-based Surveillance and Tracking System (SSTS)
- Battle Management/Command and Control, and Communications (BM/C<sup>3</sup>)
- Space-based Interceptor (SBI)
- Exoatmospheric Reentry Vehicle Interceptor Subsystem (ERIS)

### **The concept of phased deployment**

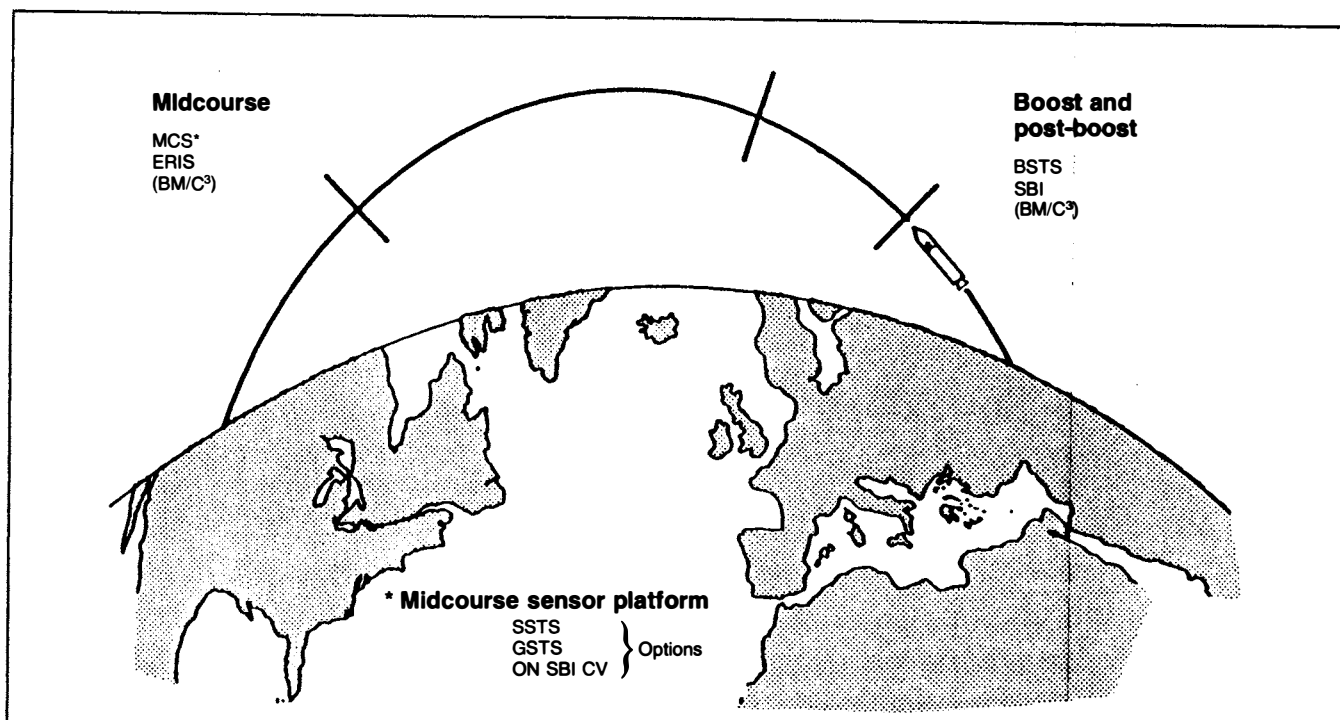
Recognizing that no comprehensive strategic defense system could be deployed all at once, the concept of phased deployment addresses the question of how to deploy strategic defenses in the event a deployment decision is made in the future. It does not constitute a decision to deploy. Since we are talking about an overall system, we would not want to make a decision to develop and deploy an initial phase until we are reasonably confident that more advanced systems will be feasible.

The goals of defense deployments are: (1) Deny the Soviets confidence in the military effectiveness and political utility of a ballistic missile attack; (2) Secure significant military capability for the U.S. and its allies to deter aggression and support their mutual strategy in the event deterrence should fail; and (3) Secure a defense-dominated strategic environment in which the U.S. and its allies can deny to any potential aggressor the military utility of ballistic missile attack. It has become clear that these goals may be reached through the phased deployment of defenses.

We continue to believe that the defense resulting from each of the various increments must be expected to meet our basic criteria. Thus, each phase of deployment would be sized and given sufficient capability to achieve specific military and policy objectives and lay the groundwork for the deployment of subsequent phases. The technologies employed in, and objectives served by, the initial phases of a deployment would be fully compatible with the technologies and objectives of the ultimate strategic defense system. In fact, such early phases would facilitate the achievement of the ultimate system.

In addition, the first phases could serve an intermediate military purpose by denying the predictability of a potential

FIGURE 1  
**SDS phase I core concept**



Soviet attack outcome and by imposing on the Soviets significant costs to restore their attack confidence. These first phases could severely restrict Soviet attack timing by denying them cross-targeting flexibility, imposing launch window constraints, and confounding weapons-to-target assignments, particularly of their hard-target-kill capable weapons. Such results could substantially enhance the deterrence of Soviet aggression.

A first deployment phase could use kinetic energy weapon and sensor system technologies to concentrate on the boost, post-boost, and late midcourse intercept layers. The boost and post-boost layers could consist of space-based kinetic-kill interceptors (SBI) combined with surveillance and tracking satellite sensors in geosynchronous orbit. The late midcourse phase intercept layer could consist of ground-launched interceptors, combined with ground-launched surveillance probes or space-based surveillance platforms, to destroy nuclear weapons that were not destroyed in the boost or post-boost layer defense.

Subsequent phases of deployment could augment and upgrade Phase I assets in the late midcourse and boost tiers with improved sensors, upgraded battle management/command, control and communications (BM/C³), and increased numbers of kinetic energy weapons. Improved surveillance sensors would provide coverage of the entire missile flight, and could provide an interactive discrimination capability against reentry vehicles and decoys.

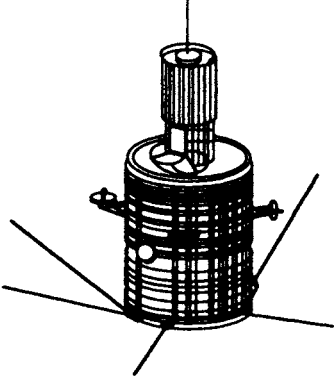
## Glossary of terms

- ALS:** Advanced Launch System
- AOS:** Airborne Optical Sensor
- BM/C³:** Battle Management/Command, Control and Communications
- BSTS:** Boost Surveillance and Tracking System
- BV:** Boost Vehicle
- CV:** Carrier Vehicle
- ERIS:** Exoatmospheric Reentry Vehicle Interceptor System
- GBR:** Ground-Based Radar
- GBL:** Ground-Based Laser
- GSTS:** Ground-Based Surveillance and Tracking System
- HEDI:** High Endoatmospheric Defense Interceptor
- HVG:** Hypervelocity Gun
- NPB:** Neutral Particle Beam
- PBV:** Post-Boost Vehicle
- RV:** Reentry Vehicle
- SBI:** Space-Based Interceptor
- SBL:** Space-Based Laser
- SDS:** Strategic Defense System
- SSTS:** Space Surveillance and Tracking System

FIGURE 2  
Phase I systems

SYSTEM NAME	FUNCTIONS
Boost Surveillance and Tracking System (BSTS)	<ul style="list-style-type: none"> <li>• Detection of Launches</li> <li>• Acquisition and Tracking of BVs and PBVs</li> <li>• Kill Assessment</li> </ul>
Space-based Surveillance and Tracking System (SSTS)	<ul style="list-style-type: none"> <li>• Acquire and Track PBVs, RVs and ASATs</li> <li>• Discrimination</li> </ul>
Ground-based Surveillance and Tracking Systems (GSTS)	<ul style="list-style-type: none"> <li>• Acquisition</li> <li>• Tracking</li> <li>• Discrimination</li> </ul>
Space-based Interceptor (SBI)	<ul style="list-style-type: none"> <li>• Disabling of Boosters, PBVs, RV and ASATs</li> <li>• Sensors on Carrier Vehicle (CV) Could Provide Enhanced Midcourse Sensor Capability</li> </ul>
Exoatmospheric Reentry Vehicle Interceptor System (ERIS)	<ul style="list-style-type: none"> <li>• Disabling of RVs in Late Midcourse</li> </ul>
Battle Management/Command, Control and Communication System (BM/C3)	<ul style="list-style-type: none"> <li>• Man-in-Loop Control</li> <li>• Engagement Management</li> <li>• Maintaining Track Data</li> <li>• Target Assignment</li> <li>• Communications</li> </ul>

FIGURE 3  
Phase I—BSTS element

	<p><b>Key requirements</b></p> <p>Size: approx. 36 × 16 ft.</p> <p>Bands: multispectral</p> <p>Sensor: Scanning or staring</p> <p>Power: 6-10 kW</p> <p>Total spacecraft weight: 5,000-7,000 kg</p>
<p style="text-align: center;"><b>Functions</b></p> <ul style="list-style-type: none"> <li>• Surveillance: continuous global observation of the Earth's surface</li> <li>• Detection: ICBMs, IRBMs, SLBMs</li> <li>• Acquisition: initiate tracking of missiles</li> <li>• Tracking: compute state vectors and predict future positions</li> <li>• Typing: determine the missile type</li> <li>• Kill assessment: provide data to weapons to assist in determination of a hit or kill</li> <li>• Communications: transmit required data to all users</li> <li>• Battle management: as determined by the SDI architecture</li> </ul>	

Continued improvements would endow the architecture with full strategic defensive capabilities against ballistic missiles throughout their flight trajectories, using highly advanced technologies developed in parallel with deployment of earlier systems. Suitable advanced elements could include advanced versions of the boost-phase sensors, further improved SBI, advanced Space Surveillance System, Airborne Optical Sensors, High Endoatmospheric Interceptors, improved BM/C<sup>3</sup>, and directed energy elements (lasers, neutral particle beams, etc.) for both interactive discrimination and destruction of ballistic missiles in flight.

The extent to which we would choose to follow such a phased deployment approach would depend in large part on Soviet actions. The mere development of the option for phased deployment of strategic defense can help motivate Soviet acceptance of U.S. arms reduction proposals. With such acceptance, phased deployment plans could be modified accordingly. If the Soviets respond favorably, a deployed system could function as an insurance system and would require more limited quantitative upgrading over time. If the Soviets do not respond favorably, we have to take that into account in our own actions.

In summary, although there are many difficult steps to be accomplished along the way and sustained national commitment is required, phased deployment of strategic defenses appears to be feasible. An effective system of space-based and ground-based interceptors can provide a useful deterrent capability and strong motivation for the Soviets to cooperate in a transition from a dependence on nuclear retaliation to a greater reliance on defense.

### **Boost surveillance and tracking system (BSTS)**

The Boost Surveillance Tracking System (BSTS) (see **Figure 3**) would provide the capability to detect and track attacking intercontinental and submarine launched ballistic missiles during their boost phase or powered flight portion of their launches. If the attacking missile can be destroyed in its early boost phase, which is the shortest phase of a missile's flight, the number of warheads destroyed per hit would be greatly increased. (The reentry vehicles and decoys are released during the next phase, the post-boost phase.)

Once the BSTS senses a launch and tracks the attacking missiles, the information would be relayed to the Battle Management/Command, Control and Communications (BM/C<sup>3</sup>) system and other elements of the Strategic Defense System. The BM/C<sup>3</sup> would then communicate target assignments to weapon elements such as the Space-Based Interceptor to destroy the incoming missiles. The type of tests, experiments or simulations envisioned during the Demonstration/Validation phase include:

- Performance tests to determine the ability of sensors to detect, identify and track targets would be conducted in a space environment chamber.
- Analyses and simulations.
- One limited capability satellite would be launched from

Cape Canaveral Air Force Station for space experiments.

The primary contractors for BSTS are Lockheed Missiles and Space Co., Sunnyvale, Calif. and Grumman Corp., Bethpage, N.Y. The U.S. Air Force Systems Command (AFSC) is the executive agent for the program.

### **Space-based interceptor (SBI)**

The Space Based Interceptor (SBI) (see **Figure 4**) would consist of a number of space vehicles, (also referred to as Space-Based Kinetic Kill Vehicles,) that would house multiple rocket-propelled interceptors. These non-nuclear interceptors would be designed to destroy attacking missiles in the boost phase and re-entry vehicles (RV's) in the mid-course phase of their flight. The interceptors would destroy the respective targets by the force of their impact with them at extremely high speed.

Prior to intercept, boost surveillance systems would detect and track the ballistic missiles. This information would be relayed to the Battle Management/Command, Control and Communications (BM/C<sup>3</sup>) system, which would process it and communicate target assignments to interceptors such as the SBI. Once the SBI platform received the command to intercept the incoming missiles, it would launch interceptors to destroy the attacking missiles.

Demonstration/Validation phase of SBI would require tests of the SBI homing subsystem and space platform. A system simulator would be used to test the space platform and evaluate the interface between all the subcomponents and to predict overall performance. Individual subcomponent/assembly testing would be conducted in existing facilities.

The primary contractors for SBI are Rockwell International Corp., El Segundo, Calif. and Martin-Marietta Corp., Bethesda, Md. The U.S. Air Force Systems Command (AFSC) is the executive agent for the program.

### **Space-based surveillance and tracking system (SSTS)**

The Space-Based Surveillance and Tracking System (SSTS) (see **Figure 5**) would be capable of detecting and tracking ballistic missile buses and warheads in the post-boost and midcourse phases of missile flight. The system would use a series of satellites to track the missiles and to discriminate between reentry vehicles, decoys, and space debris.

This tracking information would be relayed to the Battle Management/Command, Control and Communications (BM/C<sup>3</sup>) system and other elements of the Strategic Defense System. The BM/C<sup>3</sup> system would then communicate target assignments to weapon elements such as the Space-Based Interceptor (SBI) and/or the Exoatmospheric Reentry-Vehicle Interceptor subsystem (ERIS) to destroy the incoming warheads.

The Demonstration/Validation phase of SSTS would require fabrication and ground testing of a limited capability

FIGURE 4

**Phase I—Space-based interceptor element**

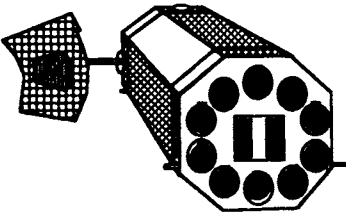
	<p><b>Key requirements</b></p> <p>Carrier vehicle</p> <ul style="list-style-type: none"> <li>● 3,000 kg</li> </ul> <p>Interceptor</p> <ul style="list-style-type: none"> <li>● Low cost/long life</li> </ul>
<p style="text-align: center;"><b>Functions</b></p> <ul style="list-style-type: none"> <li>● Intercept boosters, PBVs, RVs, self defense against direct ascent ASATs</li> <li>● Carrier vehicles             <ul style="list-style-type: none"> <li>—Store and launch interceptors</li> <li>—Assess kill and report status</li> </ul> </li> <li>● Interceptor             <ul style="list-style-type: none"> <li>—Acquire, home on and destroy target</li> </ul> </li> </ul> <p style="text-align: center;"><b>Tech maturity and hardware development supports feasibility</b></p>	

FIGURE 6

**Phase I—ERIS element**


	<p style="text-align: center;"><b>Key requirements</b></p> <ul style="list-style-type: none"> <li>● Low cost per RV kill: <math>\leq</math>\$1M</li> <li>● Lightweight: ~700 kg</li> <li>● "Dormant" Missile Concept</li> </ul>
<p style="text-align: center;"><b>Functions</b></p> <ul style="list-style-type: none"> <li>● Accept target state vector updates from surveillance sensors (radar, GSTS, SSTS)</li> <li>● Acquire, home on target, impact RV</li> <li>● Destroy RVs in late midcourse (exoatmospheric)</li> </ul> <p style="text-align: center;"><b>Feasibility demonstrated (HOE program): Low cost lightweight is the goal</b></p>	



FIGURE 5

**Phase I—Midcourse surveillance element**

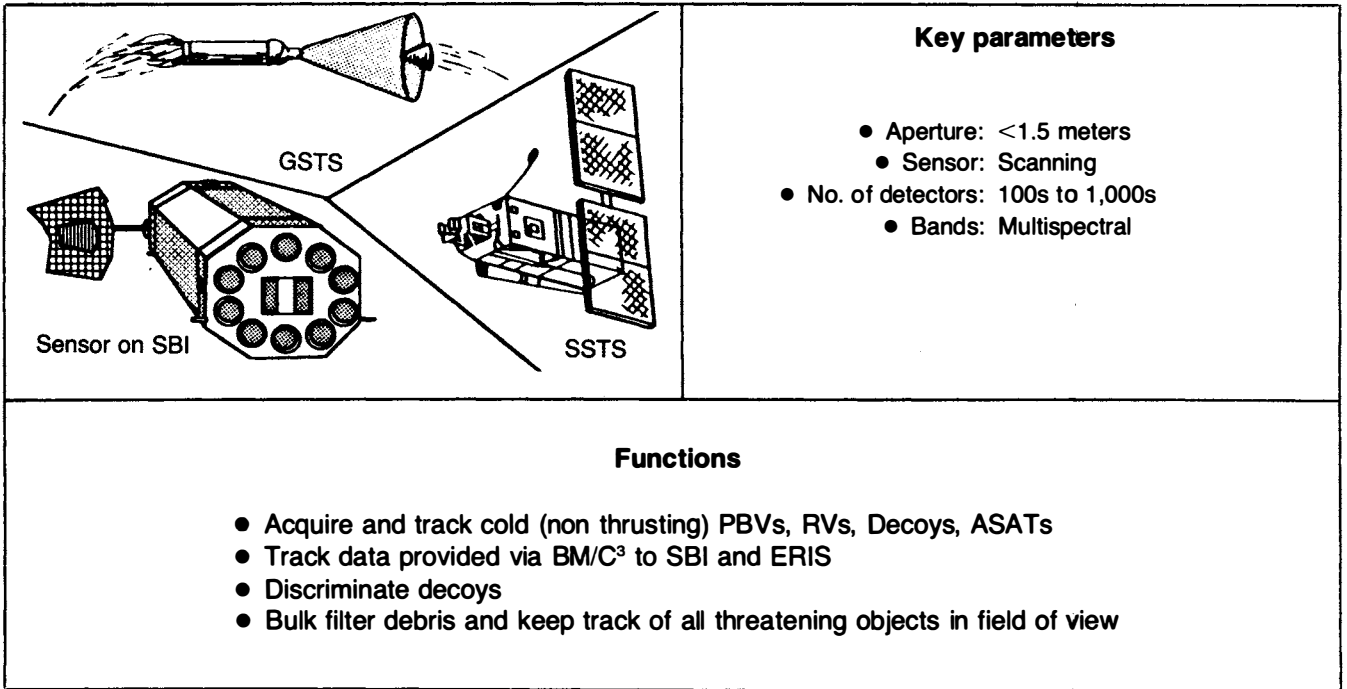


FIGURE 7

**BM/C<sup>3</sup> systems description**

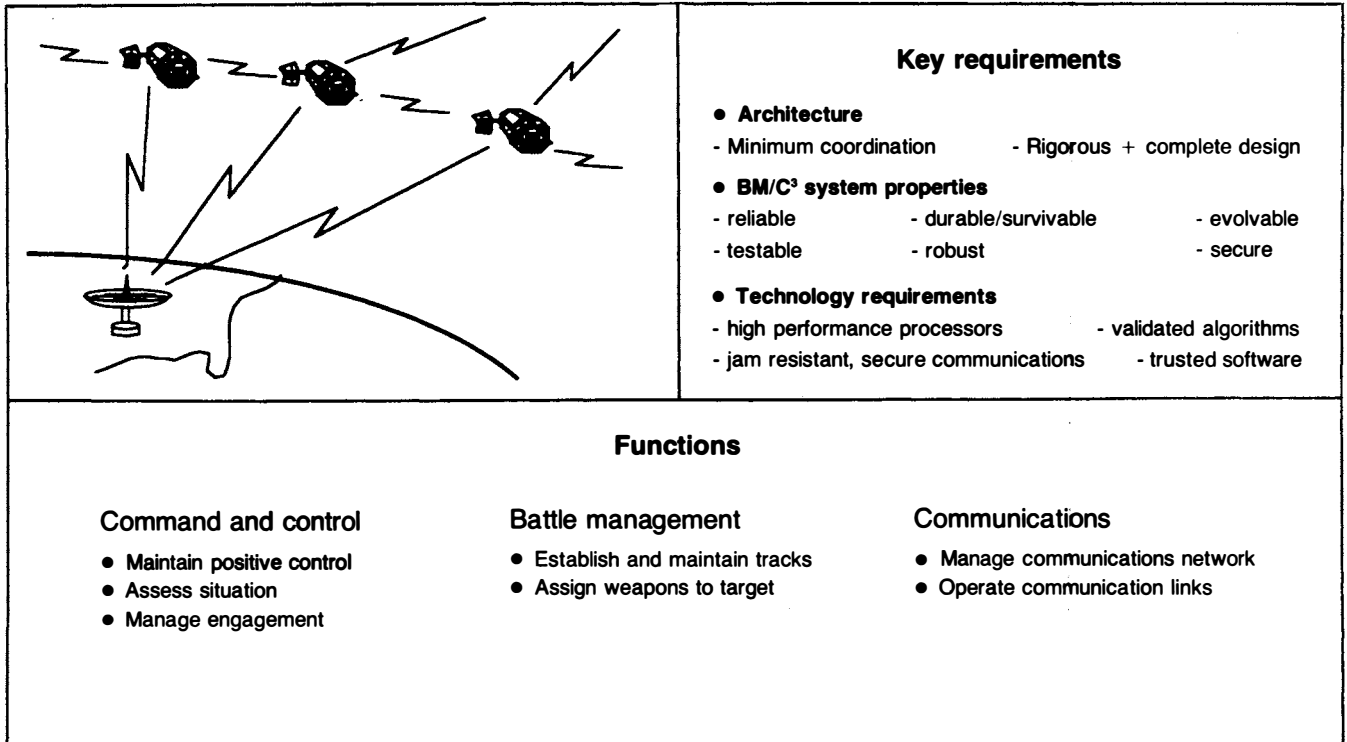


FIGURE 8

**Possible follow-on systems**

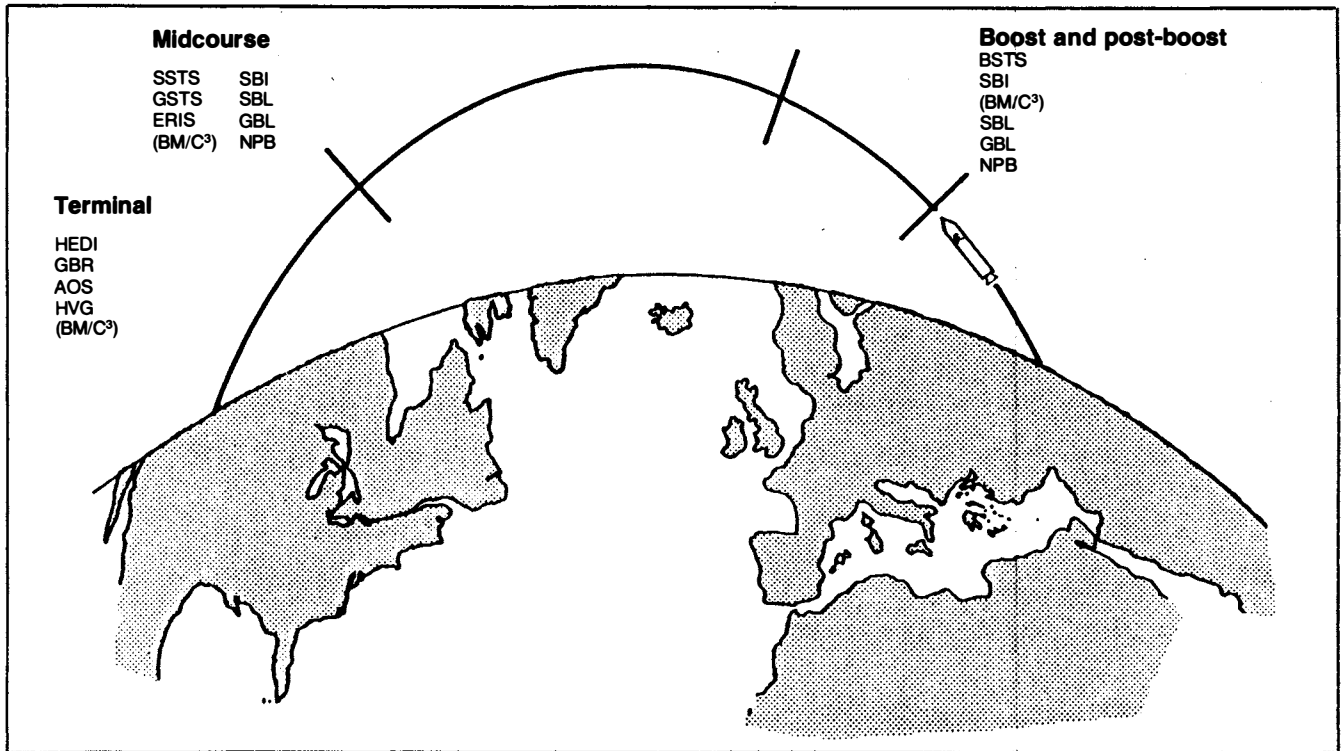


FIGURE 9

**Follow-on systems**

System name	Functions
Space-based Neutral Particle Beam Weapon (NPB)	<ul style="list-style-type: none"> <li>• Interactive Discrimination</li> <li>• Disabling of Boosters, PBVs, RV and ASATs</li> </ul>
High Endoatmospheric Defense Interceptor (HEDI)	<ul style="list-style-type: none"> <li>• Disabling of RVs After Reentry</li> </ul>
Airborne Optical System (AOS)	<ul style="list-style-type: none"> <li>• Midcourse and Terminal Acquisition and Tracking</li> </ul>
Ground-based Radar (GBR)	<ul style="list-style-type: none"> <li>• Terminal Acquisition and Tracking</li> <li>• Discrimination</li> </ul>
Space-based Laser (SBL)	<ul style="list-style-type: none"> <li>• Disabling of Boosters and ASATs</li> <li>• Interactive Discrimination</li> </ul>
Ground-based Hypervelocity Gun (HVG)	<ul style="list-style-type: none"> <li>• Disabling RVs in Terminal Phase</li> </ul>
Ground-based Laser (GBL)	<ul style="list-style-type: none"> <li>• Disabling of Boosters</li> </ul>

SSTS satellite. Fabrication and ground testing would take place in existing or planned contractor and government facilities. In addition, a satellite may be launched into space for an on-orbit evaluation.

The primary contractors for SSTS are Lockheed Missiles and Space Co., Sunnyvale, Calif. and TRW Inc., Electronics and Defense Sector, Redondo Beach, Calif. The executive agent is the Air Force Systems Command (AFSC).

## Ground-based surveillance and tracking system (GSTS)

The Ground-Based Surveillance and Tracking System, (GSTS) (Figure 5), also referred to as the Long Wavelength Infrared (LWIR) Probe, has four basic functions: search, acquisition, track and discrimination. Launched into space upon warning, the GSTS, which represents state-of-the-art exoatmospheric LWIR sensor design, would track an incoming missile's warheads in the missile's midcourse and early terminal trajectory phases. It would also discriminate between reentry vehicles, penetration aids, and debris in space. This information would be relayed to the Battle Management/Command, Control and Communications (BM/C<sup>3</sup>) system, which would process it and communicate target assignments to interceptors. The interceptors would then destroy the attacking warheads.

Demonstration/Validation phase of GSTS would require fabrication and ground testing of the sensor, general processor, guidance and control subsystem, and communication subsystem assemblies. It would also include launching sensor-equipped boosters into a ballistic trajectory to provide search, acquisition, tracking, and documentation of potentially hostile ballistic missiles. The fabrication and ground testing of the components would take place in existing or planned contractor and government facilities.

The primary contractors for GSTS have been McDonnell Douglas Astronautics Co., Huntington Beach, Calif. and Science Applications International Corp., San Diego, Calif. The Request for Proposal for the next phase was issued on August 28, 1987, with contract award expected in early 1988. The executive agent is the U.S. Army Strategic Defense Command (USASDC).

## Exoatmospheric reentry-vehicle interceptor subsystem (ERIS)

The Exoatmospheric Reentry-Vehicle Interceptor Subsystem (ERIS) (see Figure 6) is a ground-based non-nuclear system that would destroy attacking warheads during their midcourse phase of trajectory. Space and ground surveillance systems must first discern between warheads, decoys, penetration aids and debris in space. This information would be relayed to the Battle Management/Command, Control and Communications (BM/C<sup>3</sup>) system, which would process it and communicate target assignments to interceptors such as the ERIS. The small ERIS vehicle would destroy the attacking warhead by the force of its impact with it at extremely

high speed.

Lockheed Missiles and Space Company, Sunnyvale, Calif., the prime contractor for ERIS, has designed special test facilities for the ERIS. Generally, the types of tests, experiments or simulations envisioned during Demonstration/Validation phase include:

- Laboratory and ground-based research, development, testing, and hardware-in-the-loop evaluation of individual or grouped technology components in or at existing facilities.
- Computer simulation testing and evaluation of technology components by using expanded computer capability at existing facilities.
- Flight testing of individual and grouped technology hardware at existing launch facilities and range areas.
- Survivability testing in or at existing facilities.

The U.S. Army Strategic Defense Command (USASDC) is the executive agent for the ERIS technology.

Battle management/command, control, communications (BM/C<sup>3</sup>)

The Battle Management/Command, Control, Communications (BM/C<sup>3</sup>) (see Figure 7) system would have the responsibility to monitor and control the activities of all the elements of a Strategic Defense System. Information from surveillance satellites, sensors and radars would be relayed to the battle managers. The information then would be processed and target assignments communicated to space and ground-based weapons. This complex communication system must be able rapidly to assess data concerning a ballistic missile attack and provide timely, reliable information to the command structure in a hostile environment. Once a defense response has been determined, the BM/C<sup>3</sup> system must carry out the response, assess its effectiveness, and revise the response if necessary. The BM/C<sup>3</sup> would have to be able to withstand enemy jamming and effects of nuclear radiation.

BM/C<sup>3</sup> Demonstration/Validation phase activities would include analyses, simulation, and subcomponent/assembly testing of the communications, battle management, and command and control computer hardware and software.

Prime contractors conducting various activities in the BM/C<sup>3</sup> research and development program are TRW Inc., Electronics and Defense Sector, Redondo Beach, Calif.; IBM Federal Systems Division, Bethesda, Md.; McDonnell Douglas Astronautics Co., Huntington Beach, Calif.; and Ford Aerospace and Communications Corp., Detroit, Mich. There is no single executive agent of the BM/C<sup>3</sup> program. The Air Force Systems Command executes the space-based BM/C<sup>3</sup> validation program, the U.S. Army Strategic Defense Command (USASDC) executes the ground-based BM/C<sup>3</sup> validation and the Defense Advanced Research Projects Agency (DARPA), Alexandria, Va., executes the communications/processing network experiment, called Cooperating Space System (CSS). Integration of these programs will be a principal function of the Strategic Defense Initiative Organization (SDIO) system engineering and integration activity.

## The precarious state of the SDI program

On Oct. 16, just after a meeting at the Oval Office between President Reagan and Defense Secretary Caspar Weinberger, and six days before Secretary of State Shultz was to meet Eduard Shevardnadze, his Soviet counterpart, two of the Reagan administration's chief spokesmen on arms control, Gen. Ed Rowney and Arms Control & Disarmament Agency (ACDA) Director Kenneth Adelman, announced that the United States had decided to reject a Soviet proposal to "negotiate the scope of the SDI."

The rejected Soviet proposal, according to the administration, was either to draw up a list of what tests and technologies would be permissible for the SDI, or, failing agreement on that, to agree to extending the "restrictive" interpretation of the ABM Treaty for another 10 years. According to press accounts, Paul Nitze, the arms control adviser, led an effort to accept the Soviet proposal, but he was defeated by another group in the administration led by Caspar Weinberger, Frank Carlucci, Kenneth Adelman, and General Rowney.

Despite this salutary formal decision, however, the Strategic Defense Initiative continues to be in serious jeopardy, not because the administration is vulnerable to Soviet negotiating traps, but rather because forces in Congress are methodically trying to kill it.

The day following the Rowney/Adelman announcement, President Reagan, in his weekly radio address, accused Congress of trying to enact into law what the Soviets are demanding of the U.S.A. at the negotiating table. "Certain proposals in Congress," President Reagan said, "especially those that would tie our hands or even enact Soviet negotiating positions

into American law, don't help us at the bargaining table, and they undermine chances of achieving mutual arms reductions. I can assure you," he went on, "I will veto any bill with provisions that hurt our national security."

The defense appropriations bill that Reagan is threatening to veto is still being negotiated in conference committee. The Senate version provides \$4.5 billion and the House version \$3.1 billion, for the Strategic Defense Initiative. The Defense Department has informed Congress that "if Congress approves funding for SDI at \$4.5 billion or less, an informed decision on the feasibility of a strategic defense deployment date would be delayed by about two years."

Another matter bearing on possible delay of an SDI deployment decision, is the controversy over the "narrow" or "broad" interpretation of the ABM Treaty.

In two Pentagon reports to Congress, one last April and the other in September, it was announced that at "present funding levels," and under the broad interpretation of the ABM Treaty, the United States could begin Full Scale Engineering Development (FSED) by about 1990 and start full-scale deployment by "the mid-1990s." At higher funding levels, deployment could occur earlier. Under present funding levels, five or more additional years would be needed for a decision to be made on deployment, unless the U.S.A. decided to abandon the ABM Treaty during 1988.

These Pentagon reports emphasize that the decision to restructure the SDI program on the basis of the broad interpretation of the ABM Treaty is not a legal decision, but a simple matter of policy. During the next 30 days, it will be

decided whether or not the SDI will be irrevocably sold out at the arms control negotiations. Should the SDI survive the "slippery slope" of the INF arms control euphoria, then, during the next 90 days, it will be decided whether it survives the budget-cutting assaults of Congress. The excerpts we publish below from Defense Department reports to Congress will help the reader obtain clarity of the issues as they are being fought.

—The Editor-In-Chief

## Legal interpretation of the ABM Treaty

*From in the Sept. 21, 1987 DoD A Report To Congress On the Anti-Ballistic Missile Treaty:*

*The 1985 review led President Reagan to conclude that a broader interpretation of our authority under the Treaty—permitting development and testing of all ABM systems involving other physical principles, regardless of basing mode—was fully justified. The President also decided, however, that it was not necessary at that time to restructure the SDI program toward the boundaries of the broader interpretation we were entitled to observe. The President made that decision as a matter of policy, not as a matter of legal requirement, and clearly reserves the right to restructure the SDI program in the future to conform with the broader interpretation if circumstances warranted it.*

## Advantages of 'broad' interpretation

*From the same Sept. 21, 1987 DoD report:*

In order to contrast a program conducted under the restrictive interpretation with one conducted under the broad, the Department of Defense postulated a restructured program which illustrates the benefits to the SDI program of the broad interpretation of the ABM Treaty. In order to develop this contrasting program, the Department of Defense assumed that this program would be fully funded at projected budget levels, would maintain a balance among technologies, and would support the development of strategic defense deployment options as soon as possible. The purpose of evaluating experiments in the contrasting program, it also was assumed that advanced kinetic energy technologies in the SDI program are based on principles other than those that governed defensive systems in 1972 and that, therefore, they could be fully tested and developed under the broad interpretation of the ABM Treaty.

**SDI program under the broad interpretation.** The current research program has focused on individual technology development in part because of past technical limitations and in part because the restrictive interpretation of the ABM Treaty prohibits the development and testing of mobile devices that have full defense capability (i.e., the ability to perform ABM functions) and integrated tests using these devices. Due to the significant progress that has been made

to date, the SDI program is in an excellent position to benefit from the broad interpretation by integrating the basic elements of a strategic defense system, such as sensors and weapons, in realistic tests which will more fully validate defensive concepts. Under a program conforming to the broad interpretation, four major system exploration experiments would be conducted over the next three years. These experiments are designed to identify early in the program any unexpected technical issues and to increase confidence in the feasibility of strategic defenses. The first experiments in the restructured program could occur as early as Fiscal Year 1988. Planning activities to support this challenging schedule must begin immediately. In the current program, the SDI effort would remain limited to individual experiments which do not validate technologies fully and which do not establish as high a level of confidence in the feasibility of defenses based on these technologies.

In addition to the major experiments which explore the issues of system integration, the development of individual technologies would also benefit from the broad interpretation. Restructuring to take advantage of the broad interpretation would more than pay for itself by eliminating repeated flight tests of individual technologies.

**Implications of restructuring.** The implications of the broad interpretation for the SDI program are clear and dramatic. The restructured program would allow for more efficient use of projected budgets and could reduce the total costs of research by approximately \$3 billion. Under this program, confidence in defense feasibility would increase much faster, and the program management uncertainty caused by ambiguities inherent in the restrictive interpretation would be reduced substantially. Additionally, restructuring under the broad interpretation of the ABM Treaty would allow a President to defer a decision on altering fundamentally the ABM Treaty regime until after full-scale engineering development (FSED) is completed and just prior to actual deployment. A restructured SDI program would permit a full-scale engineering development decision in the early 1990s and preserve the option to deploy an initial defense in the mid-1990s (or earlier if funding in excess of projected budgets were provided) that would be effective when such an initial deployment is completed. Conversely, if the program remained constrained by the restrictive interpretation of the ABM Treaty, the United States would have to make a decision to alter fundamentally the ABM Treaty regime in the early 1990s in order to permit the pre-FSED phase of the program to be completed (FSED could begin at the time of Treaty regime alteration, but at a lower level of confidence in defense feasibility). In fact, because of possible congressional opposition to long-lead funding for non-compliant experiments, this issue might have to be faced as early as FY 1989 if the program continues to adhere to the restrictive interpretation. An early 1990s decision to alter fundamentally the ABM Treaty regime would delay a decision to enter full-scale en-

gineering development until the mid-1990s (assuming a requirement for a high level of confidence when entering FSED), and the nation's initial deployment option would slip to the late 1990s, forcing it to confront even further evolution of Soviet offensive and defensive threats.

**Conclusions.** The restrictive interpretation of the ABM Treaty already is beginning to cause the SDI program to sacrifice program effectiveness and highly significant experimental options. Any significant delay in adopting the broad interpretation of the ABM Treaty would have increasingly detrimental consequences for the SDI program, including higher costs and further delays. Because it cannot be expected that the Soviet threat will remain static, a defense that could be effective if deployed in the mid-1990s may not be effective if deployed significantly later. Consequently, such delays could result in the loss of deployment options. A delay of one year in restructuring the program using the broad interpretation would, for example, delay the option to deploy an initial defense system at least a year and a half and sacrifice substantial cost savings.

### Progress achieved so far by SDI

*Excerpts from the SDIO's Report to the Congress On The Strategic Defense Initiative, April 1987.*

. . . This [Directed Energy Weapons Technology] Program pursues directed energy weapons concepts that include not only those that have emerged since the start of the SDI but also those that predate the SDI Program by several years and are more technically mature. . . . The DEW Technology Program addresses four basic concepts, with several variations identified within each concept. These concepts are space-based lasers (SBLs), ground-based lasers (GBLs), space-based particle beams (SBPBs), and nuclear directed-energy weapons (NDEWs).

The space-based laser concept envisions self-contained laser battle stations. These battle stations are seen as modular assemblies of laser devices and optical phased arrays that can increase their performance by adding additional modules as the threat grows. . . . The primary candidate for the space-based laser concept uses chemical lasers fueled with hydrogen fluoride. . . . This concept has been under development since the late 1970s. As the first DEW concept identified for ballistic missile defense, it is the most mature. The efforts are well into hardware fabrication for engineering proof-of-principle demonstrations in ground-based tests.

Other candidates for space-based lasers are devices that generate beams at short (about a micrometer or less) wavelengths. . . . The radio frequency linac (FRL) free electron laser (FEL), for which high efficiencies are projected, is one of the most promising alternatives. Another candidate is the short-wavelength chemical laser. Yet another approach uses nuclear reactors to pump a short-wavelength laser. . . .

Due to recent significant progress, the free electron laser appears to be the most promising approach for this [ground-

based laser] concept. The GBL concepts have been under investigation since the early 1980s, and were accelerated as a result of the SDI.

. . . In this [space-based neutral particle beam (SBNPB)] concept, electromagnetic fields accelerate negative hydrogen ions. . . . Large numbers of these ions are accelerated to velocities near the speed of light, creating a high-energy beam which is steered toward the target by magnets at the front of the weapon. . . . Unlike lasers, the energetic particle beam can penetrate the thermal protection provided to survive reentry and destroy reentry vehicles in midcourse. . . .

The fourth set of concepts—nuclear directed-energy weapons—are being pursued by the Department of Energy. The DOE is conducting a broad-based research program investigating the feasibility and utility of using nuclear explosions to drive directed-energy weapons technologies. . . . Some concepts, such as the X-ray laser, could be placed in ground-based interceptors that pop up to engage missiles early in their trajectory phases.

. . . Some specific examples of recent technical accomplishments in directed-energy weapon technology are:

- Demonstration of high power and efficiency in converting electron beam energy into coherent microwave radiation in induction linac FEL experiments at the Electron Laser Facility. . . .

- Scalability of the ALPHA hydrogen fluoride chemical laser to brightness necessary for ballistic missile defense is being demonstrated. Very high brightness can be realized by the mutual phasing of multiple lasers in a manner that enables several individual lasers to act as one giant laser. Recent work has detailed the physics of phasing several independent laser resonators with the resultant mutually coherent output. . . . It demonstrates the feasibility of scalable, modular designs with essentially unlimited total laser power applicable to both ground- and space-based lasers.

- The switching technology needed for excimer lasers to operate continuously and reliably has been demonstrated. The excimer laser program is also addressing the problems of combining high-energy laser beams and of performing atmospheric compensation.

- Beam control and atmospheric compensation technology were demonstrated in a series of experiments in which laser beams from the RADC AMOS facility in Maui, Hawaii, successfully tracked U.S. Navy sounding rockets fired from the nearby Barking Sands Missile Range. . . .

- Metallic heat exchangers for high-energy laser mirrors were fabricated. These exchangers are the largest and most sophisticated ever made for this application. The mirrors, which represent a major advance in state-of-the-art large metallic optics, are the primary components of the ALPHA optical resonator. . . .

- Cooled optical components, required for high-power free electron lasers to control thermally induced optical surface deformation, were developed. . . .



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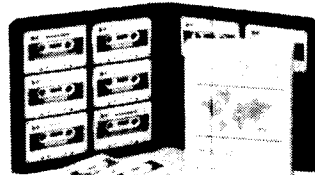
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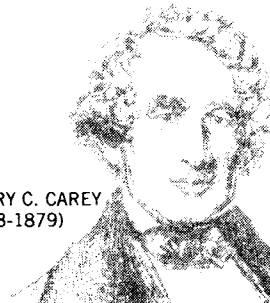
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# Colombian civil war looms after murder of leftist leader

by Valerie Rush

Colombia has been driven to the brink of civil war and Central American-style chaos, following the Oct. 11 murder of Jaime Pardo Leal, the ex-guerrilla president of the country's communist electoral front, the Patriotic Union (UP). The murder, committed by unknown assassins, came less than a week after the country's five major terrorist organizations had joined forces in a "Simón Bolívar Guerrilla Coordinating Group," and demanded the demobilization of the armed forces and creation of a new "transitional" government to replace the current elected one.

The murder of Pardo Leal is the latest of several hundred murders of UP leaders—local and national—as well as hundreds of others across the political spectrum, that have taken place since the beginning of the year. The Pardo Leal killing set off bloody rioting and looting in many of the country's major cities, with entire blocks of stores looted and burned, and at least 11 people killed. At Pardo Leal's funeral, three cabinet members were forced to abandon the site amidst boos and jeers, and political representatives of the ruling Liberal Party were driven from the microphone.

Only two individuals spoke at the funeral service. Pardo Leal's replacement as head of the UP, Communist Party congressman Bernardo Jaramillo Osa, called for a "front of national salvation" against the "fascist minority," called Pardo Leal a "martyr for democracy," and told the tens of thousands of graveside mourners that the government must purge Defense Minister Rafael Samudio Molina and other "dirty war" advocates. The UP blames Samudio for protecting paramilitary squads that have hunted down the amnestied guerrillas who make up the UP's ranks.

Another cabinet minister, anti-terrorist hard-liner Arias Carrizosa, was recently forced to resign from the Justice Ministry around a contrived scandal, after the UP and Communist Party had targeted him as a "protector" of death squads. When Arias Carrizosa resigned, the Communist Party newspaper *Voz* exulted, "One down, one to go!" At least one magazine, the popular weekly *Semana*, noted the strange coincidence of Arias Carrizosa's departure and the formation

of the "Simón Bolívar Guerrilla Coordinating Group."

Also speaking at Pardo Leal's funeral was Colombian Communist Party secretary general and faithful Moscow servant Gilberto Vieira, who identified Colombia's "two most important developments toward democracy" as the birth of the Simón Bolívar Guerrilla Coordinating Group, and the creation of the Unified Workers Confederation (CUT). The "Guerrilla Coordinating Group" is run from the top by the Communist Party-linked Revolutionary Armed Forces of Colombia (FARC), which has contributed upward of 10,000 hardened guerrillas to the terrorist umbrella group.

On the other hand, the pluralist CUT—through a series of maneuvers by the communists and radicals in its leadership ranks—continues to be portrayed both domestically and internationally as an instrument of the Colombian Communist Party. Founded as an alternative to the existing drug mafia-dominated trade union federations, the CUT has been drawn away from its anti-drug, anti-International Monetary Fund origins, and backed into an amorphous "anti-violence" corner.

CUT founder and president, former Labor Minister Jorge Carrillo Rojas, is one of more than a score of prominent individuals, including generals, priests, actors, senators, and former government officials, whose names appeared earlier this year on an alleged right-wing "hit list." Several people on that list have already been assassinated.

## A new 'Bogotazo'?

The capital city of Bogotá remains tense, and heavily patrolled by army and police forces, in the aftermath of the rioting and a 48-hour general strike called by the CUT, which succeeded in paralyzing the country. Many Colombians still fear a repeat of the 1948 "Bogotazo," where the murder of Colombia's leftist presidential candidate, Jorge Eliecer Gaitán, was the trigger for a citywide explosion of violence, which caused incalculable loss of life and property. It also served as the prologue to a decade-long civil war known as the *Violencia*, which terminated in Colombia's only military



coup of the past 50 years.

The UP is pressing its advantage. According to its new president, contacts are already initiated with "other political groups" to try to force the Barco government to accept Church-offered mediation with the "Guerrilla Coordinating Group," a la Central America. Otherwise, threatened UP president Jaramillo Osa, Colombia faces civil war "worse than that in El Salvador."

The PCC's Vieira, also a senator, gave a similar warning in a Sept. 30 speech to the Colombian Congress: "There is a mirror in which we should look; it is the example of El Salvador, a small Latin American country, where the government—with enormous logistical support from the United States—is not only incapable of defeating the guerrillas, but sees them grow daily."

### The drive for power

The demands of the Guerrilla Coordinating Group, according to a communiqué released by the FARC and published in the Oct. 13 issue of *El Tiempo*, are for nothing less than a new government dictated by the terrorists. The FARC asserts: "We support the idea of organizing a national civic strike, and not lifting it until the fascists leave the government and the military command. The Colombian people well know where the assassins live and eat. They are to be found in the barracks, the battalions, the brigades, and the intelligence services of the state." The FARC statement also asserts that the only reason Colombia has not yet "defeated fascism," as in much of the Southern Cone, is that the people have yet to "rise as one to bury it."

In March of 1988, the first mayoral elections in the country's history are scheduled. The UP, with the backing of the Guerrilla Coordinating Group, hopes to turn the disenchantment of the population with the government's economic policies and its own martyrdom into a big win at the polls. In fact, there is every likelihood that in the more marginalized sectors of the country where the guerrilla movements have built their base, the communist UP could politically capture a large number of regions which could then serve to launch a new civil war, or as the Salvadoran rebels call it, a "war of national liberation."

UP President Jaramillo Osa has called for the creation of a "national committee of electoral guarantees," and has announced that contacts have already been made with other political parties toward the fielding of "national convergence" candidates. He insisted that the bloodbath would not stop its electoral drive but, if anything, had strengthened it. A FARC communiqué describing its organizing drive among the Colombian peasantry emphasized that "the movement" provides "the employment that they don't have either in the countryside or in the city, the brotherhood of the family which Latins so need, the solidarity that their hard lives seek, and the explanations that no one ever offered them before."

### A vacuum of power?

The ruling government has so far given no adequate response to the threat it is facing. Emasculated by the combined forces of the International Monetary Fund and the drug traffickers, who have successfully dictated Colombian economic and judicial policy to the detriment of national interests, the Barco government is considered "out to lunch" by most observers. The daily *El Espectador* was strongest on this point. In its Oct. 13 edition, it editorialized that the necessity for competent leadership in Colombia was "unavoidable and untransferable," and that "if the head of state does not assume the leadership demanded of him, he might just as well give his policy of change up for lost."

The most potent statement to come out of the government was a late September announcement by Interior Minister César Gaviria Trujillo, that if the guerrilla groups did not disarm and demobilize preparatory to dialogue, they would be militarily crushed. Unfortunately, the government—under IMF oversight—has refused to allocate the kind of military budget, and order the kind of military mobilization, that would cause such a threat to be taken seriously.

Measures that have been taken by the government include the creation of 35 special courts to investigate political assassinations, and the creation of exclusive telephone lines so that "suspicious actions" can be reported to the proper authorities by a vigilant citizenry. Said Justice Minister Low Murtra in a brief television appeal, "The responsibility for saving the country belongs to all Colombians, and not just a few. . . . If a nation-state permits impunity, it is an endangered state."

Constant pressure on President Barco to "follow the path of dialogue" has come from all sides. Prominent journalist Jorge Child urged Barco to abandon a policy toward the terrorists of "demobilization or war," replacing it with one of "dialogue and demobilization." The UP has demanded that the President follow his "rehabilitationist" doctrine, instead of a "national security" doctrine "made in the United States." The Communist Party has even resorted to promoting the example of Reagan's readiness to meet with Gorbachov.

But most devastating has been the pressure of the Colombian Catholic Church which, under orders from Vatican Secretary of State Cardinal Agostino Casaroli, has offered to mediate such a Central American-style "dialogue" between the government and the Simón Bolívar Guerrilla Coordinating Group. Following a series of meetings between Colombian Cardinal Alfonso López Trujillo and heads of both the Communist Party and FARC, the highly respected religious leader drew a parallel to the Esquipulas agreement in Central America—also mediated by the Church—and reiterated the Church's offer to serve as a "bridge" of understanding to end the violence in the country.

What such negotiations could at best come down to, is power-sharing with Soviet-backed narco-terrorists.

## Resort to force in Sri Lanka

*The Gandhi and Jayewardene governments, facing continued Tamil terrorism, deploy 12,000-strong peacekeeping force.*

Under systematic military assault from the Tamil secessionists they are there to disarm, Indian army forces in the northern and eastern regions of Sri Lanka have reluctantly taken the decision to respond with force. At stake is the barely two-month-old Indo-Sri Lankan accord designed to end the warfare between minority Tamil and majority Buddhist Sinhala groups, which has torn this island nation apart for the past four years.

The July 29 peace agreement signed by Prime Minister Rajiv Gandhi and Sri Lanka's President Junius Jayewardene called for disarming of the Tamil fighters in return for establishment of an autonomous Tamil-dominated province in the northern and eastern part of the island.

Under the agreement, India took the responsibility of disarming the well-armed forces of the Liberation Tigers of Tamil Eelam (LTTE) and allied Tamil militant groups. Sri Lankan troops were kept in the barracks. Tamil Tigers who had been imprisoned by the Sri Lankan military were released. President Jayewardene, for his part, took the responsibility of getting parliamentary ratification of the agreement, and in general containing the Buddhist fundamentalists among the Sinhala community.

It was not an easy job. On Aug. 18, a hand grenade was thrown into the Parliament building while Parliament was in session. President Jayewardene escaped the assassination attempt, but a number of his United National Party (UNP) members were injured, and one died. The government has accused the Maoist Janatha Vimukthi Peramuna (JVP), the so-called

People's Liberation Front, of masterminding the bombing (see *EIR*, Sept. 25, 1987).

By contrast, the Tamil Tigers' initial response was subdued. There were reports that the Tigers were surrendering arms to the 12,000 Indian troops there to enforce the agreement. But it now appears that the Tigers were only buying time—testing the Indian government's will, on the one hand, while working out a new battle strategy, on the other.

In early October, Tamil terrorists began to spread violence. Sinhalese villagers in Kantalai in eastern Sri Lanka were attacked at night; nine villagers were killed. A Buddhist monk in Trincomalee was murdered, and many Sinhalese villagers, terrified by the indiscriminate killing, began to take shelter in the temples. A mass exodus of Sinhalese ensued from the northern and eastern provinces as villagers moved inland where the Sinhalese are in the majority.

According to some reports, the Tigers massacred about 200 Sinhalese villagers during the first week of October alone.

The decision that force would have to be used to implement the Indo-Sri Lankan agreement was set into motion on Oct. 9. Indian Army Chief of Staff Gen. Krishnaswamy Sunderji and Indian Defense Minister K.C. Pant visited the Sri Lankan capital, Colombo. On the same day, Indian troops arrested 100 Tamils.

At a joint press conference attended by President Jayewardene, K.C. Pant said that orders had gone out to all Indian peacekeeping forces to arrest all persons who engaged in vio-

lence. He reported that General Sunderji had visited the northern and eastern provinces of Sri Lanka, and held consultations with the head of India's Southern Command, Deependen Singh, in charge of the peacekeeping force. On Oct. 11, the troops started moving.

On Oct. 12, according to news agency reports, two terrorist bases and two communications centers the Tigers maintained in the Indian state of Tamil Nadu were destroyed. The communications centers were used to direct the fighting in Sri Lanka across the 21-mile-wide Palk Strait.

The following day, Indian troops engaged in heavy fighting in the Batticaloa district in northern Sri Lanka, a stronghold of the Tamil Tigers. According to the Indian spokesman in Colombo, more than 160 Tigers have died in the fighting, and 18 Indian soldiers have been killed, including three commandos shot as they parachuted from helicopters.

According to the Tamil Tigers, 30 Indian paratroopers were killed after they were dropped into Jaffna University on Oct. 12.

The Indian offensive has begun to take a toll on the Tigers, according to a report from Hong Kong. LTTE leader Prabhakaran has appealed to Prime Minister Gandhi to call off the offensive. But, according to sources, there is no question for the Indian army of turning back now.

Meanwhile, Jayewardene, in a broadcast to the nation Oct. 12, alleged that the LTTE and the JVP are working in collusion to overthrow the government. The terrorists have provoked a flood of some 15,000 terrified villagers into Sri Lanka's capital. Jayewardene said the aim of the JVP terrorists is to use these refugees as a base for a mass uprising, and appealed to the refugees not to fall into the trap.

# Cory fiddles while Philippines burn

by Linda de Hoyos

On Oct. 8, Gaston Sigur, Assistant Secretary of State for East Asia and Pacific affairs, told the Senate Foreign Relations Committee that under President Corazon Aquino, "the Philippines has changed enormously for the better over the past year-and-a-half, in ways that strengthen basic U.S. interests and the cause of democracy throughout the world." Sigur also offered the claim that the "Communist Party of the Philippines [and the New People's Army insurgency] has lost some political momentum since the departure of former President Marcos."

Sigur's "evaluations" are precisely opposite to the reality in the Philippines, and even to the perceptions of the Philippine crisis transmitted by the international media. As the Aquino government lists to the left and then to the right, the lack of direction and will from Malacanang Palace threatens to plunge the nation into civil war, or simply, the Soviet-backed NPA will march into Manila and govern as the "Sandinistas" of Asia.

The Aquino government is issuing contradictory signals on how it intends to deal with the insurgency, and also with the growing number of private armies and outlawed rebel troops menacing the government. As Sigur was in Washington extolling Aquino's "democracy," the Aquino-appointed president of the Senate, Jovito Salonga, was threatening martial law. After a briefing from Armed Forces Chief of Staff Fidel Ramos, Salonga declared that martial law "would be inevitable" if the security situation continued to deteriorate under threats from both the left and right, according to Kyodo News Oct. 9.

Salonga's remarks were preceded by the Aquino government's summarily closing down of three radio stations for their alleged "anti-government" propaganda.

On the same day as Salonga was predicting martial law, Aquino herself, in a special meeting with loyal senators, called upon allied politicians to mobilize the ranks of the "people's power" organizations that had brought her to power, to rally around the government against the NPA and rebel troops. But after a year-and-a-half, the "people's power" popularity of the President has dissipated.

On Oct. 15, five thousand trade unionists waving red flags and lighted torches marched to the presidential palace demanding wage increases. The march, called by the pro-NPA May 1st Movement, is vowing a nationwide strike campaign to force through wage hikes, in the face of steep inflation in

prices of basic commodities, including rice, under the International Monetary Fund austerity the Aquino regime has imposed on the country. Speaking for a majority of the people who poured into the streets in February 1986 for Aquino, Roberto Ortaliz, secretary general of the May 1st Movement, told reporters, "It is now come to a state where we are diagonally opposite the government." Union leaders, representing 800,000 workers, predict that up to 2,000 firms will be closed nationwide.

Meanwhile, Aquino continues to zig-zag wildly on her "strategy" toward the NPA. At the beginning of October, she called for a full military offensive against the insurgency. However, this appears to have been less a shift toward a more active military stance against the NPA than an attempt to temporarily appease the restive military. On Oct. 13, the government called for new peace talks with the NPA through the NPA's political arm, the National Democratic Front. The talks are to lead to a ceasefire, covering the Christmas season through nationally held local elections Jan. 18. The NPA and its political affiliates would be given free rein to come into the nation's towns, cities, and villages to influence the elections through infiltration and/or terror.

Aquino's new attempt at appeasement with the NDF—the last ceasefire accomplished nothing save giving the NPA time for regroupment and propaganda—has come under public fire from the military. The talks offer "gave the impression that the government is already accommodating them," said one unidentified general quoted in the *Washington Times* Oct. 15. "People thought the government was supporting them [the NPA]."

The announcement has strained relations with the military even further, since the Aug. 28 attempted coup led by Col. "Gringo" Honason. When Aquino paid a surprise visit to the Bulacan Provincial Command Camp Oct. 15, her bodyguards disarmed the government troops before she arrived. Aquino has also rankled the military with her appointment of Raul Manglapus as foreign minister. Manglapus, a former exile in the United States, is on record as advocating the removal of the U.S. bases from the country.

Aquino's defiance of the military reality in her country is hurrying on new coup attempts, as rumors in Manila indicate. Nevertheless, as presidential candidate Lyndon LaRouche pointed out in a statement Oct. 14, "The bets are, that if the next coup attempt fails, as it is expected to do, the result will be the establishment of martial law and a 'junta-style cabinet,' which runs the country, with Mrs. Aquino as a mere figurehead. If that occurs, then Moscow's logic comes into play; an Aquino martial law government sets the stage for a Soviet insurgency takeover of Manila, with various parts of the nation launching anti-communist civil wars for separatist independence against the central government." The alternative, LaRouche points out, is for Washington at last to permit Philippine patriots to settle their own affairs, without interference.

# Savimbi forces crush Soviet-backed drive

by Jeffrey Steinberg

The UNITA forces of Dr. Jonas Savimbi have delivered a strategic—and possibly decisive—military defeat to the Soviet- and Cuban-backed MPLA Army of Angola, according to eyewitness reports made available to *EIR*.

In what was labeled as the final offensive of this year's dry season, a force of approximately 18,000 MPLA troops, backed up by several battalions of Cuban armored units and Soviet- and East German-piloted air support units, launched an attack early this month against the town of Mavinga in southern Angola, inside territory controlled by UNITA, which has been fighting for a role in ruling Angola against the Soviet-directed dictatorship in Luanda.

For two years, Soviet military advisers have reportedly targeted Mavinga, 200 miles north of the UNITA capital city of Jamba. Mavinga is both a supply center for the UNITA forces and lies in the middle of the only large-scale agricultural area in UNITA territory.

Thus, an MPLA capture of Mavinga would have cut off the principal food basket for the UNITA forces, in addition to providing a staging point for a full-scale assault on Jamba during next year's dry season.

## Regular combat

What made this particular confrontation unique, according to our sources, is the fact that for the first time, UNITA forces engaged in regular combat against the attacking MPLA-Cuban-Soviet forces, rather than resorting to the traditional guerrilla warfare modes of engagement.

Thus, UNITA forces dug trenches and fortifications along a 45-mile front 55 miles northwest of Mavinga, along an arc stretching from the eastern end of the Lomba River to the town of Cuito Cuanaville to the east.

According to *EIR*'s regional sources, the Angolan army launched a three-pronged attack aimed at encircling the UNITA fortifications and accessing Mavinga to the south. This forced the Angolan MPLA forces to enter into thick jungles, leaving their tank and armored personnel carrier cover, largely Cuban-manned, in static positions along the main road south to Mavinga.

Once the MPLA forces had dispersed into the jungle, and attempted to turn the UNITA flank, portions of the UNITA

main defense force moved forward in a stealth jungle maneuver to cut off the MPLA supply lines from the rear. After several days of jungle trek, according to *EIR*'s sources, the MPLA forces discovered that their supply lines had been chopped off and began to shortly retreat in disarray, never even reaching the edge of the jungle in front of UNITA's front-line fortifications, which were constructed along a high ground of low hills and sparse vegetation.

At that point, according to eyewitness accounts, UNITA forces opened fire on the MPLA tanks, using U.S.-made TOW missiles and French-made Milan and latest model Apilas missiles. A reported 55 MPLA Soviet-made M-55 tanks and armored personnel carriers were knocked out.

At the point that the MPLA troops were routed through the supply cutoff, Soviet and East German piloted MiG-21s and MiG-23s, plus MI-8 and MI-24 HIND gunship helicopters were deployed to provide air cover for the Angolan retreat. At least five MiGs and five helicopters were taken out, according to battlefield reports, all through the UNITA forces' use of American-provided Stinger ground-to-air missiles. Dr. Savimbi, in statements issued following the rout of the MPLA invasion, placed great emphasis on the U.S.-provided Stingers, which denied the Angolan forces the ability to fly low-altitude reconnaissance and carpet bombing missions. The Stingers rendered the air cover and the tank mobile artillery impotent, a key factor in the entire military engagement.

While the last remaining MPLA units were still fleeing through the jungle, leaving their arms behind, on-site sources were already placing Angolan casualties at 1,750, with slight UNITA losses.

As the retreat was still ongoing, the first heavy rains began to fall, thus terminating any serious threat of MPLA attack until early next year.

## Implications of the victory

According to *EIR*'s sources, UNITA forces knocked out one SA-8 surface-to-air missile battery and seized two other complete batteries. It is believed that the MPLA intended to install these batteries at Mavinga to defeat anticipated Republic of South Africa air assaults in the event of a successful Angolan capture of the strategic city.

With morale running extremely high among Dr. Savimbi's forces, and with mounting demoralization of Cuban components of the Angolan forces, the preconditions have now been established for a potential political solution to the decade-long Angolan civil war. The fact that the UNITA forces so successfully routed the MPLA assault under regular—as opposed to guerrilla warfare—rules of engagement represents a qualitative victory for Dr. Savimbi and the most significant surrogate warfare defeats for Moscow in recent memory. All sides are now cautiously watching to see how the military victory translates into a new political configuration in the strategically placed African nation.

# Gorbachov courts Western unionists

by Mark Burdman

Soviet leader Mikhail Gorbachov chose a very special occasion, Oct. 9, to make one of his more strident attacks on the U.S. Strategic Defense Initiative program. The occasion was the first visit to the Kremlin by leaders of the Brussels-based International Confederation of Free Trade Unions (ICFTU), a group heretofore denounced in the Soviet lexicon as the "CIA Trojan horse" in the international labor movement.

The "CIA Trojan horse" denunciation should always have been taken with a grain of salt. The ICFTU is the creature of Jay Lovestone, founder of the International Department of the AFL-CIO, and once ally and co-thinker of Nikolai Bukharin in the international Communist movement. In recent years, Lovestone has become a central figure in the "Project Democracy" apparatus involved in illicit Iranian arms deals and Contra funding activities, among other things.

Over the same Oct. 9-11 weekend, Soviet historian Yuri Poliakov gave new indications, before a Moscow press conference, that Stalin's old enemy, Bukharin, was about to be rehabilitated in some form.

It all signals that a new phase has been entered in striking an East-West deal to destroy the SDI, and toward other mutually agreed ends.

In his speech, Gorbachov said: "The world is now at a crossroads. Things are moving toward the political stage of real disarmament, and therefore, we want strict controls. . . ."

"We have tabled new proposals to reduce strategic arms at Geneva. . . ."

"Such an agreement to reduce strategic weapons can only occur if both sides agree on interpreting the Anti-Ballistic Missile Treaty. . . . Why can't we go back to before 1983, when neither we nor the United States had any different interpretation of the treaty? With the SDI, obstacles and differences emerged. . . . An arms race in space would be ruinous. [SDI proponents'] idea is to undermine our *perestroika* and bog down our progress. . . . If the United States imposes an arms race in space, all of us will be by far the worse off. . . . I believe, however, it is possible to reach an agreement on strategic weapons with the present U.S. administration."

To "go back to before 1983," one must *destroy* the SDI, and eliminate its main proponents. What can be read in these words, is the personal passion Gorbachov and his advisers have thrown into ensuring the removal of Lyndon LaRouche,

the SDI's intellectual architect, from the American political scene, as a precondition and "sign of good faith" for further U.S.-Soviet deals.

That is why his ICFTU audience is more than interesting. Aside from the longstanding antagonism to LaRouche of Lovestone and his bunch, one member of the ICFTU delegation, *EIR* has learned, was a certain British-origin trade union bureaucrat named Stephen Pursey, from the ICFTU's economic and social policy division and its international secretariat. In March 1987, Pursey confessed, privately, that he had helped in the creation of a special unit at ICFTU headquarters, to monitor and undermine the activities of LaRouche and his associates around the world, particularly in the developing sector. Pursey called this a "global exercise," modeled on work done by the International Metalworkers Federation, under the direction of its head, Herman Rebhan, in Geneva.

## Moscow's cue on LaRouche

In the weeks following, the ICFTU produced a report on LaRouche, filled with hysterical lies about him and his associates, obviously supplied by Soviet-linked sources. Under the title, "The LaRouche Organization," the report has been circulated in several languages around the world, and distributed through ICFTU national affiliates, such as the DGB federation in West Germany, the FO in France, the TUC in Great Britain, the LO in Sweden, the AFL-CIO in the United States, and others.

Accompanying Pursey on the trip to Moscow, were DGB head Ernst Bright, TUC head Norman Willis, Canadian trade union leader Shirley Carr, and trade union leaders from India, Japan, and Panama.

According to official ICFTU sources, the aim of the visit was to explore an ICFTU "Global Initiative" for "disarmament, security, East-West détente, and social and economic progress," originally drawn up two years ago by the group's international executive body.

In essence, the ICFTU campaign is based on the idea that "more disarmament means more development." This is hardly different from the official Gorbachov proposal to the United Nations, and the "International Solidarity Fund" unveiled by the head of the Soviet Communist Party's International Department, Anatoly Dobrynin (Soviet ambassador to the United States for 25 years), during a meeting with German Social Democratic Party leaders Oct. 12.

The ICFTU executive board has presented this "Global Initiative" to United Nations Secretary General Javier Pérez de Cuéllar, and to NATO Secretary General Lord Carrington. A meeting is being arranged, ICFTU sources say, with President Reagan.

The meeting with Gorbachov was requested in the spring of 1986. On Sept. 7, during the period of Gorbachov's strange disappearance from public life in the U.S.S.R., a message suddenly arrived that he had accepted.

# Uwe Barschel affair may upset New Yalta, Irangate arrangements

by Mark Burdman and Rainer Apel

Ongoing revelations concerning the mysterious death of Uwe Barschel, the governor of Schleswig-Holstein, West Germany, in a Geneva hotel Oct. 11, are threatening to cause grave political damage to those powerful international forces behind the policy of Western arms sales to Iran and a strategic "New Yalta" sellout to the Soviet Union.

After several days of hysterical lies about Barschel's "suicide" or "natural death" appearing in the West German press and from the statements of West German politicians, the reality-principle began to emerge in a significant way in the mass-circulation West German popular press Oct. 16. Both *Bild Zeitung* and *Munich AZ* ran front-page banner headlines about Barschel's likely murder, and linked the sordid affair to the networks behind international arms and drugs trafficking. The articles pointed to a history of arm trafficking in Barschel's home state of Schleswig-Holstein, a pattern of strange deaths allegedly linked to arms-trafficking networks that have occurred in Austria and West Germany over the past years, and the history of Geneva as a "place of death" for operatives involved in arms deals.

As useful and important as these revelations are, the view of *EIR*'s investigative team is that they only point to a much more important and higher level, in who would most likely be behind the death of Barschel, and why he died. In our view, the events of Geneva Oct. 11, are bigger than a mafia killing, but intersect a raging, intense factional war within the leading policy elites in the Anglo-American world and on continental Europe, and likely, as well, within the circles of international freemasonry.

The key "fault line" in this factional war would be the question of how far, and how fast, to go, in global deals with the Soviet Union. As measured by the race toward a Reagan-Gorbachov summit and the various levels of U.S.-Soviet discussions on numerous issues now ongoing, one tendency in the elite, typified by the U.S. Eastern liberal establishment, the British forces associated with the House of Windsor and NATO Secretary General Lord Carrington, and the West German circles around arch-appeaser Foreign Minister Hans-

Dietrich Genscher, is hell-bent on a global "New Yalta" at all costs. A second tendency, reflected in the recent mouthings of former U.S. Secretary of State Henry Kissinger, and, with somewhat different shadings among leading strategists in France, West Germany, and Britain, is very worried that this deal is going too far, too fast, and may be ultimately suicidal for the West.

As typified by Genscher, who has for years protected arms sales to Iran on German soil, the first of the two groups is largely co-extensive with those policy factions who have orchestrated the policy of selling arms to Iran. This dates from the time when the U.S. Carter administration orchestrated bringing Khomeini to power. This is the other "fault line" in the international earthquake of what is being called in Europe, "the Barschel Affair." The name for this fault line is *Irangate*.

While many features and details of "the Barschel Affair" remain unexplained, there is no question that the case is a singularity in the international political scene, capable of undoing "parallel governments" vis-à-vis both Iran deals and the sell-out to Moscow.

Minimally, it necessitates a new phase in Irangate investigations. Why was Barschel meeting with Irangate insider **Adnan Khashoggi**, on the Friday before his Oct. 11 death, in a locale, the **Grand Canary Islands**, that has featured in Iran weapons deals, via the Trust-connected **Flick** families and other channels? Given his position as governor of Schleswig-Holstein, a state bordering on the key Irangate center of **Hamburg** and important in its own right for arms deals, did Barschel know too much for certain people? Why was Hamburg's *Stern* magazine in a position to tail him from the moment he arrived in Switzerland, and why did *Stern* journalists, before anyone else, discover his body? What should one make of reports circulated by reliable sources in Europe, that the representative of Iran's Melli Bank in Frankfurt, former David Rockefeller/Chase Manhattan aide Hermann Schmidt, was overheard on a recent social occasion asserting, on the subject of Uwe Barschel, "Everyone has to pay

his price when he's finished?" Was the immediate and hysterical cover-up line about his death, particularly from within West Germany, linked to efforts by Genscher and his circles, to prevent light from being shed on Genscher's protection and encouragement of Iran arms sales on West German soil?

### Freemasonry and the East

For various reasons, parallels are being drawn between Barschel's apparent murder and the murders of both Swedish Prime Minister Olof Palme, in 1986, and Italian banker Roberto Calvi, of the P-2 freemasonic lodge, who was hanged from London's Blackfriars Bridge in 1982. The Calvi parallel is more than suggestive, since a freemasonic ritual murder can not be ruled out in the case of Barschel.

Some sources suggest that what may be involved in Barschel's death, is what is known in German as the *Fehmegericht* or "lynch tribunal" that metes out death sentences to those it wishes silenced. It is reported that the Nazis at the close of World War II were engaged in covert operations in Eastern Europe of the *Fehmegericht* type. In modern times, crucial components of the *Fehmegericht* capability have reportedly been integrated into Soviet intelligence operations and use an East Germany-based intelligence operation. This operation is said to have the form of a freemasonic association and to overlap those institutions in East Germany which have historically been involved in "Orientalist"/Islamic studies.

There is no question that Barschel was living under a death sentence. In May of this year, he nearly died in a plane crash, in which the two pilots of the plane died instantly, his bodyguard later in hospital. That having failed, it is a good guess that Barschel was fingered to die by other means. The question is, why? Those giving the orders may, indeed, have been concerned that he was in a position, through family and political connections, to know too much about Iran arms deals: his brother, Eike, for example, is the financial director of the Zurich firm Wild-Leitz, involved in the production of electronic equipment for the West German Leopard II tank. His wife, Freya, née Baroness von Bismarck, has the extensive international political and financial connections that that famous family name implies. There might, however, also have been other or additional reasons for certain people wishing his death: Schleswig-Holstein, as the gateway to the North Sea, is a strategically most sensitive region; and the Christian Democratic governor might have been, especially in the East, regarded as impediment to plans rendering the region even more vulnerable to a Soviet attack.

In this connection, we can point to the role of the "mole" in his office, Reiner Pfeiffer, who was instrumental in leaking information to *Der Spiegel* that triggered the giant political scandal against Barschel, which followed the unsuccessful May plane-crash assassination attempt. The French paper *Le Figaro* on Oct. 15 put much emphasis on the report that an East German defector to the West, Lt. Col. Werner Stiller, has alleged that Pfeiffer is an operative of the East German

Stasi secret service, with the special assignment of running political wrecking operations against the political institutions of the Federal Republic of Germany. It is known for a fact, that in 1979 Pfeiffer collaborated with the Soviet-run organization VVN (Verein der Verfolgten des Naziregimes) in a dirty operation against conservative Social Democratic Senator Seifritz of Bremen, based on forged evidence that he had been a leading Nazi before 1945.

### From 'Affaire Barschel' to 'Affaire Genscher'?

The *immediate* indication of what is involved in Barschel's death, is shown by his meeting on Grand Canary Island with major weapons dealer Adnan Khashoggi. Khashoggi is the Saudi moneybag whose name has featured in all Irangate investigations, together with the names of Washington's Michael Ledeen and Oliver North, Israel's Amiram Nir and David Kimche, Iran's Manucher Ghorbanifar, and others. The meeting locale is also suggestive: The Canaries have been identified in Spanish press accounts as central to transshipments of arms to Iran, via corporate affiliates of the Flick family of West Germany, one of the key families in the East-West "Trust."

For reasons still not adequately explained, Barschel did not simply fly from Grand Canary back to Kiel, where he was scheduled to make an appearance before an investigative committee on Monday, Oct. 12. Instead, he went to Geneva, and stayed at the **Beau Rivage Hotel**, a hotel well-known for being the site of negotiations for arms sales, including to Iran.

In phone communications to members of his family late Saturday afternoon to early evening on Oct. 10, Barschel indicated he was accumulating useful information for his legal counterattack back in Kiel. What this amounted to, in fact, say highly reliable European sources, is that Barschel was preparing himself to *go public* with facts about Iran sales and related matters, as an offensive move in his own defense, to turn around the Schleswig-Holstein political witchhunt against him.

Certainly, Barschel was in a position to do so. Geographically, and in terms of ruling political elites, Schleswig-Holstein broadly overlaps **Hamburg**. Hamburg, as documented in the Tower Commission report on Iran, and elsewhere, has been the center-point of Iran arms negotiations from the earliest days of arms for hostages negotiations; dates and places of Oliver North meetings with various interlocutors are known and documented. Even earlier, Hamburg was a launch-pad for the Iranian revolution, through the Hamburg Mosque of the late Ayatollah Beheshti, and through relevant Iranian links to the "Absalom Lodge" of Hamburg freemasonry.

Up to the point of, and even after, Barschel's death, the Hamburg elites' dirty operations have continued. Reporters from *Stern* magazine were the first to find Barschel dead in his Beau Rivage Hotel room, after having engaged in an

elaborate tracking of his activities from Grand Canary Island to Geneva. Reportedly, *Stern* reporters handled and/or pilfered documents found in Barschel's room, and, as of the afternoon of Oct. 15, Switzerland was abuzz with rumors that arrest and extradition warrants were about to be issued by Swiss authorities against the journalists. Likewise, it was Hamburg's *Der Spiegel* weekly which coordinated the anti-Barschel political witchhunt of the May-to-October 1987 period, through deals with the aforementioned Reiner Pfeiffer.

Hardly irrelevant to the circumstances surrounding Barschel's death, is that Hamburg has loomed all the more important in Iran arms deals, since the British government closed down the London-based Iran Military Procurements Office in September. On Oct. 16, the Hamburg Chamber of Commerce held a conference on the prospects for expanding German-Iranian economic relations, with the keynote speaker being the economics attaché of the West German embassy in Teheran. On Oct. 21, the Hamburg elites' think tank, Haus Rissen, was sponsoring a conference on Iran and the Gulf, with participation from the Hamburg-based Near and Middle East Association, the German-Iranian Chamber of Commerce, and the German Orient Institute, the latter being official advisers to Genscher.

The "re-routing" of dirty Iran arms sales operations from London to Hamburg, Frankfurt, and elsewhere in the Federal Republic, simply underscores the crucial political role of Herr Genscher. It was he who met with Iranian Foreign Minister Velayati in September, and promised export credit guarantees for German businesses making deals with Iran. It was Genscher who gave accreditation to Iran's new ambassador to Bonn, Mostafavi, a fanatic who had been one of the key figures in the Iranian takeover of the U.S. embassy in 1979. This accreditation occurred over the protests of U.S. government authorities. It was Genscher who arranged for Iranian envoy Sadegh Tabatabai to escape West German judicial processes, when he had been nabbed transporting drugs in his baggage. And it is Genscher who continues to provide political protection to a wide array of Iranian operations in Germany, from which terrorist outrages against French, Turkish, American, and other interests have been, and can still be, carried out.

While the events leading up to Barschel's death on Oct. 11 were unfolding, Genscher was in the United States. During his U.S. stopover, he met President Reagan, and insisted on maximal Western back-up for the Gorbachov regime in the U.S.S.R. He also praised Gorbachov to the skies at a St. Paul, Minnesota conference organized by the Institute for East-West Security Studies, a New York-based arm of the East-West "Trust." Obviously, Genscher embodies the unique overlap between East-West appeasement and support for Iran, and forcing out into the open his dirty dossier, would be the only way to really get to the bottom of the Barschel Affair.

## **Irangate's 'Northern Route'**

It should also be stressed that the Barschel affair, appropriately pursued, should provide key leads in blowing apart that component of the Iran arms sales market extending from the European "Northern Route."

Aside from Hamburg, Schleswig-Holstein is important in its own right. Controversy has been erupting for some months, about submarine deals from Kiel's Howaldt Deutsche Werft (HDW), to Indonesia, South Africa, and India. On learning that he had been implicated, a top Indian naval commander committed suicide in mid-April of this year. Also in Schleswig-Holstein, in the port city of Lübeck, is the company Ingenieur-Kontor Lübeck (IKL), among whose trade partners in arms has been Israel.

Hamburg and the Schleswig-Holstein port cities of Kiel and Lübeck are among the nodal points of the "Northern Route" of shady international arms transactions. This extends from Sweden and other Scandinavian points, to northern Germany and Holland, and then into Central Europe, and, via various transshipment points, to Iran. In the complex of trading relationships, there is usually a number of East bloc connections to be found.

In recent weeks, Swedish Customs investigators have been circulating dossiers to most European governments, on the details of arms deals to Iran, details discovered in large part by Customs officials' cracking the connections of Malmö, Sweden businessman Karl Erik Schmitz. Schmitz and his Scandinavian Commodities have been the representatives in Iran, for several years, for various Swedish companies, in mediating arms deals. Swedish Customs raided Schmitz's office on Aug. 29, 1985, and it is widely believed that the ripple-effects of that raid and the Palme government's reticence about more arms sales to Iran, were key factors in Palme's subsequent murder.

Schmitz is reputed to be one of the components of what British, French, and Swiss press accounts are increasingly referring to as the "euro-arms cartel," among the key members of which are affiliates of Sweden's Bofors and Nobel, Britain's ICI, the Bronfman-owned Du Pont Co., and others.

Because of the stresses and strains in international arms sales caused by the U.S. Irangate investigations, British and French animosities toward Iran, etc., there has been, in this year, a wild shake-out in the Iran arms "sales market," with patterns of unexplained deaths. As we detail elsewhere, Austria, in particular, has become the main point where hard questions are being asked, because of the peculiar deaths, similar in modus operandi to that of Barschel, of two Austrian officials, former Austrian ambassador to Greece, Herbert Amry, and former director general Apfalter of the Voest-Alpina firm. Both were cognizant of details of shady international arms deals to Iran and other Middle Eastern countries, and both died on the eve of scheduled testimony before judicial investigative bodies.



# Numerous deaths in Iranian arms scandals

by Thierry Lalevée

But for Uwe Barschel's assassination in Geneva on Oct. 11, many other deaths might have gone without notice. For example, less than 24 hours after the discovery of his body, an AP wire from Vienna asked an embarrassing question: "Is there a link between the deaths of Uwe Barschel, Herbert Amry, and Heribert Apfalter?" On Oct. 13, the Munich daily

*Abendzeitung* reprinted the wire and elaborated on the cases. On Oct. 14, the question was again asked in a banner headline in the mass-circulation Austrian daily, *Wiener Kurier*.

A common thread in the wires and the articles were the quotes from "security experts" asserting that "there exists toxic gas which can induce a heart attack, without leaving any organic trace."

The question not only hints at a wave of unsolved murders, but defines a link between each of them: illegal arms sales to Iran.

Who were Herbert Amry and Heribert Apfalter? They were two crucial figures in a scandal that is threatening to rock the Austrian political scene. Austria's state military industry, Voest-Alpina, sold at least 200 GHN-45 cannons

## Death in Geneva: a chronology

At three o'clock in the afternoon of Sunday, Oct. 11, international newswires started reporting on the mysterious death of German politician Uwe Barschel, whose body had been found at 12:30 p.m. in the Beau Rivage Hotel in Geneva.

Barschel had come to Geneva, to meet an "important informant," who would provide "the last piece of a puzzle proving that a longstanding plot" had been conducted against him, as Barschel told his wife, his sister, and his brother in separate phone calls Saturday evening. Before coming to Geneva, Barschel had been spotted at the private estate of Irangate figure and international arms dealer, Adnan Khashoggi, on Grand Canary Island.

At a press conference in Geneva on Monday, Oct. 12, Uwe Barschel's brother Eike Barschel and his widow Freya Barschel presented the following story:

Although Barschel's stay in the Canaries was secret, the informant had called him there Oct. 9, asking the politician to meet him in Geneva "alone, without bodyguards." The informant, giving his name as "Robert Rohloff," had previously telephoned him at a secret, unlisted number on Sept. 26, offering "information."

Freya Barschel added that her husband was afraid from the moment he got the first call, that "they were after him." After meeting with the informant, Uwe Barschel phoned his brother Eike, and said he had gotten "names in Germany." He would not speak about it on the phone.

He had arrived at Geneva's international airport Cointrin at 3:10 p.m. and met with the informant for about 10 minutes, he later told his relatives. He took detailed notes on the encounter. He was to meet the informant after 6:30 for the second time at the Geneva Hilton Hotel, he told Eike Barschel by phone at about 6:20.

The brothers agreed to either meet that same night, or Sunday morning for breakfast at Eike's home in Yens, near Lausanne. According to the hotel's telephone recorder, Barschel tried to call Eike again at 7:06, but failed. Eike Barschel guessed that his brother's second meeting with the informant had lasted longer, and grew concerned only Sunday morning, when Uwe Barschel did not show up for breakfast. The regional police were informed. Eike tried to call his brother at the Beau Rivage at about 10:00 a.m., but no one answered at the hotel room. Alerted again, the police filed a missing persons report.

At 11:00, the hotel detective noticed a sign outside Barschel's room requesting that the room be cleaned, and then another sign at about 12:00 saying "Do Not Disturb." At 12:30, *Stern* magazine reporters, who had tracked Barschel down from Grand Canary Island to Geneva, showed up and found the door unlocked, they told police. Looking inside, they found the bed unused. Apart from a broken glass and one shoe lying around, the room looked as if just cleaned. In the bathroom, they found Uwe Barschel in the tub, fully clothed and lying on his back in the water, as if asleep. There were no waterspots on the floor, the faucet was shut off, the towels not used, and no wound was visible on Barschel's dead body. Yet the reporters told other media later, that Barschel seemed to have shot himself to death.

The notes Uwe Barschel had made after meeting the informant were not in the hotel room.

to Iran in 1985 and 1986. The transactions were disguised through one of Voest Alpina's subsidiaries, Noericum, whose then-director, Peter Unterweger, was arrested last September.

As Austrian press have pointed out, there have been some strange deaths associated with the case. Herbert Amry was the Austrian ambassador to Greece, who realized that weapons supposedly sent to Greece, in fact never arrived. He exposed that fact in the spring of 1985. Vienna set up a commission of inquiry, but Amry never made it back to testify. He died in July 1985 of a "heart attack," but he had no previous record of heart troubles. His body was quickly cremated, without autopsy.

In August of this year, the commission called for testimony from Heribert Apfalter, the general director of Voest Alpina in that period. Hours after reportedly meeting with an informant, who might have provided him with exculpatory evidence, and a few days before testifying, Apfalter died of a "heart attack" on Aug. 26, 1987. Despite several autopsies, the body revealed no trace of poisoning, and the investigation of his death was closed.

Officials of the security services pointed out the obvious: A man who dies of a heart attack cannot be found lying peacefully on his bed, without any signs of struggle. It was a sound argument, but didn't prove powerful enough to convince higher Austrian authorities, eager to close the matter.

Barschel's murder may cause the reopening of these cases, and thereby raise the question: If these were murders, who committed them and why? Was some \$500 million worth of contracts with Iran worth such murders, or is there more at stake, yet to be revealed?

## Arms and Freemasonry

A pattern similar to that which followed the assassination of President John Kennedy seems to be emerging. Key witnesses, and for that matter, key players in a game for which they seem to have outlived their usefulness, are dying off: There was the shooting of Swedish Prime Minister Olof Palme and a leading Swedish military officer. There was the presumed suicide attempt of Robert MacFarlane and the timely death of William Casey. How many other deaths have gone unnoticed?

Another death now under scrutiny is that of Federico Federici, the Italian former lawyer for Licio Gelli, the fugitive grand master of Italy's P-2 Freemasonic lodge who surrendered to the Swiss authorities on Sept. 21. As the Geneva weekly *L'Hebdo* pointed out, Federici died "under obscure circumstances," of a "heart attack"—what else?—on Sept. 15, just as Gelli arrived in Geneva, but before he surrendered to the police.

With that background, Italian authorities decided to take no chances when a 25-year-old arms-smuggler who was wanted for interrogation in Italy, suddenly died in Lugano of a "heart attack" on Oct. 12. They requested a full autopsy of the body. Saudi national Rashid al Jarrah was part of a large

ring operating among Italy, Yugoslavia, and Lebanon, smuggling large quantities of Kalashnikov rifles under cover of a toy factory owned by his father, Mohammed Najah al Jarrah, who was himself assassinated in August 1985.

An isolated smuggling ring? Not at all. It was revealed that Rashid al Jarrah collaborated in Switzerland with one Swiss-Hungarian national, Peter Jeney, who is now wanted for his role in the Borletti arms-to-Iran scandal that erupted in Italy in September.

It started with the arrests of Count Ferdinando Borletti at the beginning of September, following the police seizure of the *Al Boustany*, a Lebanese vessel. Weapons and documents found on board (see *EIR*, Sept. 25, 1987, p. 45) proved that Borletti's Vasella Meccanotecnico company had been selling sea-mines to Iran for years, and was involved in a broader arms-smuggling operation running from Italy to Barcelona's Bovega company, thence to Syria before reaching Iran.

On Sept. 8, more light was shed on the Swiss connection to this arms traffic, when businessman Walter Demuth of the Helitrade company was arrested in Turin, on charges of smuggling spare parts for jet fighters to Iran. Demuth's arrest led to the arrests of several of his Italian associates, and also unveiled a \$300-million deal with Ben Banerjee's B&RW Industry of Britain.

As later investigations revealed, Banerjee has been a close associate of Oliver North since the very beginning, and a participant at the Nov. 20, 1984 meetings in Hamburg hotels where North's "Iran connection" was established. Banerjee's company organized the delivery of 1,250 TOW missiles to Iran in early 1985. Months later, he organized shipments of Polish-made 9-mm machine guns to the Contras.

Exposure of the deals made by Banerjee, and some other, less important companies, played an important role in convincing the reticent British government to close down the Iranian military procurement office in London in mid-September.

It also shed new light on the much-covered "German connection." On Sept. 27, a front-page article in the daily *Die Welt*, followed by a longer, Sept. 29 story in Hamburg's *Abendblatt*, underlined the role of then-Iranian ambassador to Germany Javad Salari in negotiations with North, and the fact that the Foreign Ministry in Bonn, under Hans Dietrich Genscher, knew all about it!

Yet, this is only the tip of the iceberg. For example, on Sept. 26, another ring illegally running weapons among Italy, Yugoslavia, and Iraq was dismantled in Trieste. Two days later, a famous mafia lawyer, Giuseppe de Lupis, was caught at the Swiss border with 30 billion lira worth of false Indonesian promissory notes. Their sale was to finance the purchase and resale of weapons to Lebanon and Syria.

On Oct. 5, an Argentine-German woman, Charlotte Petzold de Gramsch, was arrested in Wuppertal, West Germany. She was the representative of Argentina's Mabox company, which produces German tanks, and had organized the sale of tanks and jet fighters to Iran.



## A project to revive the legacy of Gen. Juan Domingo Perón

*Dr. Juan Gabriel Labaké, a leader of Argentina's Justicialist Party, granted the following interview to EIR, on Oct. 4, 1987. On Sept. 25, in Buenos Aires, Dr. Labaké held a 1,200-person dinner to announce the founding of the Juan Domingo Perón Museum, of which he is the vice president. He talked to EIR about the purpose of this new institution.*

**EIR:** I understand that you were involved in the recent founding of the Juan Perón Museum and the Juan Perón Foundation in Buenos Aires. Can you give us some background on the founding and the purpose of these institutions?

**Labaké:** The idea came from Mrs. Isabel Perón, who visited Argentina in December 1981 and formed a liaison committee, on which I served as a member. At that time, she asked us to try to set up a museum which would group all of the general's goods and personal effects—his correspondence, his files—and serve simultaneously as a means of disseminating his political thought. Mrs. Perón's concern was, and is today, that little by little, the general's political doctrine was being forgotten, and that Peronism was losing its doctrinal content.

Peronism emerged as an authentically revolutionary movement, in the political sense of the word, to fight against dependence, in favor of national liberation, and of an international policy known as "the third position"; its three major objectives are: economic independence, political autonomy, and social justice. From here, Perón elaborated a doctrinal conception for Argentina which Mrs. Perón thought was being forgotten due to internal conflicts and electoral problems. She thought it appropriate to lay the basis for a revitalization of Peronism, by founding a museum, which could be, simultaneously, the recipient of Perón's legacy and the disseminator of his political thought.

This couldn't be done in 1983, nor when she returned in 1984, due to a number of political factors. But at the beginning of this year, during a meeting in Madrid, she asked me to please not let this year go by without founding the museum. She perceived that if Peronism continued on its downward slide, Perón's revolutionary doctrine would be forgotten.

**EIR:** You are the vice president of the museum, aren't you?

**Labaké:** Yes. In fact, the museum belongs to the Juan Domingo Perón Foundation. Isabel is the president of the foun-

ation, and I am the vice president. Its primary objective is to create the museum, and maintain it, and to sustain all of the institutions which disseminate and practice Perón's political thought.

**EIR:** What has been the response to this project, among the Peronist movement, and more broadly?

**Labaké:** Mrs. Perón didn't want the museum to be strictly a party institution, but rather a nationalist one, which would gather around the museum and around Perón's memory, all of those Argentines of a nationalist and popular sentiment. The first thing we did, after purchasing the museum house, was to create a committee of honor made up of 120 personalities from all of Argentina's political sectors who wanted to participate. Of these 120 people, 30 are politicians, of which approximately half are Peronists. The rest come from different sectors—Radicals, socialists, conservatives, etc.

All groups are represented: artists, famous athletes, writers, musicians; there are a good number of atomic scientists, since this is an area in which Argentina has a tradition. In 1951, Perón promoted research in this area. There are jurists, economists, famous doctors. What we have really done is to create a committee of the 120 most prominent nationalists in Argentina. Of course, we haven't included the Marxists, or the monetarists, since they wouldn't have accepted, so why invite them?

It was Perón who, in Argentina, awakened nationalist sentiment, and molded it into concrete policy. We are convinced that this institution, and the committee of honor, has the acceptance of the immense majority of the Argentine people, and for this reason, we dared to organize a dinner of 1,200 people, which was a great effort.

**EIR:** Here in the United States, the media has given prominent coverage to the emergence of a new grouping within Peronism, called the *reformers* or *renovadores*, defined as a group which is "modernizing" Peronism. What has been this group's response to the founding of the museum?

**Labaké:** What the international press calls the "modernization" of Peronism is, objectively, those who call themselves the *reformers*. But, some of their sectors—not all—are primarily responsible, not for a modernization of Peronism, but a *distortion* of it. What some of these sectors have done is to

cause Perón's nationalist political thought to be forgotten, adopting positions which are much closer to the social democracy. In fact, they have signed agreements and made alliances with some European groups which are financing them. On the one hand, the social democrats, on the other, the Christian democrats, are financing the reformers' campaigns.

In today's world, however, policy lines are clearly drawn. There are the popular nationalists who defend our economies, our people, and our national sovereignty; and then there are the groups which we call the *synarchists*; that is, the groups backed by an international oligarchy which defend minority interests, and want to eliminate the rest and destroy the power of institutions.

Peronism was founded as the first repository of international aspirations to fight against this synarchy. But, the reformers, with the backing of international synarchy, have gradually diminished Perón's doctrine and political thought. The museum was founded precisely to counter synarchy's campaign against Peronism. It's not surprising, therefore, that these reform groups boycotted the museum's founding and the inaugural dinner. Nonetheless, our proposal represents a reconquest of Perón's thought, under the slogan, "Return to Perón." It has been understood as such, by the Peronist militants and our base, and that is why we have had such great success. In just two months of work, not only have we organized this dinner, and formed the committee of honor, but we have raised funds to pay for the museum site. This is the positive response from the base of Peronism.

**EIR:** Looking at the various aspects of Perón's work, his economic policy, his scientific program, etc., can the museum have an influence on Argentina's internal situation, in terms of economic and political policy?

**Labaké:** In the short term, no, because we have just begun this campaign to return to Perón's ideas. But, in the medium and longer term, absolutely, because in Argentina there aren't that many policies. There are two really: Either you support dependence, or you support national liberation. There isn't anything else, and national liberation implies policies of social justice, distribution of wealth, economic independence, and political sovereignty. Policies of dependence imply, necessarily, as Dr. Alfonsín's behavior has demonstrated, a policy of handing over sovereignty and social injustice. So, you can call yourselves Alfonsín's Radicals, or conservatives, or even leftists; the so-called popular leftists clearly serve the synarchic policy of dependence.

Because of its allies, Peronism serves national liberation. This is not Manicheanism, but a reality which has been demonstrated over the past 50 years, or at least since 1945. Look at what happened in 1945, when Perón emerged as a leader. He was opposed in an electoral front by the three most conservative groups from Argentina's hard-core oligarchy, together with the Communist Party, officially, and including

the Radical Party. That is, the old enemies, the conservatives and the Radicals, together with the left, the Communist Party, united against Perón. This is no accident, nor is it Manicheanism on my part. This is simply the reality of countries like ours, which fight to free ourselves from dependence on the international oligarchy.

This is the battle which is being waged in Argentina today. The museum represents the revitalization of Perón's ideas regarding national liberation. Dr. Alfonsín's policies, and those of some of the reformers, are a type of camouflage,

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to disguise the old dependency with a new face that is more acceptable to people.

**EIR:** What was Mrs. Perón's message to the founding dinner?

**Labaké:** It was a brief message, appropriate to the circumstances of the dinner. It was not strictly a party affair, but rather an act of dignity, a gathering of nationalists, such that she thanked all those present, and those who had joined the effort to create the museum; she spoke of the need for national unity, and used a beautiful metaphor, which says that life has many nuances, but that these do not deprive life of its unity. In the same way, the national front, as we call it in Argentina, may have many shadings, but we are all in defense of what is the Argentine nation, and its people. Mrs. Perón also made a very heartfelt defense of the role of women in Argentina's history, and gave homage to Eva Perón as representative of the woman who fights for national liberation. She ended by thanking us all once again, and left with a phrase that has caused a bit of political nervousness in some circles. She bade us good-bye with a "We'll meet soon." Subsequently, the text of the tape was published this past week in all of the country's major newspapers.

## A Pyrrhic victory?

*No one in Mexico is willing to bet a dime on how long the "unity" of the PRI around Salinas de Gortari will last.*

Many analysts are asking themselves how long President Miguel de la Madrid and his protégé, Carlos Salinas de Gortari, are going to be able to keep up the current economic policies of austerity and submission to the dictates of the International Monetary Fund, in light of the splintering of the much-touted unity of the ruling PRI party following the nomination of Salinas as presidential candidate for the 1988 elections.

The opposition to his candidacy surfaced the same day, Oct. 4, that the PRI announced the nomination. Fidel Velázquez, the veteran national leader of the Mexican Workers Confederation (CTM), which constitutes the principal base of support for the PRI, abandoned the platform where the candidate held court to receive the well-wishes of various party sectors, while thousands of PRI members, traditionally so disciplined in these matters, also walked out.

Another powerful labor leader, Joaquín Hernández Galicia, political chief of the powerful petroleum workers union, announced that he would withhold his position on the next President of Mexico, until meeting with him. Bitter confrontation between the oil workers and Salinas de Gortari has been a constant for the past five years.

President de la Madrid was able to impose his decision in Salinas's favor, thanks to an alliance with the political machine identified with former President Luis Echeverría, whose base of support is among the peasantry who

make up the National Peasant Confederation (CNC). It was with the support of these same peasant bases that Echeverría was able to deal a severe blow to the drug trafficking interests through "Operation Condor" in the mid-1970s. Now, that muscle is being leveraged elsewhere.

For the Echeverrista machine, the primary danger lay in the possibility that current Interior Minister Manuel Bartlett, who represents those very interests expropriated under Echeverría, would impose himself as the candidate, arriving at the presidency in the midst of PRI division and chaos. Given the prevailing political conditions, President de la Madrid succeeded in forcing the grumbling labor leaders to accept Salinas's candidacy at the last minute.

However, now Salinas de Gortari finds himself in the ironic position of having to preside over the long-awaited "economic recovery" promised by de la Madrid. At least, this is what the President announced Sept. 1, when he gave his second-to-the-last state of the union address. De la Madrid announced an era of sustained, but "moderate development," based on a strategy in which the crucial factor will be the \$15 billion in reserves that Mexico scraped together by exporting everything, including the kitchen sink.

The "economic recovery" and "democracy," are the two cards that Salinas is playing, in his desperate bid for PRI unity around his candidacy. It could be that he is only thinking of

Hong Kong-style assembly lines for exporting cheap manufactures, or selling more bankrupt companies to the creditors, or slave-labor jobs in the countryside. But the fact is that these are not what the peasant and labor leaders, without whom he would not have won the nomination, are proposing.

In a meeting with CTM leaders Oct. 7, Fidel Velázquez demanded "freedom" for the labor movement, and approval for a new federal labor law whose basic content was expressed Oct. 13 by CTM Congressman Alfonso Reyes Medrano: "It is necessary to formulate a new development plan, and restate the alliance between the state and the workers." This was necessary, he said, "to prevent foreign monopoly capital and national oligarchical groups from derailing the process of our social revolution, which has cost so many lives."

More importantly, in an Oct. 8 meeting with the peasantry's CNC, one of the agrarian leaders most identified with Luis Echeverría, Augusto Gómez Villanueva, told Salinas de Gortari, "It is urgent to capitalize the countryside . . . [by] incorporating new technologies to increase its productivity." Another agrarian leader said, "Interest rates are the primary obstacle facing agriculture." He also said, "We should take advantage of the irrigation systems and water basins with which the nation is endowed."

As of this writing, the Mexican stock market has suffered a collapse in volume of 15% in only nine days, after a brief Oct. 5 intervention by the government to halt a dangerous speculative rise following the news of Salinas's candidacy. The controllers of the stock market announced Oct. 6 that they would no longer permit the slightest intervention from the government in the speculative "free market."

### Are the Russians coming?

*As Gorbachov offered naval disarmament in the North, his navy sent a battle group through Danish waters.*

**A**t this very hour, a powerful Soviet naval force is en route through Danish waters from the Baltic Sea to the North Sea and the Atlantic. The force is composed of three destroyers of the Udaloy Class, one of the Soviet Union's most modern battle units. The ships are about 8,000 tons each, and are armed with a large selection of modern, nuclear-capable missiles."

Those were the dramatic opening words of an Oct. 2 press release, wired at 12:53 hours, by the Operations Command of Danish Naval Defense, headquartered in Århus on the Danish mainland. While largely hushed up in the media, the mass circulation tabloid *Ekstra Bladet* of Oct. 3 ran a banner headline, "Help—the Russians Are Coming," across a two-page spread featuring a facsimile of the news wire, a map, drawings, and close-range pictures of the Soviet destroyers taken by Danish F-16 fighter pilots sent up to monitor the Red Navy deployment.

While a convoy of three destroyers does not represent an invasion force, the three Udaloy Class guided-missile destroyers—named *Admiral Tributz*, *Admiral Zakorov*, and *Marshal Shaposnikov*—did combine sufficient naval power to raise more than one eyebrow in the West. Carrying 64 nuclear-capable missiles each, as well as helicopter gunships, torpedoes, and other military hardware, the Soviet Union has only a handful of destroyers of this class, of which three are assigned to the Northern Fleet, and one each to the Baltic and the Mediterranean.

Rather than choosing the nearest route from the Baltic to the North Sea,

through the straits separating Denmark from Sweden, which are international waters, the three Soviet destroyers made a significant detour, following a path close to the Baltic coast of the West German state of Schleswig-Holstein, and then north through the Great Belt, the inner Danish waters between the mainland peninsula of Jutland and the largest island, Zealand, where the greatest share of Denmark's population is concentrated.

While territorially Danish waters, per international agreement the Great Belt is open to world shipping, civilian as well as military, a fact often exploited by the Red Navy. As noted by defense sources, the Soviet flexing of muscles here was chiefly remarkable in that the naval battle group was dispatched toward Denmark only hours after Soviet Communist Party Secretary General Mikhail Gorbachov finished his famous Oct. 1 "peace and disarmament" speech in Murmansk.

In one of the first public appearances since his return from a prolonged, nearly eight-week "summer vacation," Gorbachov chose the Kola Peninsula, the site of the greatest military concentration on this planet, to issue another set of "peace" proposals for the edification of the gullible.

Gorbachov presented his proposals for disarmament on the Northern Flank as a follow-up to the upcoming INF treaty, hypocritically speaking of the Arctic Sea as a "Zone of Peace." This phrase is usually reserved by the Russians for the Baltic Sea, which is similarly dominated by overwhelming Soviet sea power.

Calling upon Iceland, Norway, Denmark, Sweden, and Finland to join the Soviet Union in an effort to reduce the military activities in the North, Gorbachov proposed NATO-Warsaw Pact consultations to reduce naval and air force operations in the Greenland Sea, the Norwegian Sea, the North Sea, and the Baltic. As with the "Nordic Nuclear-free Zone"—Russia is the only nuclear power in the region—Gorbachov's Murmansk speech, which called upon the small, appeasement-ridden Nordic states to reduce their military operations, reeks of the wolf calling on the sheep to become vegetarians.

While most Scandinavian officials carefully avoid anything that could be interpreted as hostile to Moscow, and Gorbachov's Murmansk speech consequently was welcomed in many quarters, a healthy exception was demonstrated by Navy Commander Hans von Hofsten, known as the spokesman of "the Swedish officers' revolt."

In a 40-minute report on the Soviet threat to Sweden, designed by Hofsten and broadcast on nationwide TV Oct. 14, he observed, "Gorbachov speaks of peace. But he is waging a ruthless war of conquest in Afghanistan." Then pictures were aired of Hitler, and Hofsten went on: "Hitler was a man who waged ruthless wars of expansion."

Hofsten noted that people say there will be signals warning us, before any outbreak of war. True, but will the signals be correctly interpreted? Hitler's invasion of Denmark and Norway was signaled a week in advance, but there was nobody in a responsible position willing to read the signals for what they were. Today, in the age of satellite reconnaissance, the case of Afghanistan and many others show that surprise strikes are not a thing of the past.

## Dismantling separatist terrorism

*French police have launched the most severe and efficient crackdown yet in both Corsica and the Basque region.*

**F**rench police have launched a massive crackdown against separatist terrorists from Corsica and the Basque region. Since the actions of the separatists are coordinated on a continent-wide basis, the twofold front against the Corsicans and Basques is proving more efficient than hitting each separately.

This is the strategy of the Gaullist government of Prime Minister Jacques Chirac, his Interior Minister Charles Pasqua, and Security Minister Robert Pandraud. The same examining judge, Legrand, is overseeing both dossiers.

The recent actions are a sharp change from the previous regime of socialist Interior Minister Pierre Joxe, a member of pro-communist CGT trade union. His policy granted virtual safehousing to Spanish ETA terrorists in the French Basque region.

In Corsica, the FLNC terrorists responded very violently to the first anti-terrorist operations by the new Chirac government. In May, 20 FLNC terrorists were arrested and their network dismantled. The FLNC answer was the spectacular June 16 assassination of Dr. Lafay, president of the Association of Victims of Terrorism. The defenders of terrorism screamed that any further moves by the government carried a "risk of escalation."

But instead of retreating, Pasqua launched a series of deadly operations against the terrorist organization, the last being a raid Oct. 1 on the separatist newspaper *U Ribombu*. Police seized more than 200 documents and arrested director Yves Stella, an FLNC

"theoretician." Also found was a 25-page document signed by the FLNC, calling for "the large-scale physical elimination of French nationals living in Corsica."

A day earlier, police hit the Basque ETA organization, with the Sept. 30 arrest of one "Santi Potros," the number-two man in the ETA military arm. His arrest was followed a day later by a series of interceptions on both sides of the Spanish-French border. Fifteen persons were arrested on the basis of documents found at Santi Potros's safehouse. Also discovered was an apartment used as a prison for kidnap victims, and an arsenal including 14 grenade-launchers and 100 kilos of explosives.

During their search of an isolated farm at Saint-Pée-sur-Nivelle, police also found a dozen blank Spanish passports, money, and archives with documents that included a hit list, and a list of some 500 contacts working on behalf of ETA at various levels. Most were Basque refugees, most of whose apartments were empty by the time they were raided immediately afterward. But some 97 persons were finally arrested, of whom 55 were expelled back to Spain, and 12 to Algeria.

This success is due to cooperation between Spanish and French police, resulting from the agreement signed during the last visit of French Security Minister Pandraud to Spain. There have been many arrests on the Spanish side of the border, including at least 30 ETA sympathizers, and an ETA

member responsible for reestablishing the so-called Barcelona Commando Group, famous for a recent terrorist bloodbath in Barcelona. The group was dismantled in early September. Spanish police also found plans for a suicide-car-bomb attempt against a government agency and an arms cache, including mortars, bazookas, and grenade-launchers.

On Oct. 7, French police arrested two more important ETA leaders: Gonzales-Valderrama, an electronics expert who trained members of the German terrorist Red Army Faction, and Miguel Miguez García, arrested by French police at Ciboure, in the French Basque country.

The very day that García was arrested, a demonstration was organized in the streets of Bayonne, the capital of the French Basque region, opposing the police action against ETA. The protest was supported by pro-terrorist radical-left organizations like the Revolutionary Communist League of Alain Krivine, which compared Charles Pasqua with Chile's General Pinochet. Demonstrators screamed that this police roundup was the "biggest since the [Nazi] Occupation."

Several Basque priests participated in the demonstration, and Amnesty International was worrying about "the risk of ill treatment feared by the Basques arrested by the Spanish policer." Even, the Bayonne bishop denounced the French government, while praising the "antiquity of the Basque race" and its "nobility," suddenly uncovering the cultural ideology behind the ETA fundamentalist movement. The ETA emblem is a round swastika, which is displayed throughout the region.

The heat is now on for certain terrorist-supporting networks in the Church, especially since the Sept. 3 raid by French police on the Benedictine Abbey of Belloc.

# International Intelligence

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## ***Gorbachov approved Hawaii missile tests***

Soviet General Secretary Mikhail Gorbachov personally approved tests that sent unarmed missile warheads to a spot in the Pacific within a few hundred miles of Pearl Harbor, according to columnist Gregory Fossedal of the Copley News Service, writing in the *Washington Times* on Oct. 13. Citing U.S. intelligence sources, Fossedal reported that Gorbachov and other top Soviet officials "went into the deep underground bunkers near Moscow during the tests on Sept. 29 and 30."

"If true," Fossedal wrote, "U.S. officials believe, the findings suggest a Soviet willingness to test the resolve of a politically disabled Ronald Reagan."

"'Gorbachov stuck his thumb in Reagan's eye and got away with it,' one defense aide on Capitol Hill said. 'He's going to remember that come the summit.'"

The State Department responded to the incident by sending a mildly worded three-sentence cable to the Kremlin, written by a lower-level official. "In keeping with the cooperative spirit and the desire for new relations," the message read, the United States requested that the tests be halted and that future tests "not choose the Hawaiian Islands as an impact area."

During the tests, three U.S. aircraft were hit by laser beams, one by a beam of such power that most of its electronic surveillance equipment was knocked out instantly. Contrary to early reports, the Soviet lasers did not injure or blind the U.S. pilots, who were wearing protective headgear.

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## ***Moscow: U.S. debt will undercut defense***

In a domestic Soviet radio program on Oct. 4, monitored and translated by the Foreign Broadcast Information Service, veteran commentator Valentin Zorin spoke on the ballooning indebtedness of the United States, and its implications for the U.S. defense budget.

President Reagan may have started out saying, "You can't deal with the communists," said Zorin, but all politicians have to reckon with objective realities. "What happened this week? The President was obliged to raise the ceiling of the national debt by a small amount—just \$500 billion. The ceiling for the U.S. national debt now amounts to \$2.8 trillion. To finance military programs, the government is obliged to go into debt to U.S. banks, to international banks. For the first time since 1913, the U.S. has changed from being a creditor country to being a debtor country. It will soon break all records with the size of its external debt. Reagan became the President who borrowed more than all his 39 predecessors put together.

"This is fraught with very serious economic consequences. One might say that it is a time bomb placed under the entire U.S. economic system. It is bringing about considerable difficulties for the U.S. on the world market, placing it in a difficult situation with its main competitors. The U.S. ruling circles are now coming up against a fact that for them is both unpleasant and objective: the impossibility of maintaining military spending at the existing level, the impossibility of maintaining overall national spending and the need to look for areas of saving."

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## ***U.S. protests naming of Iranian to Bonn post***

The U.S. State Department, in a highly unusual action, has officially protested West Germany's accreditation of Mehdi Ahari Mostafavi as the new Iranian ambassador to Bonn, because of his role in international terrorism.

The German foreign ministry, under the direction of pro-Iranian Foreign Minister Hans-Dietrich Genscher, accredited Mostafavi on July 15, only making the news public on Aug. 14. The American protest against Mostafavi is based on facts previously circulated internationally only by *EIR*, such as his leading role in the takeover of the U.S. embassy in Teheran in November 1979, and his ranking position in Iran's Rev-

olutionary Guard, the Pasdaran.

The U.S. protest was issued on Oct. 8, as Mostafavi arrived to take his new post. Bonn has rejected the protest, and refused an answer.

On Oct. 6, Mostafavi held a lengthy meeting with Iranian President Khamenei to review Iranian-German ties. The same day, Iranian Speaker of the Parliament Ali Akbar Hashemi Rafsanjani was meeting with German Ambassador Armin Freytag, who was quoted on Teheran Radio praising the "positive stand of Iran on U.N. Resolution 598," which calls for a ceasefire in the Gulf war.

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## ***Patriots for Germany back LaRouche***

Members and international supporters of the West German political party Patriots for Germany took out an advertisement in the West German daily *Die Welt* on Oct. 11, denouncing the proposed "zero-option" treaty for withdrawing U.S. nuclear missiles from Europe, and endorsing the candidacy of U.S. presidential contender Lyndon H. LaRouche, Jr., as "the only hope for the rescue of the Western Alliance."

The ad is titled, "Zero Option Means Submission." The text states, in part, "Moscow and Washington, in an unholy alliance of the two superpowers, have now agreed upon a summit between Reagan and Gorbachov in November which is to seal the double-zero option, and thus the fate of Western Europe. If this is not changed, it will be the continuation and finalization of the disaster which Roosevelt and Stalin brought us with the first Yalta agreement. . . ."

"It is a strategic reality, that the presidential campaign of Lyndon LaRouche in the U.S.A. is the only hope for the rescue of the Western Alliance. For all patriotic forces of every nation, it is therefore a matter of honor to support Lyndon LaRouche, just as the patriots of Europe supported Benjamin Franklin more than 200 years ago.

"We are absolutely aware of the fact,



that the fate of the free world is being decided in the U.S.A. at this advanced historic moment. But as patriots, we have to do everything to make sure, that the Federal Republic of Germany is not pulled further into neutralism, and that Western Europe is not lost even before the fight over the next American administration has been decided."

The text of the ad has been signed by several hundred prominent people. To name a few: Prof. Norbert Brainin, first violinist of the Amadeus Quartet, England; Cmdr. Milton Croom (ret.), former president of the Committee for Peace through Strength, U.S.A.; Vice Adm. Ralph Earle, Jr. (ret.), U.S.A.; Brig. Gen. Friedrich Wilhelm Grunewald (ret.), F.R.G.; Dr. Antonio Pachiano, CISL trade union leader, Italy; Brig. Gen. Jobst Rohkamm (ret.), F.R.G.; Brig. Gen. Paul Albert Scherer (ret.), F.R.G.; John Seale, M.D., England; Vice Adm. Karl-Adolf Zenker (ret.), F.R.G.; Helga Zepp-LaRouche, founding member of the Patriots for Germany, F.R.G.

## France boosts military space budget by 80%

French Defense Minister André Giraud presented the FY 1988 defense budget to the National Assembly the first week in October, a total of FF 177 billion (\$30 billion), including substantial increases in nuclear-related categories, and a whopping 80% increase in spending for the military space program.

The announcement reflects French determination that France's independent nuclear deterrent not be undermined by the proposed intermediate-range nuclear forces (INF) treaty between the United States and Soviet Union.

The budget asks for hardware increases of 8.7% over last year, with one-third of the allocation going to modernize two nuclear (SLBM-equipped) submarines, to order eight Mirage 2000-N nuclear-launching fighter-bombers, and to start design studies for a new strategic submarine equipped with

MIRVed nuclear missiles.

Conventional force improvements will include new equipment, multiple ground-to-ground rocket launchers, and a new combat helicopter. The main cutback in the budget is in personnel.

## Reagan called unprepared for Gorbachov 'coup'

U.S. syndicated columnists Rowland Evans and Robert Novak published a "leak" from intelligence sources on Oct. 14, that Moscow's celebration of the Bolshevik Revolution at the beginning of November will confront President Reagan with a "coup," which his administration is utterly unprepared to deal with.

According to the columnists, Gorbachov will rehabilitate "Leon Trotsky, Lev Kamenev, Grigory Zinoviev and scores of lesser Bolshevik leaders murdered or sentenced to death under Stalin." He will repudiate the Hitler-Stalin Pact, and castigate Stalin for dealing with the Nazis.

"Secretary of State George Shultz, with total control of U.S. policy," the columnists write, "has planned no new strategies to avoid being carried away by Gorbachov. Instead, he is described by critics as feeding the . . . hunger for détente that has seized Reagan."

The détente posture of the White House and the State Department "plays into the hands of anti-nuclear peace blocs who are enraptured by the Gorbachov 'revolution' and will probably be ready to carry pro-Gorbachov politics into the streets after his dramatic pronouncements next month. . . . Sources inside the Soviet Union and beyond its borders foresee a West too stunned and made vulnerable by the radical sweep of what Gorbachov will say."

As *EIR* has reported, Gorbachov's tactic is intended to win back sympathy for Moscow among old leftists, social democrats, and left-leaning liberals around the world, to push through deep disarmament in Western Europe and the United States, a step which would give Moscow massive absolute military superiority.

## Briefly

● **THE JAILBREAK** of Mexican drug trafficker Rafael Caro Quintero and a dozen of his associates was foiled when someone informed the authorities of a nearly completed tunnel under his cell.

● **'NO TO EUTHANASIA,'** resolved a conference of the World Medical Association during the first week of October. The meeting also mandated that doctors should be allowed to reveal the identity of AIDS victims, if they are dangerous to others.

● **THE HEAD** of the "Democratic Current" of Mexico's ruling PRI party, Cuauhtemoc Cardenas, has accepted the nomination as presidential candidate of a small leftist party, the PARM. He was immediately supported by two other small socialist parties. Cardenas, the son of Mexico's most popular President, Lázaro Cardenas, is a radical environmentalist.

● **VENEZUELA'S** Gustavo Cisneros will be named to the international advisory council of the U.S. Information Agency, which is headed by Armand Hammer's friend Charles Z. Wick. Cisneros, who is connected to financial interests that are linked to drug money-laundering, was responsible for getting *EIR's* book *Narcotráfico, SA (Dope, Inc.)* banned in Venezuela.

● **ARMAND HAMMER**, the Russians' favorite billionaire, arrived in Kabul, Afghanistan on Oct. 12, the Soviet news agency TASS reported. Hammer will hold talks with government leaders aimed at finding a solution to the Afghan conflict, according to TASS.

● **JEWISH** extremists stormed Jerusalem's Temple Mount, site of the Dome of the Rock Mosque, one of Islam's principal holy places, clashing with Arabs until Israeli police intervened to stop the riot. This is the first time ever that Jewish fundamentalists have dared to storm the mosque.

## Henry Kissinger warns of impact of INF accord

by Lyndon H. LaRouche, Jr.

Kissinger opened his Atlantic Commission address on the Reagan-Gorbachov summit agreement, with the following citation from the famous Prince Metternich:

Policy is like a play in many acts, which is inevitable once the curtain is up. To debate the merits of the play is an absurdity. The important question was whether the curtain should have been raised to begin with; because, once the curtain is raised, the play will be completed either by the actors or the spectators who mount the stage.

To which Kissinger added: "This is my concern about where we are after this INF agreement."

It is typical of the differences between Kissinger and me, on the subject of the proposed "summit agreement," as many other matters, that he cites his beloved Metternich where I would cite the Schiller whose influence Metternich adopted as foe. The gist of the argument which Kissinger makes by aid of his quotation, is accurate as far as it goes; the error appears in due course. Kissinger argues that his earlier support for the deployment of the "Euromissiles" was "psychological" rather than military.

My support for the INF accord . . . was never predicated on the technical question of where the missiles would be located to reach the Soviet Union. My support was predicated on this supposition: The Soviet Union, looking at a deployment that could reach the Soviet Union under NATO command, could not be sure that the NATO commander would not have the authority to use it before they [NATO] could be over-

run. Therefore, it [the Euromissiles] created an additional psychological decision. Nor could they attack only those weapons, because if they did, even the small advantage would be wiped out, if the United States decided to retaliate and do unacceptable damage.

He represents that INF policy as "coupling" the United States to the defense of Western Europe. He argues that the withdrawal of those weapons means that the U.S. is decoupling itself from Europe's defense. Apart from the important fallacy in his argument of "psychological . . . not military," his warning against the proposed summit agreement is sound.

He also adds a useful warning to persons who appear enamored of the personality of Soviet General Secretary Mikhail Gorbachov. Prior to World War II, he observes, Europeans were more realistic about the Soviets, since the end of that war they have been "more and more attracted by . . . psychiatric analysis of Soviet leaders." Kissinger stabs the Western defenders of Gorbachov by referencing the case of President Franklin Roosevelt's adviser, Harry Hopkins, at Yalta, arguing that Stalin is reasonable, can be trusted, and is not interested in world revolution, but voicing fears about other Soviet leaders who might come after him. Kissinger references similarly naive observations once made about Khrushchov.

He emphasizes that Soviet expansionism has nothing to do with Communism, but, rather, that Moscow has been expansionist for 500 years, an impulse in "their blood" for centuries. Of Gorbachov, he reminds the audience that that

gentleman is not, after all, a "member of the Committee for Nuclear Disarmament," but is a protégé of Suslov and Andropov, "neither of whom was a closet dove."

He concludes his address with observations on the subject of Western economic cooperation with Moscow. Not only is the West buying the rope that Moscow will use to hang the capitalist; the capitalist is giving Moscow the credit to manufacture that rope.

For a number of weeks, Kissinger has been a prominent voice for a special form of opposition to the proposed Reagan-Gorbachov "summit agreement." He warns that probably the Reagan administration's commitment to the summit is set in concrete, and can not be stopped; yet, at the same time, he warns that such an agreement will be a strategic disaster. This places Kissinger in a middle position, between my opposition to that "summit," and the majority of the U.S. establishment, which is fanatically committed to going ahead with it.

Now, while his opposition to the agreement is featured in major news media and at events such as the recent Atlantic Commission event, Kissinger has been echoed by social-democrat and prospective Republican presidential candidate Jeane Kirkpatrick, and others. Kissinger, who not only emphasizes he is not speaking for any part of the Reagan administration, represents himself now as speaking for what is in fact a large and growing hostility to the proposed summit in West Germany, as well as France and Britain. Notably, Kissinger's Atlantic Commission address occurred during the time Europeans were voicing disgust with the performance of presidential candidate George Bush. Powerful blocs of European influentials are telling their friends among U.S. influentials, "We don't like the 'summit agreement,' and we dislike George Bush." Kissinger is pre-positioning himself to become a key adviser to someone soon to replace Bush as the leading Republican candidate.

### The 'psychology' of defense

Kissinger's explanation of the "psychology" of placing nuclear "Euromissiles" in Western Europe is a slippery one. Since it is persons, not weapons, who prepare and launch war, naturally there is a psychological aspect to every element of strategy and tactics. Kissinger's cited explanation of the psychology of the "Euromissiles" deployment, is acceptable as far as it goes. However, when he goes further than that, to argue that the strategy involved is "not military," but only "psychological," he is fundamentally wrong.

It is relevant, that Kissinger carried his mid-1960s work with the Pugwash Conference over into becoming the leading representative of the cause of "arms control" under Presidents Nixon and Ford. "Arms control" has a wretched record as a way toward peace throughout history. During the early 1920s, "arms control" negotiations over naval parities nearly brought Britain and Japan, as allies, to war against the United States. The silly Kellogg-Briand treaty-effort to "outlaw aggressive

war," and the sundry attempts at arms control during the interwar period did nothing but pave the way for World War II. In modern history, all "friendship" treaties, and "non-aggression" pacts, have done nothing but make the arrangements for fighting the next war. Appeasement, whether in the form of Bertrand Russell's Peace Pledge Movement of the late 1930s, or Prime Minister Neville Chamberlain's 1938 Munich Pact with Hitler, has always been a stepping-stone to war.

The essence of the point is, that it is people, not weapons, which make war. For such reasons, "arms control" is one of the greatest hoaxes yet invented, a fantasy which could appeal only to the infantile mind. Notably, Kissinger has not yet repudiated his own earlier role in pushing "arms control" as a leading component of strategy.

It is the conflict of perceived interests which leads to war. It is the show of peacefulness and disarmament by the intended victim of attack, which lures the aggressor into making the attack. In that sense, Kissinger's emphasis on the psychological element in strategy can not be entirely brushed aside; in that degree, strategy is permeated with a psychological element.

However, if strategy could be based upon psychological, rather than military considerations, we should close down West Point and Annapolis, and recruit our generals and admirals from the ranks of successful used-car salesmen.

The best modern summation of strategic doctrine is the famous von Schlieffen's book, *Cannae: The Principle of The Flank*. *Cannae* is otherwise known as the theoretical work shaping the design of what was known as the "Schlieffen Plan" of the German General Staff, a plan which would have won World War I for Germany within weeks, but for the wet-fingered tampering with the specifications of that plan by von Schlieffen's successor, young Moltke. The book deals thematically with Hannibal's rout of the Roman army which outnumbered his own forces, and continues with rigorous examination of numerous other historical battles in which the same principle of the "flank" is illustrated.

Flanks have two aspects, geometrical and psychological. By geometry, we mean the constructive geometry of defense and offense as illustrated by the work of such 18th-century military scientists as Vauban and Monge. We mean essentially, the application of the geometry of fields of fire and firepower, with mobility, to the terrain. At Cannae, the Roman commanders configured their forces in such a way, that the combined firepowers and mobilities of the Roman forces were made effectively inferior to the lesser aggregate firepower of Hannibal's forces. Hannibal exploited that error of the Roman generals, and ground the Roman forces into bloody dust.

Had the stubbornly foolish Field Marshal Montgomery understood the principle of flanking, he would have taken Rommel's forces entirely before the latter could have reached Tunisia, and the war in Western Europe could have been

## Atlantic Commission: Will NATO survive?

by Dean Andromidas

Oct. 9 and 10 saw the Netherlands' Atlantic Commission and the Institute for Foreign Policy Analysis of Washington hold their "Third International Roundtable Conference on East West Relations in the 1990s: Politics and Technology." The conference brought to the Hague political figures, security experts, and government spokesmen from throughout Western Europe and the United States, including NATO Secretary General Lord Carrington, former U.S. Secretary of State Henry Kissinger, Dutch Foreign Minister Hans van den Broek, U.S. Rep. Dave McCurdy (D-Okla.), and others. The conference demonstrated the dangerous "New Yalta" drift precipitated by the Reagan administration's dash for a summit and arms control agreement with Soviet General Secretary Gorbachov.

Echoing the fears of leading European political figures and security experts seated before him, Kissinger declared that the signing of the INF agreement would signal "the end of nuclear coupling" between Europe and the United States. Going one step further than any of the official American spokesmen present, he asserted that the Reagan administration *had already agreed* to a 10-year moratorium on SDI deployment: "Under START negotiations, strategic warheads will be reduced by 50%. . . . We have already deferred deployment of SDI for at least 10 years."

Kissinger then added, regarding the ABM morato-

rium, "There is no record of any moratorium that the U.S. has ever entered into, being abandoned by the U.S."

Kissinger's comments, not without a little self-serving calculation, captured the attention of many of the European Atlanticists present at Knights Hall in the Netherlands Parliament complex. They were still reeling from earlier presentations by U.S. State Department and congressional spokesmen. Although apparently intended to mollify Western European doubts, official U.S. statements only served to transform concern into desperation among conservative circles present.

Kenneth Adelman, director of the U.S. Arms Control and Disarmament Agency, at his dinner speech, went so far as to chastise his audience for not admitting that "we won" by forcing the Soviets to withdraw their SS-20s. Although Adelman resorted to quotes from no less than nine personages, ranging from Valéry Giscard d'Estaing to his own 10-year-old daughter, he only strengthened the conviction of many that the Reagan administration has lost all comprehension of the political and military realities facing Western Europe.

Lord Carrington not only encouraged NATO nations to say "yes" to the INF agreement, but spoke of "unprecedented prospects for genuine reductions in nuclear arsenals." In a swipe at the Strategic Defense Initiative, he declared that he was "suspicious of those who see a technological fix just around the corner." Carrington asserted that the leading problem facing NATO was "the perception in public opinion that NATO is becoming merely reactive and is losing the initiative in arms control and East-West relations to a more imaginative Soviet leadership." Note his concern for perception, not reality.

His "business as usual" tone was broken by one participant who charged that "by taking out the only missiles that can strike at the Soviet Union, we are telling them they can strike at Europe with impunity."

Despite Kissinger's polemics against the INF agree-

shortened by months. Clearly, either Montgomery had not studied his von Schlieffen, or failed to understand it.

By psychology, we mean the discovery of some political-cultural flaw in the mind set of the opposing commanders and the forces under their command, a flaw which we may exploit by deploying and applying our forces in such a manner as to achieve a flanking and enveloping position.

Military technology partakes of the nature of both. It was the stubborn technological backwardness of the French command under Napoleon III which assisted the Prussian forces greatly in defeating France. It was the efficient use of superior French industrial technology, by Lazare Carnot, which is featured in Carnot's revolutionizing the design of the combat

forces of France, to create a force against which no opposing power could stand until the brilliant exploitation of Napoleon's strategic blundering by Scharnhorst, vom Stein, et al. in the Russian campaign of 1812-13.

The advance in technology can always be translated into gains in firepower, mobility, and depth of combatants. Whichever party neglects this, or refuses to adjust the order of battle to such new realities, loses. Thus, the technological aspects of military science partake of both physical geometry and psychology.

The engrained weakness of the Russian strategists, is their culturally determined commitment to the doctrine of the "offensive." France's World War I commander, Joffre, was

ment and the idea that the Gorbachov reforms hold any hope for peace in Western Europe, he posed no alternative. Rather, his fatalistic tone and assertion that the agreement was already a foregone conclusion, leaving Europe to its own devices, had a calculated demoralizing effect on the European leadership.

One leading conservative Dutch parliamentarian told this correspondent, "Listen, President Reagan is considered a right-wing politician. When he extols the same line as the peace movement, how are we expected to mobilize public opinion for the additional 500 million guilders we need for defense?" Another leading Dutch political figure expressed a more direct form of rage, labeling Dutch Foreign Minister Hans van den Broek "a coward" for delivering a conciliatory opening conference speech.

### **'Strengthen the forces of détente'**

The hard cop/soft cop routine posed by Dr. Kissinger, on the one hand, and Adelman, Lord Carrington, et al., on the other, merely set the stage for the airing of real "New Yalta" policies. Dr. K. von Dohnanyi, Lord Mayor of Hamburg and a leading German Social Democrat, reminded people of the "better times" of 1972 when the *Ostpolitik* policies of Willy Brandt prevailed. While welcoming the INF agreement, he predicted that the next 15 years would see a United States preoccupied with its economic problems, facing "the dangers of isolationism." While admitting that the U.S. contribution to NATO could never be replaced by resources within Europe, he encouraged his audience to "strengthen the forces of détente," since the Gorbachov reforms have the sole purpose of "making the Soviet economy competitive in the world economy."

Dr. von Dohnanyi surprised his audience by concluding that the Soviets have all the advantages in Europe. He denied that German reunification and neutralization was being seriously entertained. But, he then declared, "If the

Stalin Note of 1952," proposing German reunification and "neutrality," "were placed again on the desk of a German Chancellor today, one thing is for sure, it would not be answered within 24 hours following consultation with the French High Commissioner. If we really want to change the situation in Central Europe, the playing cards are in the pockets of the Soviet Union."

Dr. von Dohnanyi's appeasement was echoed by Prof. Wisse Dekker, chairman of the supervisory board of the huge Dutch electronics multinational, Phillips. Dekker quoted van den Broek: "Détente between East and West will not be possible if the Soviet economy does not see some chance of further expansion." He not only welcomed the opportunities for "joint ventures," but called for the easing of CoCom rules on technology transfer to the Soviet Union and Eastern Europe. Dekker in later discussions welcomed a proposal by Italian industrialist Carlo De Benedetti for a "Marshall Plan" for the Soviet bloc.

### **SDI: the only real alternative**

Clearly out of step with other speakers was Dr. Allen T. Mense, chief scientist for the Strategic Defense Initiative Organization. Side-stepping the INF issue, he delivered a pointed presentation of the concept and progress of the SDI program, systematically refuting those who ridicule it as some sort of "technology fix."

Mense asserted that the only guarantee for any arms control process is the deployment of SDI, which represents a program that has already developed "technologies which are here now, that have the capabilities now for better ensuring the security of the Alliance." Since its purpose is to "devalue" Soviet missiles in the minds of Soviet offensive-mission planners, SDI shifts the bases of deterrence from one that "is based on swift uncontrolled offensive nuclear missiles to one which is based on non-nuclear defensive anti-weapons. By anti-weapons, I mean weapons that kill weapons, not people."

a military giant matching the quality of the German commanders, but this excellence was not pervasive among other leading French commanders. After World War I, a half-baked dogma known as the "theory of the offensive" became popular among circles around Marshal Foch, a dogma which naturally enraptured admiring Soviet war-planners at the Frunze Academy and Marshal Tukachevsky.

In consequence, even after Stalin shot Tukachevsky, the Tukachevsky doctrine of the offensive prevailed in the Soviet command. Potentialities of Soviet tactical defense were stripped to build up still more the offensive force which Stalin intended to overrun continental Europe as soon as the Wehrmacht might be bogged down in the invasion of Britain. The

Wehrmacht command recognized both the Soviet military threat to central Europe and the fatal flaw in Soviet deployment. A Wehrmacht attack, before Stalin was prepared to launch his attack, would catch the Soviet forces without a tactical defense capability.

The Wehrmacht had the strategic misfortune known as Adolf Hitler. Hitler vetoed Wehrmacht sponsorship of independence of the Ukraine, and forced German troops to force the Soviets to realize a very powerful tactical defensive potential, the cities of Moscow and Leningrad. Wehrmacht attrition there set the stage for the Stalingrad scenario. At the battle of Kursk, Marshal Zhukov et al. had a free hand to conduct the war according to the Soviet doctrine of the offen-

sive, including the *spetsnaz*-like usage of guerrilla forces.

Essentially, it was the Nazis' racism toward, especially, the Poles and Ukrainians which ensured that Germany would be defeated in the war as a whole. This is not to suggest that the Nazis could have been reformed to such effect; this was the penalty which the Wehrmacht and others paid for allowing the Nazi beast to come to power. Nonetheless, if we focus upon the German nation, without the Nazis, and its Wehrmacht, the point we make is a valid, and necessary one. This is important to note, since by taking those facts into consideration, we need have no doubts that the Russian "offensive" dogma was a grave flaw, creating both a geometric and a psychological flank to be decisively exploited.

The applicable point to be made to Kissinger's argument, is that a tactical defense without a strategic offense, is as great a folly as a strategic offense without an adequate capability of tactical defense. It is a balanced, integrated capability of that sort which must be the foremost concern of strategic military planning.

### The Persian Gulf case

At present, the U.S. military arms, in cooperation with those of other nations, are deployed in the Persian Gulf to operate under peacetime military rules of engagement. When placed under attack or threat of attack, the forces react to thwart the attack itself, and take adequate action of hot pursuit against the supporting echelons of the attacking forces. This is lethal peacetime action against acts of piracy, well below the threshold of war-fighting. (The babbling about the invoking of the unconstitutional provisions of the War Powers Act from some parts of the Congress is just that.)

The political objective of this peacetime military deployment, is to demonstrate that the Khomeiniacs are impotent—that Allah has turned his face from them for such probable reasons as their blasphemous desecration of Mecca. The magic of the Khomeiniac will is no more. Once this effect is clear enough, the present Teheran regime will begin a process of self-disintegration, a process which by now has already begun.

It is impossible to foretell what regime might next replace the present one. This should not affect our policy. Sooner or later, in the succession of vacuums created in Teheran, the historical cultural imperatives embedded in the people of Iran generally will assert themselves, at which point we may hope to assist them in arranging the reconstruction of the Khomeini-ruined nation.

The worry in some quarters, is that Moscow will react to this by invading Iran. There is no doubt that Moscow could do so; it has a longstanding military operations plan, which we may presume is suitably updated, and has in place the number of Soviet divisions waiting for the receipt of marching orders to such effect.

The genius of the allied Persian Gulf operation, is that Moscow, by invading Iran, would promptly incur three

weighty penalties: 1) an Iranian resistance; 2) the scrapping to a large degree of its investment in penetration of Sunni forces among approximately 1 billion of the world's Muslims; 3) the ruin of its strategic operations against Western Europe. Is Moscow willing to risk those three combined penalties?

In other words, the United States, France, and their collaborators, are enjoying the freedom of action in the Persian Gulf defined by the fact that if Moscow intervenes forcibly, Moscow loses more than it loses by doing almost nothing more than it is already. One might call this a "psychological" basis for the U.S.'s Persian Gulf policy, but this term would be as misleading as Kissinger's characterization of the original "Euromissiles" doctrine.

### Solving the riddle

Is Kissinger's use of "psychological" merely a fuzziness of thought, or is there an error of grave practical importance involved in his choice of language? There is, and Kissinger admits the nature of the error frankly enough at the outset of his remarks. His thinking is as "Metternichean" as he himself avowed it to be in his *A World Restored*.

Even in a general war, of the total effort deployed to secure victory, approximately 20% of that effort is the application of lethal military force; the remainder is cultural, economic, and political. To restate Clausewitz, war is but the conversion of about 20% of the total effort deployed for a strategic conflict to military means. In war, that military effort is indispensable, but the 80% of combined cultural, economic, and political exertions remains. War is the combined, coordinated deployment of culture, economic, political, and military means to secure victory.

The psychological aspect of strategy, is little more than a predicated feature of the cultural and political aspect of the combined effort, if also in part a predicated feature of the economic and military exertions. However, in no case does the "psychological" factor exist by itself.

For example, in contrasting the Muscovites with the Khomeiniacs, it is most important to recognize that the Muscovites are bullies, who will never place the existence of the "Holy Blood and Soil" of Mother Russia in jeopardy recklessly, except under actual or imminent attack. The Red Army bosses will calculate to the last decimal point what they are willing to accept as penalties of warfare, and will not risk much more than that willfully. With the Khomeiniacs, it is different; they are psychotic killers, pure satanic evil, willing to live and die, and to send their entire nation to death, for the sake of pure evil.

So, in the case of the Khomeiniacs, by frustrating their freedom of piratical action in the Gulf, we are, in effect, subjecting an already psychotic monophysite to acute "sensory deprivation," a cultural-psychological effect which tends to induce him to "self-destruct." One would never do that with Moscow, since we do not wish to bring about the lawful

change in the Soviet command's psychology which would result.

However, in both cases, we apply the force of conflict—the force of combined cultural, economic, political, and military potentials—to induce a perception, and a choice among available courses of actions. The resulting state of the Soviet mind might be described, in one of its aspects, as “psychological,” but the means of action taken to bring about such a perception is never “purely psychological.”

It must be remembered, that Clement Prince Metternich was the instrument of a policy steered chiefly by a cabal of monstrously wealthy Venetian financier interests, and that the immediate direction of Metternich's actions at the 1815 Congress of Vienna was supplied by a Venetian count, John Capodistria, who had been imposed upon Czar Alexander I as his foreign minister plenipotentiary. The specific commitment and objective of the 1815 Treaty of Vienna and Holy Alliance, was to eradicate the American Revolution and its influence from the face of this planet, and the pages of history as well. So said Metternich, and Kissinger cited him on this point.

It happens that the special potency of the culture and nations of Western Europe and the Americas is derived broadly from the Christian doctrines of culture and statecraft elaborated as replacement for Roman law and culture by St. Augustine. Our Western European Judeo-Christian civilization is premised upon the conception of God, the individual personality, and laws of nature reflected in the *Filioque* of the Latin Creed.

The character of the Western European personality at its best is the belief that that aspect of the person which is made in the image of the living God, is that feature of the mental processes which associate simultaneously with *agapē* and the individual's powers for rendering the lawful ordering of the universe intelligible through creative reasoning's power of lawful discovery.

Thus, for us a society based upon scientific and technological progress is as indispensable to our moral natures as to the advancement of mankind's material well-being. Since all peoples of this planet are human in this same respect, there is in all of them that which hungers for a form of society in which the practiced conception of the dignity of the human individual is that adopted by Augustinian civilization. This is the source of our material and moral strength.

The conflict with the Muscovites' empire is historically a conflict between those peoples Christianized by Roman missionaries such as Cyril and Methodius, and the heathen opposition centered in the anti-Roman state and monasteries of Muscovy. It is a conflict between two irreconcilable views of the human individual, a conflict inflamed by the Muscovites' centuries-old passion for conquering us and eradicating all traces of our Augustinian heritage.

The root of our capacity to resist Muscovite imperial aggression is our Augustinian culture. To the extent we pro-

mote that cultural heritage, and shape our practice of scientific and technological progress accordingly, the average person of our culture is vastly superior in every way to the average Muscovite. Our potential for military strength is but a product of that cultural resource.

Kissinger has made a career as a feudalistic sort of *Hofrat* counselor and messenger for a cabal of powerful rentier families of the West, who generally share the same hostility to the American Revolution's tradition as did the circles of Metternich's Holy Alliance. Thus, their traditional hostility to the principled features of our Augustinian heritage prevents them from calling forth that source of our cultural, economic, political, and military strength.

For that reason, as Metternich's “Holy Alliance” did, Kissinger and the circles which have adopted him revert to the kinds of power politics which dominated 18th-century Europe. the politics of “cabinet warfare,” the politics of the famous, and infamous Duke of Marlborough. It is a politics of “limited warfare,” of inconclusive battles fought as part of the negotiating posture of the diplomats, of recurring and prolonged wars of attrition fought under such auspices.

In this Metternichean view of the arts of “balance of power,” military capabilities are like chess pieces, while the emphasis is upon the skills of one set of diplomats in psychologically browbeating the other.

I do not suspect Kissinger of insincerity when he says that the proposed INF agreement with Moscow is a strategic disaster. From the standpoint of a modern Metternich, it is a disaster; it is a dumb way to play the balance of power game; it is, to a modern Metternich, amateur night in global diplomacy. In some respects, Kissinger sees the proposed “new Munich” deal's tragic consequences as I do.

The difference is, that I proceed from the standpoint of defense of the United States as our Declaration of Independence and the adoption of the Constitution defined us: as a fruit of the upward surge of Augustinian culture from the Golden Renaissance, and as, on that account a beacon of hope and temple of liberty for all mankind. It is our culture on which I call to mobilize the combined cultural, economic, and political resources which make us strong, and see the work of military science as a necessary expression of that mobilization.

Kissinger wishes to secure the future negotiating position of both the U.S. and our European alliance. How could I disagree with that objective? However, I am determined to mobilize the strength of our culture to secure the means of our adequate defense, using means, such as a return to natural law and commitments to generalized scientific and technological progress, to accomplish that. He is not. I am committed to strengthening the economic development and morale of the developing nations; Kissinger's faction is not.

So, despite the coincidence in some of our views on the Moscow question, we see the remedy for the crisis differently.

## Gramm-Rudman nightmare bears down on the President

by Nicholas F. Benton

Treasury Secretary James Baker III's reputation for consummate coolness under fire was badly shaken by his sweat-filled appearance before the White House press corps Oct. 15, the day before the stock market set another one-day record drop to lose 12% of its total value—virtually matching the Great Crash of 1929—in barely a week.

Baker appeared with Beryl Sprinkel, head of the President's Council of Economic Advisers, in an ill-fated attempt to inject a dose of "confidence-building" into the behavior of the market. The market lurched down another 30 points after their mid-afternoon press conference, and then nose-dived 110 points in record trading the next day.

It wasn't only Baker's sweaty forehead and unusual halting manner which betrayed the fears underlying his feigned optimism. It was the fact that he banked the full weight of his case for a "fundamentally sound" U.S. economy on the fact that the automatic sequestration trigger had been restored by law to the Gramm-Rudman-Hollings deficit reduction law.

That same day, the Congressional Budget Office, in accordance with the Gramm-Rudman-Hollings law, released a report on what the effects of that automatic trigger would look like, cutting \$23.5 billion from the fiscal year 1988 budget. The devastation wreaked upon the nation's defense, its space program, its fight against AIDS, and its airline safety, energy, and agriculture programs looks worse than the effects of a small nuclear war.

The fact that irreconcilable differences exist between the President and a Democrat-controlled Congress committed to usurping key constitutional powers from the executive branch in the areas of foreign policy and defense, virtually assures that nothing will stop the countdown to the "automatic sequester," set to trigger on Nov. 20.

Faced with a scenario that resembles some "doomsday

machine" from a 1950s science-fiction movie, no wonder investors in the U.S. economy are bailing out. Baker's idea of "confidence-building" was to present a nightmare far more frightening than any mere bump in interest rates. Far from imparting confidence, for example, the \$35.8 billion in defense cuts threatened by the sequester are seen as crippling the ability of the United States to protect its assets abroad, including the stability of many of its most important military and trading allies, especially in Western Europe.

Candid observers in both the legislative and executive branches admit that the prospects of reaching an agreement on a reconciliation budget, in the five short weeks available to avoid the automatic sequester, are virtually nil. In fact, while the full sequester is triggered Nov. 20, proportional automatic cuts in the short-term "continuing resolution" that has kept the government operating since the Oct. 1 beginning of the 1988 fiscal year, are scheduled to begin Oct. 20.

However, liberals on the Hill remain hopeful that the horrific cuts in the defense budget projected by the automatic sequester, will force President Reagan to relent and cut a deal, making key concessions on the conduct of foreign policy and defense. Although the President has vowed never to do it, they want him to accept a forced compliance with the never-ratified SALT II Treaty and a so-called "narrow interpretation" of the ABM Treaty. That latter is aimed at delaying critical Strategic Defense Initiative tests, thereby adding years onto the timetable for deployment of the system. The Soviets, of course, have violated both ABM and SALT treaties with disdain and impunity. Congress also wants to force-feed him a tax increase which they can wave around during the 1988 presidential election year.

The liberals publicly bemoan the prospective loss of some vital domestic programs should the automatic cuts occur,



such as shelving plans for increased funding of AIDS research, and additional cuts of \$1.5 billion from Medicare, \$1.1 billion from agricultural assistance programs, \$280 million from the Federal Aviation Administration, \$240 million from NASA, and \$839 million from the Energy Department. Yet, this coalition of liberal Democrats and Eastern blue-blood Republicans in Congress is quietly rejoicing over the blackmail leverage the imminent sequester provides them against Reagan on the issue of defense. They foresee squeezing concessions out of him they never would have dreamed of, had he, himself, not signed the new automatic sequester provision into law in September.

### Three options

There are presently three options facing President Reagan. All involve major cuts in the defense budget, to levels well below the President's original FY88 request of \$312 billion—which was a request for a 3% real increase over the FY87 budget level, in an attempt to recover about half of the 7% real cut that the FY87 budget represented below the FY86 level.

The first two options both involve agreeing on a budget reconciliation compromise before the Nov. 20 automatic trigger date, and include forced compliance with SALT II and the "narrow" ABM Treaty interpretation. Option #1 is that the President accept a tax increase, such as the \$12 billion tax bill that just passed the House Ways and Means Committee, in which case Congress "could see its way" to providing as much as \$296 billion for defense, \$16 billion below the President's request, as stipulated in a congressional resolution passed earlier this summer. Option #2 is a reconciliation without a tax increase, which would trim the defense budget back to \$289 billion, \$23 billion below the President's request.

In Option #3, Reagan rejects the first two options and allows the Gramm-Rudman-Hollings trigger to slash the defense budget back to \$279.4 billion, \$32.6 billion below the President's request. Following the guidelines already set by the continuing resolution passed under the House authorization bill, that figure would be automatically cut even further, to \$276.2, \$35.8 below the President's request.

Thus, if the President "plays ball" 100% with the liberal leadership of Congress, he is promised as much as \$296 billion for defense. If he refuses to give in to their blackmail, the defense budget could be cut almost \$20 billion lower.

However, these options obviously represent a no-win situation. First, the Congress will never agree to go as high as \$296 billion for defense, no matter what they promise. Second, by conceding to the right of Congress to force compliance with non-existent treaties, Reagan would be tying the hands of national defense as tightly as any fiscal cuts could, no matter how large. He would be setting a fatal precedent.

So, analysts at the Pentagon are banking on the President sticking to his promise and refusing to give in to the unconstitutional demands of Congress. This means that a swift,

## National defense

(Budget authority—in billions of dollars)

	Level	Reduction
1. President's budget	312.0	—
2. Congressional resolution high	296.0	- 16.0
3. Congressional resolution low	289.0	- 23.0
4. House authorization	289.7	- 22.3
5. Gramm-Rudman-Hollings baseline	303.3	- 8.7
6. Sequester	10.5%	- 23.9
7. Post-sequester baseline	279.4	- 32.6
8. Continuing resolution (House authorization) after sequestration	276.2	- 35.8

brutal process of evaluation is now under way in all branches and sectors of the military to determine the effects of a massive cutback in funding.

### Decimating military preparedness

The President has already informed Congress that he intends to exercise his prerogative to exempt all uniformed military personnel from any automatic cuts. Had he not done that, and the anticipated cuts been spread evenly over the various defense budget accounts, the automatic sequester would have resulted in the immediate elimination of over 400,000 troops—287,000 active duty personnel and 130,000 reserve and national guard personnel—according to an analysis done by Pentagon comptroller Richard Helm.

But, while the President's exemption protects uniformed personnel, it forces even greater cuts, averaging 10.5%, on each of the other defense budget accounts, including: 1) Operations and maintenance 2) Procurement 3) Research, development, testing, and evaluation (RDT&E) 4) Military construction 5) Family housing.

The cutbacks in operations and maintenance will be disproportionately high, Helm projected, because it involves the fastest outlays. As this category includes the payroll for civilian personnel employed by the military, he projected 100,000 civilian jobs will be lost. The account also pays for maintenance of military equipment (everything from aircraft to missile silos), repair parts, fuel supplies, and equipment. Cuts in this account alone will decimate military preparedness (see table).

Helm said details on cuts in other accounts awaits completion of the grim analysis now under way. It is already abundantly clear, however, that neither national security nor the national economy can tolerate the Gramm-Rudman-Hollings suicide. Either the President throws it, and any projected defense cuts, overboard, or the nation is finished. The fuse is very short.

# How Americans came to love the policies their fathers died to stop

by Linda Everett

In 1975, when the Karen Ann Quinlan case exploded in New Jersey, it took only eight months of the media's "pull-the-plug" histrionics to get Americans to jump on the right-to-die wagon. At that time, public opinion polls reported 39% of people polled agreed that a person had a right to end his life, when faced with an incurable disease. By 1982, the number climbed to 45%, and in 1983 to 62%. All polls involve trickery, even those of the American Medical Association, which cheerfully announced that the majority of Americans don't mind starvation for some patients. But what influences Americans to give up policies their forefathers fought to protect?

*EIR's* Oct. 2 *Feature* covered U.S. legislation and court decisions supporting euthanasia since April 1984. This report gives examples of the role that the media, government, Catholic Church, and medical groups have played in gaining acceptance for genocide as medical policy.

## Dying cheaply, 'with dignity'

One of the major culprits in manipulating popular opinion is the medical insurance industry. In 1985 the Prudential Foundation launched a nationwide initiative called "Bioethics in the Community: A Program of Local Decision Making." The program aimed to get community support to shift the fundamental basis of U.S. health care from saving lives, to medical triage, health care rationing, and euthanasia—all "democratically" arrived at by the brainwashing mechanism of "patients' rights" and "quality of life" ploys. The Hastings Center Institute of Society, Ethics, and the Life Sciences, of Briarcliff Manor, New York, long the linchpin of all aspects of U.S. euthanasia operations, trained applicants and evaluated their progress.

The New Jersey Citizens' Committee on Biomedical Ethics received a Prudential grant, along with \$86,000 from the Robert Wood Johnson Foundation, and monies from other insurance and drug companies. Directors of that committee are also top guns in Gov. Jim Kean's notorious Commission for the Ethical and Legal Delivery of Health Care. The attor-

neys that delivered the country's most advanced euthanasia court ruling are also on the Citizens' Committee and are contributing to national and state groups. This network held over 600 rigged public forums throughout the state, took polls, fed the results of what "the people" wanted into the governor's commission, the legislature, and the courts, receiving enormous media coverage in the process. Prudential's euthanasia squad also operates Oregon Health Care Decisions and groups in several other states.

Blue Cross/Blue Shield, as one of the major insurers in the country, began in January 1986 to promote a model hospice benefit. Now, all New York insurance companies and group insurance plans are required to provide the hospice option. Other states are mandating the same.

Working with the insurance companies since spring 1984 have been organizations allegedly committed to improving the welfare of the elderly, who are now stomping for the Society for the Right to Die and Concern For Dying. The American Association of Retired Persons (AARP), the Gray Panthers, Senior Citizens, and the Older Women's League (OWL) are all geared up to get members to sign living wills, hold forums, and campaign to get every state to pass living wills laws.

Other institutional activity includes:

**Sept. 20-23, 1984:** World Voluntary Euthanasia Conference, Nice, France. Derek Humphrey of Hemlock Society announces, "Active voluntary euthanasia is an idea whose time has definitely come—internationally." Dr. Cristian Barnard calls for killing patients as doctors see fit. Five French physicians confess to routinely killing patients and sign a manifesto calling for other physicians to campaign to make euthanasia legal.

**Feb. 8-9, 1985:** Second National Voluntary Euthanasia Conference, California. Hemlock Society speakers promote suicide clinics, "rational suicide" for everyone, including children, and using economic pressures to get the elderly "to do your dying early," not burdening your family.

**July 1985:** Concern For Dying (formerly the Euthanasia

Education Council) calls for "assault" on U.S. hospitals to put living wills on every patient's hospital chart.

**Oct. 3, 1985:** The AIDS Foundation of New York City says treating AIDS patients "is a pocketbook issue," and the patients should go to hospices.

**Nov. 5, 1985:** Death cultist Elisabeth Kübler-Ross announces plans for 250-acre hospice for infants with AIDS in Virginia.

**Jan. 16, 1986:** Derek Humphrey, founder of Hemlock Society, proposes a law allowing doctors to give lethal injections to terminal patients. The Humane and Dignified Death Act is sent to legislators in Florida, California, and Arizona. Humphrey says current laws springing from the idea that life is sacrosanct "must change."

**Sept. 25-27, 1986:** Hemlock Society's Third Annual Voluntary Euthanasia Conference, in Washington, D.C. Suicide enthusiasts swap murder stories, "self-deliverance" methods, and plan an effort to spring wife-killer Roswell Gilbert from his Florida jail. Derek Humphrey and wife, Ann "Wicked" Wickett, launch a new lobbying arm, Americans Against Human Suffering, to legalize lethal injections, with \$50,000 from Hemlock's coffers.

**Sept. 11, 1987:** Hastings Center wants hospitals and nursing homes to develop policies based on its "Guidelines on the Termination of Life-Sustaining Treatment." The "ethics" think tank intends the report to "advance debate" on the use of economic considerations in decisions concerning life-sustaining treatments.

**Sept. 20, 1987:** Delegates of California State Bar Association pass the first resolution in the United States promoting physician-assisted suicide. The "Dignified Death Act," sponsored by Hemlock Society sympathizers in the Beverly Hills Bar Association, would allow physicians to give lethal injections to terminally ill patients who ask for it as early as 10 days after a physician predicts they have six months to live.

### Your friend in death: the news media

A nation cannot be beguiled into giving up its inalienable right to life without massive cooperation from the press. Hitler used films depicting his targets for euthanasia as "a cancer" burdening society. So, in the United States, the news media have become increasingly shameless in promoting euthanasia, for larger and larger categories of people.

**Sept. 23-25, 1984:** *New York Times* runs feature series, "Many See Mercy in Ending Empty Lives," promoting hospital "mercy-killings," murder-suicide pacts as rational, commonplace events compared to "empty lives."

**December 1984:** *New York Times* kicks off a six-week Nazi extravaganza. Here are just a few titles: "Negotiated Death: An Open Secret," "To Suffer a Prolonged Illness or Elect to Die: A Case Study; Medical Tools Force New Life-and-Death Choices," "Movement Seeks to Advance Rights of Dying," "Intensive Care Units: Doctors Ask 'Who Lives, When Is It Time to Die?'" "Dying Days for Patients in

Hospital: Some Agonizing Choices," "For Doctors and Patients, Decisions on Death," "Medicine, Law and the American Way of Death," "N.J. Supreme Court Broadens 'Right to Die' for Terminally Ill to Include Feeding."

**June 5, 7, 1985:** *Wall Street Journal*: "Why Can't I Put My Mother to Sleep?" Allen Otten claims dogs get the humane right to euthanasia, why not people? Using bankers' ethics, Otten calls for stopping "wrongful life" suits by having handicapped children aborted.

**July 15, 1985:** *Washington Post*: "Final Requests: Preparing For Death." Calls for the elderly to "plan the final stages" early by signing away their lives with living wills.

**September 1985:** NBC reporter Betty Rollin launches her new book, *Last Wish*, which tells how she and her husband researched murder/suicide methods, allegedly at her mother's request. Rollin claims she could not find more attentive doctors or decent medical care to ease her mother's cancer pain.

**March 16, 1986:** Former Secretary of Health, Education, and Welfare Joseph Califano asks: "Who Lives, Who Dies, Who Pays?" in his new book on *America's Health Care Revolution*. He attacks "waste and abuse" in U.S. health care system.

**September 1986:** "Managing Our Medical Miracles"—seminars on media and society at Columbia University kick off 10-part TV series of roundtable "debates." Life/Death topics include physicians overdosing patients to let them die, triaging expensive neonatal intensive care units, high school sex clinics, AIDS testing, and medical malpractice.

**Sept. 24, 1986:** "Who Lives, Who Dies, Who Decides"—a three-hour brainwashing session designed by Pacific Presbyterian Medical Center in California to give maximum rigged "opinion-forming" effect on 8,000 legislators, doctors, religious and health care workers participating in 100 centers across the United States. Questions forced viewers to accept medical rationing and triage as necessary—exactly what their rigged poll later showed.

**December 1986:** *Life* magazine produces 12-page feature on voluntary euthanasia, highlighting the Hemlock Society.

**Jan. 11, 1987:** NBC-TV airs movie about Roswell Gilbert, who blew his wife's brains out because she had Alzheimer's disease. Gilbert, from prison, pleads, "What else could I do?" At least 14 elderly citizens died in suicide-murder pacts directly after viewing the film.

**March 1, 1987:** "In Defense of Voluntary Euthanasia"—secular humanist Sidney Hook says he's ready to die, in a *New York Times* commentary.

**March 5, 1987:** "Suicide in Paris: Together in Final Anguish," full-page feature for seniors in *Washington Post*, says legal euthanasia is an alternative to violent "mercy murders" and murder/suicides. Hemlock Society's Derek Humphrey says, "Some couples want to die together, even if one of them isn't sick. Who is to criticize them?"

**March 6, 1987:** NBC-TV's "Headlines on Trial" "debates" euthanasia. Moderator Arthur Miller manipulates audience to rally for starvation as their "right."

**March 13, 1987:** After a rash of teen suicides in several states, Concern for Dying suicide advocate Margaret Pabst-Battin and Hemlock Society's Curt Gerbesi call for assisting suicides, in *Washington Times*.

**May 24, 1987:** CBS-TV Movie "Baby Girl Scott" targets doctors as mad scientists wielding modern medical technology against distraught parents who want their child, born with multiple disabilities, to die. Doctors are accused of experimenting to save life "just to prove you can do it."

**June 1, 1987:** ABC-TV movie for Memorial Day invites you to commit suicide, plugs the Hemlock Society, which assisted in "When the Time Comes." A young cancer victim plans suicide with a friend when her husband refuses to kill her, before she is "hooked to a machine and a vegetable."

**July 1987:** Actor Richard Dreyfuss promotes Hemlock Society and Americans Against Human Suffering with an appeal to a quarter of a million people to help legalize lethal injections. His 1981 film, *Whose Life Is It Anyway?* features him as quadriplegic who wins the right to starve to death in a hospital.

**September 1987:** *Omni* magazine pushes new class of "dead people." In "Redefining Death," *Omni* explores harvesting organs from "human vegetable farms" using "late-20th-century corpses" or a "new class of dead people." The new criteria suggested for declaring a patient dead will now include not only patients diagnosed as "brain dead," but also those who have lost consciousness, as in a coma or persistent vegetative state!

**Sept. 8, 1987:** The *Washington Post* allows Daniel Callahan of Hastings Center to plug his new book *Setting Limits: Medical Goals in an Aging Society*. He states, "There are now and will be in the future better ways to spend our money than on indefinitely extending the life of the elderly. This is neither a wise social goal, an economically affordable goal, nor one the aged themselves should want."

**Oct. 12, 1987:** NBC-TV runs Columbus Day movie, "Right to Die," starring Raquel Welch as psychologist with ALS or Lou Gehrig's disease, based on a true story. The family works with Concern For Dying lawyers and doctors to arrange her death during a home visit as "negotiated" with the hospital. Welch says of the right to die, "These inalienable rights are at the very core of what we're supposed to represent as Americans."

### **The nazification of American medicine**

On Feb. 14, 1985, Dr. James H. Sammons, chief executive officer of the American Medical Association, told the *American Medical News*, "It does cost more to keep people alive than to let them die." Congress, Sammons said, intends to ration medical care for the elderly, "because that is exactly

what the budget does and it is exactly what Gramm-Rudman does."

A month later, Dr. Leo Alexander, the chief medical witness at the Nuremberg Trial of the Nazi doctors, warned that the right-to-die movement in this country is causing an acceptance, like the Nazis promoted in the 1920s and '30s, of euthanasia and of a concept of a life no longer "worthy to be lived." These sentiments were echoed in May by Dr. Andre Wynen, the secretary general of the World Medical Association, who cites Colorado Gov. Richard Lamm and escalating health costs as making euthanasia the (final) solution once again, in eliminating the burden of expensive extended care of the elderly.

But the calls for euthanasia from the medical profession continued:

**May 1985:** Dr. Lee Salk of Brown University releases a study that claims saving high-risk newborns with advanced medical technology, only contributes to these children committing suicide when they become teenagers.

**July 17, 1985:** Massachusetts Medical Society manipulates a vote of its governing board to announce support of starving coma patients. The vote is entered as court "evidence" supporting a family request to starve coma patient Paul Brophy to death.

**Jan. 2, 1986:** A new study conducted by the Hennepin County Medical Center in Minneapolis found that increasing numbers of people with kidney failure "choose" to end their lives by stopping dialysis. Stopping dialysis therapy accounted for 22% of deaths in one large dialysis program. Half of these were of patients in coma or senile. Seventy-five percent of these terminations were initiated by doctors, 25% by family.

**Feb. 13, 1986:** New study tells doctors to help AIDS patients die. Dr. Harry Hollander of University of California says that only 55% of AIDS patients want to be kept alive with a respirator should they get AIDS-related pneumonia; the rest wanted to go to a hospice.

**March 15, 1986:** American Medical Association determines that it is "ethical" for physicians to kill patients in coma or persistent vegetative state by withholding food, water, medicine, and "heroic" procedures. Patients need not be terminal. The AMA Judicial Affairs Council collaborated with the Hastings Center on its recommendation.

**Oct. 6, 1986:** *New York Times* commentary by Dr. Alan R. Feinstein of Yale Medical School, who complains that doctors won't kill his 90-year-old mother, whom he sees as a useless financial and physical burden.

**December 1986:** Conference at Center For Biomedical Ethics at Case Western Reserve University, Cleveland, Ohio endorses experimentation on human embryos and use of human cells from allegedly aborted babies for brain transplants in Parkinson patients. Cells used from "cast-off fetuses" are only good if taken from a child who is still alive. The child

must be delivered, have the cells removed, and either be killed in the process or afterwards.

**Feb. 27, 1987:** American Medical Association promotes physician-assisted suicide in *American Medical News*. For the third time, *AMN* reports on a physician with AIDS who is campaigning to put the Americans Against Human Suffering and the proposal to legalize lethal injections on 1988 California ballot.

**June 8, 1987:** Doctor tells *Medical Economics* magazine that doctors, lawyers, and judges should approve nursing home and hospital patients for lethal injections. He has 350 elderly, demented, or paralyzed candidates himself.

**June 15, 1987:** Joint Commission on Accreditation of Hospitals orders U.S. hospitals to make "Do Not Resuscitate" (DNR) policy for "irreversibly ill" patients or lose Medicare funding and accreditation.

**July 10, 1987:** *Journal of the American Medical Association* gives "how to" analysis of what murder methods are "legal" with the country's latest pro-euthanasia laws and court decisions in each state.

**July 30, 1987:** International meeting at Rochester University on brain transplants of aborted human cells, embryonic pig tissue, and the patient's adrenal gland.

### **Cost-cutting—the government's role**

The congressional Office of Technology Assessment, started in 1972 by Sen. Ted Kennedy (D-Mass.) and his adviser, Club of Rome member Michael Michaelis, is notorious for its brutal depopulation policies and cost-cutting studies aimed at the nation's elderly. The OTA's latest study, "Life Sustaining Technologies and the Elderly," was prepared by an advisory panel consisting of the country's most ruthless "ethicists" and cost-efficiency experts. The OTA and Congress intend to eliminate five lifesaving technologies from elderly care: antibiotics, respirators, kidney dialysis, cardiopulmonary resuscitation, and basic nutrition and hydration with naso-gastric tubes or intravenous feeding.

Other government actions in the same direction include:

**June 6, 1985:** Sen. Albert Gore (D-Tenn.) launches National Commission on Bioethics, with Senator Kennedy.

**Aug. 2-9, 1985:** National Conference of Commissioners on Uniform State Laws approves "Uniform Rights of the Terminally Ill Act," giving you the right to be denied food and fluids even by spoon-feeding, which each state will use to expand existing living will laws.

**Oct. 1, 1985:** House Select Committee on Aging holds hearings on "Death and Dying." Sen. Jacob Javits (R-N.Y.), euthanasia lobby call for national "death with dignity" legislation.

**Nov. 7, 1985:** President Reagan nominates Otis Bowen for Secretary of Health and Human Services. Bowen, formerly of Advisory Council on Social Security, endorses killing handicapped infants and using living wills to cut costs.

**Dec. 12, 1985:** Senate confirms Otis Bowen as Secretary of Health and Human Services.

**March 4, 1987:** Surgeon General C. Everett Koop says the United States cannot afford medical care of AIDS patients. Instead, volunteers and hospices will be used.

**April 1987:** "Compassionate Pain Relief Act." Euthanasia enthusiast Rep. Henry Waxman (D-Calif.) sponsors bill to legalize heroin for cancer pain relief.

### **U.S. Catholic Church: Life is not absolute**

The most shocking thing about the growth of the euthanasia movement, is the fact that large sections of the religious community, even the Catholic Church, have participated heavily in its promotion.

While the Vatican has long been a fierce stalwart against euthanasia, the U.S. Catholic Conference, "ethicists," Catholic nursing orders, and the Catholic Health Association, have long ago conceded the battle. Their "respect for life" includes starving and dehydrating patients to death. The Pope demands that "science, even when it cannot cure, could and should help the sick person, since, had it ceased to fight for life and commit itself to curing diseases, medical science would not have been able to progress," yet state Catholic conferences co-write right-to-die bills and lobby for living will legislation.

Part of the Catholic Church's capitulation involves its promotion of hospices as a medical "alternative." Other shocking church actions include:

**July 26, 1985:** Pro-life Office of National Conference of Catholic Bishops and the American Jewish Congress call for no medical "heroics" for handicapped infants.

**Sept. 29, 1985:** National Right to Life Committee passes an explicitly pro-euthanasia "Patient's Rights Act" which offers starvation, dehydration, and other degradations.

**March 1986:** The United Church of Christ announces its endorsement of suicide in its *Hospice Newsletter*, published by the UCC's Board for Homeland Ministries. The March issue is devoted solely to the Hemlock Society and their campaign to legalize assisted suicide. While the newsletter has condoned passive euthanasia in the past, this marks a new offensive supporting the lethal injection.

**May 9, 1986:** Archbishop Roger Mahoney of Los Angeles condemns euthanasia, but in *The Tidings*, he condones the starvation suicide plans of cerebral palsy patient Elizabeth Bouvia: "If taking food artificially or even naturally, in a patient's honest judgment is a source of significant pain, discomfort, or risk or even dehumanization added to what he is already experiencing or will experience about his condition, one can defend the patient's right to say 'No more.' This is a reasonable decision worthy of human being. . . . For it is not a decision to end one's earthly life, but to tolerate that life's passing away (as we must all some day) rather than adding new burdens to this already present in one's life."

# 'LaRouche' trial in Boston set to begin

The Boston trial of presidential candidate Lyndon H. LaRouche and six associates, plus five other organizations, is now scheduled to begin with opening statements on Tuesday, Oct. 20. Jury selection, pretrial motions, and court-ordered recesses have put the opening almost one month after the official Sept. 21 trial date.

The decisions on pretrial motions taken by Judge Robert Keeton have by and large been in favor of the government. Most significant for the government's generally flimsy case were his rulings to deny a motion to suppress evidence which the defense claimed to have been taken illegally, and to permit use of defendants' notebook entries, despite the fact that it is admitted even by the prosecution that statements found therein cannot be considered proof of truth.

Delays were also created by the failure of the government to produce answers on whether the government had documents concerning electronic surveillance by various agencies. The defense revealed the existence of surveillance by the super-secret National Security Agency (NSA) in September, having received Freedom of Information Act responses on the existence of wiretaps. But it was not until Oct. 16 that the government produced the documents for *in camera* inspection by the court, and then not all of them.

## Jury tampered with?

Although the selection of the 12-person jury, with four alternates, was completed on Oct. 9, a new pretrial motion was introduced on Oct. 16 which challenges its impartiality.

Defense lawyers asked the court to either discharge the jury, or to conduct additional questioning of the jury, because of a recent, highly inflammatory CBS network television segment on its "West 57th St." program. The program, shown on Saturday evening, Oct. 10, was characterized as "extremely inflammatory, prejudicial, and adverse publicity."

In fact, the CBS television show is judged by knowledgeable observers to have been put together as part of an effort to influence the jury in the LaRouche case. The show eliminated all available material on LaRouche's political campaign, and his response to the government's charges, featuring instead one of the government's "star" witnesses, a former associate of LaRouche, running through his lines.

## Suppression motions denied

Judge Keeton had held extensive hearings on defense motions to suppress notebooks of two defendants, Edward Spannaus and Robert Greenberg, during the course of the summer. On Oct. 6, he ignored the facts established in those hearings, in order to rule that the government's seizure of these materials, not cited in the search warrant, was legal.

Ignored in the judge's tortuous decision was the fact that FBI agent Richard Egan had lied to a federal magistrate in securing a second search warrant, by telling her that the offices were sealed and searches in them stopped, when they were not. Also passed over was the fact that the morning activities of law enforcement agents in the Oct. 6, 1986 paramilitary raid in Leesburg, Virginia, were, by government admission, geared principally toward finding any document which would support the immediate arrest of presidential candidate LaRouche.

Judge Keeton did recognize that the government had seized hundreds of items outside the scope of the search warrant, but he justified this by saying that since the first warrant referred to "writings," the searching officers were entitled to literally read all writings in the offices searched. Defense attorneys argued that such an interpretation permits a "general search," which is prohibited by the Fourth Amendment to the U.S. Constitution.

Judge Keeton also dismissed defendants' arguments concerning the search of law offices and reporters' offices, saying they were justified as part of the search for "writings."

## The surveillance issue

Seven classified NSA documents and several documents resulting from FBI "surveillance or wiretap" were delivered to Judge Keeton's courtroom on Oct. 16, by an NSA courier, in a double-locked briefcase. They were delivered over extensive government protest, upon the judge's order.

Judge Keeton opened the documents and examined them in open court, after which he made findings that both sets of documents, with one exception, should not be disclosed to counsel for either side because of "compelling national security interests." Judge Keeton further ruled that the NSA documents were not relevant to the case.

Defense lawyers immediately objected, on grounds that they were not permitted to examine the documents, and that they might recognize things that could be relevant, which the judge might not realize were relevant.

The judge also ruled that, with one exception, the FBI documents were also not relevant, and then continued, "The exception is references to documents I have not seen." And therefore, he said, "I am not able to make a final determination." He then ordered the government to produce the withheld documents on Monday, Oct. 19.

It is likely that additional documents, now being illegally withheld, will continue to surface during the anticipated three-to six-month trial.

## Commiserating over the Philippines fiasco

Ray Cline's Global Strategy Council convened a seminar of Philippines "experts"—CIA types, mainly—Oct. 13 to commiserate over the abject failure of the heavy-handed U.S. intervention there last year that toppled the Marcos government.

As the communist insurgency is now running amok, a process is unfolding among patriotic factions of the Filipino intelligentsia and military, which is refusing to remain silent in the face of the failure of the Aquino government to contain the situation.

The principal speakers at Cline's pow-wow, held at Henry Kissinger's Center for Strategic and International Studies (CSIS), conceded that the situation was grim. At least, that was a more realistic appraisal than the whitewash offered by Assistant Secretary of State for Far Eastern and Pacific Affairs Gaston Sigur, in testimony he gave to a Senate Foreign Affairs subcommittee the week before.

But Gen. Richard Stilwell (ret.), undersecretary of defense from 1981-86, and Roger Fontaine, a former National Security Council senior staff officer, had no light to shed on how to clean up the mess the United States is principally responsible for creating in the Philippines.

It would be best if, for a change, U.S. bunglers stayed out, and let Filipino patriots sort things out for themselves. What is key is how the United States will look upon the efforts at

genuine economic recovery that might be involved.

Fontaine's presentation painted a hopeless picture, noteworthy for its singular lack of a solution. General Stilwell lashed out bitterly at the "apathy" of the Filipino population in the face of chaos, saying that the paltry military forces that now threaten the Aquino regime would be no problem if the population there wasn't so passive.

During the discussion period, this reporter suggested to General Stilwell that the "apathy" problem he alluded to might have something to do with the state of the Philippines economy; especially, the enormous burden of the country's foreign debt and the adverse impact of U.S. demands for "privitization," given the below-production-cost prices most commodities are now receiving on the world market.

In fact, the \$28 billion foreign debt of the Philippines draws 33% of the nation's entire export earnings annually, and the \$3 billion the nation is expected to pay out next year more than triples the entire sum of foreign aid from the United States, Japan, and other sources.

As a result, the nation continues to be almost 50% unemployed or underemployed.

All the Filipino population has seen since Aquino took power is her commitment to make good on all foreign debt obligations, thus pouring billions into the vaults of the money-center banks in New York and London, while leaving her own population wallowing in abject poverty. So much for the causes of Filipino "apathy."

I suggested that the United States could become a positive ally of a Philippines government that sought real economic growth for its population, if it did not treat measures to achieve this, such as the kind of restrictions on foreign debt payment imposed by

President Alan García of Peru, as "hostile" to U.S. interests.

"Perhaps it is not too late to learn the lesson that you cannot continue to loot an economy and expect to repel the advances of communism," I said. "Either the U.S. waits to be kicked out of the Philippines, or it takes the initiative to ease the burden of the debt, and introduce credit directed at substantial, job-creating infrastructure projects, which will have the effect of transforming the overall productivity of the economy."

"If we based our relations with the Philippines on a community of principle between sovereign states, assisting in real economic growth, then the population would have no difficulty supporting the presence of the two strategically crucial U.S. bases there."

This comment elicited an immediate and violent reaction, which demonstrated, in a clinical way, the kind of thinking which has helped so much to create the current mess in the Philippines.

First, Max Singer of the Potomac Institute leapt to the microphone to protest that the health of the Philippines economy can never be achieved by measures such as a debt moratorium or rescheduling. "The key must be building the confidence of the business investor," he said. It was the standard IMF/World Bank line on why the government of the Philippines must stuff the coffers of New York banks over the dead bodies of its people. Singer, apparently, would rather the Philippines go communist than give up this policy.

Second, a respected lieutenant general stood up and complained, "You can't talk about economic reform when you are in the middle of an insurgency." He had not been there when General Stilwell complained that the success of the insurgency was due to Filipino public "apathy."

## Tuberculosis on the rise in New York

TB is increasing at an epidemic rate in New York City, and there were more deaths from the disease in 1986 than in any year since 1978, city health officials said.

At a recent conference of the New York Lung Association, Dr. H. William Harris, the group's president, noted that the rates in New York City "are increasing faster than any other city in the United States." The number of cases per 100,000 population increased 34% between 1985 and 1986, compared to a 1% increase nationwide. There were 186 deaths due to TB in New York in 1986, up from 155 in 1985, and the highest number since 1978, when 181 died.

"This is a social commentary," said Dr. Stephen Schultz, deputy city health commissioner for epidemiology. "TB is a disease associated with poverty, malnutrition, and crowded living conditions." He said overcrowding in shelters for the homeless is cause for particular concern.

Dr. Rand Stoneburner, deputy health commissioner for AIDS, told the conference that there is a correlation between the increase in the number of people exposed to the AIDS virus and the increase in TB. "The majority of TB cases are probably HIV-related," he said. "I don't think it's entirely due to AIDS. . . . The homeless situation has got to be something that's acting on it. It's all we've learned for a long time, that people who live in crowded circumstances with nutrition problems are at high risk."

## Warn on 1st Amendment in LaRouche case

Bruce Ledewitz, a Duquesne University professor of law with ties to the American Civil Liberties Union, wrote in the Oct. 12 *Pittsburgh Post-Gazette*, that he has studied all aspects of the legal prosecution of Lyndon H. LaRouche, Jr. and his associates and that, if the government case succeeds, the First Amendment no longer exists.

"Acting as a creditor, the U.S. government last spring initiated involuntary bankruptcy proceedings and shut down a newspaper associated with a controversial political movement," he wrote, under the title "Challenge to the First Amendment."

"The rest of the press did not react to this challenge to the First Amendment. Nor, by and large, did the established civil-liberties organizations. The reason is that the newspaper at issue, *New Solidarity*, was associated with Lyndon LaRouche.

" . . . If *New Solidarity* can be closed down, which newspaper will be next?"

"To see the enormity of the government's action, one must understand the legal doctrine of prior restraint.

"The First Amendment's guarantee of freedom of the press is not absolute. . . . What is practically absolute, however, is the right to publish something first, and only later to be punished. The government may not 'restrain' the publication before it occurs.

" . . . No one doubts that closing a newspaper, particularly a newspaper that represents a political point of view, is a gross form of prior restraint. That is what makes the silence over the suppression of *New Solidarity* so startling, and so menacing."

In 1984, the government initiated grand jury proceedings against LaRouche, a number of his associates, and five companies associated with them. On the basis of huge contempt of court fines levied against three of those companies by Boston Judge A. David Mazzone, including \$5 million against the publishers of *New Solidarity*, the government declared them bankrupt, although the fines were under appeal.

Wrote Ledewitz, "The use of bankruptcy law to close *New Solidarity* represents a dangerous legal manipulation by the government. The government would never have been able to persuade Judge Mazzone to close down *New Solidarity*. . . . By going the bankruptcy route, the government succeeded in eliminating consideration of the First Amendment. . . ."

"This precedent must not be repeat-

ed. . . . Not only should bankruptcy judges themselves hesitate to close newspapers, the government should not seek such relief. . . . We should surely be willing to run the risk that a newspaper might not pay all the money it owes the government. The First Amendment is worth more than \$5 million."

## LaRouche sends telegram to Judge Bork

Democratic presidential candidate Lyndon LaRouche has sent a telegram to Judge Robert Bork on the question of his decision to fight for his Supreme Court nomination before the full Senate. Mr. LaRouche said that he sent copies of the telegram to President Reagan and Vice President Bush as well as to Judge Bork. He has instructed his campaign organization to immediately give wide distribution of copies to relevant influentials among government officials and political parties, especially those in the Senate.

The LaRouche telegram, dated Oct. 11, reads as follows:

"Subject: Lynch-mob confirmation proceedings.

"Dear Judge Bork:

"Although I probably disagree with you in philosophy of law, I applaud and support your refusing to withdraw your name from nomination.

"The methods of your opponents are essentially identical to those employed by the Democratic Party of Athens to accomplish the judicial murder of Socrates. The success of those methods fosters the shaping of our justice by the organized hysteria of political lynch-mobs. Just so, did Hitler's Germany use the organized passions of such events as mass Nuremberg rallies, to bend the selection of justices and decisions of courts of Germany to a philosophy of practice of law invoking the alleged authority of the 'popular will.'

"For that reason, despite our evident disagreements on philosophy of law, the circumstance has been created in which I must prefer your confirmation to become Asso-



ciate Justice of the Supreme Court over the success of the foul method which has been introduced to dominate the confirmation proceedings.”

## Gallo to join Johns Hopkins AIDS institute?

Leading AIDS researcher Dr. Robert Gallo is reported to be seriously weighing an offer to leave the U.S. government's National Institute of Health/National Cancer Institute in favor of a proposed AIDS institute.

The special institute would gather government, industry, and academic resources from around the world under one roof. It is to be located at Baltimore's Johns Hopkins University.

While Gallo was unavailable for comment on the Oct. 11 *Baltimore Sun* report, last August he told an interviewer that vital AIDS work is sometimes “impossible because of government constraints,” and an approach outside government channels may be needed to speed a cure.

## U.S.-Mexico anti-drug efforts behind schedule

*Operation Alliance*, the U.S.-Mexican anti-drug effort, is behind schedule, say U.S. drug enforcement officials. “We're about 50% to what we expected to be,” said a Drug Enforcement Administration agent in San Diego.

Cocaine seized is up 460% from 1986, at 7,000 pounds; marijuana up 140%, and heroin 150% due to the effort. Better coordination among all the relevant agencies, and more federal prosecutors, have led to better intelligence, and better and more successful prosecutions, says a report in the *Christian Science Monitor*. But the smugglers, partly because of the crackdown in Florida, are increasing their operations nonetheless, and one-third of all drugs now

enter across the Mexican border.

In addition to *Operation Alliance*, Congress last year voted \$225 million each year for state and local police efforts against the traffic, but this year, the administration asked Congress to cancel these funds. In the end, Congress voted \$75 million.

Said Rep. Dennis DeConcini (D-N.M.): “Everyone last year was talking tough on drugs. Now, nobody wants to stand behind it.”

## Kirkpatrick: INF treaty makes Europe vulnerable

Jeane Kirkpatrick, former U.N. ambassador and spokesman for “neo-conservative” groups, warned Oct. 12 that the proposed treaty on removal of Soviet and U.S. intermediate nuclear forces (INF) missiles from Europe not only will render Europe more vulnerable, but has already begun to alter the climate on that continent.

“It seems unlikely that Reagan or Shultz intended to speed the disintegration of NATO or the development of a new framework for European defense. But the combination of Reykjavik and INF talks shook sober Europeans' confidence in American judgment and especially in the reliability of the United States as the leader of the Western alliance,” she stated. “I do not believe that Ronald Reagan or George Shultz intended to render Europe more vulnerable, nor the Soviet Union less vulnerable, nor the Atlantic Alliance weaker. But that is what the proposed agreement does.

“Because the Pershing-2s and cruise missiles are what the Soviets fear most, they have become the centerpiece in deterring Soviet moves against Europe and a symbol of U.S. commitment to the defense of Europe. Their removal has a symbolic as well as military significance.”

Kirkpatrick concluded, “The INF accord has not even been concluded, but the fallout from these particular intermediate-range missiles has already altered the climate of Western Europe.”

## Briefly

● **‘GEORGE BUSH** is not a leader now, just as he was not in the 1980 campaign. Bush has been Bush for 63 years. He has been Ronald Reagan's errand boy for just the last 7,” said an Oct. 8 editorial in the Manchester, New Hampshire *Union Leader* signed by publisher Nackey Loeb. She recalled the characterization of Bush by her late husband William, the long-time publisher: “incompetent, liberal, masquerading as a conservative, a hypocrite . . . preppie, a wimp, part of the self-appointed elite.”

● **SURGEON GENERAL C. Everett Koop** has criticized as useless a pending Illinois law requiring marriage license applicants to be tested for AIDS. Koop was questioned about the new law while in Chicago to attend a conference entitled, “AIDS: Corporate America Responds.” On the legislation, which becomes effective Jan. 1, 1988, Koop stuck to his “risk groups” cover-up, saying that the groups most at risk for AIDS don't apply for marriage licenses anyway.

● **THE HOUSE Agriculture Committee** was told by Congress to cut more than \$1.2 billion from the fiscal year 1988 farm program in order to meet deficit reduction goals and avoid Gramm-Rudman-Hollings automatic budget cuts. Rep. Dan Glickman (D-Kan.) has put forward an amendment that was accepted which would save the Agriculture Department \$1.2 billion by delaying the payment of 25% of the subsidies farmers are allowed to receive in advance.

● **68 SENATORS** previously opposed to a \$1 billion arms sale to Saudi Arabia, have now announced that they have accepted a modified version of the package. While the compromise version excludes 1,600 Maverick anti-tank missiles originally proposed, well-connected Arab sources report that the crucial feature of the package, upgraded components for F-15 jet fighters, got through despite violent Israeli opposition.

### *Maxims for an industrious people*

*Recent developments on the stock and bond markets, destroying the great "bulls" of the "post-industrial society," prompted EIR to solicit and happily receive the following contribution from Benjamin Franklin, which he entitled, "Fundamental Maxims for an Industrious People."*

21. Industry in all shapes, in all instances, and by all means, should be encouraged and protected; indolence, by every possible method rooted out.

All that live must be subsisted. Subsistence costs something. He that is industrious produces by his industry something that is an equivalent, and pays for his subsistence. He is therefore no charge or burden to society. The indolent are an expense, uncompensated.

There can be no doubt but all kinds of employment that can be followed without prejudice from interruptions; work that can be taken up and laid down often in a day, without damage, such as spinning, knitting, weaving, &c., are highly advantageous to a country; because in them may be collected all the produce of those fragments of time that occur in family business, between the constant and necessary parts of it, that usually occupy females; as the time between rising and preparing breakfast, between breakfast and preparing for dinner, &c. The amount of all these fragments is, in the course of a year, very considerable to a single family; to a state proportionably. Highly profitable therefore it is, in this case also, to follow the divine direction, "Gather up the fragments that nothing be lost." Lost time is lost subsistence; it is therefore lost treasure. Hereby, in several families, many yards of linen have been produced from the employment of these fragments only, in one year, though such families were just the same in number as when not so employed.

It was an excellent saying of a certain Chinese emperor, "I will, if possible, have no idleness in my dominions, for, if there be one man idle, some other man must suffer cold and hunger." We take this emperor's

meaning to be, that the labor due to the public by each individual, not being performed by the indolent, must naturally fall to the share of others, who must thereby suffer. . . .

25. That the use of the produce of other countries for ideal wants ought to be discouraged, particularly when the produce of the land, or of industry, are not given in exchange for them, has been strongly urged by many. On the grand principle of freedom in trade, we cannot well admit it; for it is plain the luxurious will use, and the trader, to prosecute his gain, will procure, such foreign produce; nor do prohibitory laws or heavy duties hinder. Nevertheless, to allow for a moment the doctrine, we will remark, that only the establishing it as a mode or fashion amongst the opulent and great can possibly effectuate a disuse or discouragement.

In fact, the produce of other countries can hardly be obtained, unless by fraud or rapine, without giving the produce of our land or our industry in exchange for them. If we have mines of gold and silver, gold and silver may then be called the produce of our land. If we have not, we can only fairly obtain those metals by giving for them the produce of our land or industry. When we have them, they are then only that produce or industry in another shape; which we may give, if the trade requires it, and our other produce will not suit, in exchange for the produce of some other country, that furnishes what we have more occasion for, or more desire. When we have, to an inconvenient degree, parted with our gold and silver, our industry is stimulated afresh to procure more, that by its means we may contrive to procure the same advantage.

In this place it will be proper to observe upon an erroneous doctrine, which has been often strenuously insisted on, that the cheapness of provisions must render manufactures cheap; and that plenty of money conduces to the benefit of trade. We shall endeavour to prove that industry alone does both.



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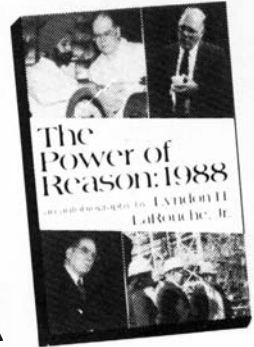
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