

# EIR

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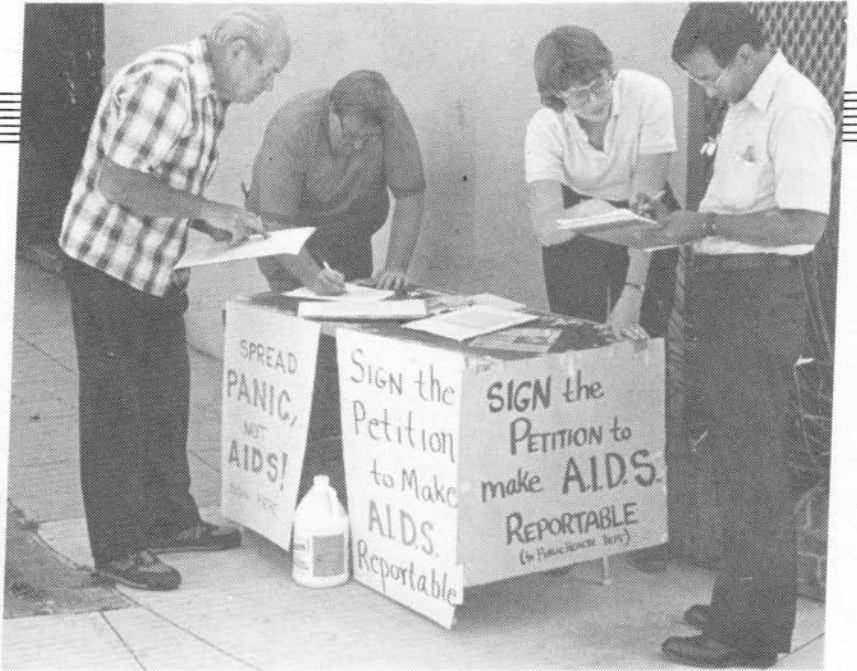
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Philippines: New People's Army on the move  
The Strategic Defense Initiative and the economy  
Weimar-style hyperinflation explodes in Mexico

**Europe faces new strategic  
phase of Soviet warfare**



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- The technology-driver of the new economic upsurge: the forty-year Mars-colonization project
- The explosive impact of AIDS on the world economy

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Once again, *EIR* and its founder, Lyndon H. LaRouche, Jr., are in the thick of a battle to defend Europe and to preserve the Western alliance. The West German policemen portrayed on our cover this week, are mourning for colleagues killed early in November by a hard core of Soviet-directed urban guerrillas. The two dead policemen, ambushed during an “environmentalist” demonstration at Frankfurt Airport, could be seen as Russia’s answer to Western appeasement, since the ambush was staged in the immediate wake of the announcement of the Dec. 7 Reagan-Gorbachov summit.

This week’s *Feature* presents two highlights of a recent Paris conference, part of a series in the major European capitals on the theme of what are called “radio frequency weapons.” *EIR* is helping to organize these conferences in order to bring the urgency of developing electromagnetic pulse weapons before military, political, and industrial leaders—just as in 1982-83, we organized such conferences to mobilize support for “beam weapons,” which later became the U.S. Strategic Defense Initiative.

Lyndon LaRouche himself has recently been in Europe. On Nov. 21, he was guest speaker, along with his wife, Helga Zepp-LaRouche, at the conference, “The Role of Italy in a New World Economic Order,” at the University of Catania (Sicily). The conference, held in honor of the 20th anniversary of the papal encyclical *Populorum progressio (The Development of Peoples)*, also heard presentations by Archbishop Salvatore Cassisa (Monreale); the former senator, Vincenzo Carollo, now president of the state-owned Italtrade company; and Prof. Gianfranco Gilardini, a member of the board of directors of the Messina Strait Society, a state-owned firm charged with building a stable connection between the Italian mainland and the island of Sicily. The latter is one of the great technical challenges of our day and typifies the “great projects” LaRouche has long insisted hold the key to real economic recovery.

I draw your attention to three items of special interest in the *Economics* section: LaRouche’s article on Weimar style inflation in Mexico; the *Report from Bonn*, on growing appreciation of LaRouche’s economics in Germany; and the highly pertinent revelations of the book review on page 11 dealing with the Warburg family.

Nora Hamerman

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## Hooverites tout boost in GNP numbers

by Chris White

Those insistent on reliving the avoidable mistakes of the ill-fated Hoover administration found their wishful illusions strengthened on Tuesday, Nov. 24, when the Department of Commerce issued its revised Gross National Product figures for the third quarter of the year.

The revised figures show, according to the department, that the economy was supposedly growing at an annual 4.1% over the 12-week period immediately prior to Oct. 1. The revision postulates an extra 0.3% growth beyond the original GNP estimates for the quarter when first released.

The release of the numbers was evidently welcomed as if some kind of early Thanksgiving dinner by the pundits. The *New York Times* quoted analysts to the effect that the economy's "momentum was very strong in early fall . . . and will thus be able to withstand the shock of the stock market collapse that began in mid-October." One among these analysts, an Edward Guay, chief economist at the Cigna Corporation, actually suggested that the third-quarter figures would be revised upward again, to 4.5%. The economy "was in great shape going into the crash," he told the *Times*. Michael Penzer, senior economist at the Bank of America, echoed those views in the *Wall Street Journal*, "The economy had a lot of strength going into the crash. That's going to help us avoid a recession."

Actually, the components of the increase are ludicrous. We are supposed to believe that corporate profits, before and after taxes, increased 5% and 5.2%, that corporate profits on current production rose 5.7%. Then, that government purchases of agricultural output, for Commodity Credit Corporation stockpiles, constitute an increase in the national wealth. Further, that consumer spending buoyed another increase in automobile sales over the quarter. And that government sales,

for export, from the CCC stockpiles, helped offset the trade deficit, and contributed to national wealth formation.

Without the finagling around with the government's agricultural commodity stockpile, whether through "inventory management," or through the transfer of such stockpiles into the hands of the Russian military for their war reserves, otherwise known as trade in farm products, it is doubtful that the figures could have been revised upward as they were. Thus, transactions by bookkeepers, in different government departments, accounting for the movement of certain products, help keep the nation growing, at a pace which will, on paper at any rate, permit the administration to claim that its projected growth rate for the year as a whole, 3.2%, has been met. For, whether the inventory is held by the farmer or by the government doesn't really matter. As previously produced wealth, inventory accumulations should still only be counted once.

However, it is noteworthy that the week before the Commerce Department announced the GNP figures, the Department of Agriculture was making a big ballyhoo out of the fact that the government's policies of paying farmers not to produce, in order to reduce stockpiles of so-called surplus foods, was finally working out. The department was claiming that especially stockpiles of dairy products, given free to urban unemployed and welfare families around the country, were nearly run down. Perhaps the Agriculture Department's inventories were shifted into the Commerce Department, for safekeeping.

### Automobile sales, for example

Beyond the agricultural commodities, it is interesting to contrast what the Commerce Department says about auto-

mobile sales, with the sales figures which the industry puts out. The industry figures, which appeared on the day the GNP numbers were issued, are consistently down. For the first 10 days of November, sales of U.S.-built cars and light trucks were down 2.1% from the comparable period in 1986. Light-truck sales were actually up 19%, while auto sales were down 12%. That's been the pattern over the summer. Similarly, reports of inventory reductions in the auto industry, which contribute to GNP growth, as a by-product of increased sales, are also laughable. Ask your local auto dealer. In the Washington, D.C. area, dealerships are advertising with the "come-on," "The stock market crash knocked the bottom out of automobile sales. . . ."

Corporate profits, before, during, and after taxation, actually don't exist, except in the imagination of bookkeepers. The economy is functioning at below breakeven, not replacing what is consumed in the process of production. Thus, there is in reality no net profit for the economy as a whole, and therefore no profitability for particular corporations. This is provably the case, by analyzing the flow of production and consumption into market-baskets of final producers' and consumers' goods, measured against the standards of 1967.

Yet, it is precisely the supposed growth in corporate profitability which the pundits assert to be the best indicator that, despite the stock market crash, "the fundamentals," as Herbert Hoover once said, and his followers of 60 years later still do, "remain strong."

"That's near boom growth, it definitely reinforces our belief that the economy's underlying strength is good," Brian Wesbury, an economist with Harris Trust Bank in Chicago, told the *Washington Times*. "It does suggest that the chance of getting through this without a major recession is good," Ben Laden, a Washington consultant, told the same paper.

## Cooking numbers

Beyond this kind of hype, it is quite apparent that there really isn't too much truth in the numbers which are supposed to prove the continuing strength of economic growth. In fact, the reality they purport to represent is actually completely fictitious. Such efforts are properly put down to the account of the George Bush for President in 1988 campaign. Tax dollars are spent for the writing of such fiction, as a kind of campaign public relations expense, as part of the psychological warfare effort to try and delay the looming collapse until after the presidential elections in 1988.

While the world monetary and economic system is on the brink of collapse, policy in Washington remains "60 months of uninterrupted economic growth." The numbers are cooked up to assist the effort of defending the policy. So ways are found to make the GNP numbers cohere with that reality.

Even if that were not the practice underlying and informing the government's reporting practice, the GNP numbers would still be a fatally misleading indicator of what's going on. GNP is supposed to be the net of all sales transactions

occurring in the economy. The aggregated such net is supposed to be a measure of the new wealth produced. The approach never touches on the production of actual wealth through technologically enhanced productivity of labor in the form of physical goods produced. However, that notwithstanding, the numbers are actually hoked up.

The next quarter, ending Dec. 31, is going to be a real challenge for those who decide how such things are done. It is not just that about \$1.5 trillion was wiped off the equity markets between Aug. 25 and Oct. 19, a loss, which funnily enough does not figure at all in the third-quarter numbers, even though one-third of the total was lost during the relevant quarter. But also, there are the Christmas sales.

A columnist recently wrote that the annual Christmas buying spree, as "the backbone of the capitalist system," is also the backbone of Western civilization. He was counting on the "momentum" to help keep the system going into the New Year. Supposedly, the period between Thanksgiving and Christmas is to account for fully one-third of consumer spending in retail stores for the whole year. During the month, two-thirds of households usually buy something.

No doubt, there are already people in the relevant government offices figuring out exactly how to cook the books again, to turn the expected collapse of retail sales in this pre-Christmas period, into further evidence of the underlying strength of the economy, for early next year.

## Bringing the crash about

In the final analysis, it won't really matter. The agencies that produce such hokum, and the political masters who tell them what to do, will discredit themselves, as the collapse in progress develops. They can fool themselves with such illusions for a time. But the manufacture of such illusions does not, and will not make the real world go away. The more they engage in such fiction, as of now, the bigger will be their come-uppance, when that reality hits.

But this continued fakery, and the promotion of fakery, on behalf of policies which are rapidly being exposed as bankrupt and incompetent, will be one of the political ingredients which helps bring that crash about. It is known around the world that the U.S. government is out of the real world when it comes to matters of economic policy; and that the U.S. government refuses to avail itself of the powers it does have to deal with the crisis, preferring to insist, "Everything is really all right." Soon it will be the case that the lies and distortions circulated to substantiate that ritualized incantation will not be accepted as tolerable by those who are supposed to do so.

That time may come before the Christmas sales season is over, and it may come afterward. It will almost certainly come by the spring of next year. Then, changed policies are going to be needed, not faked-up statistics. Then, the U.S. government is going to have to use the powers it has, or, the U.S. government will not much longer exist.

# Weimar-style hyperinflation explodes in Republic of Mexico

by Lyndon H. LaRouche, Jr.

*The author released this analysis from West Germany on Nov. 21, following the "free fall" devaluation of the Mexican peso on Nov. 18-19, reported in last week's issue of EIR.*

During the past two weeks, as the Reagan administration and Wall Street imagined they had put the lid on the Brazil debt-crisis, Mexico's peso and markets exploded into a Weimar-style hyperinflation. This occurs at the same time that the folly-stricken Mr. Reagan proceeds to tax-increases and budgetary cuts which are triggering an imminent new round of deep financial collapse in international markets.

The international significance of the recent two weeks' developments in Mexican markets, is the fact that this Weimar-style hyperinflationary blowout is not an event local to Mexico. It is the detonation of a fuse, the beginning of a new global chain-reaction, worse than anything seen or generally imagined during the darkest moments of this October. Whoever misses that point, fails to grasp the condition and underlying dynamic of international financial markets as a whole at this time.

Mexico, August-October 1982, and since, has been the linchpin of the entire monetary and economic policy of the Reagan administration over the recent five years. President Reagan has called this "sixty months" of unbroken prosperity; that ominous counting of his reveals the fact that the President dates everything about his administration today from his fateful, and cruel decisions on Mexico during October 1982.

Every economic and monetary policy of the Reagan administration, domestic and foreign, since October 1982, has been built on the crucial decisions made then. The entire structure of developments in the international monetary system since October 1982, has been based upon the pattern set by those Mexico decisions. The "off-balance-sheet lending" bubble, now exploding, was created by Walter Wriston's Citibank and others, on the basis of that Mexico

decision.

Mexico, October 1982, is the keystone. Now, the keystone is shattered. The entire Western financial system is now at the brink of a new steep drop, far worse than the massive drop which occurred during this past month. The lunacy of the tax-increases and budget-cuts will merely accelerate the process of collapse.

The Mexico hyperinflationary blowout is a force which the Reagan administration and bankers can not terrify into submission, can not induce to sign "conditionalities" agreements, can not punish with trade embargos. Even were Bill Casey still alive and at his post, Reagan could not dispatch the CIA to overthrow a Weimar-style hyperinflationary blowout in Mexico. It is a nemesis more powerful than the President, his Eastern banker cronies, and all their resources combined.

For this, Mr. Reagan has no one to blame but himself.

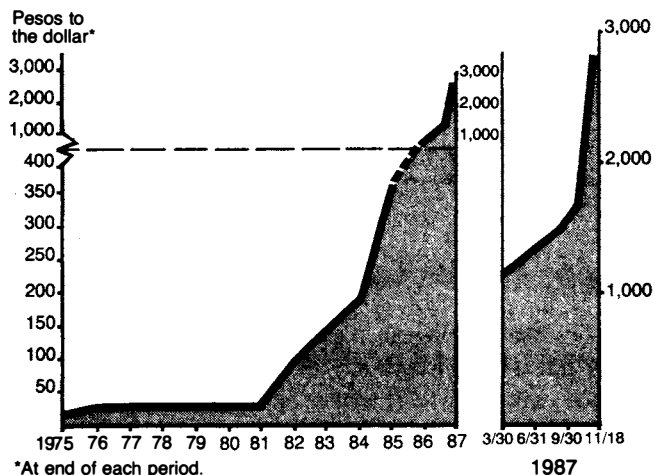
This unstoppable monster running amok in Mexico is Ronald Reagan's own child. He created it, back during August-October 1982. Out of his success in isolating and crushing Mexico's will, during October 1982, the President and his Wall Street cronies have created a vast financial bubble, a bubble energized by the destruction of the agriculture and industry of the United States, and by the looting of Mexico and other nations in the manner adopted during October 1982.

Since then, the President has fondled this child, bragged of it to all who could be forced to listen to such maudlin sentimentality. He has denounced, and struck out against all who questioned the virtues of this child, calling them by the name of "doomsayers." He has named this "Rosemary's Baby" of his adoption, "The Prosperity," proudly reporting its age, on schedule, each month.

Now President Reagan's child has reached maturity. Now, it is amok, a nearly full-grown monster. Now, as legends tell us that monsters are wont to do sooner or later, it is hell-bent to destroy its maker, and nearly everything else in sight.



**FIGURE 1**  
**Devaluation of the Mexican peso, 1975-87**

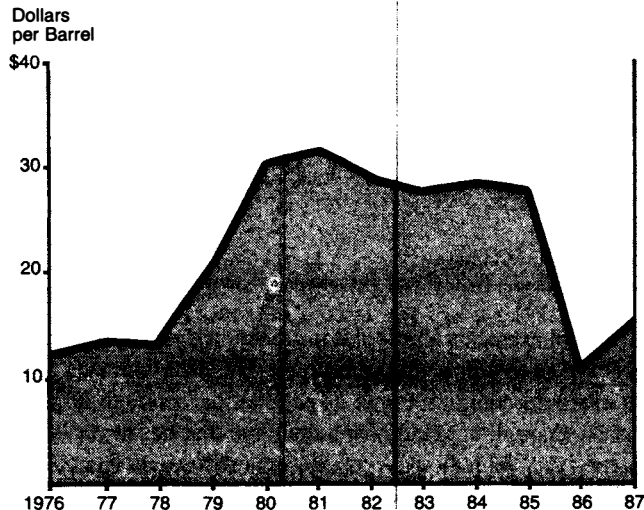


The linchpin is out. The keystone has crumbled. Cry havoc! Nemesis is amok.

Nearly every nation in South America is but a few steps behind Mexico. Bolivia is already wasted. Argentina is at the brink of similar developments. Brazil has rejoined the parade into the monetary slaughterhouse. It is all near to explode as Mexico has done.

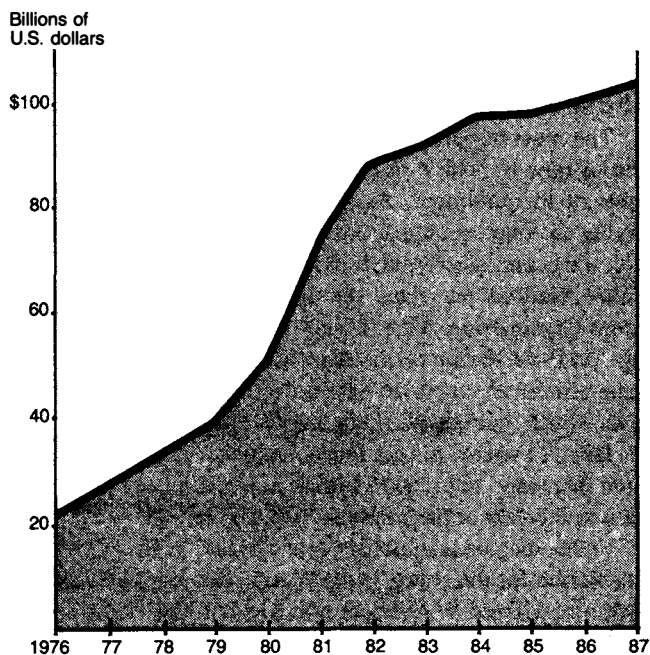
Perhaps few, except the special friends of Ibero-America,

**FIGURE 3**  
**Price of Mexico's petroleum, 1976-87**



will notice any of this a few weeks down the line. The repercussions of this in Western Europe and the United States will more than overwhelm the consciousness of all but a few. On all fronts, the seemingly impossible, the unthinkable, is about to become the only reality.

**FIGURE 2**  
**Foreign debt of Mexico, 1976-87**



**The collapse of Mexico's economy 1976-87**

	I	II	III
1975	12.50	—	—
1976	19.95	22.95	12.40
1977	22.74	28.42	13.42
1978	22.72	33.95	13.24
1979	22.80	39.68	20.29
1980	23.26	50.70	31.11
1981	26.23	74.90	33.13
1982	96.48	88.30	28.07
1983	143.93	92.10	25.19
1984	192.56	96.70	26.37
1985	371.70	97.70	25.33
1986	923.50	100.00	11.75
1987	—	103.00	—
Mar. 30	1,126.00	—	16.02
Jun. 31	1,353.70	—	18.71
Nov. 17	1,700.00	—	16.50
Nov. 18	2,700.00	—	16.50

I—Exchange rate of the Mexican peso with respect to the U.S. dollar (at the end of each period)  
 II—Foreign debt (in billions of dollars)  
 III—Average price per barrel of Mexican petroleum (in dollars)

# Ibero-American heads of state meet on debt, economic crisis

by Peter Rush

"The debt demands a political response, a historic decision, an act of sovereignty and of rupture. The debt demands that we make decisions. Enough of negotiating. Enough of proposals. Enough of asking for a dialogue that has never been listened to." With these words, Peruvian President Alan García addressed the Presidents of the eight Ibero-American nations gathered in Acapulco, Mexico Nov. 26-30 for an unprecedented heads of state summit—a summit he himself had called for soon after becoming President of Peru in July 1985.

In their respective opening remarks, the other seven Presidents spoke of the need for unity, the burden of the foreign debt, and the need for continental integration, but only García sounded the trumpet for unilateral action to change the rules of the game in relations with the creditor nations.

The meeting is the first time that the heads of state of the major nations of Ibero-America have ever met on their own, without the participation of the United States, to deal with problems facing the continent. The meeting occurs five years after the debt crisis exploded in earnest for the first time in 1982. In that year, in response to requests from several regional leaders, U.S. Democratic Presidential candidate Lyndon LaRouche wrote *Operation Juárez*, a document which laid out the course of economic integration and common action on the debt that the continent needed to adopt if it was not to collapse under the weight of the debt burden. Since that year, there have been hundreds of meetings of dozens of organizations and bodies on the same themes, yet hardly a single concrete action has been taken toward any of the agreed-upon goals, while in physical terms, the continent has in fact become substantially *less* integrated, rather than more.

Even while conference after conference sounded the theme of the necessity for a common market, Mexico and Brazil, in particular, were reducing their trade with their Ibero-American neighbors, in favor of exports to the United States, Europe, and Japan, while imports of all kinds were cut to create the trade surplus required to pay the debt. Even the Andean Pact countries' trade with each other has plummeted, as each country seeks to sell whatever it can to the North to earn dollars for debt payments.

Thus, the challenge facing the summit is whether, despite all the fine talk from each attending head of state, this meeting, too, will prove to be so much hot air.

The record of most of the Presidents going into the meeting is not encouraging. Mexico's Miguel de la Madrid has halved his population's income levels to be able to continue paying the debt on time, Argentina's Raúl Alfonsín has just imposed a new round of austerity to satisfy the International Monetary Fund, and Brazil's José Sarney has just ended his country's debt moratorium, even as the world financial system is about to blow out. However, the degree of internal economic crisis faced by each is so intense and so intractable by "ordinary" measures that to once again do nothing is to invite catastrophe.

Clearly recognizing the magnitude of the situation, if not yet prepared to follow the suggestion of President García, was Brazil's Sarney. He stated that Ibero-America is now in worse economic condition than it was in 1900. He said the countries of the region cannot continue to be "a market reserve for the industrialized world." "Latin America needs to grow, this is a historical imperative."

## The debt issue

The most important issue facing the summit is the question of how to deal with the nearly \$400 billion in foreign debts of the continent. As predicted in *Operation Juárez*, paying the interest alone on these debts has wreaked havoc with the economies of the region. Peru's ambassador to the United Nations presented the arithmetic to the Economic Issues Commission of the General Assembly on Oct. 9, saying, "In 1980, the total Latin American debt was \$250 billion; Latin American countries have since then paid \$150 billion to the North, but now the debt is \$400 billion."

Dilson Funaro, former finance minister of Brazil, calculated that since 1983, \$113 billion in interest has been paid, even as the debt of the continent rose \$60 billion.

*South* magazine, published in Britain, made a similar calculation for the entire Third World, and reported that, in 1980, total Third World debt was \$430 billion. Since then, \$658 billion, 53% more than the total debt in 1980, has been

paid in interest and principal. Yet, the total world debt has grown to over \$700 billion.

The effect of paying this debt is nowhere clearer than in the "big three" of Ibero-America, Mexico, Brazil, and Argentina. In Mexico, the decision was made to pay the debt by shifting manufacturing production from producing for the internal market to producing for export. On the one hand, inflation not matched by wage increases has lowered real incomes by 45-55%. The buying power of wages in Mexico had fallen by 57% between 1982 and July 1987, according to Gustavo Varela, the President of the National College of Economists. A calculation by the Economic Commission for Latin America shows the minimum wage falling by 45% over the same period; 43% of the employed workforce gets only the minimum wage, equivalent in August 1987 to \$3.10 a day, and at least 33% of the workforce earns less than the minimum.

According to the leading retail association, retail sales of basic consumer goods has fallen 25% just since January of this year, while buying power of the minimum wage has fallen 42%. The National Polytechnic Institute reports that 50% of the Mexican labor force is either unemployed or underemployed.

However, Mexican industry, although it has not grown appreciably since 1982, has not collapsed by the same percentage. Thanks to brutal devaluations of the peso, which fell from 27 to the dollar to 1,700 before the mid-November devaluation, Mexican manufacturers were enabled to sell their products abroad for very low prices, calculated in dollars. Due to the corresponding increase in import prices of capital goods, Mexican industry has been unable to afford more than a minimal amount of capital investment, and its export boom is not based on true efficiency of production—gross investment in plant and equipment in Mexico was 31% lower in 1986 than it was in 1980, according to the Inter-American Development Bank. But it has brought in foreign exchange dollars to replace the income lost when the oil price collapsed in 1986.

Brazil similarly shifted into a sharp balance of trade surplus, exporting billions in manufactured goods annually that would otherwise have satisfied an internal market, and real incomes, likewise, have fallen sharply since 1982. Now, having promised to break its debt moratorium, Brazil is confronting escalating inflation, increasing social unrest, falling investment—capital investment in 1986 was 30% below the level of 1980, and has fallen further since then—and increased debt payment demands.

Argentina in mid-November found itself facing the total exhaustion of its reserves, and was reliably reported to have been very close to being forced to declare a debt moratorium of its own, at which point the IMF decided to release some more money. However, with inflation likewise spiraling out of control—wholesale prices in October rose 30%, a 2,200% annual rate—and entire provinces going bankrupt, Alfonsín has proposed to take \$4.5 billion out of the economy to pay

debt service in the form of new taxes. Here, industry has collapsed farther than in Brazil or Mexico, because as purchasing power has declined, so has manufacturing output. Capital investment in 1986 was off 52% since 1980, and has continued to fall.

The only nation to have bucked the trend is Alan García's Peru, where payment on debt service has been limited to 10% of total exports, and where production for domestic consumption has been encouraged. Nonetheless, as one of the poorest countries on the continent, Peru cannot continue to go it alone indefinitely. Hence, García's urgent plea for the major countries of the region to join him.

### **The issue of the common market**

However, there is no indication that the "big three" of Brazil, Mexico, and Argentina are prepared to follow the implicit suggestion of President García for a unilateral declaration on the debt. What they are expected to do is present a three-point program addressed to the industrialized nations. According to the *Wall Street Journal*, the three will propose: 1) that by one means or another, the net outflow of capital from the continent be ended, by either more new loans, reduction of debt service, or a combination of both; 2) that countries not be forced to sign agreements with the International Monetary Fund in order to get bank financing; and 3) that the process of negotiating new loans be vastly speeded up. If the first point were to be won, it would reverse five years of capital looting, in which upwards of \$150 billion of capital, exclusive of flight capital, have left the continent in the form of debt service payments earned by strongly favorable balances of trade (but under conditions of extremely unfavorable *terms* of trade).

But as always, the issue is how to take these proposals from the drawing boards to the real world. The only solution is a common market, and a common stance on the debt issue. In none of the opening speeches was there any indication of a readiness to adopt such a common stance, or create a truly effective common market, other than on the part of García.

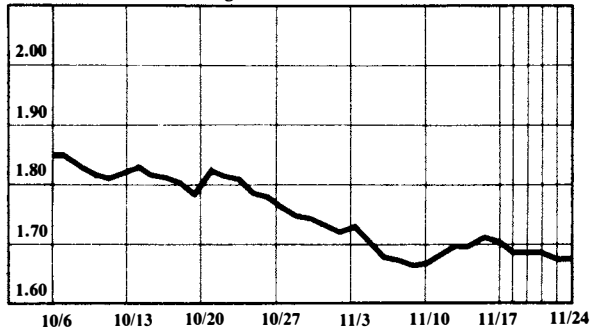
Even so, reality is fast forcing the governments to take some sort of action. In Mexico, the devaluation of the peso led to immediate 50% inflation in consumer goods prices. In response, the labor movement is demanding wage increases of 46% and up, on threat of a general strike. With the stock market collapsed and the peso fast becoming worthless, de la Madrid can no longer hope to avoid a social explosion.

In Argentina, the latest round of sharp price hikes, with a wage freeze, has led the CGT labor federation to call a 36-hour general strike Dec. 2-3 for higher wages, while the industrialists are lobbying strenuously against the tax-increase package, saying it will put them out of business. Entire provinces are issuing their own currencies, because they have been cut off by the central government. Even Colombia, which has refused to ask for any debt renegotiations, finds itself without financing for basic projects, because its request for a \$1.06 billion loan has been held up for one year.

# Currency Rates

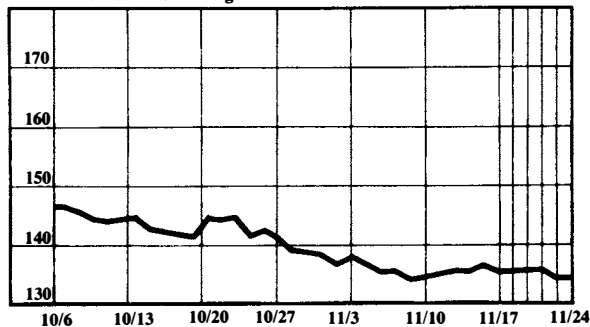
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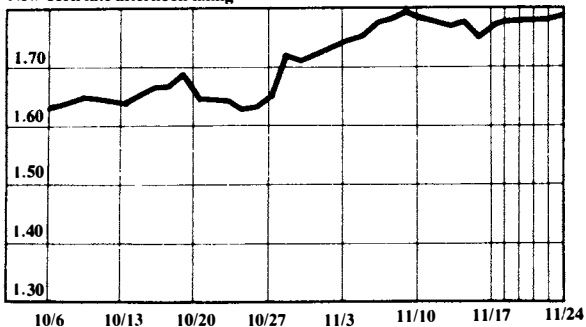
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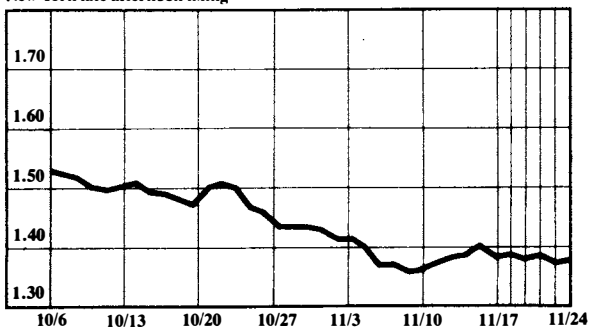
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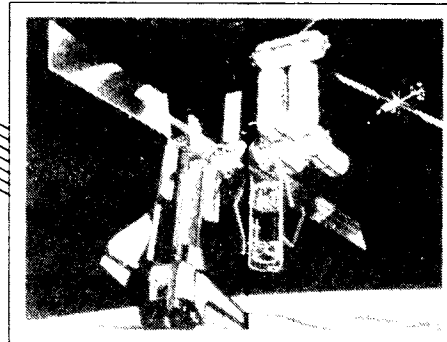
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# Sympathy for the Devil: the Warburgs and the ruin of the West

by David Goldman

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### **A Man of Influence: The Extraordinary Career of S.G. Warburg**

by Jacques Attali

Adler and Adler, Bethesda, 1987

\$22.50 hardbound, 380 pages with index.

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How did our monetary system get into this godawful mess? Important pieces of the jigsaw puzzle appear in Jacques Attali's biography of Sir Sigmund Warburg, in fact a collective biography of the Warburg family. We learn much about who financed Hitler's economic czar Hjalmar Schacht, and reconstructed his team after the war; how the United States was swindled into turning the international lending markets over to the London Eurodollar operators; and how hundreds of billions of "contraband dollars" came to dominate the world monetary system, out of the control of national governments.

M. Attali, French President Mitterrand's economic adviser, had privileged access to the late Sir Sigmund Warburg's personal papers, and an insiders' knowledge of post-war banking. He corroborates in detail, numerous allegations and conjectures made by the editors of *EIR* in the 1986 best-seller *Dope, Inc.*,<sup>1</sup> in a way *EIR* could not. His own warped sympathies are summarized in a concluding eulogy to Sir Sigmund:

"The catalyst of a revolution that overtook him, a sensor for the madness of this century, an austere adventurer, a bold man and an old sage, he had been at the heart of the insanities, one of the few men of influence in this century—in the end, a man of charm. It could be said that Sigmund Warburg was the best that Europe and the Jewish people have given our time." We will address the anti-Semitism implicit in that comment below.

The "insanities" Attali refers to include "extensive social, financial, and military disasters," in which "American banks . . . will be put under federal protection or indeed be nationalized," or even that "America defaults on its debt." Then "gambling, speculation, the irrational and politics will be the law of the world" which Warburg, who died in 1984, be-

queathed to us. Attali himself is a fanatical malthusian, and he fairly drools over the prospect.

Surviving Sir Sigmund as chief of the Warburg dynasty is his cousin, Eric Warburg of Hamburg, who figures in Attali's account as a minor character. The late Stefan Possony, an Hungarian emigré turned senior U.S. intelligence officer, told this reviewer before his death of his 1945 assignment to interrogate Eric Warburg—then a lieutenant colonel in U.S. intelligence assigned to debrief the Nazi hierarchy—on the Warburg role in the Bolshevik Revolution. U.S. military intelligence files, Possony reported, showed that Eric's father Max, at the family bank in Hamburg, and Eric's uncle, the financial attaché at Germany's Stockholm embassy, conducted the foreign ministry funds to Lenin which financed the November 1917 Bolshevik coup. Eric, a bank trainee in his late teens, was a witting participant, according to Possony's files.

Possony's interview with Eric Warburg produced nothing. Possony complained long afterward, "He wouldn't say anything." Attali's book provides devastating, if circumstantial, evidence, of what Possony was looking for, namely, the continuity of banking networks associated with the so-called Anglo-Soviet Trust into the postwar period. We will turn to this in a moment.

During 1982 and 1983, this reviewer talked with Eric Warburg twice at his Hamburg bank, and numerous times by telephone. Warburg, at the time, was among the most powerful men in West Germany. Then-Chancellor Helmut Schmidt, who spent two weeks' summer vacation each year on Warburg's yacht in the Baltic, was in the habit of repeating Warburg's counsels verbatim in public policy addresses. His powers failing, the 83-year-old banker reminisced about his family's history; he cited with special pride an incident not reported in published sources. Queen Christina of Sweden, upon her defection to the Catholic faith and her abandonment of the Swedish crown in the middle of the 17th century, had been hidden for a period of months in the Hamburg area by his, Warburg's ancestors. "That was when your family was still called, 'del Banco,'" I offered. Warburg shouted, "Who told you that?" and closed the interview.

Eric Warburg's touchiness about something which can be found in published sources, reflects on the two principal omissions in Attali's account: They concern Venice and Moscow. The great net of intermarried Jewish banking names as Warburg, Rothschild, Oppenheim, Mendelssohn, Schiff, Loeb (which Attali describes), and less famous but more important ones, such as David-Weill of Lazard Frères (which Attali does not), had its origins in the Venetian absorption of Sephardic Jewish banking families no later than the expulsion from Spain in 1492. But they remain Venetian today, and that is the secret of their tie to Moscow. Our allegation has been that the Venice-centered "Trust" network of Count Giuseppe Volpi di Misurata and his superspy Parvus remains intact; Attali provides scattered pieces of the puzzle, while diverting attention away from the picture itself.

His account of Warburg origins mentions the family presence in the Hamburg (Altona) area starting 1647, but (in line with the standard myth) mentions no continuing Italian connection to a family which began in 14th-century Pisa as "del Banco," i.e., "of the bank."

Yet, Eric Warburg reported his family's role in the Jesuit order's most successful covert operation against the Swedish Lutheran princess whose father, King Gustavus Adolphus, saved the Protestant cause in the Thirty Years' War before his death at the first Battle of Lützen in 1631. Evidently, the Warburgs, from their first days in Hamburg, were not merely a pseudopod of Venice-centered international banking, but operated on behalf of Venetian intelligence, whose Contarini family had created the Jesuits a century earlier.

"The history of the Warburgs is that of a Sephardic Jewish banking family switching from the South to the North," Attali reports. It may be significant that (according to Attali's account) "Diego Texeira de Sampaio of Spain," an exiled Jew, "became financial adviser to Christina of Sweden; his son Manuel would later settle in Hamburg."

Attali belongs to that category of fascist given, unlike the Nazis, to a certain philosemitic enthusiasm, because his examination of these banking families has convinced him that Jews have a special capacity for evil. But there is nothing Jewish about Sigmund Warburg; his own world view, as Attali documents from hitherto-unpublished diaries, centered on the German writer Thomas Mann, the great eulogizer of the Venetian principle, which the Germans call, *Lust am Weluntergang*, i.e., "pleasure at the destruction of the world" (e.g., *Death in Venice*). Warburg could recite entire sections of Mann's novel by heart. Financially and philosophically, Warburg and his ilk are Venetians. Attali portrays Sigmund as a morbidly superstitious man, watching for omens, avoiding numerologically ominous dates on the calendar, "always surprised to have lived another second," contemplating (with the great pessimist Mann) the end of civilization from his monkish, austere vantage point. His principal philosophical discussion partner was the decadent Austrian writer Stefan Zweig, a double-suicide with his wife in 1940. He frequented

Benedictine monasteries to exchange gloom with the West's champion world-haters.

Perhaps he had a right to be pessimistic. After all, he knew what he was up to.

S.G. Warburg left Germany in 1933 after an argument with his uncle, Max, whose touching faith in his intimate friend Hjalmar Schacht convinced him that he would be protected, while Schacht's economic policies created the Nazi death-camp economy. Max Warburg objected not to Schacht's death-camp policies, merely to sending the Jews in first. He had been instrumental not merely in bringing Schacht back to the Reichsbank, but had helped found the Bank for International Settlements in 1930, the institution which imposed Schacht upon Germany in 1932 when it could not meet reparations payments. Schacht proceeded to bring in Hitler, as the appropriate enforcer for his austerity plans.

Attali documents Max Warburg's position from Warburg's own unpublished memoirs, suppressed by his family; it would be interesting to know what else might be found in those memoirs. But he omits damning evidence that Max Warburg provided the seed-money for Europe's fascist movements, through a 1924 donation of 50,000 gold marks to Coudenhove-Kalergi, the Austro-Venetian nobleman who founded "Pan-Europa" as an umbrella group to support the Mussolini or Dollfuss variety of fascism on the European plane. As Lyndon H. LaRouche and I documented in *The Ugly Truth about Milton Friedman*,<sup>2</sup> Coudenhove's diaries express gratitude to Max Warburg as the great benefactor of his movement.

Sigmund Warburg, meanwhile, eked out an inconspicuous living in London during the war, taking business the Rothschilds and others did not want. In 1945, the family had been reduced to a pimple on the posterior of the Allied powers, with no functioning bank bearing the family's name. Yet, by the mid-1960s, S.G. Warburg and Co. had become London's premiere merchant bank, and the center of a web of alliances which set the trend for major developments in world finance, i.e., the slide toward the present catastrophe.

Apart from hailing to Sir Sigmund as a financial genius, Attali can offer no better explanation than to refer repeatedly to Warburg's improbable "placing power," i.e., the ability to find buyers for other peoples' securities, derived from his personal charm, and the network of contacts his family had built up for centuries. What precisely was the network? Starting 1973, S.G. Warburg's principal overt alliance was with the Banque de Paris et des Pays-Bas, founded in the 1830s by the Venetian-Jewish de Comondo family, whose Banque Ottoman had dominated the finances of the Turkish Empire for the preceding century. Paribas, Warburg's partner just as the Eurodollar boom exploded, holds a reported 12% of the equity of the great Venetian insurance and reinsurance cartel, the Assicurazioni Generali. Through the reinsurance market, the Venice-based reinsurance cartel, including the giant Allianz Versicherung of Munich, dominates the trillion-dollar-

per-year flow of insurance premiums through the 80 largest insurance companies.

The nature of the reinsurance business, as we reported in *Dope, Inc.*, lends itself uniquely to the laundering of the \$500 billion of narcotics revenues flowing each year through the monetary system. With an unparalleled worldwide network, the Venetian insurance cartel dominates the world market in flight capital. Banks like S.G. Warburg's, which invented the "Eurobond market," provide the investment outlets.

"Eurobonds," i.e., unregistered, offshore, bearer securities, are sold to anonymous buyers, whose coupons are clipped through Swiss or Luxembourg trust accounts. They have become a far more reliable means of hiding illegal funds than numbered bank accounts, whose iron code of secrecy broke down under U.S. law-enforcement pressure. Their issue volume last year exceeded \$200 billion, almost five times greater than the volume of ordinary international bank lending.

Sigmund Warburg and his partner Gert Whitman (an alias for Gert Weissmann, Schacht's right-hand man at the Nazi Reichsbank) invented the "Eurobond" in 1962. "The lenders were anonymous, which allowed for the investment of doubtful capital and for interest to be received without payment of tax—which was what made the market successful. Some said that former Nazis, the Mafia, deposed rulers . . . found in these issues an opportunity to launder their money," Attali notes.

But his most startling revelation reads as follows: "In addition the Moscow Narodny Bank [the Soviet-owned bank in London] and the [Soviet-owned] Banque de l'Europe du Nord signed an agreement with the Commonwealth money managers to invest some of the Soviet-held dollars in these markets. Eurodollars were now buying Euro-issues."

All accounts of the origin of the Eurodollar market, i.e., the offshore dollar pool whose volume now exceeds \$3 trillion, cite its curious origin in Soviet and Chinese dollar deposits in European banks during the Korean War, to avoid possible seizure of funds by the United States. "In the middle of the Cold War, it was the state banks of the U.S.S.R. and China that were making short-term loans of dollars to Western Europe to finance its reconstruction."

In *Dope, Inc.*, we argued that the Soviets maintained an overseas *fondo*, an investment trust, with at least \$50 but perhaps \$100 billion of resources, holding shares of Western companies through intermediaries. Our report that the Warburg family was among their principal money managers finds corroboration from Attali.

However, Soviet financial resources in 1962 provided relatively small change for the Eurobond market. The big bucks came from the United States itself, thanks to Warburg's friends in the Kennedy administration. "At the end of the summer [of 1962] Sigmund went to Washington to see his friend George Ball, who had become assistant secretary of state [Ball, later to join the Lehman Brothers investment

firm, had served in the Marshall Plan Paris office under the direction of Venetian banker Bruno Luzzatto]. Ball backed him in the idea of winning support from President Kennedy for European construction and encouraged him to create additional financial markets for dollars outside the United States."

The result of these deliberations came on July 18, 1963, when Kennedy announced an "interest equalization tax" on loans contracted to foreigners in the United States. Sigmund Warburg, who had concocted the idea along with George Ball, proceeded to take advantage:

"In August, he made a tour of the main European central banks. In London, Bonn, Rome and Paris, he told each governor:

We can't let the whole international capital market die just because New York closes. Companies must be able to borrow without your having to create money. Anyway these dollars will arise anyhow, because only a reduction in the American payments deficit would make that source dry up. But that will not happen because instead of preventing the outflow of dollars from the United States, the tax will, on the contrary worsen it. Therefore, the best thing is for you to allow the issue of long-term loans in dollars. Besides, I have just done it a month ago in London with the help of some of your banks. Let them join us in transactions of this kind."

That confident prediction of failure came from the banker who had sold the scheme to the United States in the first place! Warburg proceeded to gather "contraband dollars" into the fold, in combination with such creative accountants as Robert Genillard of White Weld. During the 1970s and 1980s, S.G. Warburg's, through its subsidiary Mercury Securities, became the dominant investment-banking power in the Hong Kong market, the main repository for opiate-traffic revenues, as, again, documented in *Dope, Inc.*

As the Eurodollar market exploded out of control, the value of the pound sterling, and then the dollar crashed; culminating in the 1971 suspension of U.S. gold payments. The world was en route to the monetary disaster of the 1980s, and the banking system had run out of the control of the combined Western central banks. Attali's evidence, skewed as his presentation may be, convicts some of the criminals who planned it that way:

## References

- 1) *Dope, Inc.: Boston Bankers and Soviet Commissars*, by Jeffrey Steinberg, David P. Goldman et. al. New Benjamin Franklin House; New York 1986.
- 2) *The Ugly Truth about Milton Friedman*, by Lyndon H. LaRouche, Jr. and David P. Goldman. New Benjamin Franklin House; New York 1980.

# Gaggle of OTA 'ethicists' threatens national medical policies

by Linda Everett

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## Life-sustaining Technologies and the Elderly

Office of Technology Assessment  
U.S. Government Printing Office, Washington,  
D.C., July 1987  
461 pages, clothbound, \$19.00.

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The U.S. Congress's Office of Technology Assessment recently released its latest gameplan of assault on what is left of medical care for the elderly, and ultimately, for the rest of Americans. The study aims at effectively eliminating, as "inappropriate treatment for some patients," five life-saving technologies: cardiopulmonary resuscitation; renal dialysis; mechanical ventilation; tube and intravenous feeding and hydration; and antibiotics.

The OTA, the analytical arm of Congress, researched the implications of these "technologies," which can sustain life in patients who are critically or terminally ill, at the request of the House and Senate Committees on Aging. Chairman John Heinz of the Senate Special Committee on Aging, and the chairman of the House Select Committee on Aging, Edward Roybal, "expressed concern about elderly persons whose rights as patients and dignity as citizens are, or feared to be, jeopardized—either by unwanted aggressive medical treatment or, conversely, financial barriers to treatment."

The committees asked for a "thorough review of the ethical dilemmas concerning life and death decisions" facing physicians, patients, and their families, as well as how to resolve the special problems of "cognitively impaired elderly patients unable to make their own health care decisions."

Some three years later, on July 31, 1987, the OTA delivered its 461-page report, *Life-Sustaining Technologies and the Elderly*.

So much for the cover story.

The aim of this study is not cost-containment; the government could achieve that and save billions by throwing out the ethicists who write these reports and gouge huge chunks of the health care dollar every time they do so. No, the intended aim here is a major coup in America's medical system, whereby the treatment you receive will not be governed by what can be medically done to save your life, but by national policies that dictate which categories of patients will receive life-saving procedures, and which will not. Your life sits in

the hands of a pack of self-proclaimed ethicists whose prescription for Nazi euthanasia policies happens to fit the Reagan administration's austerity plans.

The major purpose of the study, according to the OTA, "is to provide an array of options for public policy that will support wiser clinical decisions about the use of these technologies. . . . [It] synthesizes available and new information, from a new perspective, and from this it develops a set of issues and related options for congressional review." Translation: The report strips away American medicine's focus on curing diseases, and offers a "new perspective" which attaches more importance to arbitrary "quality of life" judgments, economic factors, and computer-generated clinical prognoses, than it attaches to life itself.

To sell you this new perspective, you, the patient, are given new rights: the right to discuss each treatment decision with your physician, social worker, nurse, and ethicist; the right to refuse any and all treatment; the right to a "living will" and the right to "die with dignity."

Die you surely will. Behind the "rights" façade, treatment policies are being developed in a compartmentalized, systems analysis approach by which ethics committees will decide if a patient gets *beneficial* treatment. If the chronically ill patient is confused or fussy, extending his life by feeding him would not be beneficial. If a cancer patient develops pneumonia (a "co-morbidity"!) treating him with antibiotics may not be beneficial. The OTA has a "more humanist" medicine, one totally divorced from both the Hippocratic Oath and the scientific thrust traditional to Western culture's treatment of individual human life as sacred.

It adds up to: "We propose to save money by letting people die."

The Office of Technology Assessment, started in 1972 by Sen. Ted Kennedy and his adviser, Club of Rome member Michael Michaelis, is notorious for its brutal depopulation policies and cost-cutting studies. The OTA's advisory panel for this latest study is made up of the most ruthless members of the country's euthanasia mafia. This panel is comparable in its planning of non-treatment categories of patients to Hitler's Reich Commissioner for Health, Karl Brandt, who organized the first waves of euthanasia exterminations.

As with Brandt, it is impossible to exaggerate the evil this panel intends, but *by their deeds, ye shall know them*. Among them is:

- **John J. Paris**, Jesuit "ethicist," Holy Cross College,



Massachusetts. For years, Paris has testified across the country in favor of starving brain-damaged or unconscious patients in lieu of costly care, and in favor of eliminating chronically handicapped children, saying "we can't pull all our resources" and "spend millions of dollars for a baby who feels only pain." For them, Paris says that death is not the enemy. The real issue is, "Who's going to pay for all this?"

● **Daniel J. Callahan**, co-founder and director of the Hastings Institute. He aggressively advocates health care rationing for the elderly to trim their "insatiable" desire to extend their lives. The United States, he says, could do better than throw away its limited resources on those over 65. The Hastings Institute has just completed its own two-year project, coincident with the OTA's, called "Termination of Life-Sustaining Treatment and the Care of the Dying." A half-dozen OTA advisers also worked on the Hastings project with the "Right to Die Society" and the "Concern For Dying."

● **Joanne Lynn**, vice-president, Hastings Institute, associate professor, George Washington University Medical Center; assistant director, President's Commission on Aging. An advocate of patient starvation, Lynn wants to legalize the medical murder (starvation, pulling the plug) of an estimated 15,000 incompetent patients who pass through Washington, D.C.'s health care institutions every year. Her target is both the elderly and AIDS patients. One-third of Washington's hospital patients and two-thirds of its nursing home patients are mentally or physically incapable of making their own health care decisions. Lynn wants to kill them.

● **David Axelrod**, health commissioner of New York State, head of Gov. Mario Cuomo's Life and Law Task Force. He eliminated over 12,000 New York hospital beds, blocked \$7 billion worth of hospital construction and improvements since 1975, and has waged war on "technological idolatry," i.e., use of life support and advanced diagnostic equipment. With the help of Blue Cross/Blue Shield, he established "brain death" and "do not resuscitate" laws, targeting AIDS patients and some 10,000 incompetent nursing home patients for death. Several task force members, including Daniel Callahan, worked directly with the Hastings Institute project.

● **A. Wendt**, Episcopal priest, executive director, the St. Francis Center, Washington, D.C. Wendt, who sells plain pine coffins as coffee tables, so that people may "learn to live with death," once complained that it was difficult to convince black people to support on euthanasia, because they "have too great a will to live."

● **A.-J. Rock-Levinson**, executive director, Concern For Dying. She organizes physicians and attorneys to arrange "negotiated patient deaths," and says that a lot of medical treatment is unwarranted, inappropriate, and not wanted. "Patients have the right to refuse any medical treatment. There are no rights or wrongs."

● **Rose Goldstein**, director of social services, Jewish Home and Hospital for the Aged, Bronx, New York. She likes to prepare families for the inevitable end by discussing

funeral arrangements as soon as they bring a relative to a nursing home.

● **Terrie T. Wetle**, assistant professor of medicine, Division of Health Policy, Harvard Medical School. Anyone, like Wetle, who gives a speech entitled "Death as a Care Option," deserves to be investigated as a Nuremberg criminal.

● **John Rowe**, OTA panel chairman, chief, Gerontology Division, Department of Medicine, Beth Israel Hospital, Harvard Medical School.

● **Nancy Dubler**, director, Division of Legal and Ethical Issues in Health Care, Montefiore Medical Center, New York.

● **Victor W. Sidel**, professor of Social Medicine, Montefiore Medical Center, New York.

● **Anne A. Scitovsky**, chief of the Health Economics Department, Research Institute, Palo Alto Medical Foundation, President's Commission on Aging.

● **A. Edward Doudera**, Harmon, Jones and Sanford, Camden, Maine, American Society of Law and Medicine.

### 'Strong convergence' on Nazi plan

The panel expressed a "strong convergence of opinion," on a number of "principles," among them:

● Patients have the right to refuse any treatment or intervention; however, "an individual does not necessarily have a right to unlimited medical treatment or intervention."

● "Diagnosis alone is a poor criterion for life-sustaining treatment." Whether a patient is saved should depend on the severity of illness, the patient's functional impairment, and cognitive function. Also, "age may be a legitimate modifier."

● More medical education in "appropriate use" of life-saving procedures, better methods of predicting the probability of patient survival, functional status, and subsequent quality of life—meaning, "We do not intend to save those with poor prognosis."

While the report focuses on elderly patients over the age of 65, it reiterates that policymakers must not dismiss all elderly persons as candidates for life-sustaining technologies based on chronological age alone. They suggest that "life-threatened elderly should be seen as individuals with widely varying physical and mental status." But the OTA assessment severely undermines care for the elderly by voicing every rationale imaginable for eliminating it, including the overtly Nazi argument that "too much money" is spent on patients who are elderly, and too much of this on patients "who die anyway."

The OTA cites such facts on the "high cost of dying" as: Health care expenditures for the nation's 29 million elderly persons account for about one-third of all health care expenditures, although the elderly constitute only 11% of Americans. In 1982, 1% of Medicare enrollees over age 65 accounted for 20% of all Medicare expenditures, and the 5% of Medicare enrollees over the age of 65 accounted for more than 50% of expenditures. The 5.9% of Medicare enrollees who died in 1978 accounted for 27.9% of all Medicare ex-

penditures; 30% of this was spent on the last 30 days of life, 46% on the last 60 days of life, and 77% on the last six months; 3% of Medicare enrollees who died in 1978 had Medicare expenditures of over \$20,000, and 1% over \$30,000.

### Confusion can get you starved

One major gripe of the OTA panel is that the sick and chronically ill elderly eat. The study details the "controversial," "emotionally burdened" issues surrounding the current Nazi practice of starving conscious and unconscious patients who are unable to take food or fluids by mouth, or are unable to digest and absorb them. Food and water can be delivered through small tubes into the digestive tract (enteral) or intravenously, where the nourishment is delivered via catheter into the blood stream (parenteral). Total parenteral nutrition (TPN) provides intravenous nourishment that best maintains weight indefinitely.

The OTA authors carefully couch their views with the "some say" method. "Some people also believe that nutritional support can be withheld or withdrawn from severely debilitated or confused patients when the burden of treatment outweighs its benefits." "Some nutritional support specialists" do not think patients should get nutritional support at home if the patient has "no meaningful existence." Nutritional support, because of its cost, "should not 'be like dialysis,'

that is, used on patients for whom it is futile or inappropriate."

The authors suggest that money can be saved by using APACHE II, a clinical assessment instrument developed to classify severity of illness and predict a patient's survival chances with certain treatments. It predicted with 100% certainty that eight TPN patients would die in hospital, and they did. The OTA proposal: Starving the TPN patients predicted to die "would have reduced the annual cost of TPN to the hospital by 28%." The researchers conclude: "One way to improve cost-effectiveness is to examine critically the ways we prescribe expensive therapies. By not treating [not feeding] patients who will not benefit, cost-effectiveness is increased, with a simultaneous reduction in the total cost. The ethical problem is to identify these patients accurately."

Fundamentally, the report is a fraud. Studies are cited showing horrible malnourishment of patients in hospitals and nursing homes: 43% in one home, 57% in another, 57% in yet another. While hospital dieticians were the first to be sacrificed in the Medicare reimbursement cuts, the authors say more studies of the elderly's nutritional requirements and metabolism are needed, and better skilled hospital personnel, to develop proper diets and recognize malnutrition. Actually, the only thing needed is education of hospital personnel to recognize that 600 calories a day is a concentration camp diet.

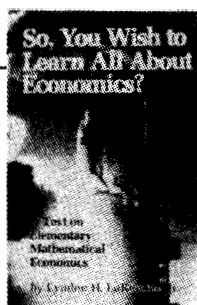
The unspoken policy is that patients too feeble to feed themselves will not get fed because of staff shortages.

The OTA authors contrast geriatricians' "more realistic" and "more holistic perspective" with traditional medicine. "The traits, habits, and mental sets characteristically nurtured by medical education perpetuate a perspective that tends to . . . view all problems, including death, as *treatable* [emphasis in original]. Death is construed as a biosystem going awry. . . . This human condition is inadvertently taken out of the realm of social meaning and put in a framework of normal versus pathological functioning. Here, death becomes viewed as a chronic resistance to life."

These panelists are the people who have for years demanded court decisions and laws in favor of starving patients because feeding them is an "extraordinary" or "inappropriate" medical treatment that does not cure the underlying disease. But then, does breathing cure your disease? The authors might as well advocate putting pillows over patients' faces. (You may be sure they will, when the atmosphere is right.)

Although nutritional support specialists state that Medicare limits patients' access to nutritional support (both enteral or parenteral) in the hospital, home, or nursing home, the OTA states, "Despite financial incentives to limit expensive care, however, there is no evidence to date that PPS [Medicare's prospective payment system] has reduced access to *life-sustaining* treatment [emphasis in original]."

Who are they kidding? In one typical, recent case, a Michigan surgeon and two cardiologists needed permission



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to implant a permanent pacemaker to save the life of a 65-year-old patient who became dependent on an external pacemaker during surgery. With the patient's life hanging in the balance, the doctors were repeatedly refused permission by the Medicare reviewer, a cardiologist, who said the patient was not sick enough. (*Chicago Tribune*, June 15, 1987).

The OTA also fails to mention the myriad of incentives for a "natural death" built into the system. Frequently, nursing homes "discuss" choosing death over treatment with patients, writing out details of all the possible burdens of all those "invasive, painful procedures that leave you dying in a sterile hospital hooked up to machines."

### **'This bias to treat'**

While persons 65 and older comprise about 11% of the total U.S. population, they comprise over 30% of all patients receiving dialysis, nutritional support, and mechanical ventilation. In hospitals, an average of 55% of all patients who are resuscitated are elderly, and it is likely that they are a large portion of patients receiving life-sustaining antibiotic therapy. Life-saving interventions are expensive, but the OTA says that keeping a patient alive afterward may be exorbitant. Their recommendation is for more information on "the need for, or criteria to be used in, rationing of access to health care."

"The traditional bias of medical education and practice places the cure of acute illness above all other goals. When cure is not a realistic goal, this approach often leads to inappropriate treatment decisions." "This bias to treat appears to prevail." So, withholding treatment is resisted by medical personnel, and "pulling the plug" even more so, because "grief, guilt, and health professionals' feelings of failure at times prevent rational decision-making."

As a remedy, "some propose the greater moral imperative" of withdrawing "treatment that proves futile or unwanted," or "time-limited trials," giving a patient a week on a ventilator, or a few months on a dialysis machine, and then re-evaluating the case. The fact that the patient is still alive is not reason enough to continue treatment. The OTA wants "innovative" curricula for physicians and health personnel that focuses "on achievable goals, such as maximization of the patient's functional capacity . . . the quality of life . . . medical ethics, humanities, and death and dying." These treatment questions would be solved, OTA says, if more people signed their lives away with living wills, durable power of attorney documents in which relatives make your treatment decisions if you become unable to express them, and "substituted judgments," in which someone else decides if you live or die.

### **The creeping 'prognostic uncertainty'**

For a human being, or a doctor who happens to have taken the Hippocratic Oath, things ought to be simple. Here is the ailing patient, so provide treatment. But the OTA says, rather, here is the ailing patient, so let us now engage in

"decision-making processes" concerning whether or not to initiate treatments when you do not know "in advance whether or not a patient would survive, for how long, and in what condition."

OTA figures show that "one-third to one-half of all in-hospital resuscitation attempts succeed; and only one-half of the patients who are successfully resuscitated survive long enough to be discharged from the hospital. Adults in acute respiratory failure have a 50% chance of survival with a mechanical ventilation; for acute renal failure, only 20% of those over 70 survive. Patients receiving antibiotic therapy or nutritional support have a relatively high, but not necessarily predictable chance of survival."

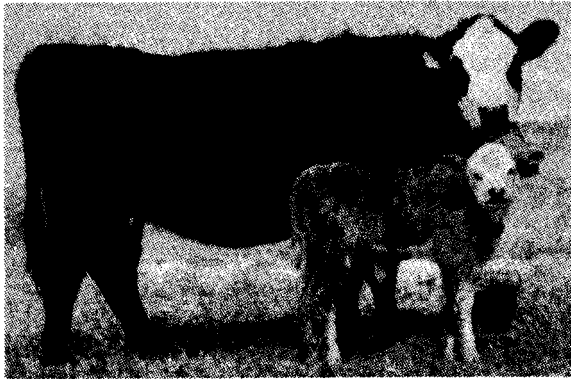
To halt "pervasive prognostic uncertainty," doctors are to become actuaries, taking up forecasting by using clinical research on "the physiological and psychological responses of elderly patients to particular treatments as well as information about the outcomes *without* treatments [emphasis in original]." Diagnostic and treatment data will be combined into statistical categories associated with "known probabilities of survival." These will then be disseminated through education and training of health care professionals.

The result? Treatment is not up to you or your doctor, but to a computer printout that quantifies your chances. Applied to another area, such a ludicrous mind-set would have meant that none of the extraordinary advances witnessed in the last five years in saving premature babies could have occurred; all would have been allowed to die because they were born below a birthweight X pounds or a gestation age of Y weeks, which would not have been judged a viable or statistically "known probability." (Tell this to the parent or physician holding a living miracle weighing less than three pounds in the palm of their hand.)

For patients receiving renal dialysis therapy, the OTA wants you to know that "some people" think "dialysis is being overused, that is, public resources are being misallocated, and/or dialysis is being wasted on some patients for whom the benefits are questionable." Because of the growth of dialysis, the U.S. experience "is frequently cited by those who . . . warn against excessive growth of other disease-specific benefit programs or overuse of life-sustaining technologies." The OTA points approvingly to the national health care pogrom in the United Kingdom, where health care rationing is routine and based on your employability and age. "This rationing seems 'not only sensible, but necessary—in a patently obvious way'. . . Patients in the U.K. are not entitled to treatment. The fact that a reliable life-saving treatment exists does not mean that a person who will die without it has a right to receive it."

While we cannot review all the medical treachery planned in this report, let us say this: The overbearing element throughout the report is a total acquiescence to the doctrine of "scarce resources." Perhaps more frightening, however, the OTA is already preparing a followup study with specific killing policy guidelines for use in hospitals.

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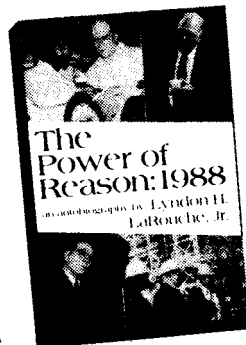
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## New approaches to the debt question

*The crash is forcing bankers and industry managers in the Federal Republic of Germany to mull over the LaRouche option.*

As in most other Western countries, bankers and industrial management in Germany have been quite reluctant about discussing LaRouche's proposals for a new world economic and credit system. At best, they would concede his views "interesting, but not feasible."

This was the situation back in April 1975, when Lyndon H. LaRouche presented in Bonn his plan for an International Development Bank, to replace the debt-collecting, paper-values system of the International Monetary Fund (IMF) with an institution designed to issue credits only for the production of real goods. The press conference LaRouche gave at the famed Tulpenfeld Hotel in Bonn then, was packed with 40 journalists, experts, and diplomats.

Discussion on the LaRouche project continued behind the scenes, rather than in public. By no later than spring 1977, the chairman of Dresdner Bank, Jürgen Ponto, surfaced as a spokesman for new views on world economics and the debt question that came very close to LaRouche's ideas. Apparently, the threat to the "system" posed by the chairman of the third-largest bank in Germany was a very grave one, as Ponto was shot dead by a squad of terrorists only weeks later.

Ponto was one of only a few "dissidents" among the German elite, then. When Hanns-Martin Schleyer, the chairman of the German Industry Association and a co-thinker of Ponto's, was killed by terrorists soon after as well, this tendency died out.

While only a few among the Ger-

man establishment could be mobilized by LaRouche's views then, the situation is quite different 10 years later. Approximately since January 1987, a new tendency of "dissidents" has emerged in Germany. Clandestinely, the various writings of LaRouche since 1977 have been studied by many, and thought over again.

A first surprise came in May 1987, when Alfred Herrhausen, the influential co-chairman of Deutsche Bank, Germany's largest private banking operation, circulated the idea that the Third World debt bomb should be defused by rescheduling and even debt relief, to make way for a real economic recovery of the developing sector. Herrhausen proposed a special development fund, to reinvest debt repayments into the Third World. Although something of a "mixed bag," the proposal did reflect deeper concern about the stability of the world monetary and banking system.

It was also Herrhausen who launched the next big surprise, when he gave a press conference in Washington, D.C., on Sept. 29, just hours before the annual IMF conference began. He criticized, if cautiously, the IMF's and creditors' debt collection practices toward Third World debtor nations. He proposed a "generous rescheduling of debt" and even "debt relief," plus a system to make new credit available for mobilizing the productive potentials of the debtor nations.

A mere continuation of old policies would, warned Herrhausen, pose a very grave threat to the world monetary and banking system in the near

future. Causing heavy waves, his remarks were promptly "corrected" by several prominent spokesmen of German banks attending the same IMF meeting. The panicked response to Herrhausen's "individual views" indicated that he was not at all alone.

The Oct. 19 "Black Monday" crash of the stock markets proved that LaRouche's earlier predictions, but also Herrhausen's warnings, had been correct. More bankers and industry representatives in Germany began to call, if vaguely, for a new policy "after the crash."

The first bankers' panic was just beginning to settle down, giving way to a barely-veiled pessimism about the future, when the next big surprise came. Addressing the influential American Council on Germany in New York Nov. 16, leading industrial manager Edzard Reuter (the chairman of Germany's Daimler-Benz Corporation) took the "old believers" of the IMF regime head-on.

He accused the governments in Tokyo, Bonn, and Washington of "worshipping old dogmas like pagan gods," and of a "gross world economic leadership incompetence that has now become a live political danger." He warned that "a new world economic recession would unfold its real explosiveness in the context of the East-West conflict, threatening also the consistency of the Atlantic defense alliance."

Then, Reuter stated his "explicit support" for the same debt-relief scheme voiced three weeks before by Alfred Herrhausen, and called for a crisis management that would end the "currency manipulation" for the sake of "growth-promoting policies."

What next? Having thus crossed the "Jordan" from the IMF regime, the dissidents around Herrhausen and Reuter are welcome in the camp of the LaRouche economics.

### Venice seeks Soviet-Italian ventures

*The biggest promoters in Italy of Gorbachov's perestroika may not be in the Communist Party, but in corporate boardrooms.*

**I**n the life of a man, it is enough, a country like Russia. . . . After the U.S.S.R., there cannot be anything other than the U.S.S.R." Are these the words of a fanatic admirer of Stalinist Russia? No, the above words were pronounced in mid-October by Gaetano De Rosa, a Turin industrialist who was the first to start a "joint venture" with the Russians.

After returning from Moscow, De Rosa told Fiat general manager Umberto Agnelli that Russia "is a country where there is a lot to do because the Russians are really willing to change."

But De Rosa is doing much better than any communist militant, because he is covering up for the Kremlin's military build-up, the so-called *perestroika*, and is giving credibility to the Russian "peace offers" to the West.

Speaking at the "Forum for a De-Nuclearized World and the Survival of Humanity," held in Moscow last February, De Rosa affirmed that the West is observing "the rapid development of a new tendency in the U.S.S.R. which wants to stimulate foreign trade and cooperative relationships with Western firms."

The result of this strategy is a Soviet-Italian firm called Sovitalprod-mash, with \$30 million in capital (73% is Russian, the rest is Italian) that intends to build 230,000 refrigerators and refrigeration units per year.

Last April, a seminar on the cooperation in Europe between free-market economies and planned economies was held at the notorious Cini Foundation in Venice, the think tank

of the Venetian oligarchy and its financial frontmen. Along with distinguished representatives from the socialist countries, there were Fiat's Umberto Agnelli, former head of the industrialists' association Vittorio Merloni, president of the Banca Nazionale del Lavoro—Italy's largest—Nerio Nesi, and Christian Democratic leader Arnaldo Forlani.

The meeting discussed the problems of financing East-West trade and the question of American veto of the export of strategic technologies to the communist bloc countries. The practical result of this meeting was the instant formation of a task force to foster the creation of Soviet-Italian ventures.

The group is made up of Banca Commerciale Italiana and Mediocredito Centrale on the Italian side, together with the Soviet state bank, Gosbank, and the Soviet bank for foreign trade, Vneshtorg Bank on the Russian side.

It is no surprise that Banca Commerciale Italiana is involved in this operation, given the fact that for several decades in the 19th and early 20th century, it worked as the financial backer of Giuseppe Volpi di Misurata, the gray eminence who played a major role in financing the Bolshevik coup d'état of 1917. BCI is simply continuing a very old operation.

In fact, Banca Commerciale Italiana is raising a Eurodollar loan of \$55 million for the Sovitalprod-mash joint venture, while Mediocredito Centrale issued a loan for \$160 million to fund

the start-up costs of the firm.

The whole business must have been very satisfying to the Kremlin, given the fact that it decided to proceed to a second phase. In the middle of October, the Soviet Institute for Economy and International Relations (IMEMO) and the Milan Institute for International Political Studies (ISPI) held a meeting in Milan.

At this meeting, attended by IMEMO vice-director Oleg Bykov, one speaker even raised the possibility of a "pre-capitalistic era" for Gorbachov Russia, the feasibility of making the ruble convertible, and even possible participation by the U.S.S.R., albeit as an observer, in the International Monetary Fund.

According to Bykov, the convertibility of the ruble "is an inevitable event, but also here we must proceed by steps. The first step will be a convertible currency for the Comecon region, while the second step will deal with specific sectors of international trade. But a great deal of the project will depend on the development of the Soviet economic system."

With these arguments, the Soviets are trying, successfully, to lure Italian financiers on the verge of collapse to invest billions of dollars in the Soviet war machine that will eventually roll through Europe. It was the Italian firm Fiat that was the first in the West to build a huge industrial project in the Soviet Union in the 1970s, which was named Togliattigrad, after the Italian Communist Palmiro Togliatti.

But the collapse of the Western economy is putting the whole plan into jeopardy, and certain generals in the Kremlin are wondering if it were not better to get back to the brutality of the Stalin days, perhaps old-fashioned, but always effective. In that case, we can forecast a grim future for all the modern heirs of Volpi.

## Labor's ultimatum

*But President de la Madrid still defends his economic policies, while Moscow fishes in troubled waters.*

On Nov. 23, Fidel Velázquez, Mexican Workers Confederation (CTM) leader and president of the 10 million-member Labor Congress, presented an ultimatum to Mexican President Miguel de la Madrid. He demanded the government revoke the peso devaluation and "return to absolute exchange controls," or face a general strike. De la Madrid was given five days, starting Nov. 24, within which to give his answer. Labor is also demanding a wage hike of 46%, while warning that it "could reach 137% along the northern border of the country, where the dollar is selling at 4,000 pesos."

"At this moment, everything is black for the country, and we don't even want to discuss the reason or lack of reason behind the measures that have been taken," said Velázquez. "We have no intention of putting ourselves above the law; things have already exceeded the law."

Thus, the CTM—which played by the rules of the game long after the game was over—has said "Enough!" Labor is now closing ranks with other patriotic forces in Mexico who have been left no choice but to demand a halt to the government's slavish relationship to the international creditor banks. The CTM has long paid lip service to the idea of limiting payment on the foreign debt to 10% of the nation's exports, as Peru has done. It now appears to be recognizing that if it does not aggressively mobilize around a concrete program, its rank and file will fall to the Nazi-communist opposition forces.

"Mexico is on the way to a state of

emergency. This could lead to a rupture that there is still time to avoid," said Blas Chumacero, the deputy general secretary of the CTM on Nov. 24. Chumacero added, "What would the country gain by a new revolution? Even as we starve, we are exposing Mexico to a social conflict that could lead to loss of more territory, or bankruptcy of the system."

Overnight, the country has been sucked into a maelstrom of financial collapse, within which the President is trying desperately to protect the \$14 billion in international reserves from the flight capital launched by narcobankers after the stock exchange crisis. But de la Madrid's measures have had the effect of trying to put out a fire by spraying it with gasoline. The increase in interest rates to 115% reinforces the hyperinflationary spiral which the economy has entered; and the speculators are demanding that the devaluation of the peso be hiked from 55% to 120%.

As the leading daily *Excelsior* commented: "The country is plunged once again into the monetary whirlwind, and like the modern Sisyphus, appears condemned to eternally tread the same path it has traveled with such effort."

On Nov. 24, Rogelio Zepeda Sierra, congressman and leader of the opposition National Action Party (PAN) in the state of Guerrero, threatened that there exists "the possibility of a coup d'état before the [July 1988] elections, because the economic crisis has placed the country at the same levels that existed under the Porfirio Díaz dictatorship" of 1890-1910.

And while the Pinochet-admiring PAN hopes to take advantage of the growing popular discontent to create conditions for a coup d'état, the narcobankers who finance the PAN are threatening to tighten the noose around the government if it increases wages, as labor is demanding. The nation "will pay a high price" if there are wage increases, warned Agustín Legorreta, president of the pro-PAN Businessmen's Coordinating Council, on Nov. 21.

The next day, PAN presidential candidate Manuel Clouthier announced that his platform would consist of returning the banks nationalized in 1982 to ex-banker Legorreta and company. Clouthier is a landowner upon whose property a marijuana-filled warehouse was found several years ago.

Meanwhile, the pro-Moscow parties, headed by the Mexican Socialist Party (PMS), are fishing in troubled waters. During the Nov. 19 and 23 testimony of Finance Minister Gustavo Petricioli and Budget and Planning Minister Pedro Aspe, before the Mexican Congress, the mildest epithets the left opposition used against these government officials were "treason" and "servility to imperialism."

During his appearance before Congress, Petricioli pathetically defended U.S. former Federal Reserve chairman Paul Volcker from widespread charges that his high interest rates caused Mexico's out-of-control debt problem, protesting that "he is not a usurer, he is a great man." Petricioli added, "Sometimes, raising interest rates is revolutionary." His words, more than a defense, were an ominous premonition. Just as in Weimar Germany, if the Mexican government insists on pouring gasoline on the fire, the same bankers who provoked the disaster will end up financing a Nazi-communist revolution.

# Business Briefs

## Industry

### China seeks joint U.S. auto venture

Beijing plans to set up a joint venture with a major American car manufacturer, China's vice minister of the State Economic Commission, Zhu Rongji, said in Beijing Nov. 25. He said that he would leave for the United States at the end of November for talks with General Motors, Ford, and Chrysler on the possibility of setting up a joint venture to manufacture sedan cars in China.

"I think there is a very good possibility of success," Zhu said. He noted that China already has a joint venture with Chrysler producing American Motors Cherokee Jeeps in Beijing.

Zhu was speaking at a press conference to announce the setting up of a company to provide consultancy services to foreign businesses investing in China.

He noted that one-third of the more than 4,000 joint ventures with foreign companies in China was now turning a profit, but that "another one-third, although operating well," was having problems balancing their foreign currency earnings, while the final one-third was registering a loss.

## Medicine

### Nuclear filter said to isolate AIDS virus

Scientists at the Joint Institute for Nuclear Research in Dubna near Moscow have developed nuclear filters to isolate the AIDS virus, according to reports the Soviet magazine, *Nauka i Zhizn*. The report was carried in a TASS wire Nov. 11.

The filter is manufactured using a bundle of charged elementary particles, directed at a polymer film, in which thin channels are burned out. This enables the required structure of the filter to be predicted in advance and created.

"Nuclear filters have been used in a prototype system devised in the U.S.S.R. to determine the presence of antibodies to the

AIDS virus," said the report, "with the aid of which carriers of the disease are revealed. The pores in the filters have been selected in such a way that they do not miss the virus, the size of which is about one-tenth of a micron. It is not possible to isolate the AIDS virus by the traditional reticular membranes obtained by chemical means, as it becomes interactive with the membrane material and is impossible to 'tear away.'" But, it added, "the AIDS virus doesn't stick in nuclear filters, and so it can be isolated."

## Science

### SDI laser means cancer breakthrough

The inventor of the free electron laser, a central technology under development as part of the Strategic Defense Initiative, has told an interviewer that he is certain the very powerful laser will become a standard piece of medical equipment in the treatment of cancerous tumors.

Dr. John Madey, who arranged to address 34,000 participants at a Nov. 27 Chicago conference of radiologists, told a UPI interviewer by phone that the free electron laser, designed to knock nuclear missiles out of the sky, will also be used a few years down the road to destroy cancerous tumors in the human body.

Madey, based at Stanford University, where he oversees FEL development for the Defense Department, said that the laser has already been shown in animal studies to vaporize diseased tissue with pinpoint accuracy, leaving surrounding flesh unharmed.

"We probably have some months or years to go before we start limited clinical trials, but I have every reason to believe this could become a standard piece of medical equipment."

"Therapeutic radiologists and laser physicists might consider it a new way of removing diseased tissue, while military experts hope the laser might knife through the heat shield and armor of enemy missiles approaching the United States from outer space."

He described one animal study, in which the laser drilled a perfect hole about 1/100th

of an inch in diameter through a mouse's liver, without damaging surrounding tissue. "During the ablation process, diseased tissue cells were converted into a puff of smoke," he reported.

## Austerity

### Germany feels the depression of the '80s

West Germany is currently threatened with massive layoffs in the public transportation, steel, and coal sectors, say representatives of both management and labor in those sectors. Government plans to cut state subsidies in those sectors will lead to 60,000 unemployed in coal and steel over the next two years. Some 90,000 in the feeder industries will also be laid off.

The government in Bonn announced Nov. 19 that not only the 32,000 railway workers who were originally projected to lose their jobs by 1990, but another 90,000 will also have to be fired. The state-run German railway system currently employs 260,000 workers.

Other reports indicating early layoffs in West Germany's export-dependent economy abound. Orders for agricultural machinery are down 22% in the past 12 months, according to a new study. Orders for new machinery by German farmers also declined by 4.3%. After the Black Monday crash, even lower sales are expected in that sector, because highly indebted farmers won't take "the risk of new investment."

As for Third World customers, soaring debts are cited as the main reason for reduced investment in agricultural machinery.

## Agriculture

### Argentine planting contracts sharply

Agriculture in Argentina, traditionally a world leader in food production, is undergoing sharp contraction thanks to the austerity



policies of the Raúl Alfonsín government.

Private researchers have estimated that the number of hectares to be placed under cultivation for the 1987-88 harvest for certain types of fodder grains will be reduced by 20%. The reduction will apply most heavily to corn cultivation, affecting zones where it is traditionally grown, the provinces of Buenos Aires and Santa Fe. The reduction will be less for sorghum, and there will be some increases for sunflower, and soy cultivation.

The total area under cultivation will be 19 million hectares, significantly down from the 23 million hectares under cultivation a few years ago.

Argentina exports 4 million tons of corn, a little under 1 million tons of sorghum; soy exports are approximately 1.8 million tons, and sunflower 150,000 tons.

The Nov. 15 edition of *Clarín* reported that trade frictions with the United States over exports of vegetable oils and related products, could badly hurt Argentina's \$2 billion in exports in this category.

Contraction is the watchword for all aspects of the Argentine economy, as Alfonsín's ministers duly administer the austerity demanded by foreign creditors and the International Monetary Fund. Real wages dropped 4-6% in October; the drop was all the greater due to a reduction in hours worked as a result of a fall in industrial activity. November's situation is expected to be worse, because wages are now frozen, whereas inflation estimates for November are close to 10%.

According to the government's own statistical agency, INDEC, of the average cost of a monthly consumer market-basket, the monthly wage of unskilled industrial workers covers only 46%; while the wage of skilled workers covers 66%.

## Auto

### Volkswagen closing its U.S. plant

In 1978, Volkswagen became the first foreign automaker to begin production in the United States. In 1987, Volkswagen announced that it would become the first for-

eign automaker to give up, as sales on the American market continue to fall.

Volkswagen's management has announced that it will close, or, if it can find a buyer, sell its sole U.S. manufacturing plant in Pennsylvania, at a cost of 2,500 jobs.

In March 1988, production of the Volkswagen Jetta will cease; the plant will close permanently in the summer when the last of the 1988 Golfs are produced.

In 1986, General Motors said it would permanently close some or all of its 16 U.S. plants by 1990. Last summer Chrysler took over American Motors, and will close at least one plant.

## The Depression

### Swiss bankers warn of severe downturn

"We are facing a world depression like in the 1930s," if the danger of an economic collapse is not met by a "generous money supply in time," Swiss bankers Kurt Schiltknecht and John Lademann said in an interview to the West German daily *Die Welt* published Nov. 26. Both men are of Bank Leu in Zurich.

Contrary to U.S. media insistence that Europeans are clamoring for a reduction of the U.S. federal budget deficit, the two bankers conceded that this will do nothing to solve the crisis. "Governments are confronted with a totally new situation we have not seen in the whole postwar period," they said. "Earlier concerns about inflation and the U.S. deficit are beginning to take a back seat."

The bankers recommended that central banks end their tight-money policy and provide the economies of the West with fresh money, because the Black Monday crash has definitely changed the world. "What was right six weeks ago, is no longer valid today. It would make no sense to speed up efforts to reduce the budget deficits. As in the 1930s, this would mean to act in a pro-cyclical way and even increase the danger of a depression. The Europeans should stop pressuring Washington into an early consolidation of its budget. The American budget deficit is of secondary importance now."

## Briefly

● **'WIDESPREAD FIRE'** in the financial markets would result "if central banks were to refuse" to continue providing emergency liquidity, said the latest *Economic Survey* published by Munich's Hypo Bank. "Companies and private investors have lost vast amounts of capital through the nosedive on the world's stock exchanges; these losses cannot be replaced."

● **THE IRS** will allow stock market losses to be written off, the agency announced Nov. 23. For every \$1,000 an investor in the 38.5% tax bracket lost, the government will in effect reimburse him \$385 in tax write-offs when he takes his loss—that is, when he actually sells. If in the 28% tax bracket, the write-off would be \$280. The investor can use the money to buy new instruments, but not the same stocks, for 30 days.

● **THE SOVIET EMBASSY** in Washington, is sending invitations to American business leaders for meetings with Mikhail Gorbachov when he visits in early December, *La Stampa* of Italy reports. If an arms-control deal is signed as planned, Gorbachov also wants to conclude five or six big deals with Wall Street. The invitations have gone to executives of Goldman Sachs, Merrill Lynch, Shearson Lehman, Amex; IBM; GM, Ford; Chrysler; Boeing; and Exxon.

● **THE MEXICAN** government, by mid-1988, will have closed or sold off almost 70% of the state-owned companies that existed six years ago, leaving only 141 of 412. Most sold or closed companies are in mining, communications, and transportation.

● **JAPANESE** Prime Minister Takeshita will announce details of an investment fund of about \$2 billion, taken from Japan's current worldwide trade surplus, at the ASEAN summit in Manila Dec. 14-16. The funds will promote capital investment in private companies in Southeast Asia.

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## The Strategic Defense Initiative and the economy

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*Crash development of laser defense weapons and associated directed energy technologies, should act as the needed 'science driver' for the whole economy. Carol White reports.*

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At the moment, the financial collapse is dominating the news, with President Reagan playing the role of Herbert Hoover, while the Congress and assorted banking circles plan to emulate Hitler's Economics Minister Hjalmar Schacht, with plans for a vicious austerity. The general population is rightly worried about the future.

In the near future, as the reality of the depth of the economic collapse sinks in, the greatest danger which will threaten, may be that a paralyzing mood of pessimism will sweep the country. Not only must the economy be literally reconstructed, but we face a potentially devastating health crisis, with AIDS revealing its character of a species-threatening plague. Failure to rapidly transform the economy will guarantee a replay of the Dark Ages, in which as much as half of the population in urban areas was killed by the Black Death, which swept through populations rendered particularly vulnerable by the depressed living conditions that accompanied the financial collapse of the period. And before us, as we begin this task, will be the challenge of threatened Soviet hegemony, not only as an imperialist power on Earth, but as a power in space as well. The kind of emergency measures elaborated by presidential candidate Lyndon H. LaRouche, not austerity, offer the only solution to the crisis.

The answer to the present economic collapse, is not to destroy what remains of the functioning economy, in order to balance the budget; nor to strip the West of its capacity for a viable defense against the Soviet threat. We cannot afford to retrench; we must embark on large-scale infrastructural projects, which not only change the face of the Earth, but render the Moon and Mars habitable as well, at the same time that we reconstruct industry on the basis of the most advanced

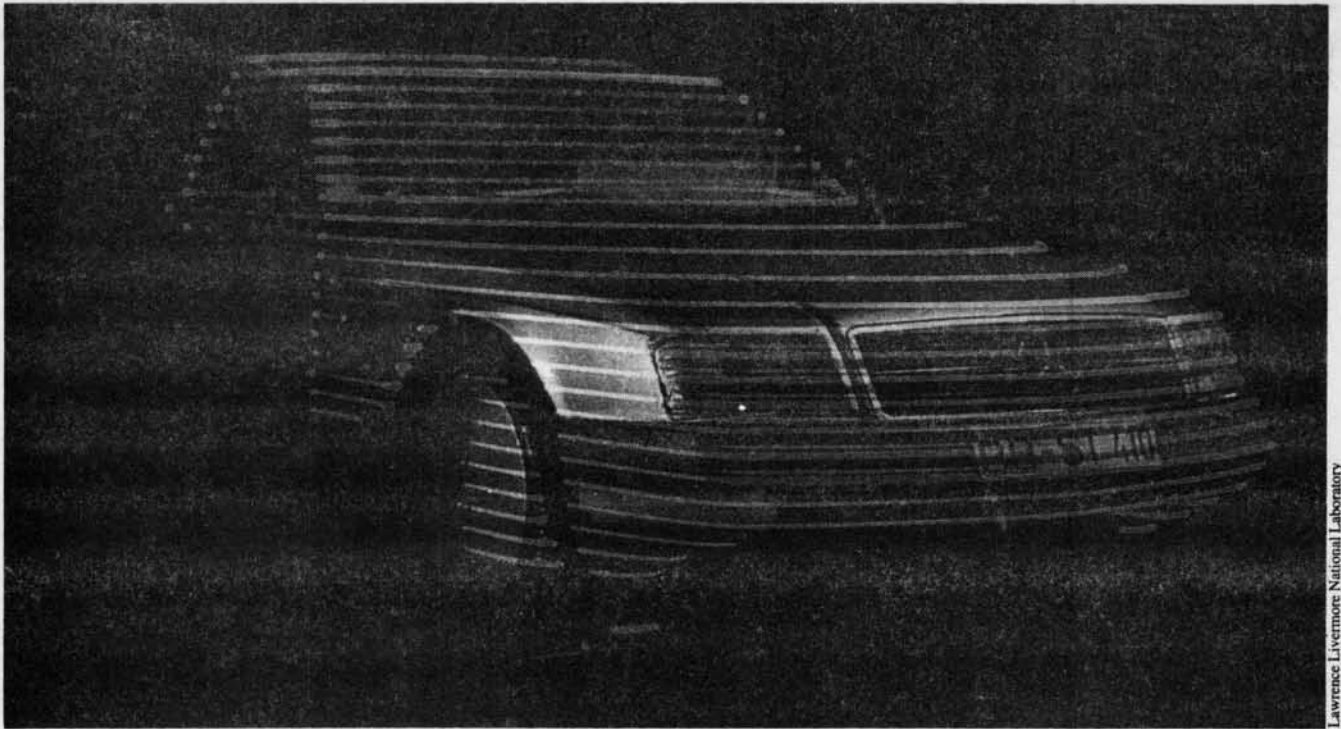
technologies known today. A crash development of laser defense weapons and associated directed energy technologies, particularly radio frequency weapons, should act as the needed science driver for the further rapid development of such advanced technologies.

The lessons of history tell us, that the human species has so far risen to similar challenges, by developing new technologies which literally transform our species conditions (see **Figure 1**). An example of this is the introduction of steam and combustion engines and electric motors, which each revolutionized production, and transformed the face of the globe. Industrial revolutions depend upon complexes of technologies being developed simultaneously. With the development of a fusion-powered economy, the widespread use of lasers and other forms of directed energy, and various advanced forms of propulsion such as magnetically levitated trains and the hypersonic plane—for Earth and near Earth purposes—and fusion propulsion for travel to Mars, we can achieve the kind of across-the-board increase of productivity which is needed.

### The status of the SDI

In 1982, Lyndon H. LaRouche, Jr. elaborated the policy upon which President Reagan's Strategic Defense Initiative was, in part, based. The key feature of LaRouche's proposal was the development of a multi-layered defense against ballistic missiles which would be based upon the most advanced technologies, namely those employing directed energy. This was appropriately expressed by the slogan "Beam the Bomb."

LaRouche's concept was to develop an SDI capability



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*Laser assisted automobile design.*

which would incorporate an increasingly sophisticated deployment of laser and particle beam defensive weapons. These would be based upon new physical principles, and be flexibly designed to incorporate these as they were further developed. The development of the x-ray laser was a key element of the proposed system.

The kind of system which LaRouche proposed would have been a science driver for the whole economy. One of the major areas which was expected to benefit was that of medical diagnosis and biological research. With x-ray lasers and associated technologies, it should be possible to observe the processes of living tissues. Similar gains were predicted from the precision of laser etching of semiconductor circuitry.

With the proper level of investment, originally on the order of \$20 billion per year, it was confidently predicted that such a system could be deployed—at least the initial phases of such a system—in a period of five years. Reality has been somewhat different.

The SDI has been funded at less than one-fifth this amount, and, for political and misconceived budgetary reasons, the focus for initial deployment has been on kinetic kill vehicles—i.e. lightweight rockets. These weapons incorporate advances in homing and sensing technologies (particularly in miniaturization) and are non-nuclear in design—as opposed to the anti-missile defense systems under consideration at the time of the signing of the 1972 ABM Treaty.

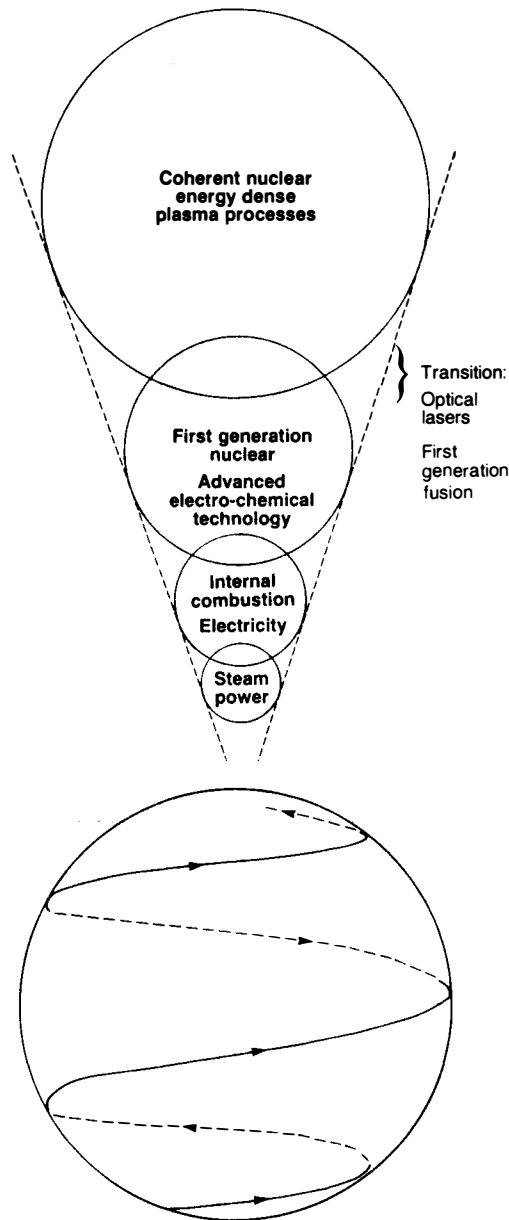
Cost was definitely a factor in the choice of kinetic kill

vehicles. From the point of view of industry, they were an attractive adaptation of what was virtually off-the-shelf technology, and allowed them to put their underutilized capacity to use—at the same time saving them from expending money on research and development. Considering the implications of the attack upon the defense industry by bodies such as the Packard Commission, industry was particularly doubtful about undertaking risks. The emphasis upon the development of kinetic energy anti-missile missiles was also motivated by effecting a political compromise with the crowd around Lt. Gen. Daniel Graham, who had been pushing for the deployment of space-based missiles in opposition to the LaRouche proposal.

The Marshall Institute proposed first-stage, layered anti-missile missile defense. This would utilize lasers as part of the detection and targeting systems initially, phasing them in at a later stage as laser kill-devices. At present, even the institute proposal has been whittled down to about one-fifth its original size.

The inability to implement the full multi-layered kinetic kill vehicle defense system, proposed by the Marshall Institute, and accepted by the Pentagon, can be directly correlated with the continued attrition of the budget for the SDI. In its April 1987 report to the Congress on the Strategic Defense Initiative, the SDI Organization reported that when the program for developing technologies for target Surveillance, Acquisition, Tracking, and Kill Assessment (SATKA) for FY 1987 was reduced, because of failure of the Congress to

FIGURE 1  
**Evolution of technology**



maintain adequate funding levels for the program, a forced choice was made between the boost-phase and mid-course defense tiers, in favor of the former. The Boost Surveillance and Tracking System was maintained because it supports the highest leverage (destroying many warheads at once) and it is a relatively mature technology. Narrowing the program has meant the failure to successfully develop a mid-course discrimination system.

Another area to be affected by the budget process, was

the validation work on electromagnetic launchers, which was cut back to support the technology validation of the chemically propelled kinetic kill vehicles. Now further budget cuts threaten the continued development of the extremely promising free electron laser. The upcoming Dec. 7 INF treaty summit may also be the arena for public or secret deals to further slow progress in deploying the SDI—that is, progress in the West—since the Soviets are notorious for violating treaties. (It is interesting to note that the Soviet military now admits to engaging in work on their own advanced SDI, to which they attach the acronym KSO.)

Even with the curtailed Strategic Defense Initiative program we have, we can already see an increase in potential in the economy, directly attributable to technological advances that have occurred in the development of lasers, in sensing technologies, and in the area of battle management. These can be incorporated into the economy, in the near term. What is needed is an increase in the rate of investment in the infrastructure of industry—not only to revive the currently dead U.S. machine tools industry, but also to build whole new automated and semi-automated factory complexes.

There is an obvious point of comparison between the present situation, and the U.S. economy at the point when President Kennedy announced the Apollo moonshot project. One key difference between then and now, is that the U.S. economy is on the verge of a depression deeper than the Great Depression of the 1930s. Furthermore, the budget-cutting austerity policies which are now being projected to remedy the worsening financial situation are guaranteed to exacerbate it. At the time when Kennedy proposed a manned Moon landing within the decade, the U.S. economy was stagnant, but by no means on the verge of destruction. Not only did Kennedy rally the United States behind a national mission to conquer space, but he also implemented strategies to stimulate the rapid incorporation of new technologies into the economy. These included incentives for high-technology investment, and appropriate credit policies.

The Apollo program is calculated to have returned \$10 to the economy, for every dollar invested in R&D. From satellite communications to the transistor radio, to the widespread adoption of computers into our economy and the development of the semiconductor industry, we have benefited from mankind's giant step to the Moon.

It is useful to note that the transistor was developed in the fifties. Under the impetus of the expansion of the space program, there was the significant cheapening of their production. Similar benefits can accrue to us from the present stage of development of the SDI, particularly in developing mass-production methods for the laser and associated technologies, which will promote their use in industry and research.

The notion of spin-offs can be deceptive. It is worthwhile to emphasize the point: There is no such thing as the automatic assimilation of new technologies by industry. The appropriate climate stimulating a rapid rate of new investment

must exist in both the civilian and the military sectors. Otherwise inventions which might otherwise be useful to the economy will be hedged in by military classifications and proprietary considerations.

### The SDI and the structure of the economy

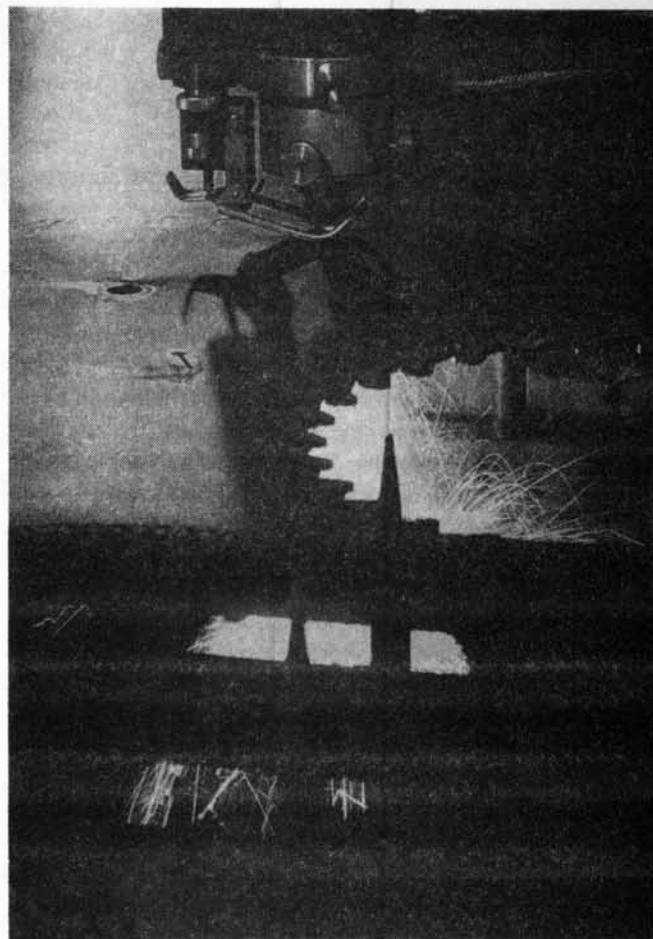
In their book *SDI and Industrial Technology Policy: Threat or Opportunity?* authors Walter Zegveld and Christien Enzing argue that the 1960s deployment of scientists and engineers into NASA and related defense employment, put U.S. industry at a disadvantage compared to Japan and Germany. This is patently ridiculous, as *EIR* documented in our 4th quarter 1986 *Quarterly Economic Report*. It was the failure of the United States to maintain a high level of investment in the development of a broad profile of frontier technologies, which gradually whittled down the advantage the United States held during the Apollo program.

Perhaps the greatest spin-off from investment in the Apollo program is that we have significantly increased the ratio of scientists and engineers to industrial operatives from 2.5 scientists and engineers for every 100 production workers in 1967 to 4.1:100 in 1985. This is a metric of the capability of industry to rapidly develop and assimilate new technologies.

During its peak year, 1967, the Apollo program generated employment for 92,000 scientists and engineers—about 25% of the national total of 367,000 engineers and scientists employed in industrial research and development. This effort has kept the aerospace industry in the United States the most technologically healthy of all U.S. industries. From 1967 to 1985, in aerospace there were between 24 and 30 scientists and engineers employed for every 100 production workers. By contrast, the rest of U.S. manufacturing industries, which have collapsed one after the other, employed only between 2.5 and 4 scientists and engineers for every 100 production workers over the same period.

Our present dismal economic situation can, in large part, be attributed to a reversal of such intensive federal initiatives represented by the Apollo program. In 1985, there were over 570,000 scientists and engineers in the United States employed in industrial R&D; the Defense Department estimated that only about 12,000 of these (or 2%) would be employed in work on the SDI in 1987. The number is undoubtedly lower, thanks to budget cuts.

Even before President Kennedy was elected to office, Dwight Eisenhower had responded to the Soviet launch of *Sputnik* with the National Defense Education Act, which provided federal support for a significant upgrading of science education in the schools and universities. Two key elements of the program were the emphasis upon making laboratory facilities available to students and teachers, and the use of these to provide teacher-student workshops by leading scientists. The impetus of the National Defense Education Act was eroded under Lyndon Johnson into a catch-all for federal support to basket weaving forms of "special educa-



Cutting out saw blades with a CO<sub>2</sub> laser.

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tion," which is not relevant to the viability of the program's intent.

If we take the ratio of scientists and engineers to productive workers that we find in aerospace, and generalize this to other production, we would need at least 10% of the labor force as a whole to be scientists or engineers, in other words about 12 million. Such a fivefold increase would be commensurate with the kind of leap in productivity needed over the next period, particularly if we are also engaged in shifting the structure of the economy to emphasize production, and to sharply reduce administrative overhead and the kinds of make-work characterized by the service industries.

LaRouche has proposed shifting the composition of the work force so that the productive component increases from 20% to the 40-50% range, adding 5 million workers to the productive labor force in the first four-year period. This will allow us to guarantee a rapid rate of technological obsolescence, and keep us one step ahead in the economic competition with our allies, and on the military front against the East bloc. We should not wish to compete with our friends and enemies by hoarding better secrets—i.e. superior technolo-

gies—but we should wish to have an economy which is superior in its ability to rapidly generate and assimilate new technologies.

ligence Estimate, which figures that 10,000 Soviet scientists work on the military laser program alone.

### **First generation spin-offs**

While the Manhattan Project development of nuclear power and the Apollo program are the typical points of reference for a discussion of spin-offs, the military as a whole has made significant contributions to the civilian economy. For example, Boeing was able to develop the 707 passenger jet, because they adapted the design for the military KC-135 fuel tankers, for which Boeing had Air Force contracts, allowing them to reduce production costs of the jets. The Minuteman ICBM program was the first large user of computer chips, and government purchase of them allowed the electronics industry to produce semiconductor chips with economies of scale and improved production methods, thus lowering their costs to the point that they could be assimilated by the civilian economy.

Numerically controlled production machines were a direct offshoot from the Pentagon Manufacturing Technology Program. Another is the newer field of computer aided design (CAD). It was CAD which made possible the rapid advances in the field of large-scale integrated circuitry. Along with computer aided design is computer aided manufacturing (CAM).

The CAD/CAM combination is the key to a new level of automation technology in industry. Add to this the use of real-time computing for target acquisition, and the implication is that we can in the future have small mobile robots, which are centrally deployed to carry out assembly and other tasks on the factory floor. In many ways, present-day automation is reminiscent of the early days of the introduction of electricity into production. The first users typically converted steam engines into in-house electricity generators. It was only with the availability of cheaper electricity generated in central power stations, that the development of small motors became possible. Then electricity could be applied directly to the task at hand, turned on and off at will. Such flexibility and miniaturization, should be a major feature of the automated factory of the future.

Aside from pioneering new technologies, the military can stimulate an increase in technology, by developing or supporting new production processes which can have a broad application. The other area in which they indirectly affect the economy is in the development of standards which are then adopted to create standardization and interchangeability of parts, equipment, and instruments. In our present climate of deregulation, the military also can play an indirect regulatory role, which helps to avoid the chaotic misdeployment of

resources. One glaring example of the evils of deregulation is the sad case of the airline industry.

It is still the case today that the Defense Department is the major consumer of electronics. The Defense Department can be compared with Japan's Ministry of International Trade and Industry (MITI), in this area. Both are underwriting research in very large-scale integrated circuitry (VLSIC) for use in fifth-generation high-speed computers. With the same project emphasis the Defense Department and MITI are investing in fiber optics (but also because fiber optics are not as susceptible to the effects of electromagnetic pulses as ordinary electronics). Other areas of investment in both Japan and the United States are the development of polymers and metal-matrix composites, and directly in methods of factory automation and robotics.

Separate from but related to this, is the development of space-qualified supercomputers. What is under development is a general-purpose data processor which can operate at high speeds, in an aversive environment. The very high-speed integrated circuitry (VHSIC) hardware and new computer architectures will significantly improve performance. The expected performance will be 20 times faster than the industrial standard.

One key feature of all space electronics is the need for radiation hardening. This has prompted the development of gallium arsenide semiconductors to replace silicon chips, which have the further advantage that they consume less power than silicon chips. Furthermore they are photosensitive, which means that they can be directly mated to fiber optics. They are also superior to silicon chips in amplifying a signal with lower background noise. To give an example of the great benefit that will obtain as these are produced in large scale and replace silicon chips in the civilian economy, a \$1.5 million microwave relay tower, used to amplify radio wave signals, can be replaced by a series of \$15 amplifiers placed at distances of five miles apart.

Gallium arsenide (GaAs) chips are now being mass-produced on pilot assembly lines, which have recently manufactured the largest and most complex GaAs memory and logic/arithmetic chips in the United States. The U.S. lost the lead in production of these chips to Japan, in 1982, but with the development of mass-production it is recaptured. Fabrication of the first GaAs single-chip microprocessor has also been accomplished. This chip operates as quickly as an equivalent silicon chip, but requires only one-tenth the power.

Space-based sensors which may be used for mid-course surveillance need long wavelength infrared (LWIR) detectors to detect the radiation from relatively cool targets that have completed their boost phase of flight. These sensors will have to be cooled to extremely low temperatures, in order to minimize interference from the thermal radiation of the detector itself. To achieve this a three-stage cryo-cooler has been designed, fabricated, and tested. This detector uses helium

as the working fluid. With the development of high-temperature superconducting materials, adaptations of this or similar technologies will be available for more general use. These will use the cheaper, more plentiful nitrogen coolant.

Another high-sensitivity, long wavelength infrared detector can now be constructed, which is capable of detecting single photons, and is also hardened against the effects of radiation. These high-sensitivity detectors are effective over a wide range of infrared wavelengths, and have extremely low background noise. Miniaturized, state of the art transistors have also been developed. These incorporate transmitting and receiving functions into a single block for a phased-array antenna. These can be scaled up to allow the construction of larger, more reliable phased-array radars.

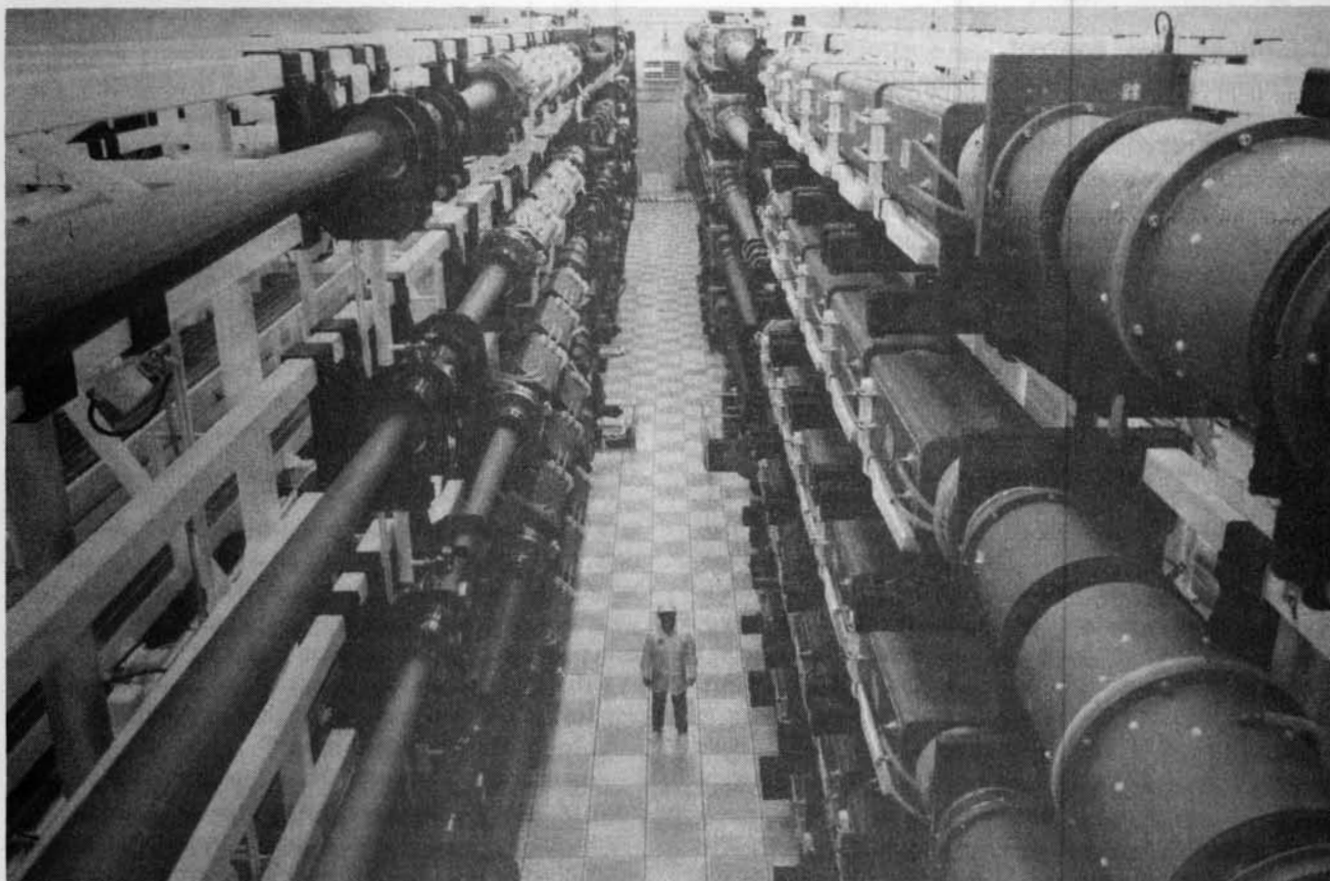
Ultimately this will lead to a technology using true solid-state radar. This offers the possibility of transmitting higher power using optical fibers. It will also find use in aircraft collision-avoidance radar, and in industrial process control. The development of cheaper methods of producing infrared sensors will spill over to reduce the costs of infrared industrial lasers.

The ALPHA laser, which is a high-powered deuterium-

fluoride infrared laser, is being extensively tested, but the most interesting work on chemical lasers is in the coupling of these at different frequencies. There has recently been the first experimental demonstration of mutually coherent operation of six single-line carbon dioxide lasers and the first experimental demonstration of mutually coherent operations of two multi-line deuterium fluoride chemical lasers.

One of the major directions for future research, in the lower frequency, microwave range, is the interaction of these frequencies with living tissues, so that they produce frequency-specific effects. The deployment of ultraviolet and x-ray lasers can be used to create shock effects in materials, either to fracture them or to harden them, as well as the more obvious application in the SDI, of knocking at the electronic guidance systems of enemy missiles. Of course, lasers can also be used to achieve power kills, as was the case with the Mid-Infrared Advanced Chemical Laser (MIRACL) device, which was successfully tested against a Titan booster rigged to simulate the loads of a thrusting booster in 1985.

The SDI specifically requires major advances in sensors, lasers, particle beam accelerators, computers (both hardware and software), power sources for pulse power and storage,



*Nova laser at Livermore.*

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and materials. The anti-missile missiles presently under development, differ from those developed in the 1970s in two essential points: They are non-nuclear, thereby increasing the demand for accuracy of targeting; and anti-missile missiles of the previous decade were directed by ground-based and onboard radars, where today's are guided by onboard advanced optical sensors in the infrared range.

While emphasis has been placed on kinetic kill vehicles, development is also continuing with laser systems, which are also incorporated into shortwave laser radar systems. Ground-based laser systems rely upon space-based mirrors for redirecting the beam, but all lasers incorporate mirror focusing. For high frequencies, especially, it is necessary to develop materials which are capable of withstanding laser bombardment.

Hardening is also a military requirement. One aspect of work on the SDI is the study of countermeasures. Graphite-reinforced composites have been developed which display a high resistance to high-power laser penetration. These reinforced ceramics do not shatter, even when hit by a projectile. When they are punctured, the cracks which develop do not propagate. These materials are promising for construction of large space structures, because they also have the advantage of being lightweight and dissipate both solar heat and laser energy while maintaining their shape.

### Quality and cost control

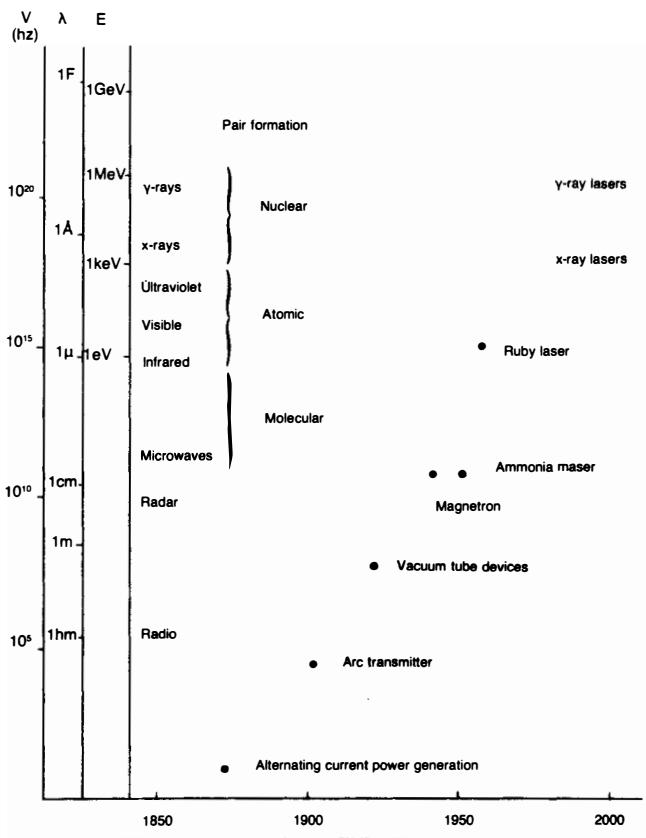
Problems have been identified in the basically hand-crafted rockets that are the basis of our launch capability. Not only are the rockets expensive, but they cannot be produced in the amounts necessary to sustain a space-based ABM or laser defense system. The kind of technologies presently under development include the development of quick-cure tough resins, use of reaction-injection molding together with new material development, and the development of low-cost non-steel motor case materials that are lightweight. One target is to reduce the size of boosters while maintaining or increasing their capacity. Another is to make them reusable or partially reusable. The increase in durability implied can affect manufacturing as well.

The highest cost today on ABMs, such as the exoatmospheric reentry vehicle intercept system (ERIS), is the high cost of the guidance systems. The infrared detectors had low production yields and their materials costs were high. The SDI is moving to cheapen these costs, by introducing automated fabrication methods. This will have a direct impact through cost reductions in the production of infrared-range lasers for all purposes. Not only are plans under way to cheapen the cost of infrared sensors, but this is true in a wide array of technologies associated with inertial navigation technology.

Guidance systems rely upon homing, navigation capability, and alignment functions. One area of direct application of this work will be their placement in all airplanes. There

FIGURE 2

### Technologies for generation of coherent electromagnetic radiation



are also defense applications for tactical missile systems. Ultimately, all vehicles should be equipped with sensing equipment that allows them to avoid collisions and anticipate obstacles, and even perhaps travel long distances without driver intervention. The Defense Department expects to reduce the cost of inertial navigation units from \$200,000 per unit to only \$3,000.

The key to this lower cost is the application of technologies in production which are not labor-intensive. At the same time, the constraints on production demand that the size and weight of sensors are not increased. No mechanical or laser gyro meets this requirement. A micro-optic gyro and a resonant fiber optic gyro are both under study.

Miniaturization of computer capacity is also necessary to control the onboard sensors in lightweight missiles, which must be radiation-hardened as well.

Associated with these SDI developments is the development of optical seeker roadmap analysis, such as is used in cruise missiles. Clearly, one of the first benefits of this whole array of technologies, which has already achieved some limited application, is real-time control of industrial processing,



so as to achieve quality control while on-line rather than after the fact. A first benefit for this should be in areas such as controlling the composition of the fuel in solid-state boosters (an otherwise tricky area, in which undetected failures can lead to explosions and have extremely high costs both in lives and in material).

To solve the batch-processing problem of high-energy propellants which leads to many manufacturing difficulties, research continues in developing safe, automated, continuous-processing techniques for high specific-impulse rocket fuels. The program is based upon using beryllium-based propellants that would be mixed in a twin-screw continuous mixer. This mixer would contain about 500 times less materials in the process or at any one time. The aim is to allow for monolithic, rather than modular, fabrication of rocket motors.

The demands placed upon optical sensors are extremely diverse. Some may be cooled, but others must work in heated situations. They will need to detect boosters with plumes, boosters and post-boost vehicles without plumes, exo- and endo-atmospherical reentry vehicles, in intensities which vary by seven orders of magnitude.

In the area of sensor thermal control, telescope production, communications, and electronic power systems, the Defense Department is going for semi-automated lot production, to reduce costs. It is also researching a more advanced detection system. Presently, the effort to detect ballistic missiles in boost phase relies upon the ability to sense infrared emissions that come from the rocket exhaust. An effort is now under way to directly monitor the radiation signature emitted as a shockwave by the missile body itself. This is a difficult problem that combines three-dimensional fluid dynamics, non-equilibrium air chemistry, radiation transport, and ultraviolet spectroscopy. Even success at the level of modeling will have many applications, not least in the area of weather modeling and potentially weather control.

Because of the decision to emphasize the development of kinetic kill vehicles at the expense of a crash effort to deploy a system which would be primarily reliant upon directed energy weapons, the pace of development of Distance Early Warning systems has been slowed, although developments to date fully substantiate their feasibility.

Perhaps the most exciting development is the highly classified x-ray laser program. The SDIO report to Congress has a subdued reference to this, commenting, "Finally, new underground nuclear tests have added important evidence of the technical feasibility of several nuclear directed-energy concepts." Independent work on the x-ray laser has been proceeding in the laboratory, which, although very exciting, is beyond the scope of this report. Low-power devices, including excimer, chemical, and free electron lasers and neutral particle beams are being built and will be available for testing the feasibility of interactive discrimination of targets from decoys, as well as determining the scalability to weapons-

TABLE 1

**The next technological manifold—characteristic parameters**

	<b>Projected</b>	<b>(Present)</b>
Flux-density of primary power generation	$5 \cdot 10^8 - 10^{10} \text{w/m}^2$	( $10^8 \text{w/m}^2$ )
Per capita energy production	500kW	(10kW)
World population potential	40 billion	(12 billion)
Life expectancy	>100y	
Percentage of GNP in research and development	>10%	(3-4%)

level output. When we are able to successfully deploy the full spectrum of coherent radiation, from microwaves to gamma-rays, a truly new era will have opened up (see **Figure 2**).

More recently, there have been major achievements in chemical laser technology, which have yielded the brightest laser outputs in the free world. Conjointly with this is the fabrication of very large mirrors and the development of optical phased arrays. Another important area of work is the development of laser channel-guided electron beams.

The question of ensuring a reliable power source in space has spurred on the development of hundred-kilowatt nuclear reactors, the SP-100 program.

An interesting development has occurred, however, in the field of power storage. Researchers in the space power program have fabricated a miniature supercapacitor capable of storing 200 kilojoules of electrical energy in a can of less than one cubic foot in size and 110 kg in weight. A device such as this would have great benefit in providing pulsed power at high frequencies.

**In summary**

In the Kennedy years, perhaps the greatest spin-off was a burst of cultural optimism. Such optimism must be based upon a firm foundation, not the delusions of a cheerleader who is touting an imaginary recovery. Even before there were any new technologies from the Apollo program to propagate through the economy, there was a capital investment boom as industry moved to meet the new national commitment.

This capital investment itself, had the immediate effect of boosting productivity throughout the basic industrial sectors of mining, manufacturing, construction, and utilities, as technologies that had been developed by previous programs, but not yet implemented, were infused into the economy. It is just such a "tidal wave" of economic impact which we can expect, using advances such as those outlined above, immediately upon the adoption of the measures specified by LaRouche to deal with the present national economic emergency (**Table 1**).

## The revolution of electromagnetic pulse weapons

by Lyndon H. LaRouche, Jr.

*The following speech, titled "Electromagnetic pulse weapons based on nonlinear effects: a technological revolution in the order of battle," was delivered to a conference in Paris on Nov. 26, 1987.*

Do not assume that it is impractical to think of early development of the kinds of weapons-systems we are discussing here today. Remember, that it was in the darkest hour of a France plunged into bankruptcy by Jacobin rule, that the great Lazare Carnot unleashed a many-faceted revolution in warfare. Too often, nothing less than the most profound crisis discredits obsolete ruling ideas, hopefully to such effect that bold leaders like Carnot are able to bring sweeping, beneficial changes onto the stage of living history.

Often, apparent economic prosperity creates the most stubborn obstacles to change. In what men think to be prosperous times, they have been too often more disposed to resist important changes than to allow them. It is in those moments of despair that awesome crisis brings nations to their knees, and discredits prior policies almost entirely, that complacent authorities of preceding years fall upon their knees, begging to God or to anyone else who will hear: "Save us!" It is when crisis prompts society to lose confidence in stubborn old habits, that the most sweeping, overdue changes in policies are likely to be welcomed, and implemented successfully.

Therefore, the presently deepening international financial collapse should be seen as creating precisely those special circumstances under which the most profound advances in applied military science may be more likely to occur, than at any time during the preceding past forty years.

### **The strategic setting**

Before turning to the core of my subject today, it is important that I dispel a certain distracting thought which might tend to prevent some from concentrating their attentions freely upon the material I have to present. Since President Reagan's March 23, 1983 announcement of the U.S. Strategic Defense Initiative, the Soviet



*Bulgarian TIR trucks in West Germany: These trucks are famous for conducting spetsnaz commandos across Europe, for espionage, sabotage, and terror missions. Radio frequency weapons currently under development could be fitted aboard such trucks, for wartime use against the West.*

government, which blamed me for that new policy, has expended astonishing amounts of its newsprint to portray me as the sort of super-war monger whose name terrifies the admirers of Genghis Khan.

It is not only relevant to the discussion of weapons technology, but perhaps indispensable politically, that I interpolate the following general strategic observations as prelude to the discussion of the new weapons technology itself.

The world is gripped by a threat of warfare greater than that which ensued from the Western powers' appeasement of Hitler in 1938. Under its new ruling dynasty, the Bolshevik oligarchy, that ancient foe of Western European civilization, Muscovy, has achieved the greatest power in its history, greater by far than during the dark decades following the 1815 Treaty of Vienna.

Today, Moscow is much more powerful than in its 1815-49 role as the "policeman of Europe"; today, it views Western civilization as entering what Mr. Gorbachov's "confessor," Bolshevik Grand Inquisitor Yegor Ligachov hopes is indeed the "final collapse" of that hated Western culture Moscow calls "Roman." It hopes soon to rearrange the political map of this planet, to create a global empire modeled upon that of Diocletian's heirs and upon the Achaemenid empire before it. It intends to employ the acquisition of an absolute strategic superiority to accomplish the rapid rearrangement of the world's political map into a system of colonies, satrapies, and client states of Holy Moscow.

This lust for global rule is no mere over-ambition of a nation-state. The root of this lust is a deep and ancient cultural conflict between East and West, a hatred of Western Euro-

pean culture which has gripped Moscow since the twelfth century, a hatred which became Moscow's foreign policy during the fifteenth and sixteenth centuries, a hatred represented in its most concentrated form among those old Rurikid aristocratic and raskolnik families who constitute the ruling Moscow oligarchy, the Bolshevik *nomenklatura*, today.

Although many among Moscow's Slavic and other subject populations today are instinctively our friends, only credible force of deterrence could prevent the Soviet empire from subjugating us as they have enslaved the Poles and so many others, at the earliest opportunity. Those in the West who dream sentimental dreams of détente are those whom V.I. Lenin named "useful fools."

For such reasons, the East-West strategic conflict must not be compared to the sometimes monstrously bloody conflicts among the nations of Western civilization in the past. We may agree with the peaceniks on one thing; we should hope, at last, that the day of wars among the nations of Western civilization has finally come to its end. The East-West conflict is of a different nature than the past wars among Western nations. It is a strategic conflict between two uncomproisable differences in culture, two opposing conceptions of the most fundamental notions respecting God, the individual human personality, and society. There is no way in which cultures so different, and so hostilely so, can live peacefully under a single body of law or treaty agreements.

Yet, no sane men and women in the West desire a new general war. The clearest thinking to this effect comes from the ranks of leading military professionals and their collaborators, from the ranks of men and women who understand

better than anyone else what war today would mean. The problem is, that although we seek avoidance of war, the Soviet leaders desire no peace but that which hangs silently over the mass graves of Polish patriots at Katyn. Moscow seeks no peace but that of our submission to the rule of the KGB death-squads weeding out suspected anti-Soviet elements among us, exterminating those priests and others among us whom Moscow views as bearing the seeds of St. Augustine's design of Western Judeo-Christian civilization.

In consequence, we are left with no acceptable alternative but the hope of a somewhat prolonged condition of neither peace nor war. The ugliest prerequisite of war-avoidance is that we have always sufficient military strength and manifest political will, that the Soviet oligarchy would not dare to unleash those adventures which would spark general war. We must contain the Soviet menace so, and will be obliged to do so for probably two generations or so yet to come.

The outstanding failure of Western military doctrine during the recent forty-five years, is the assumption that the generations following World War II must live under a new kind of rule, a Manichean's utopia, which some today call a "bipolar world." In this bipolar world, the new agreements reached through constant "crisis-management" negotiations between Moscow and New York are intended to become the interwoven complex of open and secret agreements to which the other nations of the world submit.

Classical scholars will recognize this dogma of "crisis-management in a bipolar world," as akin to the abortive secret agreement which Philip of Macedon negotiated with the Magi controllers of the Persian Empire, the proposed division of the world between a Western and Eastern Persian empire, divided geographically by the Halys and Euphrates rivers.

Under this Manichean arrangement, the adherents to the agreements of Teheran, Yalta, Potsdam, and the 1972 *détente* agreements, outlawed the notion of victory from the strategic vocabulary of the West, but not the East. We have returned so to something worse than the cabinet-warfare diplomacy of the eighteenth century, or that under Metternich's Holy Alliance.

Curiously, we of the West have inherently vastly greater strategic potential than does Moscow. The OECD nations alone have twice the population of the Muscovite empire, and the per capita productive potential of the OECD's labor-force is twice that of the Muscovites'. In addition, in Africa, in non-communist Asia, and Ibero-America, there are vast populations. Combined, we and our friends of Africa, Asia, and the Americas are the overwhelming power in the world, in population, in productive potential, in natural resources, in land-area and in maritime chokepoints. Why, therefore, need we fear Moscow, had we not done so much to destroy our civilization from within?

Look at this potential, and its strategic significance through my eyes, the eyes of a physical economist in the tradition of such as Leonardo da Vinci, Jean-Baptiste Colbert, Gottfried

Leibniz, U.S. Treasury Secretary Alexander Hamilton, Lazare Carnot and his friends of the 1794-1814 Ecole Polytechnique, or Friedrich List, and many other so-called "mercantilists" before me.

Physical power of society is measured in terms of the rate of increase of the potential population-density of nations. The quantity measured is the number of persons who can be sustained, with a rising standard of economic, social, and political life, per square kilometer of land-area. This gain is derived from increase of the effective amount of energy available per person and per unit of land-area. It is derived from increases in the effective density of energy applied to the target-area of production. Yet, all of these and related constraints depend upon advances in the generation and assimilation of technology. In other words, all depends upon fostering, employing, and defending the potential creative-mental powers of the individual personality.

This is a source of strategic economic power; it is a source from which mobility, firepower, and depth of tactical defense and offense are derived.

In this respect, among others, Western civilization is vastly superior in potential to Muscovite culture. The Soviet raskolnik disguised as Bolshevik is a representative of a culture which is inferior to our own in every way. He is a racist, who believes in "blood and soil," as Hitler's Nazism copied this Dostoevskian racism from Eastern sources. He was a collectivist centuries before Karl Marx took up radicalism at Bonn and Berlin universities. In him there is nothing of that which distinguishes Western culture: the commandment to love God and to love thy neighbor as thyself. In him, there is no *agapē*.

This *agapē* is a term added to Greek by the Christian Apostles, a term which signifies the emotion of love of God, love of mankind, love of truth, and love of what we Europeans trace largely through St. Augustine as the classical Athenian definition of beauty. This same emotion is the quality of creative thinking, as typified by valid scientific discoveries, or the creative power of a great composition by Bach, Mozart, or Beethoven, for example.

It is the influence of this devotion to *agapē* which prompts us to so order the relations and law within society, that we value persons for the combination of a quality of *agapē* with development and use of potential creative powers. We prize the latter in many forms, including the generation and useful assimilation of scientific and technological progress, as well as great artistic works.

For this reason, Western European civilization has shown the greatest potential for rapid rates of scientific and technological progress in the history of mankind. This does not make us of European culture racially superior in the eyes of the Creator; rather, this precious gift of our culture is something which we hold in trust for all mankind, as the rightful possession of all mankind. It is therefore fitting in the eyes of the Creator, that to the degree we are true to this precious

gift, true to our obligation to share it with all mankind, that we are the favored instruments of the Creator on this planet, and enjoy through that gift the requisite sources of power by means of which to defend the Creator's gift of *agapē* to all mankind.

Here lies the premise upon which the proper strategic policy and practice of Western civilization must be constructed. This is the true potential source of our power. These are the terms in which that precious word "victory" must be defined and practiced.

The goal of victory is to protect and transmit this precious gift to the benefit of the future generations of our nations, and to all mankind. It is not a gift which can be taken with greed and lust, as any man's or nation's sole possession. It is a gift so precious that any of us would sacrifice ourselves to preserve this for future generations. In this view of the matter, the true statesman of today does not demand that he participate in the fruits of conquest; rather, he demands that victory be assured to those who come after him, long after he is deceased, and by aid of means he has employed during his mortal life.

Victory is a gift which wiser old men bestow upon their grandchildren. So, with that view, we must situate the strategic mission which the Creator has imposed upon us in these presently tragic circumstances.

In short, the potential power of our civilization is so vast, that if we but contain the Muscovite adversary for two generations or so, we shall conquer the souls of the grandchildren of today's Soviet society. We gain this if we nurture that precious cultural heritage in the OECD nations, and share it in the spirit of *agapē* with the developing ones.

Respecting the power we and our posterity require, to ensure safety today and victory during generations ahead, we must place the greatest emphasis upon the fostering and employment of the powers of creative reasoning of the individual, especially the power to generate and assimilate efficient-scientific and technological progress.

### **A strategic doctrine for an age of new physical principles**

Presently, as Moscow's command proceeds as rapidly as it is able, toward deploying a global strategic ballistic missile defense, and early deployment of new generations of radio frequency assault weapons, Moscow is also revising radically its order of battle for the general assault upon Western Europe. What we see from that quarter is a new version of the Soviet military tradition of the Tukachevsky offensive, a military doctrine which has prevailed in the Soviet equivalent of the Prussian general military staff since the mid-1920s. The resemblances of the new Soviet order of battle to that of the old Tukachevsky Plan for the strategic offensive in central Europe, are stunningly remarkable. The strategic mentality of Moscow is the same as under Stalin; the differences are in the adoption of that conception of the military offensive

to a war-fighting environment dominated by new technologies based on new physical principles.

For that reason, my success in winning support for what has been called the SDI has made me the single individual most hated in Moscow. Soviet military thinking and orders of battle have two potentially fatal weaknesses.

First, since Tukachevsky, Moscow has relied so much on the sheer momentum of its planned offensive, that its entire military plan is thrown into chaos by an effective defense against any crucial element of the Soviet offensive. The adoption of a modified Western strategy, based upon the SDI and integrated defense of U.S. allies threw Moscow into a panicked rage against me, for the simple reason that Moscow has committed itself absolutely to the policy of a strategic offensive for the intermediate-term period ahead.

If Moscow had been seeking war-avoidance over the medium term before us, Moscow would have accepted President Reagan's offer of March 23, 1983. The fact that Moscow rejected that offer proved conclusively, that with the transition from Brezhnev to Andropov, agreed upon during the spring of 1982, Moscow had entered a new period, in which it is committed to accomplishing its long-sought world-conquest by aid of means to win general war through a strategic offensive.

Since some of my activities of the 1981-84 period have been officially declassified recently, I am permitted now to be more explicit on this point than I was allowed to be earlier. During 1981 and 1982, I reported to relevant officials of the Reagan administration that not only was Moscow engaged in preparing to deploy a global strategic defense based on new physical principles, but that should the United States also state its commitment to a similar strategic defense, there were forces in Moscow who were disposed, at that time, to accept the kind of offer which President Reagan issued on March 23, 1983.

That became the subject of a private back-channel discussion which I conducted with Soviet officials, beginning January 1982, on behalf of the Reagan administration. I reasoned, that if Moscow were as committed to war-avoidance as it pretended to be, Moscow would accept such an offer more or less as soon as President Reagan made it public. If Moscow rejected such an offer, this were conclusive proof that Moscow were planning to launch a strategic offensive during the medium term ahead. Thus, when Moscow reacted to the President's address of March 23, 1983, and named me Soviet international public enemy number one, that was conclusive proof that Moscow was committed to the Soviet strategic offensive at some point during the medium-term ahead.

Since Moscow's military planning is based axiomatically on the doctrine of the offensive, whoever counters that planned offensive with an effective combination of strategic and tactical defense is striking at the heart of Soviet policy.

The second intrinsic weakness of Soviet strategic doctrine, is the intrinsic vulnerability of Soviet forces to an

effective sort of strategic offensive. This is exemplified by the initial crushing defeats of Red Army forces by Operation Barbarossa. Red Army forces then deployed for an offensive into central Europe, and beyond, were caught flat-footed by the Wehrmacht's preemptive offensive, with poor tactical defense, until the Nazi regime elected to force effective tactical defense upon Stalin's regime by the sieges of Moscow and Leningrad. Had the German regime been of a different moral character, a Wehrmacht liberation of the Ukraine as an independent sovereign state, and similar actions among the Slavic and other peoples of Eastern Europe, would have been the end of the Soviet empire.

From the battle of Kursk onward, Soviet offices resumed the strategic offensive more or less in the mode of the Tukhachevsky Plan.

Soviet military literature's content, especially the statements of Marshal Nikolai Ogarkov and the general staff based at the Voroshilov Academy, can be matched with observable changes in the Soviet order of battle and the Soviet economic planning. Although there is intense focus upon the lessons of the 1929-43 period in that literature, the literature and the deployments leave no doubt that the essentials of Soviet military doctrine have not changed since the work of the Frunze Academy during the late 1920s and 1930s. The characteristics of Soviet military doctrine remain the same, even

though details are altered, because the Bolshevik-raskolnik military mind has remained essentially the same. A beast can change its tactics, but not its species-nature.

We must resolve, that if we were ever obliged to fight a general war again, we shall proceed resolutely to early victory by the least possible expenditure of lives of both our own and our adversary's population. Yet, although we must develop and maintain the capabilities of combined defense and offense for such military victory, we must seek to win that victory without firing a single shot.

At the most, effective strategy can employ no more than twenty percent of the total effort of a victorious nation to lethal force. No less than eighty percent of the effort required for victory is expressed in the forms of cultural, economic, and political exertions of defense and offense. Indeed, the correct object of warfare itself, is to use military force to such effect that the adversary is forced to tolerate his defeat by means of our combined cultural, economic, and political offensive.


We should intend, that our combined defensive and offensive capabilities are such, that the adversary would precalculate his losses in military conflict as far exceeding his willingness to incur such losses, even at the price of military victory. In that case, our strategic offensive is concentrated entirely in the dimensions of culture, economics, and politics. Should the adversary move to launch military assault upon any among our allied nations, his offensive shall be blunted with hideous attrition and relative immobility imposed upon his forces by our defense, and he shall be flanked and enveloped by our strategic offensive.

The more clearly we are able and disposed to win war in the latter fashion, the more likely the desired conditions of war-avoidance; whereas, if we lack such capabilities and will, Moscow will surely risk launching a strategic offensive against those who refuse to submit to its pre-war demands. It is the appeasers, who would disarm us, who cause war.

When I reviewed my proposals for U.S. strategic and tactical ballistic missile defense with French military representatives, at the close of 1982, some military professionals challenged me with the observation: "You are basing your strategy on a policy of technological attrition." I replied that this observation was entirely correct. The highest form of military science and related strategy is military planning based on technological attrition in weapons and order of battle. Whichever force can gain the greater rate of progress in technological attrition, and apply that efficiently to changes in the order of battle and improvisations in strategy and tactics, must tend to become the victorious military party.

This is a matter of applying the notion of technological flanking and envelopment potentials to the principle of the flank as elaborated in von Schlieffen's famous *Cannae*. Instead of limiting ourselves to a fixed set of such technological potentials, we must place the greatest emphasis upon the application of technological attrition in certain specific direc-

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tions as an applied military force.

Coherent pulses, at high energy-flux density, of laser and particle beams, is a leading element of the proper direction of technological attrition today. Radio frequency weapons, based on similar new physical principles for production of nonlinear effects, are a second proper direction, closely related to, but somewhat distinct from use of coherent pulses for strategic and tactical defense. The notable distinction between two directions, is that nonlinear-effects electromagnetic radiation yields varieties of anti-personnel and other strategic and tactical assault weapons relevant to the strategic offense as well as tactical and strategic defense.

### **Technological strategy**

To achieve the rates and directions of technological attrition which our strategic problem requires, demands an integrated development of productive technology in the civilian and military sectors. This requires an emphasis on what are called "crash programs."

Most physical scientists, especially those familiar with the best laboratory practice prior to about 1960, readily understand the importance of so-called "crash programs." There is no difference in principle, between the development of an apparatus to test a crucial hypothesis in physics, and the role of the same scientists guiding the machine-tool sector to transform the results of that experiment into a new productive technology.

If the time-lag in testing of crucial hypotheses can be greatly shortened, and if the machine-tool can be more closely integrated into this process, the highest possible rates of transmission of technological attrition to industry generally is achieved.

Under these circumstances, the cost of maintaining high rates of technological attrition in the military sector is at a minimum. The research and development sponsored by government in the military sector spills over rapidly through the machine-tool sector, into capital-intensive investments in the civilian sector. Of course, if this arrangement is not established, the spill-over into the civilian sector is slow. This presumes that private entrepreneurs are afforded incentives in preferentially large volumes and lower costs of credit and in preferentially gentler rates of taxation for high rates of capital-intensive, technologically progressive investments. Given such conditions, the gains in productivity in the civilian sector must tend to outweigh the costs in the military sector.

Because of the superiority of Western culture to that of the Muscovites, because of our culture's basis in the relationship between *agapē* and individual creativity, the labor-force of Western civilization is able to assimilate scientific and technological progress effectively into production at high rates, much higher than the Muscovites' labor-force can sustain.

This benefit of military technological attrition for the

civilian sector is not something external to the strategic equation, of course. Strategy is no less than eighty percent culture, economics, and politics. It is the strengthening of the civilian sector of the economy, by aid of such technological attrition, which is even more important in terms of impact upon the total strategic equation than its specifically military benefits. Indeed, it is technological attrition in the civilian sector which permits depth of technological attrition in the military sector.

For this reason, a military policy of technological attrition must be premised upon an included clear view of the direct benefits to the civilian sector. Just as military technology must focus upon targets of performance in warfare, we must also define rather clearly the desired targets of performance for applications of the same physical principles in the civilian domain. The importance of this twofold approach to technological attrition leads us to the view that a set of national technological attrition goals must guide the procurement, credit, and taxation policies of governments. We must list our targets in two columns, the one military applications, and the other classes of civilian applications. This combined view must shape the nation's approach to military development and the technological policies for national civilian economic development, the latter in the manner illustrated by President de Gaulle's mission-orientations for development of the economy of France.

### **Nonlinear electromagnetic pulses**

"Radio frequency weapons" is a misleading name, carried over from a pragmatic understanding of earlier stages of electronic warfare. For example, it was thought, mistakenly, that the use of microwaves as anti-personnel weapons depended upon the heating effects of such waves upon targeted material. Today, it has been shown that properly tuned electromagnetic pulses have mortal effects at levels of energy-deposit as low as two or three orders of magnitude below those required to kill cell-tissue by means of induced thermal effects. This comparison illustrates the importance of the term "nonlinear effects."

The most important of the near-term applications of nonlinear electromagnetic effects are in the domain of optical biophysics, either as strategic or tactical anti-personnel weapons, or to produce global effects within the biosphere surrounding those personnel. However, there is also the prospect of disintegrating non-organic material, as well as the disruption of apparatus, through the same class of technologies. In applying the notion of technological attrition to all such electromagnetic-pulse weapons as a general class, it is the principles causing all of the indicated range of effects which must be considered as a unit for purposes of shaping strategic doctrine.

All of the weaponry based upon "new physical principles," including lasers, particle beams, and nonlinear electromagnetic-pulse effects, belong, together with the role of

high-temperature superconductivity, to the domain of subatomic physics. Modern high-energy physics, especially that focused upon so-called “force-free” states of plasmas, shows that subatomic phase-space has a distinct, Kepler-Gauss sort of inherent curvature. It is also shown, that nonlinear effects of coherent electromagnetic pulses, as phenomena of the macro-scale, are rooted in the nonlinear physics of the curvature of “force-free,” least-action states in the subatomic domain.

One of the most important lines of inquiry to this effect today, is modern optical biophysics’ attention to the decisive role of precisely tuned, inherently coherent electromagnetic pulses in living processes.

Conceptually, this new work belongs to the tradition of Pasteur’s work on optical biophysics and the definition of living processes presented by Luca Pacioli and Leonardo da Vinci nearly five hundred years ago. Essentially, modern instruments permit us to detect and measure localized coherent pulses in the range of quanta of emission, leading into what is called today “nonlinear spectroscopy” of living processes. The comparison of the results obtained in this way in biological research, with lessons learned from the high-energy physics of force-free plasma states, is the key to design of strategic and tactical anti-personnel assault weapons and related applications.

These new directions in electromagnetic biology have a seemingly limitless application to medicine and other civilian biological research, offering entire categories of benefits not otherwise accessible. For example, it is better than mere speculation to assume that this provides the best strategy for discovering a cure for the infection widely known as AIDS. New electromagnetic approaches to genetic engineering are already indicated.

Curiously, but not accidentally, this approach was introduced into Soviet Russia by a famous graduate of the Pasteur Institute, Academician V.I. Vernadsky as early as the 1920s. The work of Soviet optical biophysics specialist Gurvich, from that period into the 1950s is leading among the classic work in this field. Hence, since the 1920s, there has been increasing Soviet attention to the potential military importance of these classes of electromagnetic effects, and to the increasing significance of the view, among relevant Soviet specialists, that the power first to control willfully the full range of the electromagnetic spectrum may rule the world. I suggest, from my work among international specialists in this field over the years, that that Soviet slogan is essentially no exaggeration.

I propose that Western nations include crash programs for the mastery and application of these technologies as among the highest strategic priorities, both for military applications to problems of defense and offense, and for the fountain of great benefits in peaceful applications to medicine and other matters. Let us commit ourselves to the highest possible rates of technological attrition in these fields.

# Radio frequency a strategic phase

by Michael Liebig

*Michael Liebig, executive director of EIR News Service in Europe, gave this speech at an EIR seminar in Paris on Nov. 26, 1987.*

The theme of today’s *EIR* seminar, “Radio Frequency Weapon Systems—Feasibility and Strategic Significance,” certainly lies somewhat outside the currently dominant strategic debate. The matter looks rather “exotic,” and many strategic experts will view it as “music of the future.” Before 1983, many of these same experts called SDI-related laser and other beam technologies “science fiction.” We of *EIR* in the United States and EIR News Service in Europe have always focused our attention on qualitatively new scientific-technological and strategic trends. Then, in the early 1980s, we focused on what later became known as SDI, and which still is one of the most fundamental strategic issues. Now, in the late 1980s, we focus—among many other important things—on the emerging RF weapons technology, which features the controlled and directed utilization of electromagnetic radiation, primarily against personnel and soft targets.

Our founder and contributing editor, Lyndon LaRouche, published in the early spring of 1987, a series of articles in *EIR* on the scientific-technological and strategic potential of RF technologies. Since then, more articles on that topic by physicists, biologists, and strategic analysts have appeared in *EIR* magazine. On Sept. 3, 1987, we held a first *EIR* seminar on RF weapon systems in Munich, West Germany.

It is obvious that the whole complex of RF technologies, precisely because of the vast potential for military application, is highly classified. Detailed information on RF systems is extremely scant in the public domain. Yet, we do know the scientific-technological *basics* of RF systems and their interaction with biological and other soft targets. While operational RF weapon systems may not yet exist as such, it can be stated affirmatively, that not just research, but development work toward operational RF weapons, is under way in East and West, especially in the East.

## **RF weapons on the battlefield**

In March 1987, the Pentagon provided the following



# weapons: change

assessment of Soviet work on RF systems (*Soviet Military Power 1987*, page 112): “Radio Frequency. Recent Soviet developments in the generation of radio-frequency (RF) energy have potential applications for a fundamentally new type of weapon system that would degrade electronics or be used in an anti-personnel role. The Soviets already have or are working on much of the technology needed for such a system. . . . No significant technological obstacles stand in the way of a prototype short-range tactical RF weapon.”

Indeed, I believe there is little “futurism” involved when the Pentagon—a thoroughly conservative institution—anticipates the tactical deployment of RF weapons. Judging from today’s battlefield use of low-power lasers for rangefinding and target illumination, we can rather easily foresee the use of mobile and airborne RF weapons against the electronics of soft targets and armored vehicles. The same applies to an anti-personnel role for RF weapons in the battlefield. In the near future, RF weapons will constitute a significant added capability to traditional kinetic weaponry.

## RF weapons and strategic forces

Beyond the impact which RF weapons will have on the future battlefield, an admittedly awesome strategic dimension of RF weapons is emerging. In a space-based mode, RF weapon systems could become a qualitatively advanced strategic weapon for mass destruction. Powerful beam pulses in the RF range could be directed from space against densely populated target-areas on Earth. Large populations, especially in cities, could be killed or incapacitated almost instantaneously by space-based strategic RF assault weapons. The destructive power against populations would approach that of nuclear, chemical, or biological weapons, yet without producing the massive and incalculable collateral damage and after-effects associated with nuclear detonations or the large-scale use of chemical and biological weapons. A qualitatively new, quasi-“surgical” precision targeting of large populations for mass destruction would become a possibility superseding the traditional, “dirty” strategic ABC weaponry, with its incalculable and uncontainable side-and after-effects.

With this perspective in mind, the at least declaratory policy of the Soviet-Russian political-military command to “free the Earth from all nuclear weapons by the year 2000” becomes strategically rather consistent and logical. To me it seems obvious, that Marshal Ogarkov and his “kindergarten” at the Voroshilov Academy are orienting their strategic planning to a new strategic regime which is technologically based on weapon systems “based on new physical principles” (NPP systems). And RF weapons, both tactically and strategically, are a crucial component of such a military-technological and strategic phase change.

The emerging gestalt of modern warfare consists of three basic components, of which we have referred to two.

1) Strategic offensive and defensive warfare, in which nuclear weapons will be increasingly complemented by directed energy, electromagnetic weaponry “based on new physical principles.” Space will increasingly become the staging and battleground for strategic warfare.

2) Operational postures and battlefield tactics will be increasingly influenced by mobile and airborne directed energy/electromagnetic weaponry, which will complement kinetic weapons and more traditional instruments of electronic warfare.

These two components of modern warfare can appropriately be called the “regular” dimension of modern warfare. The indicated transformations in modern “regular” warfare through RF weapons, directed energy weapons, and other NPP systems, do represent a phase-change in terms of the fundamental parameters of warfare in general, namely fire-power, mobility, and logistical depth.

## Technological attrition

RF weapons and other NPP systems represent under present conditions of science and technology, the very essence of the principle of military-technological attrition. They signify technological attrition not in an incremental mode of linear refinement of technology, but in the sense of qualitative transformations.

Assuming there were a Western commitment to military-technological attrition through RF weapons and other NPP systems on a rather broad scale, that would necessitate a more general reinvigoration of the economic-logistical infrastructure of the West.

It should be obvious that the very same Soviet military-political command, which is energetically pushing ahead *their* development of RF systems and other NPP systems, will do anything to prevent the West from doing likewise. The Soviet command is by no means afraid of specific military technologies as such, but they are deathly afraid of the West’s committing itself to a general policy of technological attrition.

I do not believe at all that a commitment to technological attrition through RF and other NPP systems would trigger “a new round of dangerous arms race on earth and especially in

space,” and a “provocative destabilization” of the military balance between East and West.

No, the opposite is the case. If the West were to drop the principle of technological attrition, through NPP systems for example, the very essence of Western superiority over the East bloc would be lost. This is especially so under conditions of not merely financial crisis, but a maturing economic depression. You may say that this is a far-fetched proposition. Unfortunately, I see the West right now descending from a semi-stagnant, metastable state into the worst domestic and strategic destabilizations since World War II.

## The future of deterrence

The foreseeable impact of RF and other NPP systems on modern “regular” warfare in the strategic and operational/tactical arena will furthermore have far-reaching implications for the system of “deterrence” as we have known it for the last decades.

The essence of deterrence is the mutual capability for an ultimate nuclear retaliation. It is based on the assumption of some sort of approximate balance of nuclear forces. The “regular” nuclear and non-nuclear forces of East and West seem to be strategically positioned in a strictly “direct” setting, in the fullest sense of Liddell-Hart’s notion of “strategic directness.”

Indeed, the SDI, RF, and other NPP systems, if developed and deployed, do represent a “flank,” so to speak, which would tend to supersede the strategic regime of deterrence with its fixed “direct” setting. I believe, as indicated above, that we have the choice of transcending deterrence through technological attrition or wait out its—rather unpeaceful, to be sure—collapse and disintegration.

The system of deterrence covers only the “regular” nuclear and non-nuclear military capabilities in the East and West. Deterrence never encompassed the third dimension of modern warfare, irregular warfare. Therefore, deterrence never really signified war-avoidance. Only “regular” wars between East and West, in the “direct” strategic setting, have been avoided so far. “Deterrence,” defined as true war avoidance, would have to encompass all three dimensions of warfare, irregular warfare included.

The Soviet command has subscribed to deterrence insofar as it left them the conduct of irregular warfare as the cutting edge of their strategic “indirect approach,” again in the sense of Liddell-Hart.

## Irregular warfare

After having tried to sketch the impact of RF and other NPP systems on “regular” strategic and operational/tactical forces, and on the system of deterrence as a whole, the next questions are:

- 1) What are the basic features of modern irregular warfare? And,
- 2) Do RF and other NPP systems have an impact on

irregular warfare similar to the above-sketched impact on “regular” war?

Lieutenant General Berkhof and Brigadier General Scherer will present to you a detailed account of the Soviet irregular warfare threat ranging from psycho-political “active measures” to the specifics of *spetsnaz* [Soviet special forces—ed.] operations as such.

I will attempt to give a more general outline on the basic features of modern irregular warfare.

Modern irregular warfare is a hydra and a chameleon. The forms of irregular warfare are manifold, and one is tempted to capitulate in front of that diversity because of the danger of falling for some sort of schematism or a mechanistic world communist conspiracy theory. The basic forms of modern irregular warfare—nevertheless—are:

a) The by-now “classical” modern guerrilla war or, in Soviet phraseology, the “national war of liberation,” as exemplified in Vietnam, Algeria, China, or Cuba.

b) Modern irregular war—usually denominated as “terrorism” of “violent minorities”—directed against the democratic, highly industrialized OECD states, especially Western Europe, since the late 1960s.

c) Irregular warfare, in which special forces or related organizations are a crucial feature, like the Soviet partisan warfare behind German lines in Russia, the British SAS in Africa, the SOE/OSS-French Resistance combination just before the Normandy Invasion *and*—most important—Soviet *spetsnaz* as they emerged since the early 1970s.

In addition to these three basic forms of modern irregular warfare, there do obviously exist many more variations, overlaps, and hybrids. But I think that these three basic forms and their derivatives are all forms of *one principal gestalt* of irregular warfare. These different forms simply mirror the specific conditions of geography, economic and social development, political structures, the military and general security environment, and ideology.

The best summary of the crucial internal features of the different forms of irregular war that I know of, is provided by Professor von der Heydte [in his book, *Modern Irregular Warfare*], who defines irregular warfare in the following way:

“This present study describes modern irregular warfare as a strategic model—as the model of a total, violent conflict, one which takes hold of the totality of the state and people, is conducted with all possible instruments, and lasts a long time, a conflict which is initially of low military intensity, but for which the tendency for a gradual escalation is characteristic. In this conflict, that party to the conflict will be victorious, which succeeds in isolating his adversary in the course of combat, psychologically and in space, and wears down his adversary’s morale, so that the latter accepts all the conditions imposed upon him.”

Every form of irregular warfare demonstrates most clearly Clausewitz’s dictum of the causal function of political aims

and military means. In contrast to “regular” warfare, the political aim penetrates into the very fabric of irregular war. There is no such thing as the “autonomous mechanics” of “regular” warfare. Every armed encounter, ambush, act of sabotage, or assassination in irregular warfare must be, in an immediate sense, continuation of politics with others means. And this is all the more true, if one considers, that in irregular warfare, not more than 10-20% of the total war effort goes into lethal combat as such, but 80% or more are “politics as such” in terms of logistics, psychology, culture, and so forth.

### **The ‘interested third’**

It may sound repetitive to stress once more that not only the internal strategic dynamic of irregular warfare is Clausewitzian, but that on a higher plane, irregular wars are Clausewitzian in terms of Grand Strategy. Whatever form an irregular war may take, it serves as a strategic means toward grand strategic, global political aims.

Every form of irregular warfare has, in addition to the indicated internal features, another crucial inherent feature, the so-called “interested third.”

This “interested third” must be a state, with the strategic interests and the resources which only a state or a group of states possess.

It is obvious, that any form of irregular warfare in whatever state must begin with a “homegrown, genuine” potential. The beginning of irregular warfare must be “original.” Usually, such a beginning is associated with a determined conspiratorial minority committed to the overthrow of the existing political order. It is not our business here to elaborate the objective and subjective conditions which must be met in order to facilitate a successful politico-military irregular warfare campaign. The literature on that topic is vast.

The point to be made is that, while the beginning and the early phases of irregular warfare can develop up to a certain point *autarchically*, beyond that point—and this point may occur earlier or later, depending on concrete circumstances—the “interested third” will come into play. I think, that not only does the eventual breakthrough and victory in irregular warfare depend on the “interested third,” but already the continued existence of an irregular war campaign is not possible without “outside” support.

I believe that history clearly demonstrates that already the great irregular wars of the past depended on outside support. For example, the Dutch War of Liberation, the American War of Independence, or the Spanish Guerrilla War of 1808-12. In the 20th century, the Russian Revolution is no exception. Nor the irregular wars in the context of World War II.

Much less can one assume that under the conditions of the bi-polar world of the two superpowers since World War II, there is a chance for irregular wars, whatever form they may take, to exist, without taking into account the involvement of the “interested third.”

In the postwar period, there have been irregular wars against communist totalitarianism with Western support. But the record is rather depressing: the Baltic states, the Ukraine, Tibet, Savimbi in Angola, and Afghanistan today.

At the same time, we have witnessed the Soviet Union playing the part of the global strategic “interested third” with great skill, commitment, and success. But while it is quite appropriate to characterize the Soviet Union as the “interested third” by looking at her from within the evolution of a “local” irregular war, the Soviet Union is actively and ruthlessly *conducting* irregular warfare on a global scale.

### **How the Soviets do it**

As we said earlier, the Soviet doctrine defines irregular war as an integral component of total warfare together with “regular” warfare. The doctrinal issue is an eminently practical one. Due to the temporary stalemate—deterrence—of “regular” nuclear and non-nuclear forces, irregular warfare becomes a strategic priority.

The conduct of Soviet irregular warfare does not take the form of a linear, mechanistic “export of the revolution,” and it is not a “marionette theater,” with the Kremlin in the role of puppet master. Soviet conduct of irregular warfare is so effective, precisely because it is indirect, flexible, and—most important—it is covert. The principal “secret” of the Soviet conduct of irregular warfare lies in its *indirect and covert character*. Courtroom proof will be difficult to obtain.

“Local” potentials of irregular war against the West are carefully evaluated and flexibly supported, directed, and eventually controlled. The principal means to achieve effective military-political control of irregular warfare are: 1) political-military training, 2) financial and logistical support, 3) availability of intelligence. These means are provided either by the Soviet Union directly or in most cases by satellites or surrogates.

The global strategic approach of the Soviet Union in respect to irregular war is a classical “indirect” one, namely focusing on outflanking the U.S.A., Western Europe, and Japan in the Third World, especially cutting the West off from vital raw material supplies.

This seems to have been understood in the West, but it involves a problem in the sense, that Soviet irregular warfare tends to be reduced to the Third World “guerrilla” mode. Soviet irregular warfare and spetsnaz operations in OECD countries, especially in Europe, are usually given much less attention. I think this reductionist view of irregular warfare, for example, permeates the U.S. Army Joint Low Intensity Conflict Project Report of Aug. 1, 1986.

### **Irregular war in Europe**

Strictly parallel to the Soviet diplomatic-psychological offensive featuring “détente,” and culminating in the Gorbachovian “arms control” summitry, the Soviet military-political command has refocused on irregular warfare against

Western Europe.

In 1971, the West German Baader-Meinhof Gang issued a statement stating that (*Modern Irregular Warfare*, v.d. Heydte, note p. 38):

“Since the destruction of the bourgeois military apparatus by an international war is not to be expected . . . consideration must be directed to those forms of combat and tactics, which make a gradual consumption of the forces of the enemy, in the sense of wearing down *morale*, and simultaneously the development of a military potency of the proletariat, appear possible: the form of combat of the guerrilla war.”

There is a strict continuity between this statement and the operational directives issued at the January 1986 planning session of most of Western Europe’s terrorist organizations in Frankfurt, West Germany. These 1986 instructions for the irregular fighters called for an intensification of a Europe-wide offensive against the “NATO Military Industrial Complex.”

Since the early 1970s, the size of the irregular warfare forces in Western Europe, and particularly in West Germany, has steadily increased. The same is true for their training and experience. Its military character has asserted itself not just in terms of stated intentions, but in terms of the concrete, tangible results of irregular warfare in Europe.

The notion of “terrorism” is not only inappropriate, but dangerously misleading when used to characterize the overall phenomenon of irregular warfare in Western Europe. “Terrorism” is only one, subsumed tactical feature of irregular war. In order to be effective, terror must be selected and aimed at creating a maximum propaganda effect. It is used to demonstrate the impotence of the state under attack and/or to provoke that state into a disposition for mindless “direct” retaliation. The spectacular and sensational terrorist murders and kidnappings, especially in the 1970s, have in my view blinded the understanding for the overall process of irregular war in Western Europe.

## Sabotage and ambush

I believe, that the really important new tactical evolutions of irregular warfare in Western Europe are: 1) large-scale, ever more professional *sabotage operations*, 2) *ambush tactics* growing out of violent rioting. These two new tactics, which, in my view, dominate irregular warfare in Europe in the 1980s, became possible because, since the late 1970s, the manpower base for irregular warfare personnel has significantly grown. By now, I believe, the combined striking power of the so-called “autonomists” or “revolutionary cells” has left that of organizations like the Baader-Meinhof-RAF far behind.

The irregular warfare force of the *autonomisti* is conspiratorial, decentralized, and stretches over most of the country, if we stay for a moment with the West German case, which seems to me the most dangerously advanced. I fear, that reports are not exaggerated, which estimate that the irregular

warfare forces in West Germany consist of up to, a) 1,000 irregular warfare fighters committed to lethal combat, i.e., to kill and be killed, b) another some 5,000 who are ready to become involved in sabotage acts and willing to take the risk of being injured in combat or quasi-combat situations, and c) a support screen for these two categories of irregular warfare fighters in the order of at least 30,000.

This combined irregular warfare force is capable of carrying out an average of three sabotage acts per day in West Germany. These large-scale sabotage operations target:

- a) military installations, including the theft of weapons and explosives,
- b) railway lines and airports,
- c) industry, banks, department stores,
- d) power plants, the energy grid, especially electricity pylons.

It must be stressed that most of these acts of sabotage are carried out on a rather professional level and clues are rarely left. The same astonishing standards of training show in the new type of *ambush tactics* against the security forces, which emerged for the first time in the context of the May 1986 Wackersdorf riots. These ambush tactics include tactical drill, a command hierarchy with radio communications and combat equipment consisting of flare ammunition, deadly slingshots, and Molotov cocktails. These ambush tactics have since been perfected in the May 1987 Berlin-Kreuzberg night ambush, and in the November 1987 attacks at the Frankfurt Airport, where the night ambush included the use of firearms, killing two policemen.

## Spetsnaz

The quality of training of these irregular warfare forces cannot, in my view, be explained by the large-scale circulation among the *autonomisti* milieu of irregular warfare *combat and sabotage manuals* of high professional standards. Specialists in irregular warfare instruction are, in my view, indispensable to produce the indicated results.

The deployment of such training personnel and the training process must be wrapped in the blanket of the highest possible degree of secrecy. And here we come back to the covert and indirect Soviet control of irregular warfare, through training, logistical, and financial support, and the making available of intelligence, as indicated earlier.

I believe that there exists a grey zone of overlap between the just indicated forms of irregular warfare in western Europe and the role of Soviet special forces, the *spetsnaz*.

I believe, that within the irregular warfare force of the *autonomisti* type, deep-cover Soviet Special Forces operatives are active in singular command and control points. They would play a critical role in operational planning and training. These *spetsnaz* operatives certainly do *not exist in any quantity*, but they would steer the overall irregular warfare effort from a few command and control points. *Spetsnaz* operations do need the environment and the infrastructure of *autonomisti*

type of irregular warfare forces in carrying out the vast number of low-priority and, relatively speaking, low-risk sabotage and disruption operations, for which a deployment of highly specialized spetsnaz would be outright wasteful. Yet, the accumulation of such large-scale, relatively "minor" scale sabotage and ambush operations do produce an extraordinary net result of political, administrative, and military disruption and paralysis. And this result is achieved in spite of the military equipment of the *autonomisti* irregular warfare forces—arms and explosives—remaining on a rather low technological level.

This is certainly not the case with spetsnaz forces. Their equipment will be technologically advanced, since their missions are the destruction of high priority military and political targets. Spetsnaz operations mostly have the character of "one chance only." The targets must not be alerted by repulsed attacks or only partially successful destruction. This is all the more important if one considers the fact, that many spetsnaz targets are large in terms of space and personnel involved, such as command centers, missile batteries or air fields.

Obviously, the "hours of fulfillment," the climax of

spetsnaz operations, are the immediate period before "regular" military operations—nuclear or non-nuclear—commence. But, I believe, spetsnaz operations should not be seen as being rigidly limited to only the last hours of "peace" or a "period of heightened tension." Soviet doctrine sees irregular war as one component of total war and, in that sense, spetsnaz irregular war operations are defined as functional "pre-war" operations to "regular" war. But beyond spetsnaz reconnaissance missions, the build-up of "sleeper" infrastructure and the infiltration of material, spetsnaz do operate as an irregular warfare force of their own right, so to speak. Just as Soviet doctrine defines irregular war as a very real war in its own right. In that sense, spetsnaz forces play a critical role for selected, covert sabotage and assassination operations, as well as training and command and control assignments under general conditions of irregular warfare.

With spetsnaz covering the high-technology side of irregular warfare, we must be prepared for ABC weaponry tailored for special forces' use in the arsenal of spetsnaz. It is known that "back-pack" or "hand-carry" nuclear weapons for special forces' use are designed to destroy larger targets such as harbors, railway junctions, bridges, and so forth. In the summer of this year, Douglass/Livingstone published a book on the awesome potential of chemical and biological weapons in the context of irregular warfare operations.

The practical and possible political drawbacks of the use of chemical, biological and nuclear weapons of mass destruction in "regular" warfare come to bear also when this type of high-tech weaponry is included in the arsenal of special forces in the context of irregular warfare. At the same time, even most modern firearms and high explosives have a rather limited efficiency for the destruction of characteristic targets of special forces. It is therefore only logical that special forces should look precisely in the direction of weapons based on new physical principles, and among these, first of all in the direction of RF weapons against human and soft targets, which will be the principal targets of special forces.

We have clear indications that exactly this is happening with the Soviet Special Forces. Were spetsnaz equipped with RF weapons which are *miniaturized, highly mobile*, and which need no considerably great energy input, then the combat effectiveness would rise by orders of magnitude.

## Conclusions

In conclusion, I would like to say that the strategic weight of irregular warfare, relative to "regular" warfare—nuclear or non-nuclear—is increasing rather dramatically. Within modern irregular warfare in general, the role of special forces is steadily increasing. The combination of a broader based low-tech irregular warfare infrastructure and *special forces* represents a new quality of irregular warfare. The foreseeable availability of NPP systems, especially RF weapons, for special forces' use defines *High Tech Special Forces* as the potential new "cutting edge" in warfare in general.

## For further reading

**Karl von Clausewitz**, 1780-1831, Prussian general and military strategist. His classic treatise, *On War*, is currently available in a 1976 edition published by Princeton University.

**Basil Liddell-Hart**, 1895-1970, English military strategist. Among his works are:

*History of the Second World War*, 1980 reprint, Putnam Publishers.

*The Defence of Britain*, 1980 reprint of 1939 edition, Greenwood Press.

*Defence of the West*, reprint of 1950 edition, Greenwood Press.

*The Remaking of Modern Armies*, 1980 reprint of 1928 edition, Greenwood Press.

**Friedrich August Freiherr von der Heydte**, 1907-, retired West German Brigadier General of the Reserves, former member of the Bavarian state parliament. In 1972 he published a classic study of irregular warfare, *Der moderne Kleinkrieg*, which was reissued in 1986 in a German edition and in an English translation, titled *Modern Irregular Warfare: In Defense Policy and as a Military Phenomenon*, New Benjamin Franklin House.

## Ignore Bush-league optimism on summit deal

Typically, some Washington circles which formerly worried about the disastrous implications of the proposed U.S.-Soviet "INF" summit agreement, are now scampering to dream up pretexts for assuring all credulous enough to listen, that the agreement is something less than a strategic catastrophe.

The reason for this wishful thinking is elementary. Although most insiders around Washington agree, that Vice President George Bush's support is a shrinking millimeter deep, they believe that Bush is still, for the moment, top dog. Bush has not only his own cabal from the intelligence community backing him; another major spook crowd is working to assist Bush's cause, as least temporarily. For the moment, Secretary of State George Shultz's deal with Moscow the last week of November is seen as a political disaster for the President's remaining months in office, but a political triumph for Bush's cause. For the moment, the desire among many outside the ranks of Bush's supporters, is to be seen as not going directly against the man who just might become the next President.

All of this sort of opportunistic effort hangs on the assumption, that the really big financial crash might be postponed until after November 1988. That is Bush's only chance for winning election as the next President.

If the big crash occurs by next spring—as most leading European financial circles believe it will—Bush's chances of winning the November election are zero; his association with the Reagan administration's economic disasters and his image as an "Eastern Establishment liberal" would be more than all but an Alf Landon-sized minority would be able to swallow under such circumstances. There might still be a slim chance that another Republican candidate, with a populist image, could win in November 1988, if the Democratic choice is awful enough; otherwise, not even a populist Re-

publican could win.

So, the Washington insider's reactions to the summit deal are not based on the arms-control deal itself. They are based on the wishful assumption that "Bush's friends just might" be able to hold off the really big crash until the 1988 election. Nearly all of the idiocy around Washington, most notably the strategic folly currently exhibited among many of those who are normally sensible sorts of well-informed patriots, is premised upon such wishful delusions about the economic prospects for 1988.

### The arms agreement

So far, most of the desperate efforts to "learn to live with" the outlined summit arms-control agreement, are based upon three supposed, offsetting gains by the United States: 1) That U.S. "smart weapons" will offset the massive military gains which the Soviets will realize from the proposed agreement; 2) That the United States will gain more than Moscow does from agreements on deployment of inspection teams into the arms factories and weapons sites of the other; 3) That Western Europe will be forced to increase its potential to levels which offset massive Soviet "conventional" superiority. All three suggestions are factually absurd.

These three are in addition to the usual cautious positioning of oneself in the outgoing administration to ensure one is an "insider" when greeting the next.

On point one, former West Chancellor Helmut Schmidt and his British crony David Owen are on the same track. Get the United States out of Europe—including U.S. conventional forces, so that European defense can be "Europeanized." If fact, all Western European defense establishments excepting France's will be cut severely, not increased.

On point two, the proponents are substituting Mc-

Namara-type inspection of catalogues of weapons systems, and calling this "forward strategic estimates." Under present policies, either a Bush administration, or that of any visible or likely Democratic candidate apart from Lyndon H. LaRouche, Jr., not only will most of the new U.S. systems not be deployed, but net U.S. capabilities will be cut way below present force-levels, a prospect on which Moscow is counting as it pushes to consolidate the new arms-control agreements.

On point three, one must retort: "You fools! The real point of the Soviet's unprecedented apparent capitulation to inspection, is to set a pattern for a 'New Yalta' arrangement. This inspection gimmick is a political-strategic Trojan Horse—not against the Soviet police-state, but against our open society."

### The 'International Affairs' connection

The key to the reality of the Soviet actions is Moscow's featuring of publication of the LaRouche letter of April 12, 1987 to Moscow's *International Affairs*, in the September (Russian) and October-November (foreign language) editions of that publication (see below, page 46-50). In the light of the decisions of the October plenary session of the Soviet leadership, and the other featured items in the relevant edition of *International Affairs*, every witting Russian reader will seize upon the following passages from the letter:

"[I]t will soon be clear to the Soviet government, that its recent and current foreign and strategic policies toward the U.S. and Western European powers are based in part on serious errors of intelligence and strategic estimates. Some influential Soviet authorities have concentrated too much on calculating manifest U.S. strategic capabilities, to the point of overlooking massive U.S. strategic potentialities. These Soviet estimates have relied excessively upon opinions of certain, admittedly very influential, but miscalculating Western sources. . . . In the language of Leninists, the nature of the current 'historical period' has been misjudged. . . . current Soviet estimates are too consistent with a Bukharin-like form of reductionism, emphasis upon merely formal logic. You have erred with projected estimates which slide linearly through what physicists would term a 'singularity' of the historical process, overlooking the fact, the period opening up now [AIDS, global financial crash] represents a 'phase shift,' in which the laws apparently peculiar to the preceding period are overthrown, in which new dynamic relations prevail."

The relevance of this aspect of the letter to the Soviet authorities responsible for ordering *International Affairs* to publish it, is made explicit by the prefatory note: "Mr. LaRouche . . . touches upon some fundamental realities of today." The other featured items in the same edition leave no doubt that these are the points in the letter which are considered "some fundamental realities of today." The motives of those who ordered the letter's publication, and the motives

of those who composed the editor's reply, are directly opposite, as the letter intersects a factional struggle inside the Soviet leadership, in which those who ordered the letter's publication are obviously on top, and those who composed the editors' reply in the inferior factional position. The cited points of the LaRouche letter are among the most crucial issues settled in the course of a raging factional affray which raged within the Soviet leadership from the June through October plenary sessions.

The Soviet mind reads LaRouche's strategic thinking as representing Moscow's only credible adversary in the West, whereas they regard varieties of Bush-league thinking as their strategic patsy.

### Strategic thinking

It is well known, but often, unfortunately overlooked, that, even in full-scale war, the military proportion of the total effort required to realize victory does not exceed approximately twenty percent. The remainder is composed of cultural, economic, and political measures of defense and offense. The study of the proposed arms-control agreement from the standpoint of military considerations alone would be absurd even in the best purely military thinking were employed. The military thinking to which most of Washington has become accustomed, the intelligence community as such most notably, falls abysmally below even competent military practice, into the most pathetic revivals of 18th-century or Metternichean "cabinet warfare" scenarios.

In strategic planning for victory (or defeat), it is the actions of the military policy upon the cultural, economic, and political facets of total strategy, and vice versa, which must always be the foremost consideration. Any reduction of this matter to one of compartmentalized subdivisions, each considered apart from the other before attempting to combine them, is the utmost folly. This is precisely the characteristic of most of the discussion of the summit arrangements which prevail in Washington today. The Pollyannas' rationalizations of the deal lately heard carry such folly to the most pathetic extremes. Military means are an extension of a victory achieved principally through combined cultural, economic, and political measures of defense and offense. It is in this connection, rather than the military weapons systems as such, that the summit deal is a catastrophe worse than the 1938 Munich sell-out to Adolf Hitler. The political, economic, and cultural impact of this summit swindle upon Western Europe—and elsewhere—tends to ensure the rapid process of Soviet "Finlandization" of Western Europe, and a Soviet strategic and economic political subjugation of the United States even before the end of this century.

Soviet military inspectors on U.S. soil, with sudden sweeps on factories and military installations, is the vanguard of a Soviet military overrunning of the U.S.A. Culturally and politically, that is what the "verification" proposal means; that is the gut of the matter. That is what must be rejected.

# Soviets publish LaRouche letter; different 'voices' in the Kremlin

by Konstantin George

The October English-language edition of the Soviet monthly, *International Affairs*, has printed in full a letter to its editors by U.S. presidential candidate Lyndon LaRouche. Remarkably, the letter was published without any censorship. It had been written in reply to a March *International Affairs* article which slandered LaRouche as a "neo-fascist." Its Soviet publication marks a turning point in a debate on LaRouche, his strategic evaluations, and his policies within the ruling Soviet *nomenklatura*.

The reader may judge for himself, from the text below, the importance of the LaRouche letter being read, digested, and discussed among the Kremlin elite.

## Different Kremlin 'voices'

The Kremlin's decision to publish the LaRouche letter now, six months after its receipt in Moscow, indicates that a debate on LaRouche himself, as a force on the world scene, is under way at the Kremlin, and has been for months at least. There are diametrically different "voices" manifested in *International Affairs'* introduction to LaRouche's letter, and in its reply to the letter—a reply much longer than the letter itself.

Concerning the time frame, the letter actually appeared first in the September (Number 9), Russian-language edition of *International Affairs (Mezhdunarodnaya Zhizn)*, which was ready for the printer Sept. 1, appearing in the English-language edition one month later. Thus, the decision to publish it was taken during the long absence of Gorbachov from Moscow, shortly before *Pravda* (mid-September) inaugurated open Soviet coverage of an impending "final crisis of capitalism."

The "Introduction" contains the "voice" of that current in the Soviet leadership which is forced to agree that LaRouche has been right in his definition of the fundamental issues of the present crisis period. It reads in part: "Had it only been a question of Mr. LaRouche's squabble with the journal, his letter would not really have been worthy of note. But, he touches on some fundamental realities of today, and we therefore print the full text of his letter and our reply to it."

However, whoever wrote that Introduction, the same person clearly did not write the reply (see *Documentation*). It is an entirely different "voice." The reply goes right back into the slander-diatribes style of the original Pustogarov article,

and, moreover, never replies in the manner promised by the Introduction. At no point does the reply dare to address LaRouche on those "fundamental realities of today" which LaRouche "touched on," to quote the Introduction.

## Across-the-board debate

A striking feature of that October English-language edition of *International Affairs*, which is published by the All-Union *Znaniye* (Knowledge) Society, and regularly has input from foreign ministry circles and the party Central Committee's International Department, is that its composition is otherwise devoted to matters military. That issue of the journal was turned into a mouthpiece of the Soviet defense ministry.

The edition's lead article was written by Defense Minister Gen. Dmitri Yazov, followed by an article by recently appointed (March 1987) First Deputy Chief of the General Staff Gen. Col. Vladimir Lobov. Again, we see indications of different "voices" in the Kremlin leadership. Yazov's startling formulations are in sharp contrast with the policy line issuing from the Soviet Foreign Ministry, as well as from Anatolii Dobrynin's International Department of the Central Committee and Aleksandr Yakovlev's Propaganda Department fiefdom.

Yazov's article clearly indicates that President Reagan's "Munich II" signing of the Intermediate-Range Nuclear Force (INF) treaty will be followed by, not a new era of détente, but a period of bold Soviet confrontations against a United States caught in the grip of appeasement, much as the 1959 "Spirit of Camp David," and Khrushchov's U.S. tour, were followed by the U-2 incident, the cancellation of Eisenhower's Moscow visit, and a rapid escalation into the 1961 Berlin Crisis and the 1962 Cuban Missile Crisis.

Writes Yazov, "Responsibility for international tensions lies primarily with the United States. Reluctant to give up the arms race, the U.S. ruling circles intend to deploy weapons in outer space to threaten the whole of mankind from there. Theirs is a double-standard policy. While paying lip service to strategic stability and an atmosphere of trust, they are encroaching upon parity, striving for strategic superiority."

Then comes a tirade:

"The extensive war preparations by the United States and its NATO allies, their growing military presence near the U.S.S.R. and the socialist countries, unending provocations,



violations of airspace and sea borders, delirious schemes to dismantle the social systems in the socialist countries, and other hostile imperialist activities undermine peace and security everywhere.

“Of late, at Washington’s prompting, the West has been going out of its way to present certain flaws in our organization of our airspace combat patrol as a weakness of the Soviet Armed Forces, and to encourage some hotheads to test our security in other areas.

“To put it bluntly, we wouldn’t advise anyone to check our strength. Our answer to provocations is the growing defense might of the Warsaw Treaty States and the rising vigilance and combat readiness of their Armed Forces.

“This refers, in the first place, to the personnel on combat duty and their arms and equipment.”

In short, on the eve of the Reagan-Gorbachov summit, the Soviet military command has loudly dispensed with all niceties, and proclaimed, not the dawning of a new era of “détente,” but a *pre-war situation*. And, Yazov’s article, in this regard, only confirms the conclusions one would draw from a recent article by the new commander in chief of the Air Defense Forces, General of the Army Ivan Tretyak, in the weekly *Nedelya*. Referring to the Matthias Rust incident, he announced that any future incursions into Soviet airspace, will be dealt with in the fashion of 1983’s KAL-007 shoot-down.

Colonel General Vladimir Lobov’s article in the same edition of *International Affairs* presented the Soviet offer for a U. S. “compromise” sell-out on ABM in the context of the strategic arms talks. The Soviet offer, presented in detail, reads: “. . . the U.S.S.R. agrees that the research in the sphere of space-based ABM systems be allowed at the laboratory levels, that is on the earth—in research institutes, on testing grounds, and at manufacturing works, without taking any ABM components to outer space. The Soviet side has said, it is prepared to agree on a list of devices that may or may not be placed in outer space.”

This is the first time that a top Soviet military leader has ever issued such a direct response to the traitorous “ABM sell-out” crowd within the Reagan administration, such as Paul Nitze, and the State Department.

### **East bloc security**

There will soon be a new policy statement by Yazov and the Soviet military. Before the end of November, the Warsaw Pact defense ministers’ Military Committee will convene in Bucharest, Romania. Amazingly, the announcement of the meeting, front-page in the Soviet Defense Ministry daily *Krasnaya Zvezda* Nov. 18, was not picked up by any of the Western press.

*Pro forma*, the defense ministers’ meeting will have on its agenda the INF treaty and the Dec. 7 Reagan-Gorbachov summit. Its major focus, however, will be *internal East bloc security*. Having a Warsaw Pact defense ministers’ meeting

in Bucharest is as rare as “hen’s teeth.” But then, on Nov. 15, there were mass riots in the Romanian city of Brasov, the bloodiest inside the East bloc in decades. Moreover, there is an overall expectation of more and worse to come, in Romania and throughout the East bloc.

A new round of steep price rises will soon hit Poland, where small-scale demonstrations have already been staged in the main cities in anticipation. It will be Hungary’s turn in January, when a new value-added tax is introduced, causing a roughly 20% across-the-board price increase. In the U.S.S.R. itself, the restiveness of the captive nations will continue, especially in the Baltic region. The Nov. 18 demonstrations throughout Latvia, in commemoration of its 1918 Independence Day, were not a “one-shot” affair. In February at the latest—the month of Lithuanian and Estonian independence—the next major wave of freedom demonstrations in the captive Baltic republics will occur.

### **The power struggle**

The various indications of different “voices” in the Kremlin underline the extremely fluid situation generated by the factional disputes raging before, during, and after the celebrations of the 70th anniversary of the Bolshevik Revolution. This fact alone is significant. Such is the intensity of the feuding, that for the first time, the Soviet leadership has permitted its dirty laundry to be seen during the hallowed anniversary, in effect “soiling” the celebration. In the past, even were such faction fights under way, they would have been kept quiet until after the anniversary.

But instead, the Oct. 21 Central Committee plenum removed Geidar Aliyev from the Politburo on the spot, and, minus the formalities, decided the fate of Moscow party boss Boris Yeltsin. Then, there was Gorbachov’s Nov. 2 speech in which he began to profile himself in the tradition of *Stalin*, reflecting the fact that a neo-Stalinist policy matrix is the future winner in Russia. Gorbachov named two types of opposition to his *glasnost* and *perestroika*, and indirectly compared them to the Left (Trotsky) and Right (Bukharin) Opposition to Stalin during the 1920s. In this regard, Gorbachov uttered the very significant statement, “The leadership core of the party, with Stalin at its head, defended Leninism in the ideological struggle.”

Then, on Nov. 11, the Moscow party leadership met, with Gorbachov and Politburo ideological boss Yegor Ligachov present. Yeltsin was expelled and humiliated in language identical to that employed by Stalin during the 1920s against the Opposition. On Nov. 17, Gorbachov and Ligachov addressed a special meeting of the Central Committee apparatus. Gorbachov’s speech was published in *Pravda*, Nov. 21. Here, the Nov. 2 thread was picked up with a vengeance.

Gorbachov used Stalin’s tactic of amalgamating the two types of opposition, “conservatism” and “pseudo-revolutionary” or “artificial avant-gardism.” “As different as their rhet-

oric may be," he said, they are "in the final analysis the same." He also emphasized the "ideological struggle in the party" after the death of Lenin, saying that the "main causes" of the struggle, its "factors" and "relations" are "highly in-structive" for today.

This string of Stalinist statements reflects the fact that Gorbachov, under growing pressure, has been forced to "ride the Stalinist tiger," as one source expressed it. That is the only way in which he can hope to ultimately prevail in the factional brawl.

The fact is, Gorbachov was forced to *sacrifice* Yeltsin. He candidly admitted on Nov. 11 that the fight against Yeltsin had begun before the January 1987 plenum. This raises the simple question, why was Yeltsin not removed at either the January or the June Central Committee plenum? The answer is that Gorbachov wanted him and was able to keep him. By October, that was no longer the case.

Where things in Russia go from here is an open question. But the short period which has seen the publication of the LaRouche letter, the removal of Aliyev and Yeltsin, and the emergence of the military leadership with its own clear—and differing—"voice," is a foretaste of more momentous upheavals to come.

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## Documentation

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# The LaRouche letter and Soviet comments

*Below is the full original text of a letter by Lyndon LaRouche, Jr. to the editor of the Soviet magazine International Affairs, together with the magazine's introductory commentary and reply, which were all published in the English-language edition No. 10, 1987. The same material had been published in the Russian edition No. 9, three weeks earlier.*

### The introductory commentary

"Some time ago, *International Affairs* received a letter from the United States written by a Mr. Lyndon H. LaRouche, Jr., founder of a so-called European Workers' Party, which was mentioned in an article by one of our contributors. The letter rudely attacks the author of the article and the journal; what is more, its writer has sued them in a Paris high court. Had it only been a question of Mr. LaRouche's squabble with the journal, his letter would not really have been worthy of note. But he touches on some fundamental realities of today, and we therefore print the full text of his letter and our answer to it."

### The letter

*Following is the original text of the letter, dated April 12, 1987, from Lyndon H. LaRouche, Jr. to the editors of Moscow's International Affairs.*

#### *International Affairs*

Editorial Office

Attn: Editor English Edition, G.A. Pribegin

14 Gorokhovskiy Pereulok,

Moscow K-16

R.S.F.S.R.

RE: "Neo-Fascism: Weapon of Reaction," No. 3, 1987

Dear Sir:

It is well known that I do not support all of the measures associated with General Secretary Gorbachov. However, I wish to support the General Secretary's campaign against alcoholism. References to me in this item (No. 3, 1987) suggest that Academician Vladimir Pustogarov may have been the victim of drugging with some U.S.-manufactured vodka, perhaps given to him by such an acquaintance as former U.S. Attorney General Ramsey Clark.

In light of the importance of the AIDS pandemic and the eruption of the worst financial collapse in history, there is approximately a 30% likelihood that I shall obtain the 1988 U.S. presidential nomination of my political party, the Democratic Party, and thus be assured of being inaugurated U.S. President in January 1989. Even should I fail to secure my party's nomination, there is a 70-80% likelihood that I shall be a major influence in shaping U.S. domestic and foreign policies.

Academician Pustogarov and others may believe that publishing even the wildest fantasies against me is politically sound practice, since I am classed as a prominent political adversary of the Soviet Union. The academician overlooks the small point, on which Marshal N. Ogarkov might instruct him, that it is the U.S. and U.S.S.R. which are adversaries, and will probably remain so for the span of two generations to come. Since I am an influential voice among those U.S. figures working consistently for a constructive form of durable war-avoidance between our nations, your journal should think it most counterproductive to frighten Soviet children with the imported, obscene fantasies featured in the identified article.

I shall be more precise. Most probably, it will soon be clear to the Soviet government, that its recent and current foreign and strategic policies toward the U.S. and Western European powers are based in part on serious errors of intelligence and strategic estimates. Some influential Soviet authorities have concentrated too much on calculating manifest U.S. strategic capabilities, to the point of overlooking massive U.S. strategic potentialities. These Soviet estimates have relied excessively upon opinions of certain, admittedly very influential, but miscalculating Western political circles.

Russia being Russia, your government will pull away

from what it comes to view as an unrealistic, and probably adventurous outlook. In the language of Leninists, the nature of the current "historical period" has been misjudged. If you read what I have consistently proposed, the correct Soviet estimate of this "historical period" should be apparent to you.

The methodological error in current Soviet estimates, is this. Granted, that I reject the Kantian, Hegelian, and Marxian dialectical method, as a product of axiomatic-deductive method; my own is the contrary Socratic dialectic, whose mathematical guise is consistent with the notion of a Riemann Surface, a Gauss-Riemann manifold as defined from the standpoint of a radically constructive-geometric point of origin. The practical consequence of this distinction, is that current Soviet estimates are too consistent with a Bukharin-like form of reductionism, emphasis upon merely formal logic. You have erred with projected estimates which slide linearly through what physicists would term a "singularity" of the historical process, overlooking the fact, the period opening up now represents a "phase shift," in which the laws apparently peculiar to the preceding interval are overthrown, in which new dynamical relations prevail.

One of the most probable dangers in your misrepresentation of me, is that Academician Pustogarov's view might mislead Soviet authorities into an otherwise avoidable general war, whereas the correct representation would probably ensure successful war-avoidance.

It were prudent, to base even the harshest Soviet political criticisms of me upon the consistency of my published analyses and proposals with my actions, and to discard wild fantasies produced by Western agencies which are, in your own correct estimate of their character, either merely "useful fools" or outrightly degenerates.

In the meanwhile, if you wish to discover "neo-fascists" in the West, I recommend to your attention those social-democratic and other currents, in Western Europe and the U.S.A., former Livonians familiar to you, and others, who, increasingly since 1974, have openly and repeatedly described themselves as "neo-corporativists," or proponents of corporativist forms of "democratic fascism" or "fascism with a smiling face." These who propose to bring together major political parties, into coalitions dedicated to creating "one-party corporate state" forms, ought to interest you. These are genuine fascists, who, if ever entrenched, will behave as fascists do. These real fascists include the Western sources from which much of the content of the article was taken.

Sincerely,

Lyndon H. LaRouche, Jr.

### **International Affairs' response**

*What follows is the Soviet editors' reply to the letter from Mr. LaRouche:*

It was not immediately that *International Affairs* decided to reprint the full text of the letter from Mr. Lyndon H LaRouche, Jr., concerning the article "Neo-Fascism: Weapon of Reaction" contributed by Vladimir Pustogarov, D, Sc

(Law) (see issue No. 2 of the Russian and No. 3 of the English Edition). This was not due to fear of making Mr. LaRouche's attacks public but to the harsh discordance of his letter from the general tenor and the political and analytic standard of the items carried by our journal. To be frank, we are not upset by Mr. LaRouche's sententious allegation that the "foreign and strategic policies" of the Soviet government toward the United States and its NATO allies are based on "unrealistic and probably adventurous" views. Neither attacks against Soviet foreign policy nor slanderous inventions about it surprise the Soviet or Western reader. Many of them are so frequent and importunately repetitious as to have become worn out stereotypes. Mr. LaRouche is anything but original in assailing Soviet policy, nor is he the only one to do so. There is nothing original about his assertion that the CPSU leadership has an incorrect outlook on historical development or about his advice to take from him lessons on how to forecast the future. All this is very like the time-worn prophecies of those who for 70 years past have been foretelling in vain disasters said to be impending over Soviet Russia. Nor are we overly surprised at Mr. LaRouche's very high opinion of his chances in the coming U.S. presidential elections, any more than at his confidence that he will be "a major influence in shaping U.S. domestic and foreign policies." To put it mildly, he is not the first man to somewhat exaggerate his role in history, in shaping the fate of the world. However, it may well be that neither the White House nor the American press, nor yet the American public has had time to realize in proper measure that he is going to be "a major influence."

We think Mr. LaRouche's strong language against the Western media is something more serious, *International Affairs* has repeatedly taken exception to the unscrupulous means used by individual Western journalists and commentators, to foreign TV and press comments prompted by anti-Soviet sentiment and slander. Nevertheless, we are far from calling Western media people "degenerates" [sic] as Mr. LaRouche does, and so there was some vacillation about printing his invectives in the journal.

There is also Mr. LaRouche's attack against former U.S. Attorney General Ramsey Clark (whose name did not appear in the *International Affairs* article): The author of the article assured the editors of the journal that as a lawyer he knew who Clark was but had never met him. Therefore he—Vladimir Pustogarov—could not have been treated by Ramsey Clark to "U.S.-made vodka" [sic] with evil intent against Mr. LaRouche (contrary to what the letter says).

And what are we to make of "Riemann Surface, a Gauss-Riemann manifold," ideas which the letter considers decisive for the development of civilization? Besides, we wonder what our readers, including those of the English Edition, will say to Mr. LaRouche's suggestion that universally accepted political analysis be replaced by a formalistic search for "radically constructive-geometric point of origin."

The main reason we decided, in spite of everything, to publish the full text of the letter was that the European Work-

ers' Party (EWP) founded by the American Lyndon LaRouche enjoys support among certain political forces in some European countries. This is also seen in the fact this numerically insignificant organization has filed suits in France against the Soviet weekly *New Times*, *International Affairs* magazine and *XX Century and Peace*, a news bulletin published by the Soviet Peace Committee. We may infer from this that the EWP is not hard up or is, at any rate, undeterred by legal expenses.

Incidentally, the U.S. and other Western media have repeatedly laid bare illegal financial deals by Mr. LaRouche and his organizations. Last year, the First Fidelity Bank of New Jersey, U.S.A., sued Mr. LaRouche and the networks of organizations led by him for using fraudulent means to secure large sums of money. This was done in a federal court. And on July 3 last, CBS reported that Mr. LaRouche was charged with conspiring to prevent a federal investigation into the use by his organization of fraudulent methods of raising funds. (Who knows whether Mr. LaRouche will not seize even on this mention of the U.S. television report as a sufficient reason for lodging a further claim in court.)

We have the impression that Mr. LaRouche's court action against several Soviet and foreign periodicals is designed to advertise him and the EWP led by him, not least of all in the light of his declared intention to run for the U.S. presidency. At the same time, we cannot help thinking that Mr. LaRouche is trying to raise a high wall around his organization in order to shut out all criticisms of it and discourage journalists from commenting in a critical vein on the political platform of the EWP.

Both Mr. LaRouche's letter and the EWP lawsuit indicate that they are protection against Vladimir Pustogarov's article describing them as members of the extreme, neo-fascist right. Yet the article gave the EWP and Mr. LaRouche rather little space (nor did it even mention that party's activity in France), and so there is simply no reason to deduce that the author regards Mr. LaRouche as "a prominent political adversary of the Soviet Union." Neither the actual influence of the EWP nor the size of the article allowed the author to detail the programme advanced by Mr. LaRouche and the EWP.

It should be stressed that the article in *International Affairs*, a journal of political analysis, was devoted to analyzing political processes going on in today's world, and its author did not resort to the kind of abusive definitions Mr. LaRouche used in his letter. At the same time, there was a thesis running through the article, and Mr. LaRouche mentions it, to the effect that neo-fascism is dangerous, not only to the democratic system in individual countries, but to international peace and security. The outbreaks of neo-fascist activity now in evidence in a whole number of countries are another reason for our printing Mr. LaRouche's letter.

The letter calls the very existence of neo-fascism a "wild fantasy" misleading political leaders. There is nothing new about their allegation, which comes, to judge by many facts, primarily from extreme right-wingers who either form neo-

fascist groups or are linked with them. Of course, Mr. LaRouche is by no means the only person to deny the existence of neo-fascism. But neither was the *International Affairs* article an isolated item. Its trend coincided with the general concern shown by a large body of world opinion about the neo-fascist menace. The U.N. General Assembly has repeatedly called on the member countries to take steps to combat neo-fascist ideology and activity as well as other ideologies and practices based on racial intolerance, hatred and terrorism.

The Social Democrats, the trade unions associated with them, many other Western political parties and public organizations and the media draw attention to the dangerous nature of the activity of neo-fascist, right-wing radical and right-wing extremist groups. The article referred to, among other things, an assessment of the activity of the EWP by *Vorwaerts*, the West German social democratic weekly, which described the EWP as an "anti-democratic, anti-Semitic, racist and anti-trade union" organization. Nobody can dismiss this assessment, based on direct experience of EWP activity on the West German political scene, as a "wild fantasy."

Mr. LaRouche believes that if there are any "genuine neo-fascists" now, one should look for them in social democratic parties and in the media which expose neo-fascism. This invites the conclusion that Mr. LaRouche and the EWP are champions of peace and democracy while the social democratic parties are a source of fascist danger. Nor is such a conclusion seen by Mr. LaRouche as a "wild fantasy." We are not going in this case to defend the social democratic parties against his attacks, but neither can we fail to note universally recognized realities: It was not the social democratic movement that bred neo-fascism, nor are the neo-fascist groups recruited from Social Democrats.

Mr. LaRouche's attempts to turn these realities upside down cannot detract in the least from well-known historical facts; they merely reflect his political views and affections. Also, they are unquestionably consonant with the malicious attacks which the extreme right in Western Europe constantly launches against the working class movement and democratic institutions, parties and organizations. These attacks are intended to produce a definite effect primarily on the attitudes of the youth who have not lived through the horrors of fascist rule and lack personal experience of anti-fascist struggle.

We believe Mr. LaRouche's letter merely confirms the relevance and timeliness of the article on the neo-fascist danger published in *International Affairs*. The purpose of the article was to show that neo-fascism (right-wing radicalism, right-wing extremism, and so on), in whatever form or disguise, remains a threat to democracy and peace among the nations, a threat that must certainly not be ignored. After all, given definite circumstances, the neo-fascist danger in today's world with its nuclear confrontation and unabating military conflicts, a world in which the Reagan administration is pursuing a "neo-globalist" policy, may develop from a potential into a real threat.

# The Philippines explodes: New People's Army on the move

by Linda de Hoyos

Two events have propelled the Philippines into the center of the global strategic crisis. The first was the Oct. 28 murder of three American servicemen outside of Clark Air Force Base, an act of terrorism which "broke the rules" of violence in the country. The second was the appointment of Oleg Sokolov as the Soviet Union's ambassador to Manila.

The two events are not unrelated. Before his posting to the Philippines, Sokolov had been at the Soviet embassy in Washington since 1980, before that having headed the U.S. desk in the Soviet foreign ministry. By the time he left Washington, he was minister counselor of the embassy and had been the number-two man under Ambassador Anatoli Dobrynin. From this post, Sokolov reportedly played a key role in Soviet negotiations with Israel, meeting Israeli ambassador Meir Rosenne in Washington; was the Soviet liaison officer to the Walter Mondale campaign in 1984; met frequently with then-U.S. Undersecretary of State Richard Burt for negotiations over Western Europe; and consulted often with Assistant Secretary of State Richard Murphy on crisis management of a "regional conflicts." Sokolov also helped stage-manage the Chataqua meetings between Soviet and U.S. representatives, marking him a key player in Moscow's back-channel negotiations with Washington.

Sokolov is also a top-grade counterintelligence specialist, with special expertise in identifying U.S. intelligence deployments. His posting is not a demotion, but instead indicates the importance Moscow gives to the Philippines in its global strategy against the United States. Or, as one retired senior general who remains an adviser to the Pentagon remarked: "Along with West Germany, the Philippines has become the place where the Russians are testing the American will to capitulate."

## War declared against U.S.

The launching of Soviet irregular warfare operations was signaled with the Oct. 28 murder of three American soldiers in coordinated attacks. Although the communist New People's Army at first denied responsibility for the murders, within a week a series of threats was issued from NPA headquarters in Luzon and Mindanao, stating that any Americans involved in President Corazon Aquino's "total war" against the NPA would be targets for the NPA's "sparrow units." NPA spokesmen also declared that U.S. installations would

be targets for sabotage and destruction.

On Nov. 23, Saturnino Ocampo, a spokesman for the NPA's political arm, the National Democratic Front, admitted that the NPA had gunned down the Americans "as a matter of policy. . . . All U.S. military and civilian officials and personnel involved in the implementation of the total war program are to be targets for attack. . . . We are carefully watching whether the U.S. government will escalate the level of its intervention. The actual deployment of American advisers or troops in combat, for instance, will change the character of the civil war."

Ocampo also acknowledged that the NPA had received foreign monies, as charged by Defense Minister Rafael Ileteo. Speaking on Nov. 22 before the Federation of Anti-Communist Movements, Ileteo reported that the NPA and Muslim separatists had received \$8 million from foreign countries in 1987, as compared to \$2.5 million in 1986.

Ocampo added that the NPA had received overseas funding from a total of 25 countries. These include Australia, New Zealand, and the United States. The Western European sources for this flow are detailed in the dossier below. National Security Adviser Emanuel Sorriano had also charged Nov. 15 that the NPA was receiving armaments from North Korea and the People's Republic of China, although the supply line from China was believed to be private and not official. Both governments protested the charge. If North Korea is arming the NPA, it is doing so at the behest of Moscow, with whom North Korean leader Kim Il-Sung now has a total military alliance. North Korea also boasts a spetsnaz force of 100,000 commandos.

There are also reports that spetsnaz forces have been deployed into the Philippines. On Nov. 18, U.S. Special Forces began protection operations of the nuclear dump sites at the U.S. bases. Spetsnaz deployed by the U.S.S.R. reportedly penetrated the dump sites at Subic Bay before the Oct. 28 assassinations, corroborating the assessment that the decision to kill Americans in the Philippines, is not the decision of the NPA, but of Moscow.

The NPA is also running "sapper teams" to plant explosives against targeted locations and infrastructure, report sources in Manila. The "sappers" were reportedly trained by the Russians at camps in Vietnam. Two American companies were hit in the week preceding the Oct. 28 assassinations,

and about 200 communist rebels Nov. 22 attacked the banana plantation owned by Dole Philippines in North Davao province, causing \$250,000 in damages.

Simultaneous with the attacks on Americans, the NPA has stepped up its scope of operations against the central government. "NPA Goes on Bicol Rampage" was the headline of the *Manila Bulletin* Nov. 24. Two thousand people fled their homes in four districts in Bicol, as NPA rebels went on a rampage-killing of civilians it believed were involved with anti-communist vigilantes. Another 29 people were killed in the area of Samar, when 300 NPAs attacked a police station. As in most instances, the breakdown of those killed was one-third NPA, one-third police, and one-third civilians.

Within the capital city of Manila, the NPAs are carrying out an assassination campaign, targeting military officers of the Philippines Armed Forces (AFP). With the government paralyzed by factionalism and lack of will, the city has become completely lawless, with shootouts with NPA "sparrow unit" assassinations now a daily occurrence. Although it is the height of the tourist season, the Manila hotel occupancy rate is at 20%.

### **NPA's growing potential**

The NPA will take over in the Philippines in less than two years, if there is not a comprehensive program, including national economic recovery, to fight the insurgency and remove the causes for it.

Authoritative sources now estimate that the NPA controls 20-30% of the country. "Control" means that the NPA can move with impunity, enjoys protection from the local population, and has created primitive forms of local administration—including taxation. While protecting the NPA in these areas, the local population would not vote for the communists. The military will tend not to pursue the NPA into areas of insurgency control, although the locations of NPA encampments are known.

According to sources recently returned from Manila, the NPA now controls major sections of Luzon (the island where Manila is located)—the Bicol region to the south of Manila, and to the north, large areas of Cagayan and the Cordilleras. It also controls sections of Mindanao in the south; most of Negros island; large portions of the Visayas islands, of Cebu, of Leyte, of Samar, and of Panay islands. In the smaller islands north of Luzon, the NPA has nearly free rein, since there are no armed forces there at all. In general, "the NPA is everywhere." However, although it controls large towns on the eastern coast of Luzon, it controls no cities. Its strong grip over Davao City in Mindanao was broken by the Alsa Masa vigilantes.

If the NPA has no toehold in an area—as in the western island of Palao—it is due to the strength of the local economy. The NPA is strongest in the most poverty-stricken regions of the Philippines, where the communists enjoy a "Robin-Hood" image.

The NPA is not the gravest threat to the government, however, in the estimate of the head of the national intelligence agency, Eduardo Canieso. The more significant danger is the Communist Party of the Philippines, which commands the NPA politically. Over the last three years, the CCP has moved steadily toward Moscow. It has 3,000 hardened, full-time cadre, many of them in Manila. It has penetrated deeply into the peasant organizations and trade unions, exerting effective control over the May First Movement (KMU). At any time, it can bring out 30,000 people into the streets of Manila. The CCP also reportedly has at its command 20 columnists in Manila.

Romulo Kintanar, a member of the 30-man Central Committee of the CCP, is the head of the NPA.

Both the NPA and the CCP are part of the National Democratic Front, the coalition that brings together all leftist organizations in the country, including those tied to the Catholic Church. This organization supplies the political support apparatus for the NPA-CCP.

A reporter who toured with the NPA last spring in Bicol, reports that a typical local NPA unit is comprised of 60 cadre. In the case of the unit visited by this reporter, 56 were men, 4 were women; all but 5 were armed with M16s or AK47s. There were five machine guns to the unit; two specialists in explosives. All had grenades; ammunition was plentiful.

If the unit is mobilized to conduct a major attack on the armed forces—upwards of 100-300 men—then the local unit is supplemented by roving units of hardened fully trained NPA soldiers, who are also heavily armed.

The cadre in this local Bicol unit were all between the ages of 17 and 22, with the exception of the unit commander, who was 24. Their responsibility was to attack AFP units and take their arms. The unit received orders via messengers from the regional command in Legaspi City. While none of the cadre in the local area had an education past primary school, the regional commanders all had at least one college degree, many possessing postgraduate degrees. Most were graduates from the University of the Philippines. The regional commanders, in turn, received their orders from Manila.

In comparison to the typical soldier in the AFP, who tends to come from the same poverty-stricken background as the typical NPAer, the NPA recruit is better off. The AFP soldier is paid \$50 a month, if at all, is without uniform, without equipment, facing an enemy in hostile terrain. The NPA cadre is politically and ideologically motivated, operates in a terrain he knows intimately, and has plenty to eat.

The motivations of the NPA recruits point to the fact that there can be no defeat of the NPA unless the Philippines is given freedom from International Monetary Fund austerity and formulates a comprehensive program for economic recovery. For the NPA, there has been no change in the Philippines since President Ferdinand Marcos left—the abuses of the military persist, land reform has not been instituted, and there are still no jobs.

# The international support apparatus for the NPA

by EIR's Wiesbaden Bureau

After the 1968 reestablishment of the Communist Party of the Philippines (CPP) and the founding of the New People's Army in 1969, the National Democratic Front (NDF) was set up in 1973 as a "revolutionary united front" coordinating CPP and NPA activities with (and in) various worker, peasant, and other organizations "working for national liberation and genuine democracy." Internationally, NDF Solidarity Committees have been established in several Western European countries as well as in Australia, New Zealand, the United States, Canada, Japan, and Hong Kong. The NDF's principal international office is located in Utrecht, the Netherlands, and headed by ex-priest Luis Jalandoni. The office publishes *Liberation (Philippines)*, the NDF's official bi-monthly international publication.

Unlike the old Partido Komunista ng Pilipinas (PKP) founded in November 1930, the CPP/NDF is not a "traditional" communist party. Much like, for example, the Italian "Il Manifesto" group of the 1960s or the various "New Left" and Maoist-communist organizations in West Germany, the CPP-NDF was born of and shaped by the student upsurges of the 1960s. Maoism, Liberation Theology (as developed and fostered by Karl Rahner, Father Arrupe, S.J., etc.), radical democratism ("Jacobinism"), and existentialist-terrorism are key to the ideology of the CPP-NDF and of its predecessor organization, the Kabataang Makabayan (KM) or Patriotic Youth, founded in 1964 by Jose Ma Sison.

Ideological affinity accounts, in part, for the good relations between the NDF and numerous Catholic and Protestant church groups and political organizations in Western Europe and elsewhere. A prime example of this is the relationship of Jalandoni and other NDF leaders with West Germany's Green Party and associated so-called "alternative" and "autonomous" groups. The Greens, now represented in the West German and European parliaments, emerged from the 1960s and early 1970s left and often terrorist-oriented student milieu, and in the late 1970s turned to environmentalist anti-nuclear and peace and disarmament issues. The Moscow-oriented West German Communist Party (DKP) seized the opportunity and commands a strong covert presence in the Green Party at both the regional and national level.

Because of this well-entrenched DKP operation within the Green Party, the Green-NDF connection provides an ideal cover and vehicle for Moscow/East German support for

NDF operations. Jalandoni has acknowledged Green Party financial support.

## I. The NDF international office in Utrecht

That the NDF's international head office should be located in the Netherlands is no chance occurrence. Major elements of the Dutch Catholic Church have long been known for their sympathy with radical Liberation Theology. The NDF fully established its base in the Netherlands following the "Session on the Philippines" of the "Permanent People's Tribunal" held in Antwerp, Belgium, from Oct. 30 to Nov. 3, 1980. This session of the "Tribunal" (organized and supported by various left-oriented organizations, including notably the Lelio Basso Foundation of Italy) "affirmed . . . as a matter of legal right that . . . the NDF and the MNLF [Moro National Liberation Front] enjoy legal status in international society. They are empowered . . . to enforce the rights of their peoples, by armed struggle if necessary. . . . [They] are recognized as enjoying the international status of being legitimate representatives of their respective peoples."

In coordination with the formally separate Komite ng Sambayanang Pilipino (KSP), a Dutch-Filipino NDF support organization, the NDF stepped up its international activities in 1983 after the assassination of Benigno Aquino. In Italy they coordinated with the Philippine Documentation Center (PDC). Still, the Dutch base, due to support from Dutch Catholic organizations and support and toleration by the Dutch government, remained central.

The following Dutch organizations provide or have provided support to the NDF or NDF-affiliated groups:

**a. CEBEMO (Catholic Organization for Joint Financing of Development Programs)** CEBEMO was founded in 1969 under the aegis of the CMC (Central Mission Board). Since 1980, it is an entirely independent organization. It finances about 450 private development projects per year in 60 different countries in Asia, Africa, and Ibero-America. CEBEMO cooperates closely with the European Catholic Development Organization under CIDSE (International Cooperation for Socio-Economic Development). CEBEMO receives funds from the Dutch government's development aid agency for distribution to private programs. CEBEMO funding activities apparently are not monitored by the Dutch government, and in addition to the NDF/NPA, funds have been channeled to Peru's Sendero Luminoso (Shining Path) terrorists.

**b. NOVIB (Netherlands Organization for International Assistance).** NOVIB was founded in 1954 by a Dutch priest, Father Jeisma. In 1956, it was formally established as an organization for sending aid to developing countries. Its board of directors includes representatives of the foreign ministry, various political parties, the Inter-Church Peace Council, World Federalist Movement, Pax Christi, Center for Non-Violent Resistance, etc. Like CEBEMO, NOVIB receives funding from the Dutch government and its funding

and project guidelines are as loose and unmonitored as the former's.

**c. HIVOS (Humanist Institute for Development Co-operation).** HIVOS is linked to the Humanist League and like CEBEMO and NOVIB receives money and disburses relatively unmonitored government funds.

**d. ICCO (Inter-Church Coordinating Committee).** ICCO is the Protestant equivalent of CEBEMO. It is comprised of representatives from the non-Catholic churches, a majority of whom are from the Netherlands Reformed Church. ICCO receives funds from the Dutch government, which it lends for projects internationally. They cooperate with CEBEMO, NOVIB, and HIVOS in joint project financing.

In 1975, five years before the NDF actually established its Utrecht-based international operations, the ground for this was prepared by a group of Dutch development workers and Catholic missionaries, who founded the "Filippinengroep Nederland." This group arranged the CEBEMO funding of the NDF. However, as already indicated above, it was the 1980 "Permanent People's Tribunal" (PPT) session on the Philippines which laid the comprehensive groundwork for NDF international work.

The jurors of the PTT session on the Philippines included:  
Sergio Méndez Arceo, Archbishop of Cuernavaca Mexico;

Richard Baumlin, legal expert and Swiss parliamentarian;

Harvey Cox, professor of theology at Harvard;

Richard Falk, Princeton University;

Andrea Giardina, professor of international law at the University of Naples;

François Houtart, professor of sociology, University of Louvain, Belgium;

Ajt Roy, Indian journalist.

Makoto Oda, Japanese novelist, vice president of the PPT;

Ernst Utrecht, professor at Sydney University and fellow at the Transnational Institute;

George Wald, ex-professor at Harvard, Nobel Prize winner and president of PPT session on the Philippines;

Muireann O'Brian, lawyer from Ireland representing the NDF and MNLF;

Gianni Tognoni, secretary general of the PPT.

Over 500 people attended the sessions and 6,000 contacts were made in the process of building this conference which laid the foundation for action groups internationally.

The Utrecht-based KSP, which grew out of this conference, continues to be the European coordinating and information center of Filipino solidarity work. They attempt to hold a conference each year and have raised money through sponsoring rock concerts, including organizing a European tour of the Philippine rock group "Dingas."

The significant political and financial support the NDF receives from these Dutch organizations has created the sup-

portive environment over the past seven years that provides an effective screen and camouflage for "harder" subversive and funding operations by the Libyans and the KGB. The Netherlands' extensive international trade and port facilities provide the ideal setting for such operations.

It has long been known that the KGB finances a large part of its operations by means of drug sales. An extensive network of Soviet commercial shipping operations (integrated with export-import and financing facilities) is key to this and first positive proof came to light when the Soviet cargo ship *Kapitan Tomson*, docked in Rotterdam on May 27, 1986, was found carrying 220 kilos of heroin in two containers declared to contain raisins. Subsequent investigations uncovered the routing of the heroin shipment from Afghanistan through the Soviet Union to Rotterdam. The incident begs the question as to whether there exists a diversion of funds from KGB-controlled Benelux/Soviet commercial operations to the NDF.

## II. The NDF-Green connection and NDF support groups in West Germany

West German political and financial support for the NDF derives from three interlinked groupings:

1) The Green Party;

2) Protestant (World Council of Churches, etc.) and Catholic Church groups;

3) "Autonomous" Action Groups and Information Centers.

**a. The Greens.** Soon after Mrs. Aquino's accession to power in February 1986, two leading members of the West German Green Party, Wilfried Telkämper and Uschi Eid, visited the Philippines. Telkämper (a.k.a. Telkalten) is a member of the European Parliament and represented GRAEL (the Green-Alternative-European Link); Eid is the secretary to Barbara Unmüssig (a.k.a. Unsiek), a Green member of the West German Parliament who knows the NDF's Jalandoni personally. Their trip was also underwritten by two leading Dutch Greens, Herman Verbeek and Bram van der Lek. The group of Filipinos they met in Manila and elsewhere speaks for itself.

Telkämper works with a group of Greens in Strasbourg, France and Bonn, who are engaged in anti-NATO activities and contact work with terrorist organizations in Spain, Portugal, and Greece. He participates in "AG Iberia," a task force of the "Rainbow" fraction (GRAEL) of the European Parliament. "AG Iberia's" principal contacts in Spain are the anarcho-syndicalist trade union CNT (Confederación Nacional del Trabajo), the Libya-connected farm workers union SOC (Sindicato de Obreros del Campo), and Herri Batasuna, the legal arm of the Basque terrorist organization ETA. Telkämper's contacts with the NDF are coordinated with the Southeast Asia Information Center in Bochum, West Germany.

Unmüssig's principal areas of international concern are



Africa and Asia (Thailand, Philippines). Since 1985, her group has launched a campaign of support for the Soviet/East German-controlled African National Congress. On Sept. 10, 1985, Unmüssig participated in a 48-hour occupation of the West German embassy in Pretoria, South Africa. As in the case of Telkämper, Unmüssig's contacts with the NDF run through the Southeast Asia Information Center.

Both Jalandoni and Green spokesmen have acknowledged some Green financial support for the NDF, though the publicly admitted sums are small. The communist-terrorist background of many leading Green Party members and the DKP presence in the Greens, however, makes the NDF-Green link an ideal conduit for covert NDF support.

**b. Protestant and Catholic church groups.** Unlike the Dutch Bishops' Conference, which is dominated by adherents of the Theology of Liberation, the German Bishops' Conference is split into a Theology of Liberation and a more conservative wing. Still, the relief organization Misereror has in the past several years been a significant source of NDF funding.

But the NDF enjoys considerable support from groups in or linked to the EKD (Evangelical Church of Germany). The Lutheran West German EKD maintains close ties with its East German counterpart as well as with Protestant churches internationally through the World Council of Churches (WCC). The theme of the EKD's recent (June 17-21) bi-annual Church Congress in Frankfurt was "Reconciliation with the Soviet Union." Guests at the congress were Metropolitan Pitirim and Bishop Longin of the Russian Orthodox Church and no fewer than 1,500 East Germans, 51 of whom were high-ranking government officials.

During its congress, the EKD staged a demonstration of solidarity with Third World groups; NDF representation was duly noted. Thirty largely pro-NDF European/Philippine solidarity groups were present. Protestant ministers and theologians have played and continue to play key organizing roles in pro-NDF solidarity, action, and information groups.

**c. Action and Information Centers.** These include:

1) Aktionsgruppe Philippinen E.V. (Action Group Philippines).

Located in Polch, West Germany, the Action Group publishes a bi-monthly magazine *Philippinen Informationen*. In the early summer of 1987, they sponsored the German trip of Jose Ma Sison. The group was organized in 1980 by social, medical, and development workers and several Protestant ministers. In 1985, they organized a \$50,000 donation to the NDF for medical supplies. Leading Action Group members include:

Dr. Claudia Dziobek, J.F. Kennedy Institut für Nordamerikastudien at the Free University of Berlin; Studied at Paris, Freiburg, and the University of Massachusetts.

Tim Kuschnerus, Protestant theologian, formerly with the Komite ng Sambayanang Pilipino in Utrecht, was in the Philippines in 1979 and 1982-83.

Dr. Gunther Reese, 49-year-old Protestant minister, lived in Hong Kong and the Philippines between 1974 and 1979, is a founding member.

Anke Reese, wife of Gunther, is secretary of the Action Group.

Gert Ruppell, Protestant theologian, studied at the Mission Academy at the University of Hamburg.

Dr. Rainer Werning, social worker, studied in Osnabrück, Manila, and Tokyo, and is active in the solidarity movements since 1970.

2) Southeast Asia Information Center.

SAIC was founded in 1984 by the Society for Development-oriented Education (founded in December 1983). They publish a quarterly magazine, *Sudostasien-Informationen*, in cooperation with the Action Group Philippines. There are SAIC correspondent groups in Hamburg, Göttingen, and Munich.

3) Other groups:

a) Südasien Büro, Wuppertal.

b) IMBAS (Initiative for Human Rights for All Citizens of the ASEAN States), Giessen.

c) Institut für Asienkunde (Institute for Asian Studies), Hamburg.

These groups are not explicitly pro-NDF, but cooperate with the Action Group and SAIC on special projects.



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## Extradition, a first step . . .

*Narco-terrorist mobster Ochoa could be headed for a U.S. jail, but Colombian survival will now require U.S. reciprocity.*

Within days of the Nov. 21 capture of billionaire cocaine trafficker Jorge Luis Ochoa outside Cali, Colombia, a clandestine communiqué delivered to the media threatened that any effort to extradite Ochoa to the United States would lead to mass assassinations of the nation's political leaders. Such blackmail has worked—repeatedly—in the past. This time, President Virgilio Barco has found the political courage to cry “enough!” As of this writing, it has been learned that Ochoa will be extradited to the United States.

Colombia's decision represents a renewed declaration of war on drugs, a declaration also made on behalf of the U.S. population, the principal target of the lethal “free market” enterprises of Ochoa and his ilk. Colombia must now get the back-up—military and financial—from its U.S. ally, if it is to prosecute, and survive, that war.

Recent revelations by Justice Minister Enrique Low Murtra on the extent of collaboration between the country's drug traffickers and Moscow-linked narco-terrorist movements (see *EIR*, Nov. 27, 1987) make it clear that, despite feuding between elements of the two criminal forces, their combined narco-terrorist capability is enormous. Certainly enough to carry out their threat, and perhaps enough to bring down a government.

In the week just prior to Ochoa's arrest on Nov. 15, one of the country's most respected anti-communist hardliners, Liberal Congressman Pablo Emilio Guarín, was assassinated by the Moscow-run guerrilla umbrella group, the Simón Bolívar Guerrilla

Coordinating Group. Guarín had, in collaboration with the army, helped to force the terrorist FARC out of their stronghold in the Magdalena Medio region, forging peasant-producer alliances that created the basis for economic progress.

One day later, a 100-man commando unit from the Simón Bolívar terrorist group blew up an important cement plant in Boyaca department, Guarín's home state. Terrorists also attacked a military barracks in the southern department of Caquetá, and ambushed a convoy of soldiers en route to assist the besieged barracks. And one day after Ochoa's arrest, narco-terrorists attempted to kidnap the Conservative Party's candidate for mayor of Medellín, the city where Ochoa's infamous “Medellín Cartel” of drug traffickers is based. The kidnaping was fortunately foiled.

The National University in Bogota was recently closed down when rioting broke out on the campus, triggered by guerrilla infiltrators, and after a powerful bomb was discovered in the parked car of a professor. Three hundred professors from across the country, each of them under threat of death from a variety of terrorist groups, met with Justice Minister Low Murtra to demand protection. Another half-dozen journalists have fled the country after receiving death threats.

The arrest of Ochoa had posed a critical dilemma for the Colombian government; namely, what to do with the man. Keeping him inside a Colombian jail to serve 20 months for illegally importing bulls, was believed virtually impossible, in view of

his vast power to corrupt.

The June 1987 decision of the Colombian Supreme Court to overturn the 1979 U.S.-Colombia extradition treaty on a technicality, threw a legal roadblock in the way of shipping Ochoa off to the United States, where charges of murder, drug trafficking, and racketeering await him. He will now be extradited under an earlier, still-standing 1889 extradition pact, which was updated in 1943 to include the crime of drug trafficking.

A likely key element in the Barco government's decision was the Colombian military, which defined itself on the matter in no uncertain terms. Said Armed Forces commander Gen. Manuel Guerrero, “Colombians cannot allow ourselves to be intimidated by these people, who are corrupting our authorities, the Colombian people, the youth, with this filthy business of drug traffic. . . . We must stand up to this problem. . . . We cannot allow, from any viewpoint, that our people continue to be corrupted with [drug] money.”

Surrender to narco-terrorism would not only bury Colombia as a sovereign state, but would be a death blow to democracies across the continent. Yet the United States government has consistently failed to provide the political and financial back-up required to assist the Colombian government in its dilemma. Knowledgeable sources report that longstanding U.S. inflexibility on a variety of legal instruments between the two countries has done major damage to anti-drug efforts.

The capture and extradition of Carlos Lehder and now Jorge Ochoa could be a first step in dismantling the “Medellín Cartel.” But like the many-headed hydra, Dope, Inc. must be struck through the heart—its finances. That's where the power of the United States must come in.

## The presidential race

*Brazil's electoral contest is already in full swing, with moratorium advocate Dilson Funaro in the lead.*

Just days after the Sarney government sealed a deal with the bank creditors' committee on the Brazilian foreign debt, including agreement to suspend the debt moratorium and permit the return of International Monetary Fund missions to the country, the systemization commission of the National Constituent Assembly cut Sarney's presidential mandate from six to four years and announced that direct elections for the presidency would be held in November 1988.

While the decision has still to be ratified by the full Assembly, it is already clear that the nationwide clamor for a legitimate government will make such a decision impossible to revoke.

The influential senator José Richa, considered the unofficial spokesman within the Constituent Assembly of the "legalist" faction of the Army, gave a Nov. 19 interview to *O Estado de São Paulo*, where he was explicit as to the reason for reducing the presidential mandate. "Inflation is intolerable and in an upward spiral. When I said that inflation would reach 20% in January [1988], everyone called me crazy. Now that craziness is universal. No one expects less than 20%. . . . The social picture is very serious, with 64.2% of the economically active population earning from zero to two minimum wages. . . .

"Add to this a deteriorated political situation, because the government is incapable of bringing about any kind of agreement. . . . No miracle plan can succeed without a solid base of support. . . . Political strategy forces us to reduce the mandate of a govern-

ment that refuses to come to an agreement. . . ."

A coup has only been avoided, concluded Senator Richa, "because . . . the military sector is today the most lucid and competent in Brazilian society, keeping itself within a totally legal framework."

The political collapse of President Sarney became irreversible at the point that he permitted a small palace guard, run by Ambassador Rubens Ricupero and Sarney's son-in-law Jorge Murad, to force the resignation of Finance Minister Dilson Funaro last April. With Funaro's departure, the way was cleared for reopening negotiations with the banks, and toward a deal with the hated IMF. Charged with that task was banker Fernão Bracher, chief debt negotiator and an enemy of the Brazilian moratorium.

Funaro's departure also meant that Brazilians lost confidence in their government, which was not elected, but had been put together on the basis of a pact between the two major parties, the PMDB and PFL. That pact, in turn, had been premised on the commitment to return Brazil to the path of democracy, based on policies of accelerated economic growth and rejection of IMF policies, which have been represented domestically by the despised former Planning Minister Delfim Neto. Already by May, the President had become increasingly isolated politically; that situation became irreversible at the point that Sarney surrendered to the banks in early November.

It was then that former minister

Funaro described the problem of the illegitimacy of the current regime. The agreement with the creditor banks, he said, "is deeply unsatisfactory to the fundamental interests of the country . . . and showed that the transition government has exhausted its negotiating capacity, thereby demonstrating its fragility. . . . How can the PMDB continue to support a government that is capable of making a deal that implies the premature lifting of the moratorium and a return to the tutelage of the IMF?"

The decision to reduce the Sarney government to a four-year term thus represented a definitive break with the government. That decision also triggered the start of the presidential election campaign.

Dilson Funaro, speaking Nov. 19 to hundreds of metalworkers clamoring for a Funaro presidency, declared that this critical moment in Brazil required unity around a single name, with the support necessary to put the nation back on the road to economic growth and democratic normalization. "Nothing is resolved by whether a person wants to be candidate or not; what is important is that whichever citizen merits credibility within such a movement of national unity cannot refuse that duty. . . . If this be my case, at the proper moment I will study whether or not I am able to accept such an obligation."

But as the elections of November 1988 approach, the problem that concerns every responsible political circle in the country is how to maintain at least a modicum of stability for the next 16 months, until the elected President takes office. The danger is that Sarney, committed to a recessive monetarist policy under the direction of banker Fernão Bracher and Finance Minister Bresser Pereira, could agree to sign a deal with the International Monetary Fund.

## The foreign ministry does it again

*Three Swedish defense spokesmen are denounced in a memo for naming the Soviets the enemy.*

In a Swedish foreign ministry memo leaked on Nov. 11, three prominent defense spokesmen are attacked as “renegades” and “lacking in judgment” because they had the gall to name Moscow the enemy and detail Soviet war preparations against Sweden. If exposing the Soviets is being a renegade, no wonder observers of politics in Stockholm are beginning to ask, “Whose side is the Swedish foreign ministry on?”

The three targets of the memo are Lt. Gen. Bengt Lehander, Col. Bo Hugemark, and the National Defense Research Institute (FOA) and its General Director Bo Rybeck. Authored by department counsel Katarina Brodin, a security policy specialist at the political department of the foreign ministry, the memo was addressed to the Prime Minister’s Office, Foreign Minister Sten Andersson, Undersecretary of State Pierre Schori, the defense ministry, the Commander in Chief and the Defense Staff, and several key Swedish embassies.

In a statement virtually endorsing the memo, Schori said, “Yes, of course I read the memo before it was sent out. We do not have the habit of sending out memos which I have not read.”

In the memo, Brodin is upset because Lt. General Lehander, the Commander of the Eastern Military District (including Stockholm), in a lecture at the Armed Forces Staff College, stated that it isn’t difficult to identify the anonymous “enemy” as the Soviet Union. Hugemark, the chief of the military history department of the Armed Forces Staff College, is ac-

cused of writing an article for the magazine *Vårt Försvar* (*Our Defense*), detailing the Soviet threat against Sweden. And Rybeck led a Sept. 28 FOA seminar, at which some “conservative” American guests presented their views of the Soviet threat to Sweden.

At the seminar, former Pentagon official Robert Komer, who served in the Carter administration, stated that there is, realistically, only one power which threatens Sweden and hypothetically could attack or invade it. He added that Sweden, in effect, is facing the same threat as NATO members Denmark and Norway.

Brodin complains that attending the seminar, where such terrible words were spoken, were representatives of mass media and the Swedish security political establishment, as well as members of the diplomatic corps, including from a number of East bloc embassies, but no official Swedish speaker. Brodin herself, however, was present, opposing Komer in the debate.

Attacking Colonel Hugemark, Brodin raved that “an active-duty Swedish officer finds it appropriate, and compatible with his role as a representative of the defense forces, to take pen in hand and publicly, and in great detail, discuss” how “the Soviet Union is going to wage war against Sweden to break the resistance—so fast ‘that NATO won’t be able to intervene on Sweden’s behalf.’ ”

Brodin asked: “What are we to believe about the cumulative effect of this kind of renegadism and lack of judgment? Could not the effect in the

end be the impression that Sweden is trying to sit on two chairs simultaneously, and that the Swedish policy of neutrality, when it comes down to it, is not so seriously meant?” Brodin asserted that a public discussion of various conflict scenarios could entail risks, if it prompts official spokesmen to speculate on the failure of the neutrality policy.

After the memo was leaked, an outcry erupted in favor of the officers. Colonel Hugemark said, “Renegadism is a term applicable in war, and means that a soldier is defecting to the enemy. Brodin is indicating that in some way, I am having a conspiracy with a foreign power. If said in the heat of a debate, I could have been indulgent toward such a statement. But when it occurs in a written foreign ministry memo which is distributed within the defense forces and the foreign ministry, it is serious and requires a clarification.” Hugemark added that “Brodin is trying to limit the freedom of speech.”

The Nov. 12 editorial of *Svenska Dagbladet*, the chief conservative daily, denounced the foreign ministry for trying to suppress public discussion of security policy. “It is possible that in the foreign ministry, one does not remember the article published in *Dagens Nyheter* in March of 1984, by *Izvestia* commentator Aleksandr Bovin. His chief message was precisely that the government must shut up the Swedish officers who are discussing submarine violations.”

Brodin, while sticking to her criticism, was forced to retract some of her provocative vocabulary, claiming she had not meant “renegadism” (Swedish: *överlöperi*), but “indiscretion” (*förlöperi*), hardly credible despite the collapse of literacy as a result of the Social Democratic education model.

## Soviet premier in town

*Ritual geopoliticking aside, the focus was on shoring up ailing Indo-Soviet trade.*

Soviet Prime Minister Nikolai Ryzhkov came to New Delhi on Nov. 20 for a five-day visit to inaugurate the year-long Soviet Festival in India. He arrived with his wife, Deputy Prime Minister V. Kamentsev, First Deputy Prime Minister (and former ambassador to India) Yuli Vorontsov, and a host of circus performers and Bolshoi artists, in a total 30-person delegation. But it was clear from the outset that Ryzhkov would also conduct some business.

On the day of Ryzhkov's departure, the Indira Gandhi Memorial Trust announced the award of the \$150,000 India Gandhi Prize for Peace, Disarmament, and Development to General Secretary Mikhail Gorbachov, "in recognition of his bold and imaginative proposals to initiate a positive process of nuclear disarmament and his vision of a non-violent world free of nuclear weapons."

Among the issues of foreign policy discussed, according to the *Patriot*, are the Indian initiatives on the Kampuchean issue; an understanding in principle between India and China to maintain peace on the border and upgrade bilateral talks to a political level; the progress of Sino-Soviet relations; the crisis in the Persian Gulf, and particularly the need for foreign naval forces to withdraw from West Asia, southern Africa, and the Indian Ocean region. Prime Minister Gandhi will also apprise the Soviets of the situation in Sri Lanka, where the Soviets have publicly voiced their disapproval of India's military intervention.

But aside from the obvious geopoliticking which all Soviet leaders

indulge in whenever they come to developing nations, Ryzhkov was interested in particular in boosting the troubled image of Indo-Soviet economic ties. A trained engineer before becoming a professional politician, Ryzhkov was involved in the Bhilai Steel Plant, a Soviet-built steel plant in India. He made it a point to visit Bhilai for a day during his trip.

Premier Ryzhkov and the delegation also signed three agreements—one on economic and technical cooperation, providing for a Soviet credit of about \$1 billion for an oil refinery and a thermal power station, another on new forms of economic cooperation, and the third on tourism. Ryzhkov also reiterated the Soviet willingness to provide India with a nuclear reactor.

But it was Indo-Soviet trade that was the center of attention. In spite of a flood of press on the "vibrant" bilateral trade, it is well known here that Indo-Soviet trade is in the doldrums. The Soviet Union has piled up a sizable deficit in its trade balance with India through the whole of the 1970s and 1980s. It is estimated that India's trade surplus easily exceeds \$1 billion, even though some \$400 million worth of ruble credits were used during this period. India has pressed for increased oil imports from time to time, and government officials have stated publicly that the trade must be restructured. Over the last year more than a dozen Soviet delegations have come to India and discussed the matter with their Indian counterparts.

Last April, former commerce minister and now head of the India-

U.S.S.R. Chamber of Commerce and Industry Manubhai Shah—who met with Premier Ryzhkov—said: "The government's capacity to import from Russia has peaked. The private sector must now buy from there if the two-way trade target of U.S.\$11 billion is to be achieved by 1992. At present, while private companies account for 85% of India's exports to the U.S.S.R., their share of imports is a mere 15%."

It is difficult to visualize how the \$11 billion target can be met. Indian businessmen have reservations about Soviet technology. But an even larger problem is the lack of credit. No Indian businessman would be willing to trade with the Soviets unless a substantial line of credit were made available.

The new Soviet tack is joint ventures with the Indian business houses, and Ryzhkov met with one of the top Indian capitalist families, the Birlas, to this purpose. The Soviets have signed up with Asian Vehicles Industries Ltd. to make two models of Lada cars. Computronics India, a leading importer of computers from the U.S.S.R., is negotiating for the manufacture of personal and minicomputers.

It has also been mentioned that Indian companies would collaborate with Soviet enterprises in four hotel projects in Samarkhand, Bukhara, and Tashkent.

At the hour-long press conference on the day of his departure, however, Ryzhkov faced some difficult questions. When a journalist asked: "Was the present trend," *glasnost* and *perestroika*, "in the Soviet Union not the same thing as the 'socialism with a human face' advocated by Czechoslovakia's Mr. Dubcek?" Ryzhkov quickly answered: There is no parallel between the two.

# International Intelligence

## ***West Germany shifts its policy on AIDS***

West German Health Minister Rita "Let Them Use Condoms" Süßmuth has been forced to cut the pro-condom propaganda out of her ministry's "anti-AIDS education spots," which are regularly shown before feature films in movie theaters. The shift is an indication of growing pressure from around the country, for a serious AIDS-prevention policy.

"We cut this part, because the failure rate of condoms is about 7%," the Federal Office for Health Education explained.

In the state of Bavaria, where anti-AIDS programs are the most advanced, Peter Gauweiler of the state interior ministry announced at a congress in Mannheim that existing measures should be complemented by mass screenings, obligatory registration with full address, and testing of all hospital patients. Bavaria has only begun its fight against AIDS, he said; it will not make the same mistakes as other "responsible persons in West Germany." Gauweiler insisted on the possibility of transmission routes other than sex and needles—e.g., the skin.

In Frankfurt, Mayor Wolfram Brück has announced that AIDS-infected prostitutes who refuse to stop plying their trade, will be put into quarantine. At least 12 such prostitutes—10 women and 2 men, all drug addicts—are known to health officials, and have refused help.

## ***Bolivia is transshipment point for guns to Peru***

Former Bolivian Interior Minister Fernando Barthelemy charged that his country is being used as a bridge for weapons contraband into Peru, destined for the Shining Path terrorists, Reuter reported Nov. 22.

Barthelemy's charge came after the discovery of a sophisticated arms cache valued at \$1.5 million. The weapons arsenal contained 260 modern rifles of different cali-

bers, 16 pistols, rifles with infrared scopes, missile launchers, land mines, and other Chinese-made weapons. The shipment was found in the city of Santa Cruz.

Bolivia has long served as a base of operations for the drug traffickers and their cohorts from the Nazi International, like Klaus Barbie, who was extradited from Bolivia to stand trial in France in 1983. Under pressure from the International Monetary Fund, Bolivia's economy has come to rely on cocaine as its main cash crop.

## ***Warsaw Pact defense chiefs meet in Romania***

The Warsaw Pact defense ministers' meeting in Bucharest, Romania ended on Nov. 26, after an unusually long three-day session. Soviet experts believe that the main item on the agenda was East bloc internal security, beginning with the crisis in Romania, where bloody riots have broken out against the Communist regime.

The meeting and the Nov. 23 bilateral talks between Soviet Defense Minister Dmitri Yazov and his Romanian counterpart Vasile Milea, were held in the absence of Romanian leader Nicolai Ceaucescu, who departed the same day for a state visit to Egypt. Such an absence itself during a meeting of this importance is unprecedented.

The meeting was called two days after the Nov. 15 riots in Brasov, where 100-500 civilians were killed by special units of the interior ministry and Army. A state of emergency was declared in Brasov, with Army troops and tanks patrolling the streets. The death toll was the highest in the East bloc since the 1956 Hungarian uprising.

The Warsaw Pact defense ministers issued a communiqué which announced their "unanimous support" for the INF treaty and the spectrum of Soviet "peace" initiatives.

As the ministers were meeting, a bloody crackdown was imposed against any sort of opposition. In Poland, police broke up the first press conference of the "Polish Socialist Party," arresting its leader, and

sending the Western correspondents away, while a demonstration in Wroclaw was broken up and 16 arrested. On Nov. 25, in East Berlin, the security police moved to shut down a Green and peacenik operation of the East German Protestant Church which had long been tolerated. In Bulgaria, the leadership of the state-run television network was dumped, for having gone "too far" with *glasnost* (openness) in publicizing negative reports about the economy.

## ***Christian Dems blast deal with Hamburg terrorists***

Leading members of West Germany's Christian Democratic parties are speaking out against the capitulation by the government of the city of Hamburg to demands of the "Green" terrorists and anarchists who have taken over the Hafenstrasse district and declared it off-limits to the authority of the State.

At a convention of the Christian Social Union (CSU), a Bavarian party that is part of the ruling coalition in Bonn, federal Interior Minister Friedrich Zimmermann on Nov. 20 called it "intolerable to allow black-dressed gangs of 2-3,000 persons to rule our streets." He predicted that, "provided with a State-guaranteed home-base," the Hafenstrasse anarchists would soon launch "new violence and murder." Zimmermann castigated the liberal Free Democrats, who refuse to back police demands for tougher anti-terror action and better anti-riot equipment.

Addressing the convention the following day, CSU party chairman Franz Josef Strauss attacked the Hafenstrasse deal as "a threat to the stability of this society," as it involves "recognition of openly terroristic elements as contractual partners by the State."

In Hamburg itself, the Christian Democratic Union (CDU) caucus is furious about the deal, which Social Democratic Mayor Klaus von Dohnanyi agreed to following the intervention of West German President Richard von Weizsäcker, a Christian Dem-

ocrat. The Hamburg Christian Democrats are considering legal action against Dohnanyi. But since the CDU's national executive is backing von Weizsäcker, pressure is high on the Hamburg CDU to drop their revolt.

### **Thatcher looks to Europe's defense after INF treaty**

British Prime Minister Margaret Thatcher, in an interview published in the *Financial Times* of London on Nov. 23, discussed the need for redoubled defense efforts, in the aftermath of the treaty to remove intermediate-range nuclear forces (INF) from Europe.

After any prospective agreement on INF and START, she said, "there must be no further nuclear weaponry taken out of Europe before we get the Soviet Union much nearer to us on conventional weapons and before we see whether we in fact get a verification system and the Soviets agreeing to eradicate their chemical weapons because we have eradicated ours."

Further, there can be no U.S. withdrawal from Europe: "The frontier across Germany is the frontier of freedom for the U.S. as well as for Europe."

French-German military cooperation is a good thing, Thatcher said, as long as "there do not grow up substructures in Europe which could have unwittingly, unintentionally, the effect of undermining the links across the Atlantic Alliance. . . . I think it is important that those arrangements do not take on wholly a bigger life of their own."

### **Brazil will build its own nuclear submarine**

Brazil has the technology required to build a nuclear submarine, Navy Minister Adm. Enrique Saboia announced on Nov. 19. "Those who doubt this will be surprised. And those who think we are building a nuclear bomb are fooling themselves."

He said all technological obstacles to building a nuclear submarine have been overcome. "We are going to rapidly acquire the nuclear submarine. We are doing this because our country is big and has tremendous interests in the sea. The nuclear submarine is a condition *sine qua non* for us to have a Navy adequate to Brazil's interests in the sea."

According to reports in the Brazilian press, when the U.S. State Department discovered that Japan's Toshiba company was about to transfer special nylon technology to Brazil, it intervened to prevent it, forcing the Navy's research institute to develop its own technology for ultra-silent nylon linkages for the submarine's transmission box.

### **Euthanasia lobby claims gains in France**

Henri Caillavet, honorary chairman of the Association for the Prevention of Handicapped Children and chairman of the French Society for the Right to Die With Dignity, hailed the results of a recent national poll which purported to show that 85% of Frenchmen approve of euthanasia in some form.

Caillavet's group advocates such Nazi-modeled measures as infanticide for children born handicapped.

Calling the poll results "better than expected," he had this to say in a private discussion: "Economic reality is an important factor in helping euthanasia. It costs 2,500 francs per day to keep a cancer patient alive. This is too much! For this reason, euthanasia is now a fact in France. It is what could be called administrative euthanasia. For example, if you do not give a dialysis to someone who needs it, to save costs, that is already euthanasia. . . ."

"We found, to our satisfaction, that a majority of Catholics, especially practicing Catholics, were in favor. So, we expect no problem from the conservatives in France. Euthanasia will especially receive support in France, because the religious aspect of life has been almost destroyed."

## Briefly

● **'TECHNOLOGICAL** progress will enable us to produce food for a growing world population," was the title of the address given to the Food and Agriculture Organization by Pope John Paul II on Nov. 13. He linked this question to the problem of external indebtedness of developing-sector countries.

● **PRAVDA** put out a new line on the assassination of Swedish Prime Minister Olof Palme. In its Nov. 17 issue, the newspaper drops the standard Soviet charge that Lyndon LaRouche's Swedish associates masterminded the assassination on behalf of the CIA, and instead writes of LaRouche's associates from the European Labor Party in Sweden: "There is no direct evidence of their involvement." Just hours after Palme's assassination on Feb. 28, 1986, Soviet operatives began a massive propaganda effort to blame LaRouche.

● **SOVIET TADZHIKISTAN** has passed a decree "establishing criminal responsibility for AIDS infection." Anyone found guilty of infecting another person with AIDS is liable for eight years' imprisonment.

● **WORLD COUNCIL** of Churches theologians met with Russian Orthodox Patriarch Archbishop Cirillo from Smolensk in Porto Alegre, Brazil, on Nov. 14. Brazilian Lutheran Church spokesman Silvio Schneider said that the WCC expressed its concerns about peace, nuclear disarmament, and social and economic inequalities.

● **KARSTEN VOIGT**, defense expert of the West German Social Democratic Party (SPD), addressed a meeting of the East German Socialist Unity Party (SED) in East Berlin on Nov. 23. This was the first time ever that a politician from West Germany has spoken at the SED cadre college. Voigt discussed disarmament, nuclear-free zones in Europe, and cooperation between the SED and SPD.

# Reagan coalition's collapse is key to stopping INF

by Webster G. Tarpley

Preparations are now being completed for the Dec. 7 arrival of Russian party boss Mikhail Gorbachov in Washington for a summit parley with President Reagan during which the infamous treaty on intermediate-range nuclear forces (INF) is to be signed. In times as unstable as these, it cannot be ruled out that even at this late hour some unpredictable event might intervene to abort this looming replay of the 1938 Munich sell-out. The Soviets might, for example, attempt to attach new and outrageous demands to the summit at the last moment, in conformity with their classic strategy in negotiations. These might conceivably be too much for even the prostrate Reagan administration. Or, a U-2 incident of some sort, certainly an act of Divine Providence, might occur to prevent the summit of abominations from happening.

In the absence of these eventualities, we will be obliged to turn our attention to preventing the ratification of the INF treaty in the Senate, a task which is imperative on its own merits as well as necessary to block the negotiation of further appeasement treaties in the realm of strategic missiles and the Strategic Defense Initiative. Stopping the INF in the Senate is a debt of honor to the patriotic forces of the European allies who fought for the deployment of Pershing II and cruise missiles after 1979. It is also a fight which can be won, provided that it be waged together with the 1988 presidential campaign of Democrat Lyndon H. LaRouche, the only candidate for the White House who is pledged to tear up the INF treaty if he is elected.

Even the leading appeasers of the Senate concede that the INF treaty faces a very difficult ratification fight. Sen. Alan Cranston (D-Calif.) concedes that 22 or 23 conservative senators of both parties are likely to oppose the treaty. "Unfortunately, we cannot assume the Senate will ratify," said Cranston, who is the Senate Democratic Whip and thus chief vote-counter. "I don't believe that one-third plus one (34 votes) would take it on, but it could be defeated by loving it to death with efforts to improve it and make it acceptable."

Sen. Ted Stevens (R-Alaska) stated: "I believe in the treaty, but I hear thunder on the left and thunder on the right. This treaty is going to be very difficult to ratify." Patrick Buchanan, writing in the *Washington Times*, predicts a war within the GOP over the INF and other arms control deals. The senators most likely to vote against the INF are centered on a group of conservative Republicans including Helms, Wallop, McClure, Symms, Humphrey, and others. The likely supporters are liberal Democrats and Republicans.

The INF treaty fight, in short, completes the shattering of the President's base of support among ideological Reagan-aunts, who are now turning against the President on many issues. The corollary of this is that Reagan's pathetic bid for the Nobel Peace Prize, and, more importantly, George Bush's grab for the White House, depend on liberal Democratic votes in the Senate—a risky gamble to say the least, especially in the bitterly partisan atmosphere now obtaining in relations between the White House and the Congress.

Each recent step in the disintegration of the President's political personality has alienated more and more of his old guard of backers. After Robert Bork and Douglas Ginsburg, the President offered Anthony Kennedy for the Supreme Court, much to the displeasure of Jesse Helms, who as ranking Republican on the Senate Foreign Affairs Committee is in a key position for blocking the INF treaty. On the budget, many right-wing Republican senators are seething with discontent about Reagan's acceptance of new taxes, for them an ideological taboo. When the Inouye-Hamilton committee issued its report on the Iran-Contra hearings, accusing Reagan of indifference to the laws, the Republican congressmen split over the report, with Senators Warren Rudman, Paul Trible, and William Cohen joining the Democrats in censuring the White House.

Similarly, when Gorbachov attempted to extort an invitation to address a joint session of the House and Senate, the White House was quick to pander, but a group of over 75



House conservative Republicans was able to blackball the man with the mark of the beast.

The departure of Caspar Weinberger from the Pentagon must be ascribed to the former defense secretary's disgust for Reagan's capitulation to further cuts in the defense budget, against which he has continued to snipe in a low-key way, as well as opposition to the way the INF treaty and the summit are being handled. At his last NATO ministerial meeting, Weinberger had demanded that the stationing of over 200 cruise missiles be continued up to the moment that the INF treaty were ratified by the Senate. Now Secretary of State George Shultz, with the help of Genscher, Howe, Andreotti, and the rest, has halted deployment, arguing that this saves money.

Weinberger's successor, Frank Carlucci, lacks all of Weinberger's commitment to principle. Carlucci has already forced out the acting Assistant Secretary of Defense for International Security Policy, Frank Gaffney, whom he saw as insufficiently "pragmatic," and replaced him with Ronald Lehman, whose appeasement credentials include a stint with Max Kampelman's Geneva negotiating team, which produced the INF treaty itself. Carlucci may next dump Deputy Secretary of Defense William H. Taft IV, who had been rumored as Weinberger's personal choice to take over the Pentagon. In addition, Venetian operative John Negroponte is now likely to enter the National Security Council as deputy to Gen. Colin Powell.

### **'The courage of cowards'**

The new team are all taking to heart the observations of Lord Cadogan of the British Foreign Office at Munich, when he noted that sometimes it is necessary to have "the courage to be a coward."

The national security bureaucracy has thus gotten the message that further reports on Soviet violations of existing arms control treaties could lead to the firing of the reporters. By law, Reagan is required to report to the Congress by Dec. 1 about Soviet violations of SALT II and the Threshold Nuclear Test Ban treaty. In an act of open illegality, that report will not be forthcoming, and the President's press spokesman openly ridiculed the idea that the administration might try to meet this deadline. The same goes for the five-year review the administration is required by law to provide the Congress on the observance of the ABM Treaty.

Columnists Evans and Novak, writing on Nov. 27, predict that Senators McClure (who is supporting Bush), Wallop, Wilson, and Quayle may be inclined to let the INF go by without a fight in order to save their ammunition for START and SDI sell-outs now on the drawing board. A fatuous argument indeed: INF, START, SDI, and a series of regional agreements tantamount to a monstrous New Yalta giving the Soviets uncontested world domination, are seen in the Kremlin as one indissoluble package. The only effective way to fight this New Yalta is by stopping INF before it can be ratified, since the Soviets will be unwilling and unable to

negotiate new treaties while the INF treaty remains unratified and bottled up in the Senate. If, by contrast, the INF should be ratified, then nothing could stop the signing of a START-SDI treaty at yet another Reagan-Gorbachov summit, with the concomitant disastrous strategic effects. The fight is here and now.

The best way to stop INF is to kill it outright with 34 votes in the Senate, enough to prevent a two-thirds vote for ratification. Even short of that total, the treaty can be mortally wounded through various parliamentary tactics. One is the attaching of so-called "killer amendments." Sen. Malcolm Wallop (R-Wyo.) has talked about an amendment specifying that none of the INF terms be binding until the Soviets fulfill the terms of earlier arms control treaties, which they will not do. Other killer amendments could demand Soviet withdrawals from Afghanistan, Angola, Ethiopia, or Nicaragua as the price of making the treaty operative. The Soviets will accept none of these. An excellent idea for a killer amendment would be to require Soviet repudiation of the 1939 Hitler-Stalin Pact.

Delay of ratification could be fatal to INF. Sen. Claiborne Pell (R-R.I.), chairman of the Foreign Relations Committee, has announced hearings in January and wants a floor vote in February. Serious opposition could delay that until the end of the summer. In the meantime the treaty would be, as the *Washington Post* put it, "vulnerable to international developments," that is to say to new Soviet atrocities, in the same way that SALT II was given the *coup de grace* by the Soviet invasion of Afghanistan.

Then there is the wild card known as the Dole factor. In the recent debate of the Republican presidential candidates, Jack Kemp, Pete du Pont, Al Haig, and Pat Robertson all came out against the INF treaty. None of them has much clout in the Senate. But Bob Dole has reserved judgment on the treaty until he has seen the text, and has assailed Bush for praising the treaty even before vital verification provisions had been completed. If Dole is an intelligent demagogue, he will conclude that opposition to the INF, or a killer amendment at the very least, will help him more in the fight for the GOP presidential nomination than weakly seconding Bush, who has made the INF the touchstone of peace in our time. Dole's endorsers in the Senate include Kassebaum, Nickles, Pressler, Tribble, Stafford, Symms, Domenici, Grassley, and Rudman, several of whom could thus be drawn into the anti-INF camp.

If the INF goes through, San Diego, California and Magma, Utah will get a first taste of the nightmare world of the TV series "Amerika" as Soviet military spy teams barge into defense plants and other premises for "inspections." Rep. Bill Lowery, Republican of San Diego, has commented that "the visits are going to be very hard to stomach." Senators Wilson, Hatch, and Garn will please take note. Nobody in these states will accuse Shultz of not being "fulsome enough about the inspection regime," as the malaprop Shultz said in Geneva. That regime is very fulsome indeed.

# U.S. press seeks hit on Panama's leader

by D.E. Pettingell

The *New York Times* is using fake revelations in the Nov. 18 Iran-Contra congressional report to cover for an assassination operation against Gen. Manuel A. Noriega, the commander of Panama's Defense Forces. The "secret government" in the United States has failed to depose Noriega, despite its campaign of harassment, media attacks, and economic warfare against Panama.

"Panama's military leader offered to undertake sabotage and possibly assassinations in Nicaragua for the Reagan administration," claimed the *New York Times* Nov. 19, citing unidentified "congressional sources," who, the *Times* says, name Noriega as the "third party" mentioned in the final Iran-Contra congressional report. The report is based on testimony by Project Democracy asset Lt. Col. Oliver North during his closed-door testimony last summer. A Panamanian military officer close to Noriega told the *Miami Herald* Nov. 19 that he had "never made such an offer" to North "or anyone else in the U.S. government." In fact, he said, when National Security Adviser Adm. John Poindexter was in Panama in December 1985, Noriega rebuffed his attempts to "force" support for the Contras.

By saying that Noriega "offered" to kill Sandinista leaders, the *New York Times* is preparing a cover for a hit on Noriega by his Panamanian opposition. It is no secret that the National Civic Crusade of Panama, Inc., the public relations title of the Panamanian oligarchic opposition, is frustrated after six months of failure to gain popular support inside Panama against Noriega. Equally frustrated is the Crusade's U.S. sponsor, the secret government exposed in the Iran-Contra scandal. "Although violence is not our goal," said the Crusade's Washington coordinator Roberto Brenes, "nothing can guarantee that things can't get out of control."

An attempt on Noriega's life would be logically laid at the door of the Crusade. Now, with the *New York Times* black propaganda, others could be blamed: perhaps the Sandinista regime, perhaps the narco-mafia. In fact, were the mafia to kill Noriega, they would be doing it on behalf of—perhaps, even paid by—the opposition they are politically and financially allied with.

The same week, retired Gen. Rubén Darío Paredes, Noriega's predecessor and arch-enemy, chose the pages of the *New York Times* to call for Noriega's resignation, charging Noriega had turned a blind eye to the Medellín Cartel cocaine traffickers. Noriega, he suggested, should go into exile to

"avert a violent outcome." But Paredes, contradicting himself, explained, Noriega "has not directed the wrongdoing." Rather, he has been "mentally deformed and distorted" by "unlimited exercise of power." Paredes even denied allegations that Noriega is a drug trafficker: "I would say that he is not directly involved in drug trafficking."

Last year *EIR* documented in a Special Report on Panama, "Who Is Out to Destabilize the U.S. Ally and Why?" Paredes's relationship to Henry Kissinger and the Medellín Cartel's Ochoa clan, from whom Paredes took bribes to help use Panama as a cocaine-processing center. The scheme was wrecked by Noriega, who also lifted Panama's bank secrecy in order to nail a major drug ring.

*EIR* also exposed the fact that Noriega became the subject of the secret government's vendetta because he refused to support the drug-running Contras. Instead, Noriega has proposed that Central America's armed forces militarily back the Contadora Group's peace efforts.

## 'Parallel government' in action

Since the eruption of the Iran-Contra scandal in October 1986, Project Democracy's hatred of Noriega has become a full-fledged assault to overthrow Panama's constitutional government, weaken its armed forces, and abrogate the U.S.-Panama Canal Treaties. From the White House to Congress, all sectors of Washington's political spectrum have joined to destroy this longstanding U.S. ally. "When you see myself and Senator Helms taking the same side on an issue, you have nothing to worry about," Sen. Edward Kennedy (D-Mass.) reportedly told the Crusade.

On Nov. 19, the Senate Foreign Relations Committee voted 19-0 on a bill, S. 1614, to cut all U.S. aid to Panama, unless a "non-military transitional government" more pleasing to the United States comes to power. Sponsored by Alfonso D'Amato (R-N.Y.) and supported by Jesse Helms (R-N.C.), Kennedy, and Alan Cranston (D-Calif.), the bill is a dangerous step toward legalizing the policies of the "parallel government" that ran the Iran-Contra operations. The White House has imposed a suspension of aid to Panama since July.

Two amendments were included in S. 1614, on its way to the Senate floor where early action is expected: one for an embargo of all sugar imports from Panama, and the other by Helms, to allow the CIA to continue in Panama, but dealing exclusively with "private citizens," i.e., the "democratic opposition." This happened while Noriega was in Argentina at a yearly conference of American army heads. In statements to Spain's EFE news agency, Noriega called for the opposition to "respect the 1989 election timetable," instead of being used by the U.S. confrontationists. Noriega told the Reagan administration to "get its hands out of our domestic affairs." Regarding the accusations against him in the U.S. media, Noriega said they were "part of the dirty war" and that the media were using "psychological methods to break the Panamanian people's nationalistic and anti-colonialist will."

# Irangate's legal brain: fish that got away

by Herbert Quinde

The simple fact that the overwhelming majority of Americans still think of Ollie North and Fawn Hall instead of Prof. John Norton Moore when they hear the term "Irangate," is singular proof that the congressional probe of the scandal was a blatant cover-up of Project Democracy, the codename for what has been called the "secret government."

Buried in the appendices of the 690-page congressional report is a letter to the joint committee by Professor Moore, the chief legal brain behind Project Democracy's "methods and procedures." The letter states in part, "During the course of the Iran-Contra hearings Lieutenant Colonel Oliver North apparently inadvertently created the impression that I provided him with legal advice concerning the constitutionality and scope of the so-called 'Boland Amendment' that has been at the center of the hearings. . . . Since I had not provided any such legal advice, I immediately called his counsel and sent a letter to correct this apparent misinterpretation."

Colonel North may not be the brightest man in the world, allowing himself to be scapegoated. But when he testified that Professor Moore advised him that he was not breaking the law in arming the Contras with weapons bought in East Germany, he was telling the truth.

If Congress had wanted to get to the heart of what Sen. David Boren (D-Okla.) labeled the "secret parallel government," Moore would have been put on the hot seat. Moore was the single most important figure in articulating the juridical rationale behind the crimes of the Iran-Contra fiasco.

Although Congress let this "big fish" get away, it is not certain that Moore will be as fortunate with the criminal investigation of Independent Counsel Lawrence Walsh. The independent counsel's prosecutorial strategy is to treat the affair, correctly, as a broad conspiracy.

Was Professor Moore, as chief national security law consultant to the President's Intelligence Oversight Board (IOB), perhaps the author of the "legal findings" that justified Project Democracy's private covert war? After Colonel North fingered him, Professor Moore wrote to North's attorney, admitting that, "It would not be inaccurate for Colonel North, or any other individual, to note that on numerous occasions, including in my recent book, *The Secret War in Central America*, I have publicly expressed my conviction that United

States assistance to the Contras is consistent with the norms of international law as reflected in the United Nations and Organization of American States charters."

## Following the KGB's logic

The tenor of Professor Moore's insight into national security law, widely published in newspaper commentaries and law journals, is permeated by the jesuitical logic that justified selling arms to the terrorist regime of Ayatollah Khomeini and using the profits to buy weapons from East bloc countries. Project Democracy operatives argued that, since the Russians don't believe in the republican principles embedded in our Constitution, our foreign policy must be informed by KGB tactics. They play dirty, so must we, was the logic.

Yet, according to Congress, the debacle was not attributable to flaws in the policy and in the laws, as exhibited by Executive Order 12333. Instead, Congress reached the conclusion that it was the transgressions or errors of individual men that led to the Iran-Contra fiasco. But the one person who was the most outspoken advocate of Project Democracy's operations under EO 12333, John Norton Moore (reputedly its author, but certainly the man who certified its legality) was never asked to testify by the congressional committee. EO 12333 cleared the way for the network of private intelligence profiteers associated with former deputy director of CIA Theodore Shackley to create Project Democracy.

Professor Moore has long been an insider in the planning sessions marking every phase of the Reagan administration's plunge into the Iran-Contra debacle:

- On March 4-5, 1983, Moore attended the "Special Operations in U.S. Strategy" conference sponsored by the National Strategy Information Center and Georgetown University. Among the participants were Shackley and Colonel North. The conference prepared the blueprint for "privatizing the Reagan Doctrine." Professor Moore and Douglas Blaufarb, a former CIA official, apparently urged that a "new bureaucratic nerve center," housed at the NSC, be constituted to overcome the infighting that had up until that point stalled an effective counterinsurgency mission in Central America.

- In December 1980, he attended a planning session of the Consortium for the Study of Intelligence (CSI), directed by NSC consultant Roy Godson, where Shackley presented his formula for U.S. covert involvement in Central America. CSI was the informal gathering point for the "neo-conservative" and social democratic cabal, associated with the intelligence community, that took over the Reagan administration.

- Besides his responsibilities as a professor of law at the University of Virginia, Professor Moore is chairman of the U.S. Institute for Peace and a member of the New York Council on Foreign Relations. He has served in a number of State Department and NSC posts dating back to 1972, when he served Secretary of State Henry Kissinger as State Department counselor on international law.

# Is JDL tied to black market baby rings?

by Ira Liebowitz

On Nov. 2, neighbors summoned New York police in Greenwich Village to investigate child abuse at the 14 W. 10th Street home of Joel Steinberg, a former New York City Child Welfare Agency lawyer involved in a "black market" adoptions racket with Dr. Michael Warren Bergman of the Beekman-Downtown Hospital in Greenwich Village. Prices reportedly ran as high as \$50,000 per child. Previously investigated for child abuse by Child Welfare, this time Steinberg had allegedly beaten to death his six-year-old "unregistered adopted" daughter, Lisa.

Investigations spun off the case have drawn attention to the widespread practice of "private black market adoptions" in the New York area—operations often undocumented with state authorities and therefore illegal. As a result, light is being shed on the little known interface between the Jewish Defense League (JDL) and several proselytizing Hassidic Jewish sects.

Now under scrutiny by two state agencies are several cases involving a network of foster care homes run by religious communities and called Ohel, which is headquartered in the JDL-stronghold Brooklyn neighborhoods of Crown Heights and Boro Park. It runs a large network of foster care homes in the United States and Israel.

It is hypothesized by some that Ohel, or a network working in it, may be running "private adoptions" for up to \$30,000 for children placed in its care, and other questionable activities. Fees are believed to be paid in the form of "donations" to Ohel and some of the Hassidic and Orthodox Jewish communities that run it. In addition it is said that the JDL works within a private ambulance agency, Hotzolah, which contracts for Ohel. It is also suspected that the Ohel-connected Brooklyn Society for the Prevention of Cruelty to Children (BSPCC), directed by Ann Bindman, may be used to facilitate acquisition of weapons permits for JDL members.

JDL ties to Ohel also came to light in August 1986 when Brooklyn District Attorney Elizabeth Holtzman prosecuted a woman named Marlene Wagshall for shooting her JDL husband, Joshua. It is said he and his family were also involved in Ohel.

Steinberg and his common-law wife, Hedda Nussbaum, were indicted for murder by a grand jury convened by Manhattan District Attorney Robert Morgenthau following the

Nov. 5 death of daughter Lisa. The case has triggered press and popular outcry for a return to normal forms of family life, even in New York City.

Stories of children lost to Ohel were aired on Fox TV by Dr. Amy Neustein, the daughter of an Orthodox Rabbi in Brooklyn, and in the *New York Post* by Mrs. Marlene Hazan. They are part of a group of Jewish mothers who are battling ultra-Orthodox groups and Hassidic sects that run the foster agency. Dr. Neustein's daughter was taken from her by BSPCC and placed in Ohel's Boro Park home in 1986, after she divorced her mentally aberrant husband, a JDL member named Azeal Gutterman. This case involved Brooklyn Family Court Judge Jeffrey Gallet, an Orthodox psychiatrist with BSPCC named Isador Schmuckler, and BSPCC's lawyer, Harvey Jacobs.

Gallet, who was replaced in Brooklyn by Judge Leon Deutch, is now the judge in Manhattan Family Court who is handling the custody case of Joel Steinberg's second black-market child, Mitchell. Oddly, Gallet at first placed this boy with Ohel after Lisa was murdered, despite the fact that Nicole Smigiel, the boy's natural mother (who was later awarded custody), is a Catholic.

Dr. Neustein believes Ohel and the BSPCC are close to awarding custody of her six-year-old daughter Sherry to her JDL ex-husband, although it is on court record that he sexually molested the child in 1986, and has continued to do so since the girl was placed in Ohel foster care. Gutterman is a medical doctor who was a JDL member active in the Baltimore area as of 1980, when he lived in the Lubovitchers' "Chabad House" in Richmond, Virginia. Reportedly he changed his name to Azzie Orbach after an incident in Richmond in which he suddenly killed a dog and began to believe that he was Gen. George Patton and other people.

## Jewish mothers against Ohel

Neustein and the other mothers believe that the rationale of the Orthodox and Hassidic Jews, and the Family Courts and psychiatrists working with them, is that a divorced or single Jewish mother must lose her children to adoption because she is ipso facto unfit to raise a child, according to their understanding of Jewish law. It is suspected that unregistered and kidnaped children may be taken out of the country, to be raised in Hassidic centers in Israel, centered on the Ohel Chava House in Jerusalem.

These charges are reminiscent of a case that agitated Israel in 1963, when Prime Minister David Ben Gurion personally oversaw a Mossad hunt for a child named Jossele Schumacher, who had been kidnaped from Jewish parents and taken to France by members of the Neturi Karta Hassidic sect.

Led by Rebbe Menachem Schneerson and Rebbe Butman, the Lubovitchers run a worldwide proselytizing campaign in connection with Chabad Houses, and are known to work closely with the violent Rabbi Meir Kahane and his JDL and Kach Party in Israel and the United States.

## The contrast between 'Cap' and Carlucci

Within an hour of each other, former Secretary of Defense Caspar Weinberger and his replacement, Frank Carlucci, spoke here Nov. 24.

Weinberger was making his first public address as a private citizen after seven years as the Pentagon chief. Carlucci was making his first public appearance in his new job, holding a press conference in the Pentagon press briefing room.

The contrast of the two men was a stark one, and does not bode well for the future security of the United States. Especially on the crucial issue of the Strategic Defense Initiative (SDI), but also in terms of overall leadership qualities, there really is no comparison between the two.

It is no secret that Weinberger wanted his next-in-command, Assistant Secretary of Defense Will Taft, to replace him. But as with most critical decisions President Reagan has made lately, he ignored Cap's recommendation, and went with a man that more fits the diplomatic mode than the head of the armed forces.

Weinberger has also not put up any great protest to the continued reports that he quit out of anger and frustration over the direction Reagan is headed in arms control with the Soviets, as well as the President's willingness to subject the defense budget to savage cuts for the sake of a cosmetic "deficit reduction" fix.

In his remarks to the Global Strategy Council Nov. 24, Weinberger lashed out at the Anti-Ballistic Missile (ABM) treaty of 1972, saying that it is "seriously flawed" because it was based on assumptions which no longer apply. This was a direct criticism of the administration's "deal" with Con-

gress not only to comply with the treaty, but to restrict SDI testing to a "narrow interpretation" of the treaty, which prohibits testing in space.

In answer to a question from this reporter on that "deal," Weinberger stated adamantly that "the only limitations on the development and deployment of the SDI are ones that we place on ourselves." He said SDI could begin phased deployment by 1994, but that the deep cut in the 1988 budget (from \$5.8 billion to \$3.9 billion) seriously jeopardizes that timetable.

Weinberger's strongest criticism came when he was asked to comment on the view that, with him now gone, the President is the only SDI supporter left in the entire administration. Weinberger said, "It's true, the President has never wavered. But there are many others who feel equally strong about it, such as the people in the SDI program."

Weinberger's silence on other Cabinet officials, was more eloquent than words.

## Carlucci: Leave SDI up to Congress

At his press conference, Carlucci went out of his way to insist that he was just as committed to the SDI as Weinberger ever was, but gave a contrary impression when he explained his idea of how to work with the new limitations placed on the program by the "deal" with Congress to restrict SDI to the "narrow interpretation" of the ABM treaty.

Rather than challenge the "narrow interpretation" as simply wrong—which is what Weinberger did, in addition to questioning the treaty itself—Carlucci said that working within the confines of a "narrow interpretation" will not restrict the SDI program's development.

"I have found that there is a good degree of support for the SDI in the Congress," Carlucci said. "The SDI received a fair hearing in the budget process" (even though its budget was slashed by 33% this year).

Carlucci told the press that "when the time comes for a test that will go beyond the 'narrow interpretation' of the ABM treaty, we can then demonstrate to the Congress that such a test is needed. We can show that it is conceptually sound and well managed. From that point of view, we can argue for it on national security grounds, rather than legalistic grounds of how the treaty should be interpreted." Using this approach, he said, "I think there is a reasonable chance of getting good support in Congress."

But what if there isn't? What has happened to the President's role as commander in chief? Without even challenging the bogus "narrow interpretation" of the ABM treaty, Carlucci's approach is to concede it and hope that Congress will vote for every test that might breach it.

Carlucci was miffed when this reporter asked him whether his "new style" of being willing to take the fiscal constraints of Congress into account in preparing a defense budget was compatible with assuring that the nation's security needs are met.

He said, "I will defend a budget just like Weinberger did. But once it is clear Congress is going to cut it, I will work quietly with them on priorities."

By saying that out front, he has assured not only a free-for-all on future defense cuts, but automatic demoralization throughout the ranks. Morale, one of the most important components of an effective military, was perhaps the most important contribution that Weinberger made. His determination in the heat of budget fights had a lot to do with that.

## Cranston introduces 'vote early, vote often' bill

California's ultraliberal Sen. Alan Cranston has introduced a bill that would undoubtedly increase the incidence of fraud that has plagued U.S. elections for years.

Entitled the Universal Voter Registration Act of 1987, the measure, introduced Nov. 20, would permit same-day voter registration, as well as mail-in registration for federal elections.

The legislation could well be called the Walter Mondale Memorial Act. Just prior to Election Day, 1976, Mondale, then running for vice president on the ticket headed by Jimmy Carter, enjoined supporters to "vote early and vote often," an injunction that was apparently taken to heart, given the massive, documented fraud which put him and Carter in the White House. Once elected, Mondale vigorously supported legislation to establish universal same-day registration, but Congress had the good sense not to enact it—at least at that time.

Cranston has mustered a gamut of illogical arguments to justify his proposal. For example, he claims that the pitifully low voter turnout in most American elections, can be attributed to various obstacles to registration.

But this simply is not true: For one thing, both parties—and a host of other interest groups—run periodic voter-registration drives; in addition, 23 states already have registration by mail.

The real reason Americans don't vote, is that they have become so disgusted with the general quality of political leadership, that they've given up—for the time being.

Cranston is particularly incensed about the fact that the majority of states

require citizens to register 20 to 30 days before an election, because, he contends, this is "long before many people are even thinking about voting."

But the laws which have Cranston so upset were put on the books for good reason: to prevent the corruption of the electoral process. In the case of the 20-30 day pre-election registration requirement, the intent is to prevent an individual or group of individuals from voting more than once, by registering and voting at numerous polling sites—which same-day registration would facilitate.

Even if one were to accept Cranston's contention that registration difficulties contribute to the lack of voter turnout, making vote fraud easier, which his bill will do, is hardly the way to deal with the problem.

## Carlucci gets enthusiastic Senate confirmation

The Senate gave Frank Carlucci an enthusiastic endorsement Nov. 20, confirming his nomination as Defense Secretary by a 91-1 vote.

This was not necessarily a good omen for American national security, especially as those senators who seemed most elated about Carlucci's replacement of Cap Weinberger, are among those most committed to slashing the defense budget, emasculating the Strategic Defense Initiative, and turning back toward the MAD-crisis management regime.

Sen. Carl Levin (D-Mich.), a key saboteur of the SDI, praised Carlucci for his "common-sense pragmatism," and called on his colleagues to confirm him by unanimous vote. Other members lauded Carlucci for being more willing to accept the supposed need

for deep cuts in military spending, and more open to compromising with Congress, than his predecessor.

The only dissenting voice was raised by Sen. Jesse Helms (R-N.C.), who charged that, during his career in the foreign service, Carlucci "was deeply involved in implementing policies which I believe are reprehensible." Helms said that during his stint as U.S. ambassador to Portugal, Carlucci "directed himself with considerable energy to the election of the Socialist candidate, Mario Soares."

Helms also hit Carlucci's track record as CIA deputy director during the latter part of the Carter administration, citing the overthrow of the Shah of Iran as a "massive CIA intelligence failure," and the CIA's "chronic underestimate of Soviet military capability," as a prime cause for the Carter administration's negotiation of the "fatally flawed" SALT II pact.

## Budget summit produces mouse

The vaunted budget summit reached an eleventh-hour agreement Nov. 20, to cut the federal budget deficit by \$76 billion over the next two years. The pact calls for \$30.2 billion in deficit reductions in this fiscal year, with the remainder to kick in next. In addition, the plan stipulates a \$9 billion tax hike in the first year, and \$14 billion in 1989.

The agreement will gouge domestic spending, taking \$4 billion out of entitlement programs in the first year. Among those programs targeted for cuts are Medicare, which will suffer a \$2 billion loss, at the same time that medical costs are skyrocketing and more Americans are entering the over-65 age bracket.

Farm subsidies will be reduced by \$900 million; and \$250 million will be pared from already reduced student loan coffers.

The pact, which has already run into problems from some Hill Republicans who don't like the tax hikes provided for, is an absurd response to the economic crisis which exploded on Black Monday, Oct. 19.

The budget cut/tax hike philosophy guiding the agreement is guaranteed not to solve the country's underlying economic program. The fact that \$100 billion in revenue flows were wiped out by the stock market crash underscores the stupidity of this approach. To compensate, taxes would actually have to be increased by \$100 billion—leaving most Americans with no money to live on.

That did not stop either the White House, nor the vast majority of the House and Senate leaderships, from patting themselves on the back for the agreement. House Speaker Jim Wright (D-Tex.) proclaimed that the agreement "is a demonstration in times of stress" that the White House and Congress "can work together." House Majority Leader Thomas Foley (D-Wash.) called it a "milestone in our effort to bring about a reduction of the deficit."

What the agreement actually shows, is that in times of stress, the current leadership of the country is inclined to either take the easy way out—the consequences be damned—or do exactly what Wall Street demands.

## Is Senate opposition to INF collapsing?

Early in November, Sen. Alan Cranston warned on national television that

the INF treaty faced deep trouble on Capitol Hill. The pro-INF senator predicted that opponents of the treaty might be able to muster the 34 votes needed to defeat the pact, and called on the White House to bring the Senate into line.

Now, that opposition appears to be collapsing. A number of senators who were expected to play a key role on the anti-INF side, have reportedly decided, for various reasons, either to withdraw from the battle, or give their support to the agreement.

According to a Nov. 27 Evans and Novak column, the latest verification procedures agreed to by the Soviets have so "surprised" Senate conservatives, that instead of launching their expected "bitter-end struggle" against INF treaty ratification, "they may move to a fallback strategy: Wait for next year's START accord."

The columnists reported that four of the most important anti-INF senators—James McClure (R-Ida.), Malcolm Wallop (R-Wyo.), Pete Wilson (R-Calif.), and Dan Quayle (R-Ind.)—have suddenly changed their tune, and may end up voting for the treaty. McClure, Evans and Novak noted, is one of seven national co-chairmen of the George Bush's presidential campaign.

The columnists wrote that if this trend holds, opposition to the INF treaty "may be limited to fewer than a dozen Republicans, headed by Sen. Jesse Helms, with one or two Democrats possibly joining them."

A source at a leading conservative lobbying organization confirmed the essence of the Evans and Novak story. He reported that the line has circulated in conservative layers that it makes no difference whether the INF treaty is ratified, since "those Pershings are going to come out of Europe no matter

what." If the United States rejects the treaty, the line goes, "Gorbachov will just go to Western Europe," where governments "will bend over backward to make the same deal."

Thus, the source reported, conservatives in and out of the Senate, have decided that opposing INF "isn't worth the political capital," and will instead concentrate on deterring a potential START agreement.

The source also disclosed that President Reagan met recently with Wilson and Wallop, and promised them he would make no deals with Gorbachov on the SDI. Soon after, the two senators began to soften their stand on INF.

## Capital Crimes

The House voted Nov. 18 to ban the sale of Stinger anti-aircraft missiles to any country that is not a member of NATO or a formal U.S. defense ally. The measure would bar Stinger sales to Bahrain and other Persian Gulf countries, as well as to the Afghan resistance. . . . **Sen. Pat Moynihan** (D-N.Y.) has jumped on board the "I love Russia" bandwagon. He placed an article in the Nov. 10 *Congressional Record*, written by Donald Blinken of Warburg, Pincus & Co., promoting the idea that joint ventures between the United States and the Soviet Union would prove an economic boon to both nations. . . . **House Armed Services** Committee chairman Les Aspin led the fight to cut the FY 88 defense budget, but managed to allocate money for twice the number of trucks requested by the Pentagon—each costing between \$170,000 and \$200,000. It turns out that the trucks' manufacture is based in Aspin's home state of Colorado. . . .

## Gaffney resigns at Pentagon, cites INF

Within hours of Frank Carlucci's confirmation as defense secretary, arms-control "hard-liner" Frank Gaffney, assistant secretary of defense, resigned on Nov. 19, citing differences with the Reagan administration's policy on the treaty governing intermediate-range nuclear forces in Europe (INF).

"We are now in a very dangerous situation of negotiating an arms control agreement under a deadline that is broadly recognized to be an artificially created one," Gaffney said, immediately before announcing his resignation.

The *Sunday Times* of London quoted Gaffney on Nov. 22, saying that the West is facing a new pestilence called "Gorbasm," a kind of euphoria suffered by those who view the Soviet Union under Gorbachov with an unrealistic amount of optimism, "those who drool over perestroika and glasnost." "History shows people thought the young Joe Stalin was a different kind of leader," Gaffney said, "that Brezhnev, in his early days, was a man with whom we could do business; Andropov liked Western clothes and jazz music and, despite his decade or so as head of the KGB, was perceived as somehow the harbinger of a new Soviet man and a new Soviet leadership.

"A breathing space is not a bad way of characterizing the current Soviet strategy, especially so far as it suggests that once the Soviets catch their breath, they will be fully back to their old strategy and approach of confrontation and expansion."

## N.Y. bishops: no to surrogate motherhood

In an effort to influence the New York State Legislature, which is considering legislation to regulate the practice of surrogate motherhood, the Catholic Bishops of New York State have issued a statement terming surrogate motherhood "a psychological

minefield and a moral disaster."

According to a report in *The Wanderer* on Nov. 19, the bishops say that surrogate motherhood "threatens to damage the lives of children and to destroy the integrity of marriage . . . it deliberately brings into the world a child who is 'disconnected,' who will be separated forever from his real mother, a child who can grow up with the horrifying realization that his real mother sold him or that his sole purpose of conception was to be given away. No one has the right to create that sort of problem for a child. . . .

"Sound social policy dictates that laws should uphold marriage and the family. . . . A child is the product of a loving relationship and a loving act and thus serves as a living symbol of the couple's love." The bishops warn that surrogate motherhood will turn women into "depersonalized breeders."

## Reagan reveals Soviet 'Red Shield' SDI effort

President Reagan, speaking to a group of supporters at the White House on Nov. 23, pointed out that the Soviet Union has for 15 years been carrying out a missile defense effort, which he dubbed "Red Shield."

Reagan said that more than 10,000 Soviet scientists and engineers are working on military lasers, while thousands more are developing other advanced technologies, including particle beam and kinetic energy weapons. "The Soviet Red Shield program actually dwarfs our SDI," Reagan said.

Asserting that SDI will eventually ensure against Soviet cheating on arms control agreements, the President said, "It goes hand in hand with arms reductions. We cannot, we will not, bargain it away to get strategic arms reduction. . . . In the decades ahead, we can't be sure just who will get access to ballistic missile technology, how competent they will be or how rational. We've had madmen come to power, and we must have an insurance policy against that day as well."

Reagan also attacked Congress for cutting the SDI budget. "There is a strange tendency by some in Congress," he said, "to discuss SDI as if its funding could be deter-

mined by purely domestic considerations unconnected with what the Soviets are up to. SDI is too important to be subject to congressional logrolling."

## Cover-up of Contras' drug ties exposed

A "potentially explosive issue" that the U.S. congressional committees' Iran-Contra report "barely mentioned and dismissed in a single appendix on page 650" is likely to erupt in the New Year: "that the U.S. government knowingly allowed drugs to enter the United States in an effort to support the Nicaraguan Contras," wrote the *Sunday Telegraph* of London on Nov. 22.

Formal hearings into the Contra-drug link will begin early next year, by a parallel congressional inquiry. Jack Blum, staff investigator for the Senate Foreign Relations Committee, called the Iran-Contra report "a whitewash." Responding to the congressional report's contention that "there was no information developed indicating any U.S. government agency or organization condoned drug trafficking by the Contras or anyone else," Blum said: "This is wrong and wrong again. The Iran/Contra committees have made a concerted effort to play the issue down."

The *Sunday Telegraph* also quotes Paul Eddy, one of the authors of a new book, *Cocaine Wars*: "There is evidence that Contras were involved in drug trafficking." The evidence indicates that drug traffickers flew guns to the Contras, he said, and that the gun-runners believed they had a license to do so from the CIA.

## Budget cuts mean two-year delays in SDI

The research budget for the Strategic Defense Initiative, approved by Congress in the military authorization bill, was cut substantially more than SDIO officials had envisioned, and will result not only in sharp



cutbacks, but in delays of up to two years in key experiments and development projects, the *New York Times* reported Nov. 22.

The scheduled date for a decision on whether to manufacture equipment to be deployed in the first phase of the missile program was slated for 1992, but, said Deputy Director of the SDIO Gordon Smith, "At this point, I think the development decision will have to slip out beyond 1992. I don't think that we will know enough by then."

The cutbacks will start at a figure \$1.8 billion less than the \$5.7 billion that President Reagan requested, and will be slashed further from there. The exact figures are still subject to negotiation, as the Gramm-Rudman bill and "budget summit" package go into effect.

Programs said to be affected include the space-based surveillance and tracking system, which would pick out real warheads from decoys and chaff; the SP-100 nuclear power generator; directed-energy weapons; the boost phase surveillance and tracking system. The battle management components essential to the working of the SDI program will be reduced in scope, with hardware, software, and communications experiments delayed an indeterminate length of time.

## Ollie North had FBI investigate Sen. Kerry

Lt. Col. Oliver North ordered the FBI to investigate whether Sen. John Kerry (D-Mass.) and his staff were influenced by foreign intelligence services, according to a front-page story in the *Boston Globe* on Nov. 20.

Kerry was investigating the involvement of the Contras in drug-trafficking, when North started the investigation.

The article adds that Kerry is demanding the release of further documents on the targeting of him, and an investigation into political interference by North and then-National Security Adviser Adm. John Poindexter into Justice Department decision-making.

The article highlights the fact that an

aide to Miami U.S. Attorney Leon Keller "told investigators that he overheard Keller say that the Justice Department had ordered a slowdown in the investigation" that was being conducted into illegal weapons shipments to Central America.

## Mayor's death throws Chicago into uproar

Mayor Harold Washington's sudden death of a heart attack on Nov. 26 throws Chicago's already splintered Democratic Party machine into an uproar. Washington has been temporarily replaced by his vice mayor, alderman David Orr, pending election of a new mayor.

In the weeks before the mayor's death, the chaos in the party was exposed anew when a brawl broke out over hearings for county-wide offices in Cook County. Each faction presented its own candidates, as what is left of the old-line Daley Democrats were pitted against the "New Agers."

One controversy concerned Aurelia Pucinski, who had been defeated in the March 1986 primary for the Democratic nomination for secretary of state by LaRouche Democrat Janice Hart. Pucinski is now seeking the Circuit Court Clerk nomination. Daughter of Democratic Party Alderman Roman Pucinski, she received the support of Mayor Washington, despite the objection of most black committeemen, and the fact that she was overwhelmingly defeated by Janice Hart in the black community, 78% to 22%.

The *Chicago Sun Times* wrote: "Who would have predicted a week ago that Mayor Washington would be embracing Aurelia Pucinski, the daughter of one of his earliest and most celebrated antagonists? . . . Last year our faces were red when Ms. Pucinski was defeated for nomination for secretary of state by a woman put up by Lyndon LaRouche, eccentric extremist whom few of us had bothered to cover. . . . Ms. Pucinski . . . was defeated by Janice Hart because Mr. Washington and other Democrats had not plugged enough for her. The underlying cause was the splintering of the machine."

## Briefly

● **FBI DIRECTOR** William Sessions has agreed to look into allegations of a U.S.-Soviet "back channel" on the SDI, as requested by several senators. Arms negotiator Paul Nitze is accused of working through private channels and Soviet officials to come up with anti-SDI formulations that the Reagan administration would accept.

● **THE 'NATIONAL** Bolshevik Corporation' (NBC) was granted the first U.S. television interview with Mikhail Gorbachov, scheduled to be aired on Nov. 30. Former NBC vice president Gordon Manning, who is now an NBC consultant, has been laying the groundwork for the interview for two years. NBC's "services rendered" on Moscow's behalf in recent years, include the most virulent slanders against Lyndon LaRouche to appear on any of the national networks.

● **THE AMERICAN** Medical Association sponsored a nationwide "teleconference" on "Medical Ethics and Daily Decisions—Conflicts of Values," which was broadcast to 300 hospitals in mid-November. The show was part of the international effort by the right-to-die lobby to legitimize euthanasia.

● **ALEKSEI ARBATOV**, the son of "America handler" Georgi Arbatov and director of Moscow's Institute of the World Economy and International Relations (IMEMO), visited the United States in November, discussing issues like "non-provocative defense," with think tankers in Boston and elsewhere.

● **PROJECT DEMOCRACY'S** network in the CIA is facing a shake-up. Clair George, who headed the CIA's covert operations directorate during the Iran-Contra affair, announced Nov. 25 that he will retire at the end of the year. Dewey Claridge is "thinking about" retiring early next year, and Inspector General Carroll Hawver will resign by the end of the year, according to a story in the *Los Angeles Times*.

## Editorial

# *Naturally, the culprits in the Congress exonerated themselves*

The Congress's official report on the Iran/Contra affair omitted reference to nearly everyone but a carefully selected handful of scapegoats. Naturally, no mention was made of the involvement of the Congress's own creature, the National Endowment for Democracy, in the affair.

So far, the entire investigation has been a Roman Circus, complete with a score of "Lions 21, Christians 0." Naturally, in the old days, with the Emperor Nero keeping score, the Christians were bound to lose. So far, the Congress seems on the way to matching Nero's record on that point.

On the home front, Ollie North was gently scapegoated, but his key FBI accomplice, the other Ollie, "Buck" Revell, appears to have escaped the Congress's attention. The fact that U.S. covert aid to Khomeini was continuously ongoing under two successive Presidents, Carter and Reagan, seems to have been overlooked. Those members of Congress who depend largely upon AIPAC-steered funding of their careers, were astonishingly uninterested in the fact that Israeli gun-runners have been at the center of the traffic in U.S. weapons to Khomeini from the beginning—until Israel's Foreign Minister Shimon Peres announced this had been called to a halt.

Even "Honest, Gee Gosh, Ollie" North was not really in much danger of being grilled seriously before the Congress. There he was, in a spanking Marine lieutenant colonel's uniform, the Hollywood TV image of a misguided patriot, patriotically protecting what he called the "second channel" into the Khomeiniacs. Gee whiz, fellas! What d'ye know? Those Soviet connections our brave Ollie was meeting in Hamburg, West Germany just seemed to slip by! Hey, what about those Soviet weapons-shipments to the Contras being arranged through channels in Hamburg and Geneva? What about that string of mysterious Irangate-linked deaths, including those of Swedish Prime Minister Olof Palme, Roberto Calvi, and, most recently, Uwe Barschel, since the 1985 raid on the Malmö offices of Karl Erik Schmitz?

That whole joint congressional committee, during all those days, never once put on camera a hard question about the "Project Democracy" little old Ollie North had listed in the table of organization of his Iran/Contra-gate conspiracy! Shall we suppose that no congressional member of that joint committee had studied the Tower

Commission Report? Or, shall we suppose that this little omission had something to do with the fact that Project Democracy is the operations arm of the National Endowment for Democracy, an official bipartisan arm of the Congress?

Is the cover-up of Irangate going to stick? Or, are there other forces at play which might overrule the scorekeepers of the Roman circus we have witnessed in the public side of the investigation thus far? A Democratic presidential candidate recently issued an open letter to the patriots of Colombia, and repeated the theme of that Colombia letter as part of his report to some leading citizens of Catania, Sicily on Nov. 21. We think that higher powers than the Congress are going to step in and give the last word.

There are powerful circles inside and outside the U.S. government who seem to have set themselves up as gods of Olympos. They imagine that because they control government, finance, and the major news media, as the mythical gods of Olympos did, that they can get by with almost anything, if they just put their mind to it, and use enough muscle to slap down anyone who cries "Swindle!"

But, as we have seen, President Reagan can cry, "Sixty months of unbroken prosperity," as much as he wishes, but the biggest financial crash in history can not be stopped by Reagan administration rhetoric. Sooner or later, every group which sets itself up as new gods of Olympos is brought crashing down by its own deeds. In October 1982, President Reagan decided to support the New York bankers' proposal to create a financial bubble; five years later, that bubble began crashing down. As this financial crash becomes a tidal wave, and sweeps away many famous banks and brokerage houses during the coming weeks and early months of 1988, many other things will be swept aside, too.

A lot of things about this administration, and the past two sessions of the Congress are going to come under harsh examination by an irate American public. Many suppressed truths are going to rise up and take harsh vengeance on those who are found culpable of suppressing them. The truth about Irangate and Contragate is one of those things which will soon return to haunt those who tried to bury the evidence.

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