

# EIR

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Why Russia leads in controlling the biosphere

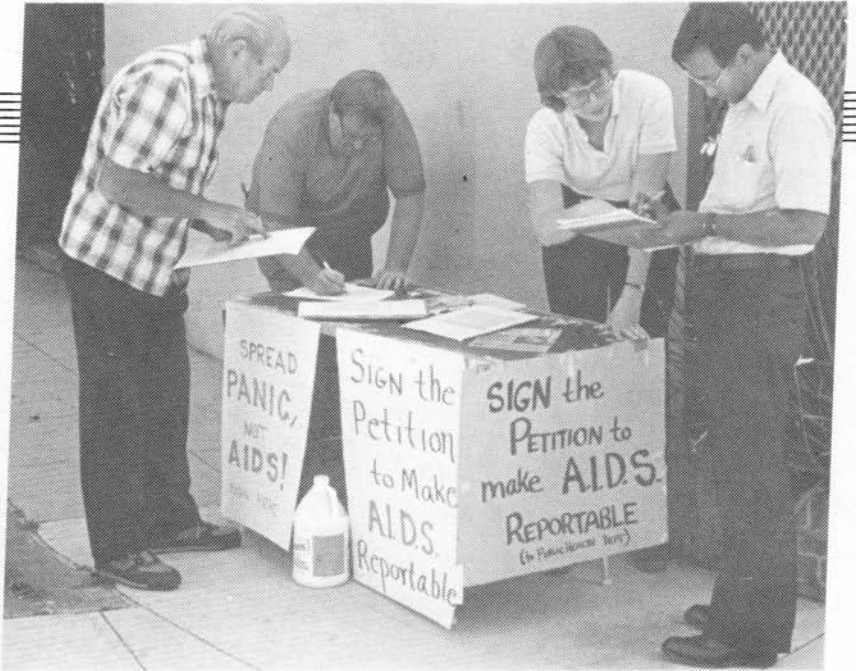
Will Ronald Reagan resign?

The right and wrong usages of the term 'reason'

## Appeasement escalates: Bush backers 'Finlandize' Germany



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## EIR QUARTERLY ECONOMIC REPORT

First  
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1987

### How to reverse the economic policy blunders that led to 'Irangate'

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- An international financial blow-out: the real story behind 'Irangate'
- 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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## From the Editor

Exactly one year ago, in the full swing of the election campaign for the West German general elections of Jan. 25, 1987, the new party, Patriots for Germany, issued a daring poster portraying Mikhail Gorbachov with the face of Josef Stalin “ghosted” in the background. The slogan on the poster read, “No to the Evil Empire.” The poster had the shock-effect of truthfulness in the face of a massive campaign of media lies, to paint Gorbachov as a Western-style liberal.

*EIR* ran a feature in its Jan. 16, 1987 issue on the Patriots’ electoral campaign, with this warning: “Most politicians in Germany see only two false alternatives to meet this threat [of trade war] from the U.S. side: either to launch import restrictions on U.S. goods, or to look for new markets in the East bloc. Both alternatives lead to decoupling of the German economy from the United States—as the Trilateral Commissioners intend.”

Today, as Lyndon LaRouche warns in the cover article (page 36), the threat of *economic* decoupling is very far advanced. Meanwhile, in the wake of the INF Treaty, KGB-modeled “thought police” are being instituted in the Western democracies, to outlaw not only the reality that the Soviet Union is ruled by evil, imperialist designs, but indeed to outlaw any notion that evil exists in the world. In this issue, articles on page 43 and 61 report the moves that are being made to obliterate the “enemy image” from Western thinking.

That brings us to the timely intervention, also by presidential candidate LaRouche, which makes up our *Feature* article this week, entitled “The right and wrong usages of the term ‘reason.’ ” Why is the Western establishment—even if it includes many individuals who may be sane as individuals—acting collectively insane? How was it possible that Ronald Reagan, who built his political career on the characterization of the Soviet Union as the “evil empire,” totally reversed himself in the December summit with Gorbachov?

*EIR* is celebrating the opening of 1988 with the publication of the new, 550-page edition of “Global Showdown Escalates,” unique, authoritative documentation of the evil behind the Soviet Union’s war plans today. Our resolution is: We won’t give up using the word “evil,” until its practice has actually been extinguished.

Nora Hamerman

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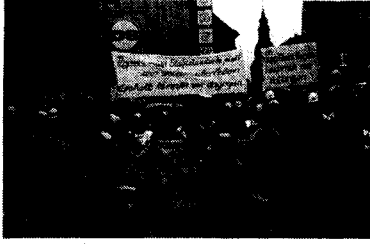
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EIRNS/Maria Schmitz

A demonstration in March 1987 in Hattingen, West Germany, against the closing of a Thyssen steel plant. Signs read, "We want to survive." U.S. circles are now pushing West German leaders to "survive" insane U.S. economic policies, by reorienting their economy to deals with Moscow.

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Reagan and Bush's appeasement gifts to Moscow have been compounded by U.S. pressures on Germany to reorient its economy toward Moscow—all to try and ensure that Bush or Dole is the next President, even if it means Moscow is the next world empire. By Lyndon H. LaRouche, Jr.

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## The new Mexican debt plan: a war among paper titans

by Chris White

The financial pages of the nation's leading press suddenly, in the last week of December, shamelessly turned themselves into extensions of the public relations department of the J.P. Morgan Bank, to publicize what they chose to present as the "merits" of the newly unveiled plan for Mexico's debt.

The plan, said to have been under negotiation between Morgan and Mexico since August, but held up in implementation by a group of recalcitrants in the Baker Treasury Department, was presented to the public during a Dec. 29 press conference, involving the U.S. Treasury and the Mexican government.

Needless to say, the plan, under which Mexico agreed to give the U.S. Treasury \$2 billion to finance the purchase of \$10 billion worth of zero-coupon 20-year U.S. government bonds—which can then be used to swap banks' holdings of Mexican debt at a discount to be negotiated—doesn't have much in it at all for the beleaguered debtor. In that respect, it is another example of the brutal "give and take" approach that's long been advocated among U.S. financial circles. Mexico gives, and the U.S. banks take, everything.

The Treasury's adoption of the plan, presumably over the objections of the initial recalcitrants, does, though, signal the way the financial political winds have shifted within the United States, since the Black Monday 500-point crash on Wall Street's Dow Jones Index, and points to how some are drawing the battle lines for the storms ahead. If the battle is fought out in such terms, as the foreseeable storms develop over the coming weeks and months of the new year, there won't be too much left of the United States or the world financial system.

Behind the Mexican arrangements, a group of old mon-

ied-family financial institutions, typified by Morgan itself, the Bank of Boston, and the Bank of New England, along with Lazard Frères and Goldman Sachs, are attempting, dog-eat-dog style, to cut some of their competition down to size, and to use the credit-generating powers of the U.S. government to support the effort politically through bail-outs. They are taking political steps to prepare for the next phases of the ongoing deflationary collapse of the bubbled dollar credit system. The principle at work among the bankers seems to be the not-so-seasonal "if there's not enough room for all the guests at the dinner table, throw 'em out."

This was put, in a rather different way, by the *Wall Street Journal*, when it described the Mexican arrangements as Morgan's "riposte" to Citibank, in the "latest round" of the ongoing battle among the "financial titans."

The package was greeted with less than enthusiasm by Citibank and Chase, which, according to wire service reports, do not intend to write their Mexican debt down to the levels of discount implied by the agreement. Considering Mexico still creditworthy, they will continue to demand full interest on the par value of their debt holdings—if they can.

Citibank, under its previous chairman and CEO Walter Wriston, typified the brutal incompetence of the financial policy which guided the Reagan administration from 1982, when presidential candidate and economist Lyndon LaRouche's "Operation Juárez" debt reorganization proposals were rejected by that administration, in favor of the Citibank-Merrill Lynch approach. Known to its advocates from the "magic of the marketplace" free enterprise crowd as "creative or innovative" financing, the advocates of globalized deregulated banking and securities activities, built their paper

bubble worldwide, on the wreckage they had made of Mexico and the rest of Ibero-America during the course of 1982. Wriston and Don Regan for Citibank and Merrill Lynch, respectively, were the ones who took the banks' securitized "off-balance-sheet liabilities" from zero in 1982, to about \$7 trillion by the Aug. 25 breaking-point in 1987.

The internal U.S. political arrangements which came into place as the Mexican agreement was hammered out show that Citibank's "J.R.-style" policy, "get rich quick" by stealing as much as you can from as many people as possible, is being shoved aside. The Mexican agreement depended on the U.S. Congress changing legislative limits on the Treasury's ability to issue long-term debt. In this coupon-clipping world, the powers that be have insisted that the Treasury maintain its debt issuances on the short- to medium-term side so that interest rate fluctuations nominally compensate for the inflation. The year-end budget package included provisions to increase the Treasury's long-term borrowing capacity by \$20 billion. The Mexican agreement accounts for half of the increase. Presumably, other such packages will be forthcoming soon.

The passage of the measure is in turn the result of a deal between the Reagan-Bush campaign, and the congressional liberals, typified by the Democrats' Bill Bradley in the Senate, a basketball player and Rhodes Scholar, groomed by Morgan's Ditchley Group as the spokesman on Third World debt and related matters, and Shumer and LaFalce in the House.

### **The Smoot-Hawley memorial bill**

In this regard, the Mexican package is perhaps the narrow-end of the wedge, or foot-in-the-door, for administration acceptance of the generalized version of the same package which is included in the Gephardt-authored omnibus trade bill, known as the "Smoot-Hawley" memorial bill, in nodding recognition of its debt to the two predecessors who, in the late 1920s-early 1930s, helped push the economy into Herbert Hoover's Great Depression.

The trade bill empowers the Treasury Department to set up a facility to issue long-term bonds which can be used in "debt swaps" with Third World countries on the Mexican model. This project has been long favored by the liberal crowd, and by such outfits as the International Institute for Economics. The Treasury Department, up to now, has stayed aloof, seeing the government's role as muscle-man and enforcer for the banks in their efforts to exact full payment of each interest dollar.

The purpose, as in the case of the Mexican agreement, is to replace banks' holdings of Third World paper, with holdings of paper secured against the U.S. Treasury. Thus, those who accept the write-off of some portion of their Third World debt get the implicit backing of the U.S. government for their actions. Morgan's spokesmen have mooted a figure of 50%, as two dollars worth of existing debt is swapped for one dollar

worth of new debt collateralized against long-term U.S. Treasury bonds. Those, like Citibank and Chase, which either choose to go along the same old route, or resist the markdown implied by the Morgan plan—and it will be a Morgan official, in the case of Mexico, "advising" that country on how much of a markdown to accept—can go their own way. If they're strong enough, they'll survive; if not, they won't.

Don't take too much comfort from these kinds of games. The perspective behind it all ought to be quite clear. There is a group, in the international banking community, in this case typified by Morgan, which is not so much a U.S. bank alone, as also British and Swiss, which is recognizing that there is a deflationary collapse of paper values in progress, and which is seeking to protect its own relative advantage, against competing banks, while lining up the credit-generating power of the U.S. government as a bail-out back-up. Reduce the power of the competition, and hyperinflate if the deflationary collapse threatens to get out of control.

Morgan has long years of experience in such incompetent tricks. After all, it was Morgan's management of the German reparations payments question after World War I, through the succession of Plans, the Dawes Plan, Young Plan, Hoover Moratorium, and so on, which created the self-feeding international financial spiral of unpayable debt—Germany, paying off Britain and France, which in turn paid off the United States. This came down in 1929, thanks in large part to Morgan's efforts "to protect itself" from what it itself had unleashed. Similarly, in the financial collapse of 1907. Morgan's pattern, in this century, has been to play the bear market against the bulls from the previous phase, and pick up the pieces afterward.

This is accomplished, as it has been in Mexico and elsewhere over the last five years, by means of increasingly vicious austerity against populations and economic capacity, in favor of inflationary and hyperinflationary protection of financial paper assets. Nothing is ever solved by such means. Indeed, such approaches ensure that the crises they are supposed to resolve in fact get much worse. For the nominal claims of the outstanding paper obligations pyramid against the destruction of the economic capacities and potential to service such claims. Mexico's descent into hyperinflationary hell a month ago is in that sense a foretaste of what will happen, ultimately inside the United States, if the paper titans are permitted to battle the matter out on their own terms.

Making government the protector of the banks nominal paper accumulations, as Morgan is proposing, is one of the most rapid routes into the depths of the looming financial collapse. If that's the only way government will be freed from the control of the financial parasites, who will put themselves out of business through such approaches, then so be it. Because it's not until the government's powers to reorganize the entire bankrupt financial system are brought to bear that any measure will have any effect other than accelerating the financial and economic collapse that is now ongoing.

# East-West population deal aired in Germany

by Mark Burdman

As 1987 drew to a close, the West German citizenry was hit by a new round of propaganda on the need to reduce world population. The mouthpieces for this campaign are supporters of the U.S.-Soviet INF Treaty—not a coincidence. It strongly suggests that one key focus of the deal struck between the Western liberal establishment and the Muscovites, will be close East-West cooperation to eliminate hundreds of millions of people, especially those with non-white skin.

On Dec. 24, West German President Richard von Weizsäcker issued his Christmas address to the nation. Lavishly praising disarmament, East-West détente, and the like, he stated: "The really big challenges of our world cannot be met by East or West alone, such as overpopulation and famine in the world, plundering of nature, and uncontrollable technology."

This was an eerie message in a statement for Christmas, the day celebrating the birth of a child whose life was meant to incarnate the potential divinity of all human beings. But West Germany's President, a leading official in the German Evangelical Church (EKD: Lutheran), is no Christian, but rather a committed gnostic. The policies of von Weizsäcker and the EKD leadership, have successfully brought West Germany to a state of negative population growth, with a demographic catastrophe looming for the next century.

With von Weizsäcker, genocide is a family tradition. His father, Ernst, was a Nazi tried at Nuremberg. As state secretary of the German foreign ministry during the late 1930s, he was an architect of the Hitler-Stalin Pact.

## 'Four billion people too many'

Five days before von Weizsäcker's speech, American homosexual writer Gore Vidal appeared on West German television together with Russian poet-mystic Andrei Voznesensky. Vidal praised the immediate postwar agreements between Josef Stalin and the United States, dividing Europe into Soviet and Western spheres. He then stated that the new INF agreement was a superpower attempt to deal with the unmanageability of the world. Vidal advised that the two superpowers concentrate on global problems that are "soluble." One of these would be the world "population explosion," since, he complained, "there are four billion people too many."

This chilling call for genocide drew not a word of protest

from either the talk-show host or from Voznesensky. Nor, in the days following, was there a syllable of anger expressed by the Soviet government and Soviet friends in such agencies as the Anti-Defamation League, Edgar Bronfman's World Jewish Congress, or the U.S. Justice Department's Office of Special Investigations, who are always screaming about "Nazis." Vidal had just called for murdering 100 times more people than Hitler!

Vidal also launched into diatribes against two of the pillars of Western Judeo-Christian civilization: monotheism and the sovereign nation-state. To replace the latter, Vidal called for a new world system based on the Swiss "cantonal" model.

Otherwise, Gore expressed sympathy with Voznesensky's exposition of the wonders of "Russian spirituality" and the "collective soul."

On June 25, 1987, Vidal had proudly told the *International Herald Tribune* that, while in Moscow in February 1987 to attend Gorbachov's international "peace forum," he had proposed to Gorbachov a global "white race alliance," to thwart the growing world power of Asia. Gorbachov, he said, had responded enthusiastically, although Vidal told the *Tribune* that he expected his proposal would "provoke apoplexy" from most Americans. Vidal has since become somewhat of a celebrity in certain Soviet publications, such as the weekly *New Times*.

Earlier, on March 23, 1987, Vidal had given a lecture in Sao Paulo, Brazil, in which he spoke of the positive aspects of the rapid spread of AIDS, since it would lead to mass contraception and the undermining of Catholic resistance to birth control. In this way, he said, "we are going to reduce the world's population, which is about 6 billion today, to 2 billion in a generation."

## The legacy of Helmut Schmidt

One other telltale sign of the same phenomenon, is the year-end edition of the newsletter of Berne, Switzerland's Ost Institute, published by an intimate of the U.S. "Project Democracy" crowd, Peter Sager. Sager's fanaticism on reducing population in Africa, was the subject of a special essay by Lyndon LaRouche ("The socialist roots of Nazi-like euthanasia: Satan as a Social-Democratic spook," *EIR*, Vol. 14, No. 49). In his year-end item, Sager effusively praised the INF accord, and the "great statesman" who is the conceptual architect of that accord: former West German Chancellor Helmut Schmidt.

Schmidt, now chairman of the Inter-Action Council of Former World Leaders, is campaigning worldwide for the reduction of world population, especially in the developing sector. This will be one of the main themes of a speech he will give at a council meeting in Moscow in May 1988. Again, the "Nazi-hunters" have missed a good target: the full story of Schmidt's Nazi activities during World War II has never been adequately told. He has not changed his political stripes, even if today he is known as a "social-democrat."



# 1987 debt crisis in review: Bankers break Brazil's moratorium

by Peter Rush

On Feb. 20, 1987, the international banking community's worst nightmare seemed about to occur: the formation of a debtors' cartel to demand broad debt relief for Third World nations and force an overhaul of the world monetary system. Brazil's announcement came less than a month after the Vatican's *Justitia et Pax* Commission document condemning the dolorous impact on developing countries of servicing exorbitant debts. Given the influence of the Schiller Institute's campaign for an Ibero-American common market, Brazil's moratorium threatened to crystalize support from the rest of Ibero-America for a generalized moratorium.

While the bankers had been able to largely weather the effect of Peru's unilateral reduction of payments in 1985, by politically and economically isolating that country, the enormous relative weight of Brazil's economy—the largest by far in the continent—and of its debt—at \$108 billion, the largest in the Third World—was altogether different. It meant that, had just one of Ibero-America's other two largest debtors, Mexico and Argentina, joined Brazil, the momentum to establish the cartel and common market would have become unstoppable.

For that reason, from Feb. 20 on, the State Department and Wall Street joined forces to bring Brazil's moratorium to a quick end, and politically eliminate its author, Brazilian Finance Minister Dilson Funaro. They achieved the latter goal within a little over two months, and the former in November, when Funaro's successor, Luiz Carlos Bresser Pereira, signed an agreement with the banks resuming debt payments. The April 26 sacking of Funaro broke the political momentum toward continent-wide action, and since that date, the continent has steadily lost ground in its battle for economic recovery and development.

By the end of 1987, the debt situation threatened to again become unstuck, as Argentina and Mexico both entered hyperinflationary stages, in the wake of the worldwide October financial crash and their own internal financial crises. Brazil was not far behind. The financial disintegration of the major nations of Ibero-America is on the agenda for 1988, if debt moratoria and integration are not adopted soon.

Unlike the debt crisis of 1982, this time the populations have already been looted to the limit, and the governments are indebted internally as well as externally to the point of bankruptcy. They cannot just repeat their 1982 austerity prescriptions. The November summit in Acapulco, Mexico, of

heads of state of eight Ibero-American nations, set up the framework in which a joint response could emerge, by agreeing to regular consultation on such matters as foreign debt.

## The Vatican paves the way

On Jan. 29, the Pontifical Commission *Justitia et Pax* published a document entitled, "At the Service of the Human Community: An Ethical Approach to the International Debt Question," which had been commissioned by Pope John Paul II after several trips to Ibero-America and Africa, where he had witnessed the destruction wrought by International Monetary Fund debt policies. In his "Presentation," commission chairman Roger Cardinal Etcheagaray hit the IMF et al., saying, "When credit agencies consider the situation solely from the economic and monetary angle, they often impose on the debtor countries terms . . . that can contribute . . . to unemployment, recession, and a drastic reduction of the standard of living. This causes suffering, first of all for the poorest. . . . In brief, it is a situation that is intolerable, and, in the medium term, disastrous for the creditors themselves."

Stating what is developed as the major theme of the 30-page document, he wrote, "Debt servicing cannot be met at the price of the asphyxiation of a country's economy, and no government can morally demand of its people privations incompatible with human dignity." This last point, that morally, no nation can be compelled to destroy its economy and make its people suffer, just to pay debts, subsequently became the rallying cry across the continent, from Alan García's Peru to Acapulco, Mexico during the November heads-of-state summit there.

In a speech delivered April 6 during his trip to Argentina, Pope John Paul II reiterated the same theme, calling for "an ethical judgment of the international debt," and adding that the most radical threat to peace stems from "the foreign debt of many developing countries."

On Feb. 20, Brazil's President José Sarney promulgated the proposal of his finance minister, Dilson Funaro, and declared a unilateral moratorium on payment on the country's \$67 billion owed to private banks. As outlined by Funaro over the succeeding two months, the moratorium had the potential to spark a continent-wide resistance. He repeatedly specified: 1) that the developed countries must recognize that the debt is a political question; 2) that tortuous, dragged-out negotiating processes must be ended; 3) that the issue is the



*Eight heads of state met in Acapulco last November and set up the framework in which a joint response to the debt problem could emerge in 1988.*

net outflow of capital—the outflow must be drastically reduced, if not eliminated; 4) that economic growth and improvement of living standards cannot be sacrificed in any debt payment arrangement; 5) that national sovereignty cannot be compromised, and that the IMF has no role in monitoring the economy or in any other capacity. In his Feb. 20 announcement, Sarney said, “Pope John Paul II was very clear. . . . He said that the problem of the foreign debt is also an ethical problem. . . . Indebtedness must not harm the basic living needs of a people,” and, “We are suspending our debt payments. . . . We cannot pay the debt if it means the hunger of our people.”

The announcement of the moratorium hit like a bombshell. Not since Mexican President José Lopez Portillo, following advice from Lyndon LaRouche, had nationalized the banks and adopted other emergency measures in September 1982, had there been a similar challenge to the IMF and the banks. The *Financial Times* of London summed up the bankers’ panic in a Feb. 20 editorial entitled, “Brazil Succumbs to Populism,” saying, “If Brazil does take unilateral action on debt servicing, the ramifications could be far-reaching. . . . An effective moratorium in Brazil would further unsettle banks and raise the specter of similar measures by other debtors.” Press commentaries around the world echoed the same fears. Argentina, Venezuela, and Mexico were then in difficult negotiations over refinancing their respective debts.

Finally finding an ally for Peru in its heretofore isolated defiance of the IMF, and understanding the same dynamic that petrified the banks, Peru’s President García immediately arranged to travel to Mexico in an effort to bring that country

in on the side of Brazil. He made a triumphal visit to Mexico March 23-25, during which he captivated the population and won over the Congress, which he addressed in a speech that brought tears to the eyes of many congressmen. He invoked the Mexican Revolution, stating, “I refuse to feel that they can make us submit,” and concluded with the appeal, “Let us speak the same language . . . and we are going to rip the cobwebs and break the paper tigers that scare some people.” He left the hall to a standing ovation of legislators shouting “Bravo” and “Viva.” However, the government of President Miguel de la Madrid remained impassive and did nothing, nor did Argentina, to help Brazil, thereby betraying it, leaving it in untenable isolation.

Shortly after García returned to Peru, and as the Pope was visiting Argentina, Lyndon LaRouche visited Peru for five days of meetings and conferences to support President García. From April 3-7, LaRouche met informally with congressmen, senators, leaders of various political parties, and leaders of other national institutions. He addressed 80 military officers and civilians at the Center for Military Studies (CAEM), and 400 attendees at a Schiller Institute-organized public forum, which received significant press coverage. He strongly backed García’s efforts to force a new international approach to the debt and laid out the imperative for continental unity in a common market.

### **Counterattack**

The specter of LaRouche teamed up with García, together with the Vatican, backing the Brazilian debt moratorium administered by Dilson Funaro, brought a swift counterattack

by the IMF, the U.S. administration, and monetarist forces within a number of countries.

In Peru, the very day that LaRouche arrived, a military coup attempt was carried out. It failed in its maximum objective of toppling García, but succeeded in preventing a scheduled meeting between García and LaRouche. García referred to that coup attempt in an interview in a Mexican newspaper on Dec. 17, saying that the presidential palace had been buzzed by Peruvian Air Force planes, and that he had been advised to flee, but had held firm and called the coup-makers' bluff.

That attack became the first of a series of actions against García that have, as of the present moment, seriously weakened his position. Next came a police strike in Lima May 15-18. The strikers threatened the presidential palace and were just barely contained. It was followed a day later by a communist-led general strike that, had it overlapped with the police strike, could have produced a social explosion. Immediately following that, the "Mexico" treatment was initiated. Flight capital accelerated and extreme pressure was put on the national currency, the inti, in the drug-money-fed black market for dollars.

In answer, on July 28, García counterattacked by nationalizing the major Lima banks, with several objectives: to stop capital flight and eliminate the dollar black market; smash the drug-money-laundering operations of several of those banks based in the Peruvian jungle areas; take away the primary power base of a financial oligarchy of a handful of families undermining his nationalist attempts to develop the economy; and democratize credit, making it available to medium-sized and small businesses and cultivators in all parts of the country.

The response was immediate and partially successful. Rallying behind the standard of the Institute for Liberty and Democracy and its leaders, Hernando de Soto and writer Mario Vargas Llosa, the financial oligarchy orchestrated a mass campaign appealing mainly to the middle class and business sector, with the lie that García's next target would be the rest of private business. While the bank nationalization bill was eventually passed by Congress in a modified form, the effect of the long, drawn-out battle, and of treachery from within his own APRA party, was to undermine the positive effects of the nationalization, and weaken García.

In October and November, capital flight was renewed. The new pressures on the inti forced a sharp currency devaluation in December. García capitulated and not only went along with the measure, which will hurt the economy, but also told the Peruvian population that it was a good measure, rather than explaining that it was a bad, but inevitable, step backward in light of Peru's isolation.

Even as operations against García were under way, the undermining of Funaro's position in Brazil was also advancing. Beginning within days of the announcement of the moratorium, Brazil's neighbors, Argentina and Venezuela, plus Mexico, all received or were promised generous debt refi-

ancing packages to ensure that they wouldn't back Brazil. Then, on April 7, the day that LaRouche left Lima, U.S. State Department Brazil desk officer Elkin Taylor held "an intensive schedule of meetings" with Brazilian government and business leaders, to lobby against Funaro and the moratorium. The next day, Sao Paulo governor Orestes Quercia, apparently on cue from Taylor, demanded publicly that Sarney fire Funaro immediately—despite strong support for Funaro from the majority PMDB party and the vast majority of state governors. That same day, Sarney's international affairs adviser, Rubens Ricupero, whom Taylor had met with the day before, gave *Veja* magazine an interview demanding Funaro's replacement by a minister "with good contacts with the bankers."

This pressure, combined with the rise of inflation, finally led Sarney to capitulate and request Funaro's resignation April 26. His replacement, Luiz Carlos Bresser Pereira, while pretending at first to favor the moratorium, began systematically undoing Funaro's policy and preparing for an end to the moratorium. Brazil cut domestic consumption and increased exports to be able to pay more debt service. And he began an orchestrated dance with the connivance of U.S. Treasury Secretary James Baker and Fed chairman Alan Greenspan, which culminated in the November capitulation of Brazil to U.S. demands that the moratorium be ended, under the empty threat of being declared "value-impaired."

### **Reality intervenes: the financial collapse**

But 1987 is not 1982. The same policies aren't working, and can't. First into the barrel went Argentina. Over the summer, its inflation hit a monthly 13% in August, accelerating a decline in wages and general economic disintegration that led to a Peronist sweep of the Sept. 6 elections against the governing Radical Party. After the elections, with no change in economic policy, inflation soared to 20-30% in October, while the public sector deficit widened and the reserves shrank toward zero. Hours before Brazil capitulated on its debt moratorium, Argentine Treasury Secretary Brodersohn visited Brazil, reportedly to offer a joint moratorium. This threat was sufficient to force the IMF to release its next disbursement, which will permit Argentina to avoid default into early 1988, but it is now widely predicted that Argentina will simply run out of money very soon and be in de facto moratorium, declared or not.

Mexico, the "model" debtor on the continent, became in two short months the "model" of hyperinflationary blowout. As early as mid-May, a group of international consultants headed by economist Julio Millan identified the Mexican stock market as a government-created bubble destined to burst. Five years of devaluations, cuts in real wages, and growing budget deficits that only worsened inflation, made the stock market and usurious government treasury bills the sole recipients of investment funds. The resulting flood of speculative capital into the stock market pushed it from 15,000 in early 1986 to 120,000 in May 1987, to 375,000 by Oct.

9—whence it began its vertiginous 75% descent back to 110,000 in two short months—in pesos worth only 60% of their May value.

As identified by *EIR* columnist Carlos Cota Meza on May 29, the policy that brought about the crash was the work of central bank head Miguel Mancera and Agustín Legorreta, owner of the second largest brokerage in Mexico and head of the Businessmen's Coordinating Council, on behalf of the financial oligarchy who were playing to buy the next President of Mexico. With the selection by de la Madrid of Salinas de Gortari a scant five days before the crash, the oligarchy had its man as the presumptive next President of the country.

But it was the global stock market crash beginning Oct. 6, with a relative culmination on Oct. 19, that sealed Mexico's financial doom—and insures similar crises throughout the continent in the near future. Following Oct. 19, a chain reaction of capital flight and drain of reserves was set off that reportedly emptied at least \$2 billion out of Mexico's reserves, in less than two months, until the central bank suspended its support for the free market peso on Nov. 19. The peso promptly plummeted by about 50%. But that move in turn led to 50% overnight price hikes in many parts of the economy, for which the labor movement demanded compensation.

De la Madrid issued a statement warning of the danger of hyperinflation. Ostensibly to forestall this eventuality, de la Madrid suddenly opted for an orthodox austerity program so severe that a 10% decline of the GNP is officially forecast for the first quarter of 1988, brought on by price hikes of 85% in gasoline and electricity, 100% in public transport, and 15-50% in food staples, including tortillas, bread, and milk. Mass layoffs began, with 150,000 government bureaucrats. No one outside of de la Madrid's coterie of financial confidants expects anything but increasing chaos and crisis under this policy.

Five years of IMF prescriptions to increase exports and slash imports, have devastated the Ibero-American continent's physical economy. After five years, inflation is 145-170% in Mexico, and over 300% in Brazil. In Argentina, it hit an 800% annual rate in October. Mexican wages, in real terms, fell 57% between 1982 and July 1987, according to one study, and by 46% between January and October of 1987 alone, according to another—and they fell dramatically again after the Dec. 8 price hikes. As of May 1987, Argentine industrial salaries were only 57% of their 1976 levels, and they have fallen substantially since then. The minimum wage in Brazil has fallen from \$90 in 1981 to \$65 in January 1987, to \$40 by November—and 42% of families earn less than the minimum wage.

The health and nutritional levels of the population have collapsed. Story after story has appeared in the Mexican press documenting the extent of malnutrition of children, causing permanent brain damage, and of preventable, poverty-related diseases and child mortality. Unemployment is calculated by the Mexican Labor Congress to be 32%. In Brazil, 90.8

million people, 67% of all Brazilians, cannot obtain the minimum figure of 2,250 calories, and 36 million children are malnourished. In the Northeast, the average intake is only 1,845 calories, and 86.5% of children under 5 are malnourished, a study reports. Even in food-rich Argentina, the quality of the population's diet is declining fast. Over the past five years, 17,000 small and medium-sized industries have folded, 200,000 manufacturing jobs have disappeared, and manufacturing GNP has fallen 18%.

While real production collapses, governments have slashed investment budgets and cut services, but continued ballooning debt service payments. About 55% of Mexico's 1988 projected budget is to pay debt service, some 33% of the entire Gross National Product. Brazil's budget deficit is also above 30% of its GNP. Argentina promised the IMF it would reduce its deficit from 8% of GNP to 4%, after which government revenues dropped 20%. All three countries face a near-term drastic worsening of their deficits, as projected revenues fail to materialize because of falling economic activity, threatening hyperinflation, and bankruptcy of the state.

### **Toward 1988: 'Operation Juárez,' or bust**

Everything that LaRouche told Ibero-American leaders back in 1982, and repeated since then, has come true. In September of 1986, the Schiller Institute published a book in Spanish, *Ibero-American Integration: 100 Million New Jobs by the Year 2000!* which elaborated in detail the required programs of physical integration, great infrastructure projects, common market mechanisms, and monetary measures, required to implement the 1982 "Operation Juárez" proposals. Beginning in fall 1986 and continuing through 1987, forums and seminars on the book were held in Mexico, Brazil, Argentina, Peru, Colombia, Venezuela, Bolivia, the Dominican Republic, Honduras, and Guatemala. Top economic planners and military and political figures attended these meetings, and indicated their intention to fight for the policy perspective outlined. As a result, today, LaRouche's "Operation Juárez" approach as spelled out in the *Ibero-American Integration* book is hegemonic within anti-monetarist circles throughout the continent, and is universally recognized as the only alternative to continuing economic and financial disaster.

The close of 1987 saw several developments that point to the possibility that 1988 could be the year that the continent finally unites to fight back along the lines laid out by LaRouche and the Vatican.

Two and a half years after García first proposed it, the eight members of the Contadora Group and its support group—Mexico, Colombia, Panama, Venezuela, Brazil, Argentina, Peru, and Uruguay—met in Acapulco Nov. 24-28 for a first-ever summit. The most important agenda item was the growing debt crisis. While not agreeing on any specific course of action—as García had urged—the Presidents did make their strongest-yet affirmations of the necessity to reduce debt payments in accord with the ability of each country pay—

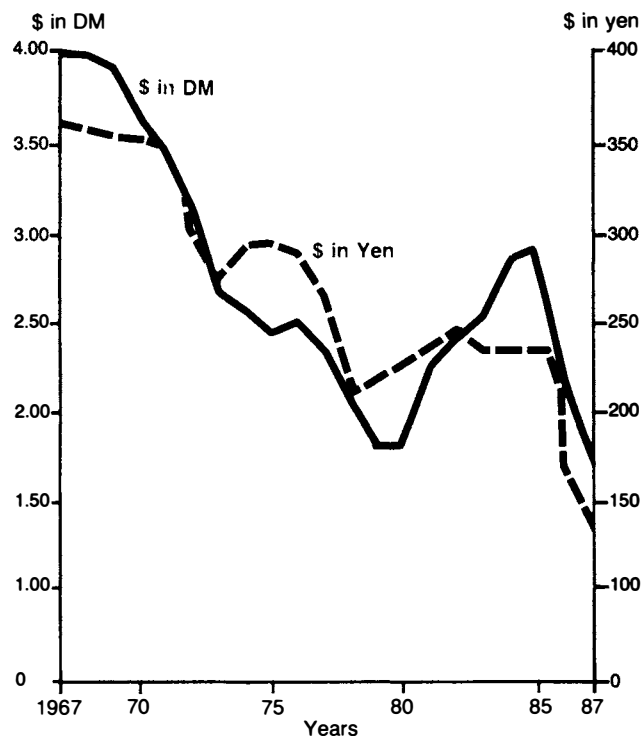
citing Pope John Paul's pronouncements to this effect. And, as García pointed out on returning to Lima, a mechanism was established, one entirely in the hands of Ibero-American countries themselves and not under the U.S. thumb, through which more concrete unity moves can be later conducted, as conditions worsen.

In fact, during 1988, debt moratoria, either deliberate or forced, are inevitable for all three major debtors. Argentina will run out of money in a few months. Brazil's crisis will soon recreate the conditions that forced the first moratorium. Mexico's blowout will one way or another make full debt servicing impossible before the end of the year.

Thus, the question facing the leading nations is not whether to have a debt moratorium, but whether to have one de facto in the wake of a terrible collapse that destroys national institutions and opens the door to the Soviets and their proxies. The alternative is to declare a moratorium as a unified political decision that opens the door to resolving the crisis.

**Correction:** The graph published in our last issue, page 12, was incorrectly labeled for the years after 1977. The graph below shows the correct figures. Also, on page 11 of that same issue, the title of Figure 6 should have read, "Trends in industrial employment, 1944-83."

FIGURE 7  
U.S. dollar in deutschemarks and yen  
1967-1987



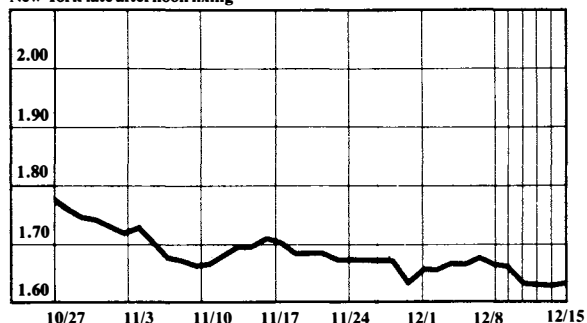
\*Amounts are averages for those years; the real Carter low came in April 1979, 1.72 DM

Source: International Financial Statistics, International Monetary Fund.

## Currency Rates

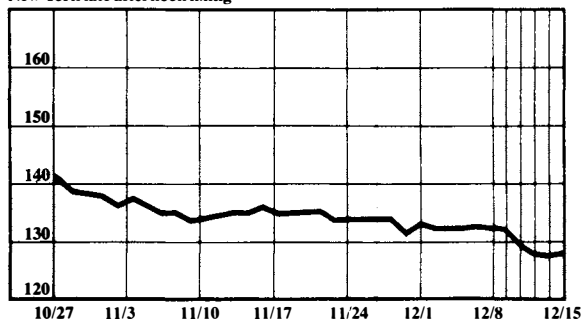
### The dollar in deutschemarks

New York late afternoon fixing



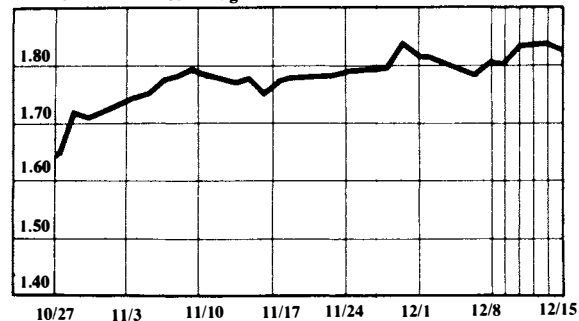
### The dollar in yen

New York late afternoon fixing



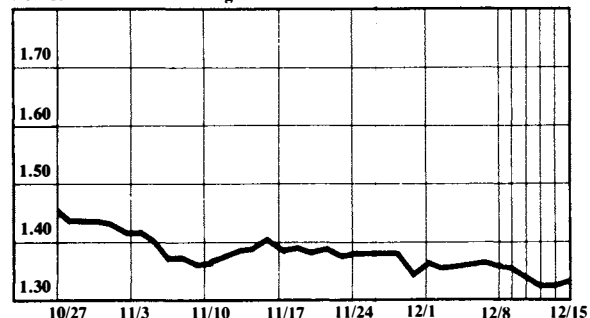
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



### Bresser forced to resign

*Brazil ended its debt moratorium, but the international bankers are still nervous.*

**B**razilian Finance Minister Luiz Carlos Bresser Pereira resigned Dec. 18, because he failed to implement the full package deal he had worked out with creditor banks in November. One part went through Dec. 29, when Brazil paid \$367 million to break the debt moratorium declared Feb. 20 by Bresser's predecessor, Dilson Funaro. But President José Sarney lacks the political muscle to impose the kind of austerity and give-away of national patrimony demanded by the International Monetary Fund (IMF). Bankrupt Brazil will soon resume its moratorium if its bankers do not "lend" it \$11.5 billion more to cover 60% of their 1987-89 interest charges.

The banks are nervous. They will try to keep Brazil performing by "breathing oxygen into the corpse" of their deal with Bresser, because "the idea of having Brazil go back to moratorium, in January, and not pay interest for one or two more years is too scary for the banks," said a Citibank officer.

Bresser blamed his demise on President Sarney, whom he rightly accused of "lacking authority." "My greatest adversary in the government was weakness," he charged. Soon, Sarney sputtered back, also correctly, that Bresser had been making internal economic policies "as if we were jumping the gun on the IMF" by applying the kind of recessionary policies it imposed on Brazil at the end of 1982. Sarney, however, immediately decreed a similar package of tax increases and budget cuts.

All business forecasts are for the

recession of the past two months to turn into a depression in January. Sarney told the press Dec. 21, "It were better for us to fall into a controlled recession than to take off for a high level of inflation." What Sarney means by "high" is hard to tell, since 1987 consumer price inflation was measured at 370% by one government agency and 418% by another.

Inflation has accelerated, while the minimum wage has been cut since April by 10%, to \$50 a month, the lowest it has ever been. April was when Sarney fired Funaro and began propitiating foreign creditors and the IMF.

Bresser's last stand was ostensibly his attempt to dissolve a dozen small state companies and to put token taxes on capital gains and the property of millionaires. Bresser told the press Sarney had given his approval and then withdrawn it after getting an earful from politicians he counts on to prolong his presidency. Sarney is trying to be all things to all people; and Bresser's "package" alienated everybody.

But what really did it was his tampering with the most sensitive areas of the economy. Bresser tried—but failed—to end tariff protection of strategic industries. According to insiders here, the industrialists affected went to military officers and persuaded them that such free trade policies threatened national security. The military forced Sarney to retreat.

The Reagan administration is bludgeoning Brazil into a "free trade" mode and is willing to burn whatever is left of the former Brazil-U.S. alliance to do so. In November, President

Reagan ordered \$105 million in Brazilian exports to be blocked from the U.S. market—unless Brazil stops protecting its nascent computer industry against strangulation by IBM.

The Brazilian foreign ministry has persuaded Sarney to scrap all mercantilist industrial promotion policies which disturb Washington's free traders. Sarney tailored a new computer software law to State Department specifications. He abolished tax exemptions for exporters. "The government isn't able to make any decisions now. It's paralyzed," commented Andre Lara Resende, a Brazilian economist who designs "heterodox" austerity programs on behalf of the IMF.

Sarney spent his Christmas vacation struggling to design an economic policy to satisfy creditors without arousing the population to revolt. With him were Citibank director Mario Simonsen, Helio Jaguaribe of the genocidalist Club of Rome, Socialist International leftist Fernando Gasparian, and Marcilio Marques Moreira, a monetarist banker who is ambassador to Washington and touted to become the next finance minister.

Such pragmatist strategems are doomed, Funaro warned on the day Bresser resigned. "The important thing," he stressed, "is that the country goes back to discussing substantial questions. During the past six months the government changed its line on foreign debt negotiations, harming the national interest. And, on the internal plane, it caused a large salary loss. The government came to be more concerned with questions such as the length of the presidential term than with the country's real problems. So long as the government does not have a working policy envisioned in terms of the country's distant future, we will have a crisis every 90 days."

## **An attack on mechanization**

*The California decision in favor of "small farms" is an attack on the American system of high-technology farming.*

**O**n Nov. 18, 1987, a court in California attempted to "reinterpret" standing federal law in a manner designed to assist the demise of the modern family farm, and to lend support to the New Age, "alternative-technology" dirt farm. Although only a state court judgment—albeit in the most important U.S. agriculture state—the spurious reasoning in the case should be made known and denounced to deter the spread of this outlook.

The remarkable decision equates mechanization with a threat to the economy.

Judge Raymond Marsh of the Alameda County Superior Court in ruled that the University of California was in violation of the 1887 Hatch Act, mandating federally funded programs for agricultural experimentation at land grant colleges, because the university was said to be favoring large, mechanized farms over small, labor-intensive farms. The judge ordered the university to produce a different research perspective by mid-February of this year.

Judge Marsh announced his intention to review the new program, and to monitor compliance over the next five years.

The decision culminates eight years of litigation, in which the central issue was the university's involvement in developing mechanical harvesting equipment for fruits and vegetables, especially the tomato, for large-scale agricultural operations.

The focus of the trial proceedings was the use of federal funds by the

university to develop labor-saving devices. The suit against the university contended that the very development of the equipment constitutes the cause of the increasing market domination by a few large grower-processors, and also caused the unemployment of tomato pickers. Data presented by the plaintiffs reported that tomato harvest-time jobs fell from 50,000 in California in 1964, to 18,000 in 1970. There was no material presented on the simultaneous decline in the general economy, which therefore prevented farmworkers and other unemployed, from finding better, and higher-paying jobs.

The suit was originally filed as the centerpiece of the farm wing of the "greenie" movement in the United States, paralleling certain attacks on advanced crop and animal husbandry in Western Europe over the last decade.

It is the case that food brokering and processing are increasingly becoming concentrated in the hands of a few cartel companies in the United States and abroad, but not because of technological innovations. The monopoly concentration comes about as a result of government-protected buy-out and trust practices of such individuals and cartel firms as Armand Hammer (IBP—Iowa Beef Processors), Dwayne Andreas (ADM—Archer Daniels Midland), Nestlé's, Cargill, Continental, Bunge, André, Louis Dreyfus, and the rest.

This worldwide concentration of food control has been conspicuously

ignored by the originators of the California anti-machinery suit, who receive funding and support from foundations connected to the financial interests that have sought to break the back of the independent family farm. The suit was filed on behalf of 15 farmers by the California Rural Legal Assistance Group, and the California Agrarian Action Project of Davis. Such groups are part of a network of activist fronts, which in turn receive funding from such Eastern Establishment foundations as the Ford Foundation, and the Field and Stern Foundations.

A notorious part of this Luddite campaign against technology and land grant university research was the "Agriculture Accountability Project," created in the 1970s by persons linked to the radical Institute for Policy Studies in Washington, D.C. The AAP produced a book, under the byline of Jim Hightower, now Texas agriculture commissioner, called *Hard Tomatoes, Hard Times*. The thesis of the book, like the California case, is that mechanization is bad because jobs are lost.

Speaking defensively on the issue of job loss, Elizabeth Martin, former executive director of the California Action Network that took over the Agrarian Action Project at Davis, told the press after the Nov. 18 decision, "We were not saying the tomato harvester should not have been developed. We said that it should not have been developed with Hatch Act money. Not a penny was spent to study the implications of mechanization on jobs, on farm size, on prices, on the environment."

University officials announced that they are appealing the decision. University attorney Gary Morrison said that the University "has procedures to ensure that sound and quality research is conducted for the benefit of all mankind, including small farmers."

# Business Briefs

## Health

### Laboratory worker contracts AIDS

Scientists have reported the first instance of a laboratory worker who became infected with AIDS on the job—despite taking all recommended precautions. The finding, reported in the Dec. 31 issue of *Science* magazine, is the first officially recognized case in which a researcher handling highly concentrated AIDS virus was infected, even though he wore gloves, a mask, and other protective clothing, and apparently had no accidents with the virus.

The researcher worked in a lab affiliated with the National Cancer Institute. NCI's Dr. William Blattner, who headed up a research team which investigated the incident, told UPI that "the most plausible source of exposure was contact of the individual's gloved hand" with a concentrated AIDS solution. He did not discuss the possibility that the worker may have been infected via aerosol transmission.

## International Trade

### U.S. wants concessions from South Korea

In the first week of January, South Korean Deputy Prime Minister Chung In Yong is scheduled to visit the United States to try to ward off a major new round of "Korea-bashing" on trade and tariff issues. Immediately after the Dec. 16 victory of ruling party candidate Roh Tae Woo, the United States announced plans to force South Korea, its fifth-largest trading partner, to open its economy to more U.S. imports, beginning with beef, cigarettes, and insurance. The United States will also push for a major appreciation of the South Korean currency, the won, to cut South Korea's exports.

South Korea's strong economy (12.2% growth in 1987) has provided a decisive margin of stability in the country, and was a chief factor in Roh's election victory. U.S. trade war against the country will fuel the opposition forces, and particularly hurt the

ruling party's strongest base, among farmers.

Two of the rumored chief beneficiaries of the proposed changes, are among the government's most dangerous adversaries: the R.J. Reynolds Tobacco Co. and the C.V. Starr-American International Group insurance empire of Maurice Greenberg.

R.J. Reynolds set up the Washington, D.C.-based ARCA Foundation, which funds the Korean opposition and its international support base, including the International Human Rights Law Group and the North American Coalition for Human Rights in Korea.

C.V. Starr-AIG chief executive "Hank" Greenberg, an associate of the late CIA chief Bill Casey, played a key role in the overthrow of Philippine President Ferdinand Marcos. Through his Philippine-American Life, the single largest liquidity pool in the Philippines, Greenberg controlled the figures who wrecked the Philippine economy, including former Finance Minister Jaime Ongpin, Central Bank Chief Jose Fernandez, and Development Bank head Cesar Zalamea. Greenberg maintains joint-venture insurance companies with Poland, Romania, and Hungary, and was to insure the 1980 Moscow Olympics, before the Soviet invasion of Afghanistan.

## Commodities

### Japan to cut Iranian oil imports

Japan's Ministry of International Trade and Industry (MITI) asked the nation's six major trading companies and four oil companies to cut oil imports from Iran to no more than 200,000 barrels per day, Tokyo's leading business newspaper, *Nihon Kezai Shimbun*, reported Dec. 26. The measure is in retaliation for Iran's bombing of ships in the Persian Gulf. In the previous six months, the companies bought about 300,000 barrels per day from Iran.

Although spokesmen for MITI and the foreign ministry refused to comment on the report, the newspaper quoted a MITI source saying, "This decision was made in consideration of Japanese Prime Minister Noboru

Takeshita's visit to the United States in January." Takeshita is scheduled to return to the United States on Jan. 12 to discuss several additional trade issues.

## Domestic Credit

### FDIC may show first loss ever

The Federal Deposit Insurance Corporation, the U.S. government agency that insures almost \$2 trillion in deposits of the country's commercial banks, could very well post its first annual loss in its 54 years of existence.

Its chairman, L. William Seidman, said Dec. 27 that the cost of handling close to 200 bank failures in 1987 meant that the FDIC would "be hard pressed to break even this year." Even though the losses were played down as small, only 2% of the agency's fund (between \$200 and \$300 million), it nonetheless was perceived as one more indication of the shaky state of the country's finances.

Last summer, Congress passed a bailout program for the Federal Savings and Loan Insurance Corporation (FSLIC), the saving industry's insurance fund, and in December, Congress approved a \$4 billion bailout of the Farm Credit System.

## International Credit

### German banker expects new world depression

"Few have stopped to realize that the architects of the Louvre Accord of 1987 are the architects of the crash of 1987, and that the great crash of 1929 was ushered in by a similar agreement to stabilize the ailing British pound." So said former Dresdner Bank chief economist Kurt Richebächer, now an independent consultant, in an interview with financial correspondent Leonard Silk, reported in the *International Herald Tribune* Dec. 27, under the heading, "Amid Upbeat Forecasts, A Lone Voice of Warning."



Appalled by the current mood of "complacency" in the financial world, Richebächer believes that the Black Monday crash sent a clear message of "extreme financial and economic instability and vulnerability." Richebächer says that the complacency should be blamed on "a widespread ignorance of history."

He notes that, in the summer of 1927, an agreement to stabilize the British pound was made between Benjamin Strong, head of the Federal Reserve Bank of New York, and Montagu Norman, governor of the Bank of England. In his view, the U.S. agreement to rescue the pound "sowed the seeds of the wild speculative excesses on Wall Street in 1928-29, and led directly to the October 1929 crash."

Richebächer claims that there was far too much cooperation between the U.S. and British central banks, "each trying to support the other by inflating their respective money supplies." The Fed eased monetary conditions, and "launched the greatest reserve injections of the 1920s, coupled with a discount-rate cut," aimed at supporting the pound and "rekindling the already-teetering boom." He finds an "uncanny resemblance to the events of 1985-87."

### East-West Trade

## Gorbachov maps deals with Verity and friends

Soviet leader Mikhail Gorbachov met for a "one-hour hush-hush meeting" on Dec. 10 with U.S. Commerce Secretary William Verity, U.S.-U.S.S.R. Trade and Economic Council chairman James Giffen, and Dwayne Andreas of Archer-Daniels-Midland, according to a report by Donald Lambro published in the *Washington Times* on Dec. 24. The private confab followed Gorbachov's meeting with 80 American businessmen, under the auspices of the Trade and Economic Council.

According to Lambro, "The group's participants discussed putting together 10 major trade deals with a combined value of close to \$10 billion." A senior Pentagon official said that some of the possible projects would include telecommunications, com-

puters, machine tools, oil equipment, food processing, and engineering. According to a former NSC official cited by Lambro, Verity's "intention is to establish long-term contracts that Congress can't scrutinize under the Export Administration Act."

Lambro added that "Mr. Andreas, a major supporter of Sen. Robert Dole's presidential campaign, headed President Reagan's Task Force on International Private Enterprise, which recommended cutting the Pentagon and the National Security Council out of much of the strategic trade review process, in order to facilitate greater trade with the Soviet bloc."

Verity, a close acquaintance of the KGB's favorite billionaire, Armand Hammer, told reporters recently that he believes in "building bridges" to the Soviet Union through trade, adding: "It's the old Yankee clipper ship all over again."

Verity was co-chairman of the U.S.-U.S.S.R. Trade and Economic Council from 1977 to 1984. A declassified State Department report recently identified at least one-third of the Soviet members of the council as known or suspected KGB agents. The council is slated to meet in Moscow in March.

### High Technology

## Japan seeks more funds for defense

The Japanese Defense Agency called on the finance ministry for additional funds for the agency's fiscal 1988 budget request, the *Japan Times* reported Dec. 18. The agency wants 2.25 billion yen for design of the next-generation FSX support fighter, and 50 million yen for an anti-submarine warfare information center.

The finance ministry approved a 3.74 trillion yen Defense Agency budget in July. The latest request will actually reduce the 1988 defense budget by 4 million yen, because some research costs were dropped in the original budget.

Director-general of the Japanese Defense Agency Tsutomu Kawara will visit the United States Jan. 15-21 for talks with Defense Secretary Frank Carlucci.

## Briefly

● **PAUL VOLCKER** was pictured in the *Japan Times* on Dec. 17 chatting with Japanese organized-crime boss and war criminal Ryoichi Sasakawa, at the Dec. 16 inauguration of the Sasakawa Peace Foundation in Tokyo. Sasakawa, notorious for his Moonie connections, is head of the Japan Shipbuilding Industry Foundation.

● **PRICES IN MEXICO** rose 50% in December, reported Benito Fafán, the labor member of the National Council of Minimum Wages. He said that wage-earners earning the minimum wage, the majority of all workers, cannot meet the basic requirements for a family on what they are now receiving.

● **U.S. AUTO SALES** fell 18% from December 1986 to December 1987.

● **ROMANIA** will repay its \$2 billion in World Bank debt only in constantly depreciating dollars, not in "hard currencies" such as the deutschemark or yen. According to London banking circles, this precedent could present problems for the AAA+ credit rating of the World Bank itself.

● **GERMAN MACHINE** exports may drop by another 20% in 1988, the president of the German Industry Association, Tyll Necker, forecast in an interview with the French daily *Le Figaro* published Dec. 22. German machine and machine-tool exports (some 55 billion deutschemarks in 1987) are largely accounted in dollars and directly depend on the dollar value.

● **THE UNITED STATES** has agreed to repay up to 90% of any new loans which Israel undertakes on private New York financial markets, under the terms of the little-noticed debt bailout provision slipped into the omnibus budget bill by Senators Daniel Inouye and Robert Kastenmeier, reported the *Jerusalem Post* on Dec. 23.

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## Why the Russians lead in controlling the biosphere

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*The conceptual basis of the Soviet scientific advantage in control of the biosphere: V.I. Vernadsky and the Russian school of biogeochemistry. By Warren J. Hamerman.*

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The issue of the Russian attitude toward Lyndon LaRouche's application of the scientific work of the brilliant 19th-century German geometer Bernhard Riemann to modern questions of physics, biology, and economics has recently taken on fundamental significance in strategic affairs. Late last year, the Soviet magazine *International Affairs* (English-language edition No. 10, October 1987; Russian-language edition No. 9, three weeks earlier) published the full text of a letter from Lyndon LaRouche along with a commentary from the editors of the Soviet Foreign Ministry's journal (see *EIR*, Dec. 4, 1987, Vol. 14 No. 48). The Russian editorial commentary on LaRouche's work included the following question:

"And what are we to make of 'Riemann Surface, a Gauss-Riemann manifold,' ideas which the letter considers decisive for the development of civilization?"

What could possibly be the basis in the Russian mind for the fear that LaRouche might spark a controversy surrounding Riemann's approach to physics and biology? What is their fear that others beside LaRouche may find these ideas "decisive for the development of civilization?"

In fact, the area of work explored by Lyndon LaRouche touches upon a domain of scientific research which was the source of heated interest earlier this century in the Soviet Union itself.

Two of the leading scientists this century who have worked on a Riemannian approach to "living matter" were the Soviet scientists V.I. Vernadsky and A.G. Gurvich. The lines of work in biophysics developed by these figures and their collaborators have multiple significance:

1) They are probably the most fruitful approach to the deadly AIDS pandemic today.

2) They contain the key to scientific advances in plasma

physics and basic biology.

3) They lie at the heart of man's ability to control large-scale processes on the biosphere as well as to "terraform" foreign planets such as Mars so that they may become habitable for man.

4) They are central to the methods and strategies of warfare and military technologies in the 1990s and the 21st century.

The purpose of this article will be to inform the Western reader of this area of scientific work. While aspects of Vernadsky's work have recently been promoted in the West, the most crucial features of his "Riemannian biophysics" have been ignored.

For much of the 20th century, the Russian school of "biogeochemistry" founded by the seminal scientific figure of Vernadsky has been systematically studying the interacting electromagnetic radiation processes which order and control all living and inert phenomena in our biosphere. Vernadsky's work, closely informed by the early theoretical and experimental writings on nuclear radiation of Pierre Curie, developed out of his careful blending of the work of two 19th-century scientific geniuses—the French biophysicist Louis Pasteur, and the German geometer Bernhard Riemann.

In the scientific climate created by Vernadsky's leadership, Alexander G. Gurvich in 1923 made his famous discovery of mitogenic radiation as a by-product of his exploration of the nature of the "biological field."

The basic approach of Vernadsky's biogeochemistry is to study the various physical, biological, and chemical processes in our biosphere—in near space and the atmosphere, among living species of animals and plants, in the oceans, and in the planet's mineral and geological infrastructure—

from their fundamental “interactions.”

Fundamental discoveries in the “rules of the planet” have immense scientific, economic and military-strategic implications. Put simply, he who understands the rules of the planet, can “make” earthquakes, tidal waves, lightning storms, deadly diseases, chemical storms, genetic mutations, and therefore, in fact, rules the planet.

In the year 1926, Vernadsky became the founding director of the State Radium Institute in Leningrad, and presented the following conception as the basic orientation of scientific investigation:

Only a few of the invisible radiations are known to us at present. We have hardly begun to realize their diversity and the scrappy nature and inadequacy of our knowledge of the radiations which surround us and pass through us in the biosphere, and to understand their basic role in the processes going on around us, a role which is difficult to comprehend by minds accustomed to other conceptions of the universe. . . . We are surrounded and penetrated, at all times and in all places, by eternally changing, combining and opposing radiations of different wavelengths—from ten millionths of a millimeter to several kilometers.” (*The Biosphere*, 1926.)

### **Pasteur, Riemann, and the rules of the biosphere**

Vernadsky distinguished three types of natural bodies in the biosphere: living bodies (animals and plants); inert bodies (rock, quartz, etc.); and bio-inert bodies (soil, lake water, etc.). At their death, living bodies undergo a transition into inert bodies (gases) and organic rocks.

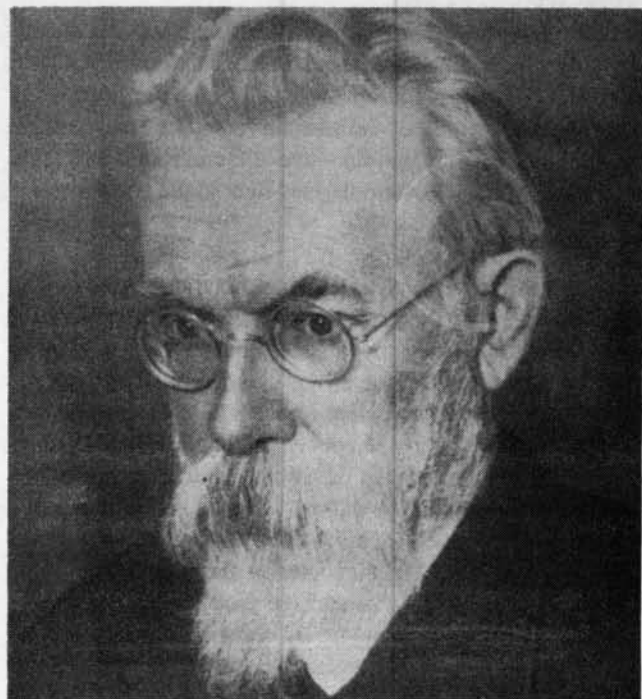
The fundamental distinction between living and inert bodies is threefold: 1) differences in energy organization; 2) differences in chemical manifestations; 3) differences in geometry and space time.

With regard to energy differences, Vernadsky asserted that, except for radioactivity, inert bodies decrease the free energy and increase the entropy of the biosphere. Living organisms, on the other hand, increase the free energy of the biosphere and decrease its entropy.

With regard to chemical differences, Vernadsky observed the following.

The chemical composition of inert natural bodies is a function of the medium in which they are created; the number of chemical compounds is limited; the chemical composition corresponds to nearly pure compounds with precise stoichiometric ratios between the elements; the isotopic ratios of terrestrial elements do not change except by radioactive disintegration; stability throughout geological time is overwhelming.

The chemical composition of living natural bodies is created by themselves. By nutrition and respiration they select



*V.I. Vernadsky, the intellectual founder and scientific organizer of modern Soviet physics and the study of living matter. His research approach was one of “biogeochemistry”: mineralogy, geology, and crystallography are subsumed by their participation in the “living” cycles and development of the biosphere.*

chemical elements needed for their existence and for the creation of new living forms. Vernadsky called this the “autarchy of living matter.” They are able to change the composition of their isotopic mixtures. The number of chemical compounds in living bodies is not limited. Living beings have extremely complicated mixtures of chemical compounds because the molecules are “chemically and physically bound to water” to the extent of 60-90% of all molecules. The elements of water—oxygen and hydrogen—dominate in living matter. In addition, the other prevailing elements of protoplasm are C, N, P, S, K, Na, Cl, Ca, Fe, Si, and Mg. The skeletal parts are dominated by Fe, Ca, Mg, P, S, N, C, H, O, Mn, and Si. Living organisms have the capacity to change isotopic ratios. Living bodies change their forms in the process of evolution.

The most dramatic differences between inert and living bodies, Vernadsky observed, occur with respect to space-time and geometry.

All physical-chemical processes in inert bodies are reversible in time. Vernadsky credits Louis Pasteur’s work on “molecular dissymmetry” as the critical conception in distinguishing the curvatures of living from inert “space.” Pasteur showed that the crystal state products of chemical reactions in which living organisms were not involved always generated an equal number of molecules of the same composition but some curved “left-handed” and others curved “right-handed.” When living organisms were involved, however,

only the left-handed or right-handed isomer was produced, because the organism utilized the other curved molecule in the process of the reaction. Pasteur developed a method of distinguishing which of the two curved spaces was present by their optical interactions—the direction and degree to which they rotated plane-polarized light in the polarimeter.

As Vernadsky observed:

The discovery of molecular dissymmetry, completely analogous to the dissymmetry of crystal polyhedra, thus made by Pasteur, had a far-reaching importance. It resulted in the creation of the whole new science of stereochemistry. With this there entered into chemistry the concept of asymmetry, or the absence of symmetry in the structural arrangement of atoms, surrounding a carbon atom. . . . Following Pasteur, P. Curie generalized the concept of dissymmetry, looking at the phenomenon discovered by Pasteur in organisms as its specific case, and applied it to basic physical phenomena, electric and magnetic fields, etc., as a fundamental postulate of physics. (*Problems of Biogeochemistry*, II, 1944.)

Vernadsky generalized the distinction between living and inert space-time in the biosphere in terms of the distinction between Euclidean and Riemannian geometry.

The space in which inert bodies reactions take place exists in Euclidean geometry—an isotropic or anisotropic crystal state.

Physical-chemical processes in living bodies, on the other hand, are not reversible in time. Vernadsky thought that this was the consequence of the fact that the processes occurred in a non-Euclidean geometry corresponding to the ideas of Bernhard Riemann, since living beings naturally were in constant transition from one geometrically characterized space into other spaces of different characterization.

Vernadsky wrote in 1938:

We will start with the working scientific hypothesis that space inside living matter is different from that inside the inert natural bodies of the biosphere. The state of the former space is not confined within the limits of Euclidean geometry. Time may be expressed in this space by a polar vector. The existence of rightness and leftness and their physico-chemical inequality points to a geometry different from Euclid's, a special geometry of space inside living matter. From my discussions with the geometricians it became clear to me that a geometry corresponding to the conditions required has not yet been worked out. New research work by geometricians is needed. As suggested by Academician N.N. Luzin and Professor S.P. Finikov, it is possible that this would be one of the geometries

of Riemann's type. . . . It is desirable that the attention of the geometricians be called to these questions. The research of the naturalists must always be based on the structures of the geometricians, in order to achieve regular development. On the other hand, the mathematical thought grows and reveals new domains when either the scientific thought or the environing life puts new problems before it. The geometrical character of the space occupied by living matter is one of such problems. It is distinguished by polar vectors (that is, the absence of a center of symmetry, or of complex symmetry) and the chemical non-identity of right and left stereo-isomers. The conspicuous absence in living organisms of flat surfaces and straight lines is characteristic; the symmetry of living organisms is marked by curved lines and curved surfaces, characteristic of Riemann's geometries. Another characteristic of Riemann's geometries is that they deal with space which is finite, closed, sharply differing from its environment. This corresponds to the aloofness of living organisms in the biosphere. Which then of the great number of Riemann's geometries fits in here? What are its properties? It seems to me that this problem must not be overlooked by our geometricians. It deserves their full attention even in itself, as a geometrical problem, and especially since it is connected with an even more general physical problem, that of the geometrical states of physical space, which has been touched upon but little by philosophical and physical thought. (Uzkoe, June 1938, *Problems of Biogeochemistry*, II)

### Who was Vernadsky really?

V.I. Vernadsky (1863-1945) organized the scientific-technological basis of the Russian war machine for both World War I and World War II. Thus, he was effectively the Russian-Soviet approximation of "Lazare Carnot," the scientific genius behind Napoleon's victories, for both the World War I and World War II war mobilizations.

In 1911, his laboratory studies in the spectroscopic analysis of minerals were part of a national study of Russian radioactive elements funded by the Ledentsov Society. In 1915, Vernadsky emerged as the main spokesman of the KEPS—Commission for the Study of Natural Productive Forces of Russia—which had been established by the Academy of Sciences. Vernadsky personally created the National Resource Commission which mapped out Soviet mineral resources.

KEPS had a threefold mandate: a) to provide technology for industries central to war—e.g., explosives, aviation, military electrical instruments, poison gas, chemicals, medical supplies, etc., b) an interdisciplinary national mineral survey, c) to coordinate research through unifying scientific

manpower. Vernadsky emphasized the need to proliferate research groups and the relationship between the development of science and the national economy.

Based upon his close study of Pierre Curie's work, Vernadsky focused very early in the 20th century on the importance of atomic energy. Below are two selected quotes from his pre-World War I writings:

Before us here are opening up sources of energy, which the power and significance of steam, electricity and chemical explosive processes pale. Mankind has entered a new age of atomic energy. (1910)

We are approaching a great revolution in the history of humanity, which is beyond comparison in all its preceding history. The time is drawing near when man will harness atomic energy, a source of power which will enable him to shape his future at will. (1911)

In 1922, he became founding director of the Radium Institute in Leningrad. Almost immediately he left Russia. He went to the Curie Institute in Paris. He lectured at the Charles University in Prague, the Sorbonne, and M. Curie's Radium Institute. His work in France was funded by the *Rosenthal Foundation*. In 1926, he returned from exile to become director of the State Radium Institute in Leningrad from 1926-38. In 1926, he established a Department of Living Matter within KEPS and a Commission on the History of Knowledge within the Academy of Sciences.

In 1934, he organized and was first president of the Commission for the Study of Heavy Water. In 1937, he formed a Commission on Radioactive Dating. In 1939, he formed a Commission on Isotopes. In 1940, he became a member of the Special Committee for the Problems of Uranium (the wartime nuclear effort). The "Special Committee" included Academicians Vernadsky, Ioffe, Fersman, S.I. Vavilov, P.I. Lazarev, A.N. Frumkin, L.I. Mandel'stam, G.M. Krzhizhanovskii, Kapitsa. The "Special Committee" also included professors Kurchatov, D.I. Shcherbakov, A.P. Vinogradov, Yu. V. Khariton. Out of the 14 total, Khlopin, Fersman, and Vinogradov were Vernadsky's direct students. The committee's purpose was to revamp the nuclear program in all aspects. Throughout the late 1930s, Vernadsky championed the need for the Academy not to underfund the "cyclotron project." In 1944, Vernadsky's Institute under the direction of I.V. Kurchatov constructed the first cyclotron in Moscow.

A short biographical summary of Vernadsky's life follows:

- 1863** Born in St. Petersburg. Father was a professor of political-economy.
- 1888** Tours Italy, Germany, Switzerland, France, and Britain while studying crystallography and mineralogy.
- 1907** Trip to Scandinavia.

- 1908** Attends British Association of Science Conference in Dublin.
- 1910** Begins campaign in Russia for study of radium.
- 1911** Delivers keynote to Second Mendeleev Congress.
- 1913** Attends International Geological Congress in Toronto.
- 1915** Chief Spokesman of KEPS.
- 1918** Founds Ukrainian Academy of Sciences.
- 1922** Founds State Radium Institute.
- 1922-26** Exiled in Paris and Czechoslovakia.
- 1926** Returns to Leningrad to direct Radium Institute.
- 1927-35** Periodic trips to France, Germany, Holland, and Czechoslovakia.
- 1934** Moves to Moscow with transfer of Academy Center.
- 1937** Coordinates XVII International Geology Congress in Moscow.
- 1939** Forms Commission on Isotopes.
- 1940** Member, Special Committee for Problems of Uranium.
- 1945** Dies.

### What is Vernadsky's conception of biogeochemistry?

Vernadsky's conception of biogeochemistry, which he first articulated in 1916 and continued to develop until his death in 1945, can be summarized as follows:

1) Living matter is distributed more or less uniformly on the surface of the Earth, which forms a layer that concentrates the "free energy" of chemistry, provided by the sun. Life on the Earth's crust is a series of layers or envelopes in which are contained the processes which define the "biosphere." The biosphere includes the entire atmospheric troposphere, the oceans, and a thin layer in the continental regions, extending down three kilometers and more.

2) The biosphere is distinguished by two processes: a) It is the domain of life; b) It is the region where transformations due to incoming radiation can occur. The unique physical, chemical, and biological characteristics associated with life in the biosphere can be thought of as an ensemble of nested envelopes concentrated at the Earth's crust. The study of these envelopes has the highest importance in understanding the interrelated processes of biogeochemistry.

3) There is an incessant and regular movement of elements from one envelope to another, a movement which is eternally renewed. In the biosphere, there is a continual migration of atoms from inert matter to living matter and back again. All of the migration of atoms between inert bodies and living natural bodies—what can be called "biogenic migration" and "biogeochemical energy transfer"—are determined by the volume, chemical composition, and energy of the biosphere. Therefore, the properties of all existing organisms, in turn, are strictly determined by the structure of the biosphere. It is usually forgotten that living organisms are a

regular function of the biosphere. The living organism and the medium are not two independent, contrasting objects.

4) Usually in the examination of the biosphere, the single living organism recedes from view; the sum of all organisms, i.e., living matter, is what is important. However, from the standpoint of the activities of modern man, a single personality can determine planetary biogeochemical phenomena. A single individual can change or accelerate geological processes of immense importance. For instance, man can create new biogeochemical processes which did not exist before. Previously non-existing elements can be created in quantity. Animal and vegetable life is radically altered, and new species can be created.

5) The biosphere is the only envelope of the planet into which cosmic energy penetrates, transforms the envelope, and is itself reorganized. What is the primary source of the creation of living matter? Living matter accumulates the energy of the biosphere from both the light and chemical energy of solar radiation as well as the chemical energy of terrestrial atoms. Nuclear radiation may also play an integral part. The scientific basis exists to precisely study these envelopes as

heterogeneous equilibrium "fields." In general, one can take for the parameters of the equilibrium in a given field the temperature, pressure, and other variables such as the chemical composition and physical phase state of matter and the nature of their electromagnetic fields in relation to the total electromagnetic field of the Earth. Each of the fields can be characterized by its own thermodynamic laws.

6) Natural phenomena are much more complex than the traditional theories of thermodynamic equilibrium. In reality, the envelopes are not characterized by equilibrium theory but by a series of variables unknown in the standard theory—namely, the flow of magmas, the dispersion of the chemical elements and, of course, living matter. "Biogeochemical energy" may be expressed in the velocity with which the biosphere could be colonized by a given species.

7) Within the biosphere, matter is either living or inert. Living matter can be regarded as matter that is in an "active state" because it can accumulate and process solar energy—its radiation and heat—in chemical energy and molecular movement. As Louis Pasteur discovered, the most general property of living matter and its products is its optical activity.

8) The skin of the earth is not an inert mass of matter, but a complicated mechanism which, by the intermediary of matter in an active state, holds the atoms of the crust in energetic and incessant movement.

9) One may distinguish in the biosphere three types of natural bodies: living bodies (plants, beetles, etc.); inert bodies (rock, quartz, etc.); and bio-inert bodies (soil, lake water, etc.) The biosphere consists of clearly delimited regions formed by living, inert, and bio-inert bodies. The transition of living bodies into inert bodies occurs at death, when a living body ceases to exist as such, and organic rocks and inert bodies (for example, gases) are formed. Spontaneous generation or the formation of a living body from inert bodies has not been observed.

In the mid-1930s, Vernadsky summarized his approach in a two-part essay entitled, "Problems of Biogeochemistry: The Fundamental Matter-Energy Difference between the Living and the Inert Natural Bodies of the Biosphere":

The foundations of biogeochemistry rest on a few basic concepts free from hypothesis and representing precise and clear scientific ideas, empirical generalizations derived from experiment and observation. To begin with, the very concept of the *living matter* of the biosphere is such an empirical scientific generalization. The living matter of the biosphere is the sum of its living organisms. Hereinafter this concept will be employed rather than the concept of "life." Usually, in the examination of the biosphere, the single living organism recedes from view; the sum of all organisms, i.e. living matter, is what is important. However, even in biogeochemistry, in certain strictly defined cases,

## Selected bibliography of Vernadsky's works

1904 *La Radiographie*

1904 *Foundations of Crystallography* (Moscow, in Russian)

1916 *On the Utilization of Chemical Elements in Russia*

1922 *Essays and Addresses* (Leningrad, in Russian)

1924 *La Géochimie* (Paris, in French)

1925 *The History of the Minerals of the Earth's Crust*

1926 *Biosphere* (Leningrad, in Russian); 1926 (Paris, in French)

1930 *Works of the Biogeochemical Laboratory* (Leningrad in Russian)

1934 *Studies in Geochemistry* (Moscow in Russian)

1935 *Problems of Biogeochemistry I* (Russian) and 1944 (English edition)

1937 *On the Limits of the Biosphere* (Russian)

1938 *Problems of Biogeochemistry II*

1940 *Biogeochemical Essays* (Moscow, in Russian)

1940 *The Evolution of Species and Living Matter*

1942 *On the Geological Envelopes of the Earth as a Planet* (Russian)

1944 *Problems of Biogeochemistry, I and II* (English) Posthumous

1945 *The Biosphere and the Noösphere* (English)

1954 *Essays in Geochemistry* (English)

one has, at times, to consider the individuality of single organisms. This is inevitable in cases involving the activities of modern man, when a single personality sometimes clearly manifests itself in large-scale phenomena of planetary character, by changing and accelerating certain geological processes of immense importance. We live in an unprecedented, geologically significant epoch. Man by his work, and his conscious attitude toward life, is remaking a terrestrial envelope, the geological domain of life, the biosphere. He is transforming it into a new geological state, the noösphere. He creates within the biosphere new biogeochemical processes that did not exist before.

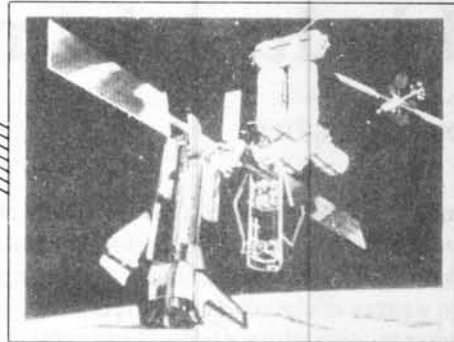
During the 1990s and on into much of the 21st century, the decisive discoveries in biology, general science, and space exploration, as well as military and economic technological applications, will occur in this area of science, variously known descriptively in the West as "optical biophysics," the "non-thermal effects of shaped bioelectromagnetic fields" or the "non-linear spectroscopies of living tissue."

While this area of work continues to be downgraded in the West as "off the main line," the Soviets are continuing their systematic research based on a seven-decade commitment.

Such disparities may in fact prove decisive as to who rules the world in the 21st century.

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# Plasma and laser technologies led industrial research in 1987

by Robert Gallagher

In November 1987, Josef Tylko at the University of Minnesota reported impressive results in developing a plasma technology that would eliminate the United States' dependence on foreign sources of chromium. His experiments were perhaps the most exciting advance in developing efficient, labor-saving industrial applications of lasers and plasmas announced during the year. In addition:

- In February, Amoco Corporation announced invention of a laser process that will increase the yield of production of certain industrial bulk chemicals.
- Dramatic progress was made in developing materials that can conduct electricity without resistance at higher and higher temperatures. These superconducting materials will find industrial application in the mid-1990s.

## Chromium extraction breakthrough

The progress in developing plasma technologies to reduce low-grade U.S. chromium ores, may succeed in extricating us from a threat to our national security. We import over 90% of the chromium we use, and we need it for everything from stainless steel to the MX missile. Tylko reported at a conference in Japan that the University of Minnesota team had been able to achieve 90% reduction (more precisely, "metalization") of low-grade Montana chromite ore in a device named the "Sustained Shockwave Plasma" reactor.

Chromite is a compound of iron oxide and chromium oxide. Since chromium is usually alloyed in relatively small proportions with other metals (such as iron), a good process of reducing chromite into ferro-chrome will satisfy most of our chromium needs. The low-grade Montana ore used in the experiments also contained significant amounts of aluminum and magnesium oxides. With this ore, the Minnesota process yielded tiny metallic spheres that were over 90% an alloy of four elements—chromium, iron, aluminum, and magnesium. These spheres were 68% ferrochrome, the remainder of their metallic weight taken up by aluminum, magnesium, and silicon.

Tylko also reports that the Sustained Shockwave Plasma reactor, has successfully separated the metals in "electric furnace dust," a by-product of electric furnace steel refining which is usually considered waste. Electric furnace dust contains iron, zinc, cadmium, and lead. So far, the SSP has been able to produce fractions greater than 90% iron, and greater than 80% zinc.

The Sustained Shockwave Plasma reactor uses an ordinary electric-arc plasma discharge between an anode and cathode in a very inventive way.

A plasma is a gas in which the electrons have been separated from their atoms. The gas used in the recent SSP experiments was argon. A base current of 25 amperes flows between the anode and the cathode. The plasma arc discharge is rotated to sweep out the surface of a cone at the rate of several hundred rotations per second.

This produces "a plasma arc front," which entrains ore particles as they descend from the top so that they descend in a spiral path instead of a straight line, with the result that the ore remains in the plasma for a longer period of time (see **Figure 1**).

The plasma arc discharge is also pulsed above the base current of 25 amperes by 60-80 amperes, 2,000 to 4,000 times per second depending on the rate of rotation of the discharge. The time for the current to switch from the base current to the pulse current or from the pulse current to the base current was estimated to be less than 10 millionths of a second, that is, nearly instantaneous. Therefore, the ore entrained in the plasma is subjected to thousands of nearly discontinuous changes or "shocks" in the current pulse, every second. From this, Tylko named the device the Sustained Shockwave Plasma reactor. According to Tylko, the pulsation increases the rate of the reduction reactions. (See *EIR Quarterly Economic Report*, Oct. 15, 1985, for a more complete description.)

The rate of rotation of the plasma arc and the ratio of the pulse current to the base current, are tuned to the specific ore being reduced through the reactor. In other words, the action of the arc is nonlinear. Tylko writes: "There appears to be also an [electromagnetic] resonance-like phenomenon, namely, the best results are obtained (judged by degree of metallization) for a given combination of orbital speed and base to pulse current ratio, rather than the energy flux itself."

In the recent chromite experiments, it was found that orbital speeds of about 330 cycles per second, with a pulse current of 70 amperes, pulsed 2,000 times per second, were most effective. With this choice of parameters, the Minnesota University group achieved 96.4% metallization of the low grade Montana chromite ore. The ore was 39% chromia, 23% various iron oxides, 15% alumina, 12% magnesia, 7% silica, and a trace of calcia.



## Laser applications

The U.S. Patent Office issued a patent on Feb. 17, 1987 to Joshua Zavelovich and Virupaksha Reddy of Amoco Corporation for invention of a process that will increase the yield of production of certain industrial bulk chemicals.

These processes are dependent for their speed and efficiency on production of highly reactive chemical "free radicals" (atoms or groups of atoms possessing an odd number of electrons, such as bromine) from the molecules in which they are found (for example, hydrogen bromide). The free radicals "link" the separate reactions in a chemical chain reaction so that it propagates.

Until recently, free radicals were produced with heat or flashlamps. Laser radiation is more selective than these processes. As a result, it is possible to increase the number of

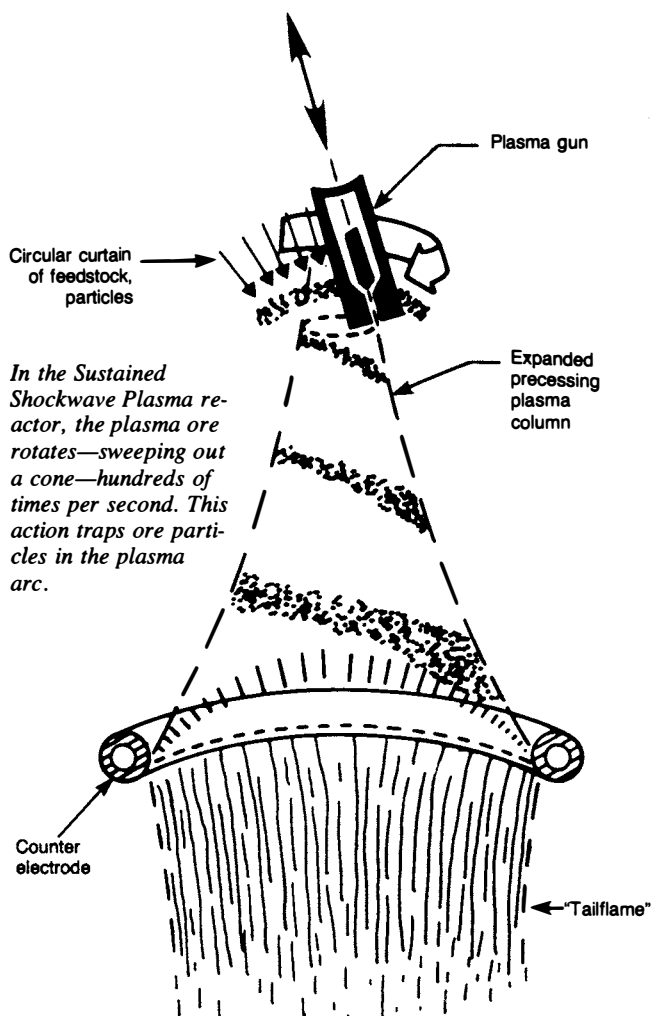
individual reactions linked in a chain by a single free radical.

Zavelovich and Reddy developed a nonlinear "multi-photon" process of generating bromine radicals by photochemical dissociation of hydrogen bromide, to initiate chemical chain reactions that produce ethyl bromide from ethylene with a yield per photon of laser light greater than 10,000 product molecules. (See *EIR*, June 26, 1987 for a complete description of the process.)

Zavelovich and Reddy claim that their process will apply to hydrogen bromide reactions with any of the unsaturated hydrocarbons of which ethylene is the simplest. Even if the process is only applicable to ethyl bromide production, it will be economically viable. The Zavelovich-Reddy patent (No. 4,643,812) reports: "Ethyl bromide . . . is a commercially significant material which has found use as a refrigerant, as an ethylating agent in organic synthesis, and as a grain and fruit fumigant. . . ."

"The commercial preparation of ethyl bromide by the hydrobromination of ethylene has been carried out photochemically using high energy ionizing radiation such as gamma radiation from a cobalt-60 radiation source. . . . Although this process has been commercially successful, it requires the use of extensive shielding and the use of a hazardous radiation source. In addition, the use of high energy ionizing radiation such as gamma radiation is undesirable because each photon carries about one million times the amount of energy actually required to dissociate a molecule of hydrogen bromide into atoms. This excess energy is converted into heat and results in an increase in the temperature of the reaction mixture, which is undesirable since the quantum yield of the reaction decreases as the temperature increases."

FIGURE 1  
Principle of the SSP Action



## Superconductivity advances

Prior to 1987, reliable superconducting materials had to operate near the so-called Absolute Zero of temperature,  $-273^{\circ}\text{C}$ . This necessitates cooling the materials in a liquid helium bath. Last year, materials were discovered that display superconducting properties at temperatures ranging from  $-196^{\circ}\text{C}$ . to room temperature. Superconducting operation at ambient industrial temperatures is obviously the goal; that would require no special cooling technology.

The advance in superconducting materials that will lead to industrial applications soonest, is the development of metal-oxide ceramics that superconduct at  $-196^{\circ}\text{C}$ . Materials can be cooled to that temperature with liquid nitrogen, an abundant element which is easier to condense than helium. Superconducting has been demonstrated with relatively small particles of material. The principal problem remaining before these materials can be applied to industrial and military uses, is the fabrication of larger pieces. Once this is solved over the next 5-10 years, we will see the new superconducting materials appear in magnet technology for accelerators, radio frequency weapons, and energy production.

## The right and wrong usages of the term 'reason'

by Lyndon H. LaRouche, Jr.

Today, there are three mutually exclusive usages of the term "reason," two popular usages, and one correct one. As our culture has become increasingly irrationalist, especially during the period 1963-87, "reason" tends to be associated, with increasing frequency, with the act of persuasion, as by such irrationalist means as rhetoric. Literate persons of stricter sensibilities would prefer Immanuel Kant's notion of rational behavior, and would equate "reason" to the achievement of the quality of consistency associated with an axiomatic-deductive mode of formal logic. Many ostensibly literate persons, including large numbers with terminal professional degrees from universities, are ignorant of the third, proper usage of the term.

Although the three are mutually distinct, formal logic partakes of rhetoric, and, not infrequently, the true, higher form of reason employs some aspects of deductive method. The rhetorical, or irrationalist aspect of formal logic is located more obviously in its axiomatic basis; the axioms are based upon assumed "self-evidence," without proof, and are therefore the products of an arbitrary act. The deductive method also partakes of irrationalism, by denying arbitrarily the intelligible existence of certain of the most important, and provably existent among nonlinear processes, as Immanuel Kant did. The higher form of reason makes limited use of aspects of deductive method, although the deductive method is incapable of intelligible representation of reason itself. Both rhetoric and formal logic are irrationalist in the common respect that both deny the existence of that higher aspect of human mental behavior uniquely deserving of the term "reason."

Here, we focus upon the distinctions between reason and logic, the two forms of mental behavior which contend for the title of "rational." In contrast to these two, rhetoric is an entirely irrationalist mode of behavior, even when it borrows something from formal logic. We need consider only those two general forms of mental life which might be represented as rational: the opposition of the axiomatic-deductive method to what is most conveniently identified for sake of brevity as the synthetic method.

We begin this presentation by addressing the fallacy of Kant's insistence that



*Creative reason versus irrationalist rhetoric as seen by the Italian Renaissance artist, Fra Angelico, ca. 1450. The scene portrayed is St. Stephen's sermon to the enraged Sanhedrin, as described in the Acts of the Apostles, 6-7. (Vatican Palace, Chapel of Nicholas V, Rome.)*

the human mind is incapable of an intelligible representation of the mental processes by which such results as valid fundamental discoveries in physical science are effected. Kant's argument, which he deceives himself to be proof of his assertion, is based on the fact that the transitive verb "to create" can not be represented in an axiomatic-deductive mode of formal logic.

For Kant, and kindred viewpoints, a result attributable to "creation" may be demonstrated. The occurrence of a scientific discovery may be demonstrated, for example. In general, the existence of something now, which did not exist at some point in the past, can be demonstrated. However, all that formal logic can do, is to narrow the time-gap between two moments, to such effect that in the preceding moment something does not exist which does exist in the succeeding moment. The existence of an efficient causal process linking those two moments in the mode of a continuous mathematical function, is not possible within the terms of any axiomatic-deductive system.

Thus, for such as Kant, "creation" means no more than "ostensibly created." They point to an object, as the object might be designated by use of a noun, and say, "This was created." They can not offer an intelligible representation of the process by means of which this "createdness" was caused to occur. So, in the vocabularies of Kant and his kind, the verb "to create" is an empty term, used to refer to something which, for them, does not exist as an object of thought.

In modern experimental physics, we are shown that no elementary particles exist self-evidently. Electrons, for example, are a special form of continuous electromagnetic ra-

diation, whose existence we know to be determined by the curvature of the continuum of subatomic physical space-time. However, even without knowledge of such matters as modern experimental physics, we have the most compelling evidence that there is an intelligible representation of a process corresponding to the transitive verb "to create." The possibility of a human population in excess of approximately 10 million persons on this planet depends absolutely on a fundamental difference between human beings and beasts, the power to generate and assimilate what we term scientific and technological progress.

It is from the latter vantage-point that the most important features of true reason can be adduced. If we show that human creative processes, as demonstrated by valid fundamental discoveries in physical science, are susceptible of intelligible representation, we have demonstrated thereby that the verb "to create" has an intelligible object corresponding to such a representation.

### **The refutation of Kant**

It is perhaps my most notable contribution to science to have created that mode of conclusive refutation of the cited argument of Immanuel Kant which bears most directly on the subject matter of physical science. My formal proof begins with Kant's own terms of assumption, axiomatic-deductive method. This part of my proof proceeds as follows.

Since Kant represents the form of neo-Aristotelian (Cartesian) materialism codified by the eighteenth-century "Enlightenment," we refute him most clearly when we begin by attacking him on his own chosen ground. The ground is,

broadly, the axiomatic-deductive method typified by Euclid's *Elements* and the schoolbook geometry formally taught in schools. The modern form of Euclidean reasoning in physics, is typified by the work of René Descartes and the parody of Descartes' image of matter, space, and time popularly associated with the traditions of Isaac Newton and James C. Maxwell. If we accept the formal logic adopted by Kant on his terms, and examine certain properties of that system of logic, we understand Kant's deluded confidence in his own asserted proof, and we are able to show that Kant's philosophy is entirely a delusion.

The relevant property of all axiomatic-deductive systems of formal logic is a feature sometimes identified as "the hereditary property."

To build a formal axiomatic-deductive system in logic, we begin with arbitrary assertions, called axioms, and supplementary assertions of kindred quality, called postulates. The axioms are presented as assumptions so self-evidently correct that they require no proof. In the strictest usages in formal logic, "postulates" signify assumptions to which somewhat lesser authority is attributed than to axioms; postulates have the function of stipulating supplementary rules of argument introduced to protect the perfect deductive consistency of the entire body of theorems based upon the original set of axioms.

All hypotheses and theorems in that system of formal logic are therefore nothing but a fresh way of asserting what was already asserted by the arbitrary choice of axioms and postulates upon which that system is premised. To be consistent, the essential requirement of a formal deductive logic is that no theorem in the system must contradict anything embedded as assumptions in the "original" set of axioms and postulates chosen. All such deductive systems, however many consistent theorems are generated within them, can never grow to become more than a giant tautology: the elaboration of possible permutations of the initial set of axioms and postulates. Such systems contain no statement about the universe's characteristic features which is not already asserted by adoption of the relevant set of axioms and postulates.

So, it has been observed, the axioms and postulates of any formal logical deductive system are the "genetic code" of the system. No theorem is anything more than a deductively consistent permutation of the content of that "genetic code." This "property" of axiomatic-deductive logic is therefore called sometimes "the hereditary property" of all formal logic, Kant's included.

With that in view, let us examine the matter of human creativity in the context of valid fundamental discoveries in physical science. This aspect of creativity was that stressed in Kant's line of argument both as a follower and later critic of the British empiricism of David Hume—and as an opponent of Gottfried Leibniz, prior to and during the course of Kant's writing of his famous three *Critiques*.

Kant's physical universe was the universe of distinct qualities of matter, space, and time of Descartes. His mathematical physics is consistent with the axiomatic-deductive scheme of Descartes, with the irrationalist symbolic philosophy of Descartes' *deus ex machina*. That is, Descartes, and Newton and Kant after him, portray the physical universe as mechanical, and locate the act of creation as something external to the mechanical universe, and acting upon it by unintelligible means.

This mechanical universe is defined as the universe of Euclid's *Elements*, to which has been added the assumption that self-evidently existing discrete bodies have weight, and that action within the mechanical universe occurs solely either by percussive ("bumping") action, or "action at a distance." It is assumed that all discrete bodies' masses are comparable in arithmetic counting-number terms, or ratios of irrational numbers derived from counting numbers as a starting-point. It is assumed that space is simply infinite extension in straight lines, and time, too.

Many experimental phenomena in physical science can not be represented in an axiomatic-deductive schema of this sort. However, to the degree that the axiomatic-deductive view has held sway in schools and among professionals, mathematical physics is usually confined to those aspects of nature which can be described usefully within the limits of an axiomatic-deductive logic. As for those matters which refuse to be comprehended by aid of that sort of logic, the conventional view has been, that sooner or later someone will discover how to make these matters comprehensible in a way which does not call into question the veracity and adequacy of the axiomatic-deductive method itself.

The modern pursuit of the nonexistent "quark," is an example of the postulating of purely fictitious discrete forms of physical existence for no other purpose than to pretend that the axiomatic-deductive form of mathematics, modeled upon Descartes, Newton, and Maxwell, and employed widely in physics today, needs to consider no form of mathematical practice, and no geometry but the axiomatic-deductive ones.

This is the ground on which I choose to begin our battle with Kant and his like. Let us assume, for purposes of illustration, that all valid fundamental discoveries in physical science might be represented adequately as theorems in an axiomatic-deductive, neo-Cartesian form of mathematical physics. Let us see precisely where this assumption breaks down in practice.

Kant's and related assumptions in mathematical-physics practice are, that a truly consistent physics is a giant tautology of the form defined by "the hereditary property" of formal axiomatic-deductive argument. However, any valid fundamental discovery in physics has the form of what is sometimes termed "a crucial experiment," an experiment which demonstrates that some theorem inherent in the prevailing set

of axiomatic-deductive systems of formal mathematical physics is wrong: Something is wrong with the tautology as a whole.

If this evidence is confirmed, then the fault in the disproven theorem is shown to be a flaw in the set of axioms and postulates upon which the existing body of physical scientific knowledge is premised. One or more of those assumptions must be altered or replaced. Hence, because of the hereditary property, all of the theorems of previously existing such knowledge, belonging to that tautology, must be changed in this respect. That is the nature of each and all valid fundamental discovery in physical science.

As a result of this change, we have two more or less parallel bodies of scientific theorems, the old and the new. These are two distinct "giant tautologies." The implication of "the hereditary property" is, that none of the theorems of the old tautology is consistent with the new, and none of the new consistent with the old. An unbridgeable gulf of such "hereditary" formal inconsistency lies thus between the two successive systems of knowledge.

In this way, we have brought the two successive states of knowledge, before and after the act of creation of new knowledge, as proximate to one another as possible. Yet, in formal logic, there is no way of representing the act of creation which lies within the gap. That is the critical representation of Kant's argument against the intelligibility of the verb "to create."

In reality, something does exist within the gap. Since human existence depends upon that which lies there, scientific and technological progress, that which corresponds to the verb "to create" in this instance, is a matter of the greatest importance, and is clearly an efficient principle. Why, then, can this principle not be made intelligible? An examination of the logician's problem provides useful indications of the pathway to solution of Kant's fallacy.

### **Socrates and nonlinearity**

The broader representation of the "crucial experimental" method of discovery which we have just identified is typified by the Socratic method, the method which Plato causes his Socrates to name "my dialectical method" in his dialogues. This method has nothing in common with the "dialectic" of Kant, Hegel, or Karl Marx; it signifies, in Plato's writings, simply "the method employed in these dialogues."

Most briefly, that method is the habit of critical examination of popular opinions and other propositions, by defining the assumptions on which those propositions are shown to depend. This process is continued, to examine similarly the deeper assumptions which must necessarily underlie the first layer of assumptions, and so on.

This method is otherwise known as the method of hypothesis. This does not signify the popular usage of "hypothesis" today. Popular opinion wrongly imagines "hypothesis" to signify an intuition, an assumption, an assertion. Even

university classrooms teach such wrong meanings of the term. It means a certain form of rigorous employment of what we have described as "the hereditary property" of deduction. It means stating proposed theorems which are shown to be true if the assumptions on which the entirety of a relevant body of knowledge is based are true. An hypothesis is something which must necessarily be true, in that sense, under those conditions, and with precisely those limitations.

Hypothesis, strictly defined, is not some assertion or intuition to be proven; it is itself a rigorous form of proof. To make our case clearer, we limit our attention to a special quality of hypothesis, sometimes called a "strong hypothesis." A "strong hypothesis" is one which corresponds to a crucial experiment. In physics, it is a design of crucial experiment which tests the existence of some principle of nature. An example is helpful.

What is deservedly among the most powerful instances of a proven strong hypothesis in modern physical science, is the establishment of a comprehensive mathematical physics by Johannes Kepler. Kepler, basing himself on the methods and evidence elaborated before him by Cardinal Nicolaus of Cusa and the circles of Fra Luca Pacioli and Leonardo da Vinci, adopted as proven the principle that the elementary laws of organization of the physical universe are each and all rightly adduced by knowing what more modern usages term "the curvature of physical space-time." Kepler proposed that the curvature of universal physical space-time must be that reflected as a harmonic ordering congruent with the Golden Section. All of Kepler's physics is constructed entirely from this principle.

Later, Karl Gauss and such collaborators of Gauss as Bernhard Riemann showed that Kepler's hypothesis was true for astrophysics, and must be shown experimentally, sooner or later, to be true for microphysics as well. This has now been shown for subatomic physics and for the optical biophysics of nonlinear spectroscopy. We shall also indicate here, that not only are the mental creative processes susceptible of representation, but that these processes exhibit a curvature identical with the curvature of physical space-time in the astrophysical, microphysical, and biophysical domains.

In effect, Gauss et al. proved conclusively, that not only was Kepler's strong hypothesis correct, as far as he developed it, but that Kepler had proven the physics of Descartes, Newton, LaPlace, Maxwell, et al. scientifically absurd even before those latter gentlemen had lived. The essential error of the work of those latter gentlemen, is their common flaw, that they attempted to define mathematical physics in a Cartesian manner consistent with the form of the axiomatic-deductive system of Euclid's *Elements*.

Let us return our attention to the gap of unbridgeable, "hereditary" inconsistency between the two tautologies described, before and after a valid fundamental discovery in

physical science. As we indicated, this was the result of a crucial experiment's obliging us to alter the logician's set of underlying axioms and postulates. The alteration of any part of a set of axioms and postulates defines two mutually exclusive "hereditary properties," as we might assume a change in the "genetic code" to define two distinct species.

Let us now use a different term to identify the unbridgeable gap of inconsistency between the two giant tautologies: "discontinuity." Let us restrict the usage of the term "discontinuity" to mathematics; wherever we encounter a phenomenon in the physical world which is in one-for-one correspondence with a mathematical "discontinuity," let us employ a different term, "singularity."

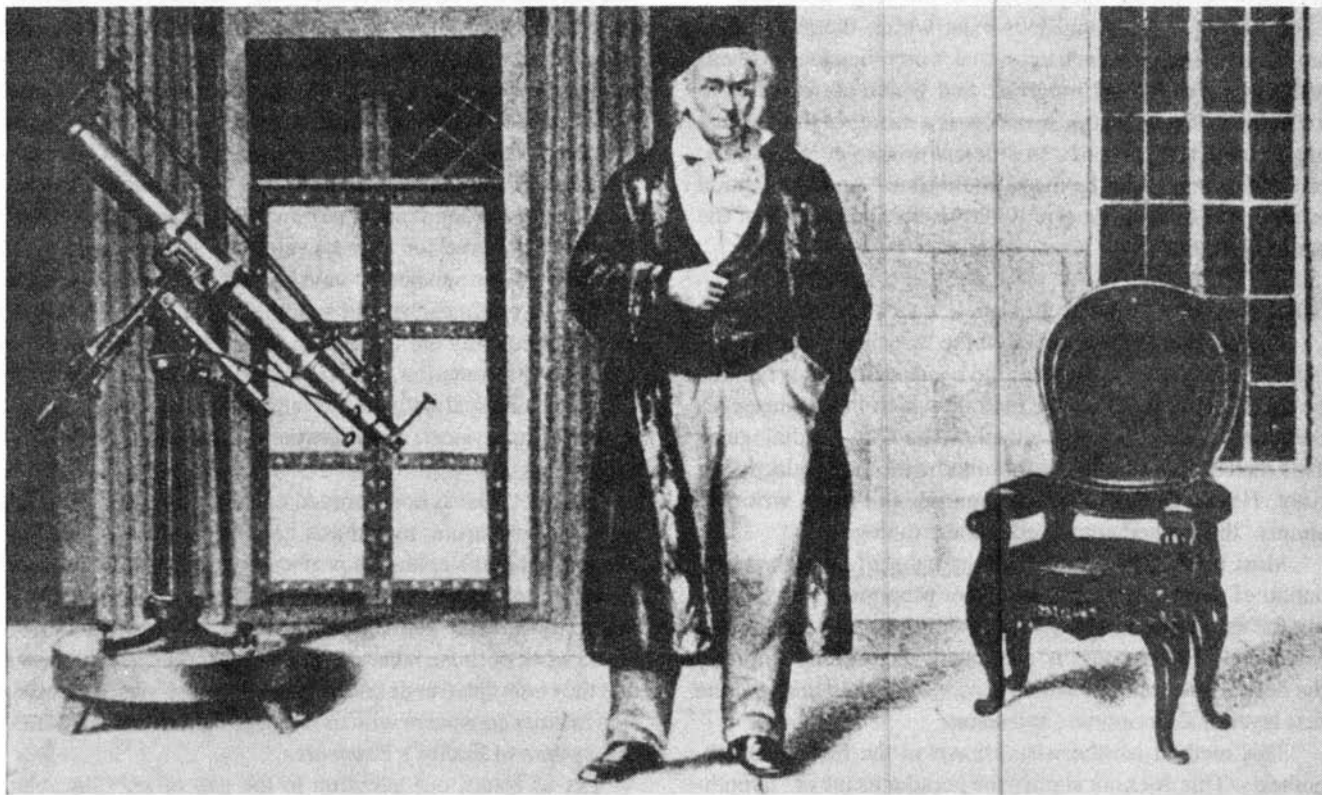
The physical world is full of singularities, more or less as scientific and related progress has the mathematical form of an increasing density of occurrence of discontinuities. If the universe is an existing process, rather than an arbitrary sequence of statistical "happenstances," then the physical laws which underlie the continued existence of the universe must be continuous laws, and so implicitly subject to intelligible representation by some kind of continuous mathematical function. In the world of mathematical physics, the mathematical representation of continuous processes which produce successive occurrences of singularities—mathematical discontinuities—is termed "nonlinear functions."

A "nonlinear function" is any continuous mathematical representation of a process in which there exists an apparently ordered or arbitrary frequency of occurrence of mathematical discontinuities. The goal of mathematical physics, as defined by Bernhard Riemann at the outset of his term as professor under Gauss and Lejeune Dirichlet at Göttingen University, is to show that every existing physical process, including those which appear to correspond to a purely arbitrary function, are implicitly susceptible of intelligible representation by mathematical physics.

Mathematically, a discontinuity is analogous to the gap of unbridgeable inconsistency between two successive sets of giant axiomatic-deductive tautologies. It is a gap defined by any required change in the set of axioms and postulates underlying an axiomatic-deductive representation of a physical function.

Hence, can we show that, for the case of assumedly continuous scientific progress (such that each new fundamental discovery is an advance over the predecessor state of knowledge), there exists implicitly a continuous mathematical-physical function which subsumes the ordered generation of such successive discoveries—such discontinuities? Plato's Socratic dialogues already show that such nonlinear functions exist.

To define such a function, it is necessary to dispense with



*The German scientist Karl Gauss, portrayed with his telescope at Göttingen University. Gauss's general accomplishment was to unify matter, space, and time formally as physical space-time, defining the mathematical physics that was later advanced by Riemann.*

all propositions but those which bear directly upon the manner in which a strong hypothesis alters the set of axiomatic-deductive systems of representation of knowledge. In other words, can we prescribe some lawful ordering of changes within those sets of axioms and postulates which corresponds to scientific progress? In formal-logic mathematical physics, we can show such a pattern *a posteriori*; however, a more general solution to this problem lies, inherently, outside the scope of axiomatic-deductive analysis.

The method required for scientific progress is readily indicated from the internal history of science, even from the vantage-point of axiomatic-deductive method. Given any existing system of mathematical physics, the best thinkers concentrate on driving that form of knowledge to its limit, to discover an extreme condition under which that scheme of mathematical-physical representation breaks down in practice.

A classical example of this is the case of Bernhard Riemann's "prediction" of transsonic and supersonic flight, in his famous 1857 paper, "On the Propagation of Plane Air Waves of Finite Magnitude." In this case, Riemann assumed the case of an accelerating projectile within a cylinder of indefinite length, and calculated the state of the system at the point the projectile accelerated to the apparent limit of the speed of sound. He applied to this case the method he had elaborated in the several inaugural dissertations he prepared for his appointment as professor at Göttingen, especially the preliminary program presented in his "On the Hypotheses which Underlie Geometry," to show the existence of a transsonic state, a state sometimes described, in juxtaposition to mechanistic gas theory, as "isentropic compression."

In short, as we drive processes to a limit, an apparent boundary condition, such as the speed of sound, or speed of light, the process does not necessarily terminate at that boundary. For example, we have in the universe large-scale processes which function in a coherent way, and yet in which actions within the system as a whole are occurring, relative to one another, at speeds greater than the speed of light. In neither case, is the true meaning, the true physical efficiency of the bounding condition, such as speed of sound or speed of light, discredited. Rather, the universe compensates in some way for the apparent violation of a boundary introduced. A new degree of freedom is introduced, somewhat analogous to the insertion of a new postulate into the hereditary-logical basis, and the characteristics of action beyond the limit differ from those before the boundary is reached by this factor of change in the "hereditary" basis.

In practice, nuclear fission enables us, thus far, to achieve a fourfold increase in energy-flux density of commercial power generation than simpler methods. A second generation of controlled thermonuclear fusion will exceed the energy-flux density achieved with fission by several orders of magnitude, such that where we write billions of watts for the capacity of a fission generating station today, we shall write trillions of

watts within a generation or so.

There is a limit to fusion power, as studies of ratios of fuel-weight to accelerating space-travel remind us forcefully today. We have a muddled conception of a more powerful agency, in what we probably misname today "matter/anti-matter" reactions. Whereas fusion of the future will, probably within two generations, carry flotillas of manned spacecraft to the asteroid belt in a straightforward sort of propulsion scheme, we must do tricks with sending fuel ahead of manned craft to reach into and beyond the orbits of the outer planets. What we would identify loosely today as "matter/antimatter" reactions, we already know would suffice to carry us beyond the Solar System.

So, human technological progress is always driving toward the limits, and to exceed those limits. This technological progress is sustained by a fundamental scientific research which addresses the limits of existing technology, and forces to the surface new physical principles by means of which technology will surpass the present boundaries.

We know a great deal, empirically, about the relationship between scientific progress and technological limits. From the field of physical economy, the branch of economic science which is my specialty, we have proven that the increase of the productive powers of labor—the potential population-density of mankind—is tied to increase of energy supplies.

In first approximation, this is represented by an increase in the quantity of usable energy supplies per capita and per square kilometer of land-area. We have shown that the level of technology, and productivity, which a national economy can sustain efficiently, is a function of the amount of usable energy per per-capita unit of population-density, such that the greater the population-density, the less the amount of energy required per capita.

In the second approximation, we know that increasing the mere quantity of energy supplies is not sufficient. We must, at first glance, increase the operating temperature of certain rather basic processes. Looking more deeply, we recognize that measuring the quantity of energy per square meter of process cross-section is not an adequate definition of this. The coherence of the applied energy is decisive. The higher frequencies of coherent radiation self-focus their action upon targeted materials with relatively greater energy-flux density, as lasers exhibit this. With coherently organized particle beams, an added dimension of nonlinearity is added. We discover that the electrical potential radiated per unit of cross-sectional area is not the limiting condition, but rather the electromagnetic potential.

So, respecting mathematical physics, we are driven to understand the nonlinear functions defining the relationship between what appears to be continuous electromagnetic radiation, especially in a normal coherent form, and the creation and existence of so-called elementary subatomic particles. To organize progress in physics, we must concentrate upon the boundary conditions defined by the nonlinear func-

tional relationship between continuous coherent radiation and the existence of elementary particles.

This, by itself, signifies that the axiomatic notions of self-evidently discrete matter and linearity must be expunged from mathematical physics. To the degree mathematical development drives our thoughts in that direction, and that frontier crucial experiments in physics carry our thoughts into experimental practice, we are assuredly progressing.

This fundamental aspect of physical economy—as distinct from the folly which passes for university instruction in political-economy today—has what ought to be recognized readily as very great authority for physical science generally. The empirical proof of progress in scientific conceptions, is the demonstration that the application of scientific advances actually increases the potential productive powers of labor.

In other words, the demonstration that mankind increases its potential population-density, with increased life-expectancies, and so on, shows that mankind's per capita power over nature has been increased, as the Biblical book of Genesis requires such a form of human practice. This signifies that mankind has improved its practice, and has thus brought its practice so into greater coincidence with the lawful ordering of the universe. The most authoritative empirical proof of scientific progress, is the demonstration that such alterations in our way of thinking about the universe leads to a practice which affords us greater per capita power over that universe.

Thus, those pathways of scientific progress which correlate most directly with continuing progress in increase of the potential productive powers of labor, reflect a sense of direction for the ordering of transformations in what axiomatic-deductive method defines as an hereditary property of each stratification of progress in scientific thinking. In other words, what physical economy shows us to be the desired direction of transformations in the ontological aspect of axiomatic-deductive "lattices" of axiom-postulate sets, is the sense of ordering required for our nonlinear continuous functional representation of creative transformations in thought.

This standpoint of reference is indispensable for critical scrutiny of the internal history of axiomatic-deductive representations of mathematical physics. Without a yardstick to measure progress in change of sets of axiomatic-deductive axioms and postulates, the possibility of overcoming Kant's fallacy in practice would not exist for us.

The method for accomplishing that result exists, and has been known in a general way since the Socratic dialogues of Plato. However, the explicit form of this method required for mathematical physics did not exist for practice until the relevant discoveries published, during the middle of the fifteenth century, by Cardinal Nicolaus of Cusa. Cusa is the true father of modern synthetic geometry, the only rational alternative to the axiomatic-deductive method. From the standpoint of synthetic geometry, all of the problems we have identified are inherently solvable, including the intelligible

representation of human creative mental processes.

This was the basis for the work of a group of collaborators centered around Pacioli and Leonardo at the close of that same century. This line of work, so developed, was the basis for the establishment of a comprehensive mathematical physics by Kepler. It was the line of work pursued in important aspects by Desargues, Fermat, Pascal, Huygens, and Leibniz, continued by Gaspard Monge's direction of the Ecole Polytechnique, and brought to a certain degree of perfection by the work of such as Gauss, Dirichlet, Weierstrass, and Riemann, and their immediate collaborators.

Unfortunately, although the contributions of these scientific leaders have been borrowed by modern textbook physics to a significant degree, the method employed to make these discoveries has been generally suppressed, especially during the course of the recent hundred years or so. Modern taught physics is dominated by the "classical" axiomatic-deductive method of Descartes, Newton, Kelvin, and Maxwell, with a modern statistical method proximate to the wildest sort of cabalistic mysticism ("symbolic philosophy") superimposed upon it. The so-called synthetic or "constructive" method of geometry has been virtually outlawed from the profession.

### **The present crisis in physical science**

If we put to one side natural disasters prompted by causes beyond the control of nations, all calamities deserving of a strict usage of the term "crisis" are the reflection of stubborn error in the practice of ruling authorities. When man defies natural law's efficiency, for the sake of defending an adopted policy or method, nature takes cruel vengeance upon the nations which permit such hubristic practices. So, as a man who leaps from the upper story of a skyscraper, to exhibit his will to defy gravity, is destroyed by his willful defiance of natural law, so those deeds of defiance of natural law, as policies of governments or methods of other sorts of influential authorities, turn those deeds themselves into the efficient means by which the perpetrators are either severely punished, or even destroyed. Such is the nature of all calamities strictly deserving of the name of "crisis."

In that sense, a crisis exists in physical science today. The stubborn effort to explain lawful phenomena according to assumptions in defiance of the lawful character of those phenomena, is the essence of this crisis. We are confronted in many aspects of physical science, including biology, with phenomena which are efficient beyond doubt, and yet which have the import of crucial-experimental evidence overturning the hallowed presumptions of the scientific authorities. The prevailing tendency has been, rather than to accept the import of such crucial evidence, to patch up the statistical tables of the defective science, and thus to delude oneself that, by virtue of such patchwork, no crisis has existed.

This unhappy state of affairs is matched by a more general spread of irrationalism, in the policy-shaping institutions of



government, and in the habits of popular opinion.

In the matter of economics, the U.S. government insists upon policies of "free trade" which have predictably destroyed our economy's potential, and yet government insists that such policies have such an axiomatic sort of rightness to them, that no contrary empirical evidence will prompt them to consider correcting the policies.

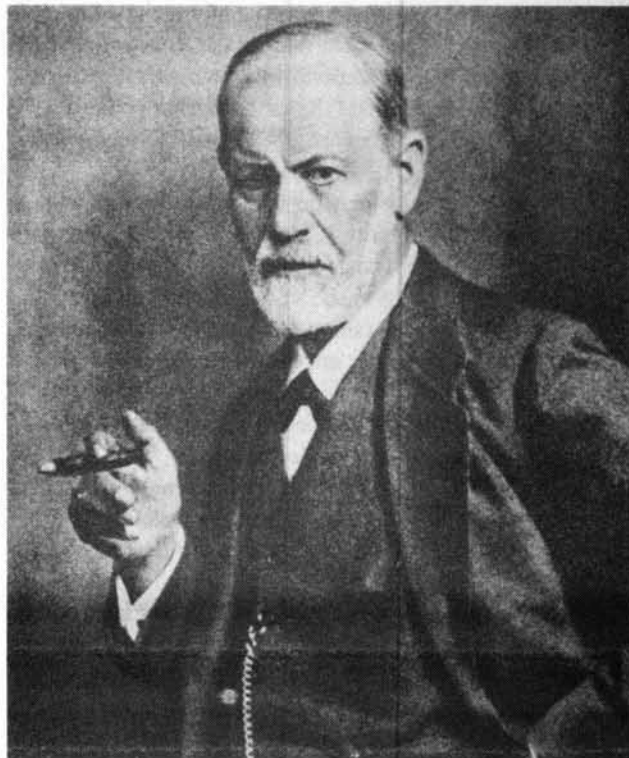
In general, arbitrary opinion is taken as self-evident, to the effect that the existence of conflict in opinion is taken as occasion for negotiating compromises among conflicting opinions, rather than discovering a truth which might happen to coincide with none among those opinions. The degenerate form of modern liberal philosophy of practice, in policies of government, and even in physical science to a large degree, is to follow a radical form of David Hume's irrationalist dogmas of empiricism, to insist that mankind is incapable of knowing truth, to such effect that truth is excluded pragmatically from judgment of opinions.

This was made explicit by the liberals who administered the Anglo-American postwar occupation, and "re-education" of Germany. The Catholics of Germany were instructed by these liberals, many among them, like the evil Margaret Mead, prominent "New Ager," that Catholicism's Platonic emphasis upon reason had fostered the existence of the "authoritarian personality type," the which the liberals insisted had made Hitler's reign possible. To remedy this, the liberals insisted to German theologians, the corrective influence of Swiss Nazi sympathizer Martin Heidegger must be introduced, specifically Heidegger's existentialist notion of "inner freedom" of the individual. For the Protestants, the kindred existentialist views of the Swiss Nazi sympathizer Karl Jaspers were recommended.

The philosophical congruence of such liberalism and Nazism ought to be obvious. Nazism was, like the irrationalism of Ayatollah Ruhollah Khomeini's bestial tyranny in Iran today, the assertion of arbitrary opinion in defiance of reason, as the famous orgiastic, torchlight Nazi mass rallies exemplify this. On this account, Nazism and Muscovite Bolshevism are twins; both assert a racist "blood and soil" dogma, respecting what it is asserted must become a ruling race on this planet, which must exert supremacy as a matter of irrationalist racial will, in defiance of a notion of a universal natural law, and universal reason, to which all peoples and persons are equally subject, and to which all have equal, universal rights of access. Margaret Mead was far more a Nazi than any of our liberal news media and universities today would wish to admit.

Dr. Sigmund Freud was also such a Nazi-like figure in his philosophy of practice.

Irrationalist sentimentality professes to be shocked by such an offensive assertion "against such brave fugitives from Nazism as Freud or Kurt Lewin." This hysterical view of the matter forgets that irrationalism degrades men into beasts toward men. The fact that Freud was the prey of the



*Sigmund Freud: He denied any fundamental emotion but the erotic form of irrationalism.*

Nazis, reminds us of the fish that eat the fish who eat fish. That Freud was a victim of Nazism is no sign that Freud was not a Nazi-like beast in his own fashion. Irrationalism binds irrationalists together against reason, but has no greater inclination to "species loyalty" than the female spider or preying mantis who is eating the head of the male who continues to be happily engaged in fertilizing her eggs.

Philosophically, Freud denied any fundamental emotion but the erotic form of irrationalism, and was a materialist in the same sense as the gnostic theologian Ludwig Feuerbach. It was out of Freud's psychoanalysis that the doctrine of "the authoritarian personality" was introduced as an authoritative, pseudo-scientific psychological dogma during the postwar period to date.

This dogma was imposed not only upon institutions of occupied postwar Germany; it was imposed inside the United States, too, if not by simple decrees, by a more insidious set of psychological-warfare mechanisms and conduits such as mass entertainment and news media's assertion of "approved values" to such effect. It was Dr. Spock's and kindred doctrines of child-rearing. The effects of this persisting indoctrination were the subject of books published during the 1950s and early 1960s, showing the pathetic degradation of much of the U.S. population into the depths of Riesman's famous "other-directed personality-type." With the assertion of the "New Left" and the rock-drug-sex counterculture, beginning

approximately 1963—with the prominently included role of the same Margaret Mead who had earlier conducted such psychological-warfare operations in occupied Germany—the dogma of hatred against “the authoritarian personality” emerged gradually as the accepted standard of value during the course of the 1970s.

Today, even the person who adheres to an axiomatic-deductive form of rationality is classed as an “authoritarian personality,” and the advocate of higher qualities of reason classed as a virtual “neo-Nazi.” So, Western civilization, gripped by a self-imposed collapse of the physical economy, veers in the direction of early imposition of fascism under the banner of such names as “Project Democracy.”

So, Western civilization is presently gripped by a crisis of irrationalism. We face terrible calamities. Yet, each of those calamities has a rational form of objective remedy. The trouble is not so much those calamities themselves, but the cult of irrationalism which prevents us from seeking and adopting rational remedies for these grave problems.

Those portions of leading public and private institutions which deplore the trend toward aggravated irrationalism are crippled to a large degree by the fact that their notion of rationality is limited to the axiomatic-deductive forms. Thus, they are disinclined to undertake the rigorous reexamination of underlying assumptions of present-day policy-trends needed to discover a solution. They fail, similarly, to recognize that the political and related processes are passing through a phase-shift, this to such effect that there is no validity to the attempt to project policies for the coming months and years from perceived trends of the recent years past. In these and related ways, even those concerned strata are so far unwilling to consider changes in institutionalized practice, but rather seek nonexistent solutions within the framework of existing forms of institutionalized practice.

That commitment to established institutionalized practice ensures than none of the existing objective remedies for our calamities will be adopted by them. The immediate problem is, that the needed remedies are each and all of a form which the institutionalized forms of practice exclude from adoption. For that reason, as long as those habits of institutionalized practice persist, no remedies for the calamities will be adopted. Therein lies the crisis in political life.

This prevailing temperament, so exhibited on the political side of life, fosters a kindred circumstance inside scientific practice. The connection between the two is both broadly implicit and more direct. It is implicit in the respect that it is impossible for the scientist to separate what he or she is in daily social life, including political practice, from the quality of personality carried into research and related work. It is direct in the respect that the institutionalized practice of science is under the effective control, in the largest degree, of the establishment which dominates governmental policies, the private laboratory, and the classroom. Thus, we see in science the same dismal forms of “politicization” we encoun-

ter in government, corporate life, and faculties, and intruding into scientific practice as such the philosophical tendencies of “other-directed” irrationalism which have become pervasive in the society generally.

“Conservatism” against naked irrationalism in science takes generally the form of an axiomatic-deductive rationality. To go further, to take up the cause of creative reason, is deemed “much too radical,” and extremely hazardous to one’s career.

The clearest symptom of this crisis in science was the relative ease with which even competent scientific workers were lured into the cult of the “quark.” The “quark’s” existence was not suggested by experimental evidence; it is a nonexistent elementary particle, which was adopted solely for the reason that it promises to provide appearance of axiomatic-deductive consistency for a reductionist scheme in the mathematics of popular mathematical physics. No other argument but that has been advanced for the existence of the “quark.” It is Viennese positivism run amok: a purely postulated existence.

Morally, the advocacy of the existence of this mythical “quark” is nothing better than a student’s outright cheating in the classroom. Presented with evidence which contradicts the answer the student looks up in the back of the textbook, the student fakes the mathematical argument to fit the approved answer, by inventing an experimental datum which causes his calculations to achieve the desired result. The “quark” was adopted as a way of defending the axiomatic-deductive sort of reductionist mathematical method against compelling, crucial-experimental evidence, that no “elementary particles” exist self-evidently. To evade this evidence, an imaginary elementary particle, the “quark,” was adopted.

The result is, the cheater reacts to crucial evidence against axiomatic discreteness by asserting, “Once we have solved the mysteries of the quark, you will see that everything can be explained in terms of axiomatic discreteness.”

## Synthetic geometry

One of the important obstacles, which prevent many members of the scientific community from recognizing the fallacy of their axiomatic views, is the myth that mathematics is a distinct language, which stands on its own ground, independently of spoken language. In Plato’s dialogues, Socrates insists that this is false; Socrates insists repeatedly that every argument in the dialogues can be restated in a geometric form. The internal history of Indo-European language, of which classical Greek was a form relatively more advanced than modern languages—although potentially less so than Sanskrit—helps us to understand this problem.

The key is the great Sanskrit philologist, Panini, who wrote *circa* 500 B.C. Panini shows that a proper form of language is defined by the transitive verb, rather than the noun. It happens, that emphasis upon the noun, a revolution in European grammar introduced more or less coincidentally

with the emergence of Stoicism and the "false Euclid's" authorship of the famous *Elements*, is both the axiomatic basis for nominalism and the adoption of that axiomatic-deductive method typified by the *Elements*.

The difference is essentially this. If we adopt the transitive verb as the characteristic feature of language, the object of conscious thought becomes not the discrete thing, toward which a noun might point, but rather the process of transformation on which the existence of the thing is conditional. In other words, a transitive verb takes "action" as the primary object of thought, rather than the thing in itself.

Respecting the problem of formal discontinuity separating two giant tautologies, "action" signifies the transformation by which the preceding tautology is transformed into the successor. Whereas the nominalist method examines each of the preceding and succeeding states internally, as a system of deductive relations among objects, the standpoint of the transitive verb takes as its object the transformation, the apparent discontinuity as such.

Obviously, only the latter choice, the standpoint of the transitive verb, addresses directly the object to which the verb "to create" corresponds.

Thus, all axiomatic-deductive tautologies are nominalist constructions, whereas the name of the real universe is a giant, self-reflexive form of transitive verb.

Translate this into geometry. Consider the case of the circle, which the isoperimetric theorem of topology shows us to be the only self-evident form of existence within the scope of a Euclidean geometry. As a bare circle, the circle is a noun. However, the circle is also the product of circular action; in this aspect, we have shifted the definition of the object of conscious thought from a noun-object to a verb-object. The former definition of the circle is the rigorous basis for an axiomatic-deductive mathematics; the latter, circular action, is the rigorous basis for a synthetic geometry, and the mathematical physics of the complex domain.

This bears directly on that discovery, first published in his *De Docta Ignorantia*, by which Nicolaus of Cusa founded modern physical science. Cusa introduced the notion of a "Maximum Minimum Principle," a discovery associated with Cusa's restatement of Archimedes' theorems on the quadrature of the circle. In abstract mathematical form, this is congruent with what was known, after the later work of Bernoulli and Euler, as the "isoperimetric theorem" of topology. In physics, it is known as the principle of physical least action, as posed by Fermat and elaborated by Leibniz.

The isoperimetric theorem indicates Cusa's proof to define circular action as the minimum perimetric action which subtends (generates) the largest relative area or volume. If we read "action" in the sense of physical action, this is the principle of physical least action as we have it from Leibniz. (There are deeper implications to Cusa's principle, but we focus here only on the matter of physical least action in terms of a synthetic geometry).

In geometry, this principle prompts us to throw away all of the Euclidean axioms and postulates, and also the method of deduction. If we but acknowledge, that circular action acts reciprocally upon circular action, during every interval of action, the entirety of Euclidean geometry is constructed without any use of axioms or postulates, and by aid of prohibiting the use of the deductive method. We use the deductive method only negatively, as we have done in comparing the non-consistency dividing two giant tautologies from one another; we may use the deductive method to prepare ourselves to restate the proposition correctly, as a proposition in synthetic geometry.

The elaboration of synthetic geometry in this way brings us to a limit associated with the Platonic solids. This limit was the central feature of the collaboration centered upon Pacioli and Leonardo. Pacioli elaborated a reconstruction of the proof of the uniqueness of the five regular solids, as referenced by Plato. He and his collaborators showed, that the morphology of growth and function of normal living processes was harmonically ordered in a manner consistent with the Golden Section of the circle. This defines, to this day, the characteristic curvature of biophysical space-time.

Pacioli's and Leonardo's exploration of the limit, by methods elaborated by Cusa, was the basis for the work of



*This picture of the grammar teacher "Johannes Neudorfer and His Son," painted by Nicolaus Neudorfer in Nuremberg, Germany in 1561, shows a child being taught to draw a model of a dodecahedron, one of the five Platonic solids. Constructive geometry, developed from the work of Nicolaus of Cusa, Luca Pacioli and Leonardo da Vinci, became the basis of Renaissance education.*

Kepler. Kepler reasoned that if the universe were the work of a living Creator, the elementary laws of action in the universe as a whole must be adducible from the implications of the Golden Section as a limit. Although Kepler's results were inadequate, as he explicitly identified those shortfalls, his hypothesis has been proven correct, and all directly contrary hypotheses—such as those of Descartes, Newton, and Maxwell—false to reality.

From this, Leibniz adduced the basis for his notion of universal physical least action: The curvature of physical space-time defines the least action required to accomplish the relatively maximum work on the universe. All elementary laws of physics are rightly adduced as derivatives of that curvature, in that sense and in that manner.

Karl Gauss was the first to redefine Kepler's work more or less exhaustively, and to prove by this means that Kepler had been correct and Descartes and Newton false. Gauss's general accomplishment was to unify matter, space, and time formally as physical space-time. He accomplished this, as his treatment of the arithmetic-geometric mean illustrates this for novices, by situating Cusa's universal circular form of least action in the physical space-time in which living processes exist. In that case, circular action becomes the conic form of self-similar-spiral action. Such self-similar-spiral action, acting during each interval upon itself (in a "multiply-connected way"), defines the complex domain of Gauss's physics.

The peculiarity of this complex domain, in contrast to other approaches to complex functions, is that multiply-connected self-similar-spiral action inherently generates discontinuities (or, singularities). This topological peculiarity of the Gaussian complex domain, was examined and its crucial problem solved by the work of Prof. Lejeune Dirichlet, a collaborator of Gauss and, with Gauss, one of the sponsors of Bernhard Riemann's work. Riemann elaborated the implications of Dirichlet's principle of topology, as the Gauss-Riemann complex domain. The functions generated in this way are continuous functions, and also what are termed "non-linear."

Thus, the possibility of intelligible representation of a seemingly arbitrary form of continuous, but nonlinear process, depends upon stating the problem in Gaussian terms. First, one must state the problem solely in terms of representation by means of synthetic geometry. Second, one may translate this into an algebraic form by use of the appropriate trigonometry describing the relevant function as a locus. Then one must define such trigonometric functions as statements of a rate of increase of the density of discontinuities (singularities) per adopted small interval of action within the continuous process so defined.

A student of the relevant work of Karl Weierstrass and Riemann, Georg Cantor, focused his work on nonlinear functions which could not be represented by the methods of Fourier Analysis. The crucial element of physics within Cantor's work on transfinite orderings, is a theorem defining the enu-

merability of the ordering of discontinuities within a very small interval of a continuous nonlinear function. The more general representation of this proposition, to conform to the broadest specifications for a Riemann Surface function, defines the prescribed approach to achieving intelligible representation of a seemingly arbitrary functional ordering of a continuing physical process.

If we restate the definition of "energy" in the manner this development of synthetic geometry demands, in terms of universal least action defined in respect to universal physical space-time curvature, we have the following results.

We drop the neo-Aristotelian, caloric notion of "energy" which was arbitrarily introduced to physics for the purpose of avoiding the principle of physical least action. We measure "energy" as a nonlinear magnitude, referenced to a quantum of some standard-reference frequency of coherent electromagnetic radiation. This enables us to reference energy, so defined, to physical least action within a physical space-time of definite curvature.

We state propositions in physics (e.g., giant tautologies) in these standard terms of reference.

We compare successive giant tautologies in terms of the indicated sorts of discontinuities defining their nonlinear separation.

We read the series of discontinuities defined by advances in the sense of new physical principles as a potentially enumerable series of discontinuities. We thus translate a seemingly arbitrary function into an intelligible representation.

The problem of energy, as we have noted this for physical economy, and indicated the corrections to be made immediately above, provides the solution.

The result is a space-time of mental-creative activity which has the same curvature known to define astrophysical, microphysical, and biophysical space-time. The fact that the curvatures of these four domains are congruent, defines the unity of the universe (as a "unified field"), and proves the possibility of valid human knowledge of the lawful ordering of that universe. There is a direct correspondence between the form of knowledge generated by human mental-creative acts of discovery, and the curvature of physical space-time.

However, no other form of human knowledge excepting such creative-mental activity is in correspondence with the curvature of physical space-time. That form of human knowledge is thus the only proper choice of referent for the name of "reason."

The importance of "driving through the limits," in fundamental scientific research, is clarified thus. To discover new physical principles means to break through a discontinuity. To order willfully such breakthroughs, we must have a sense of direction, in the implied sense of a rate of increase of the density of discontinuities per interval of action. The ontological conceptions associated with a corrected notion of "energy" in terms of physical least action within a universe of known curvature, are the key to discovering this sense of direction.

## Creativity otherwise

Inevitably, the companion of my inquiries into creative processes, since the 1948-52 period of initial discoveries along the lines reported here, has been to show that certain other aspects of human creative activity, in addition to those associated narrowly with physical science and technology, are one and the same creative processes as those responsible for valid fundamental discoveries in physical science.

In the case of music, Kepler's insistence upon the congruence of a natural musical scale with the curvature of astrophysical space-time, shows the pathway. From the standpoint of applying the Gauss-Riemann complex domain to the approach taken by Kepler, a rigorous proof is supplied, that the well-tempered polyphony of J.S. Bach et al. is the only natural musical ordering, contrary to the Romantics and that industrious hoaxster Helmholtz.

However, the well-tempered system is merely the natural form of beauty. We must say "merely" in the sense that the mere copying of nature is not art. Art never departs from natural beauty, at the outset or conclusion of its compositions, or at any point in between. Everything in art must conform as perfectly as possible to the intelligible principle of natural beauty. However, without violating natural beauty, the composer must add something human to nature in this form of labor, as in all others. What is added in this way must also be beautiful.

Art is the application of nothing but the activity of human mental-creative processes to the principle of natural beauty.

Natural beauty is nothing but the principle elaborated as the curvature of healthy living processes, by Pacioli and Leonardo, and as the curvature of astrophysical space-time, by Kepler. Since classical Athens, this has been associated with orderings congruent with the Golden Section. The curvature of mental-creative space-time is the same. Mental creativity is beauty per se. It is the superimposition of this beauty upon natural beauty, in a multiply-connected way, which is true art—in music, in painting, and in architecture.

It is the case that classical poetry, from which music is derived, is governed by the same principle. In a different, but efficient way, great classical tragedy is permeated with the same principle.

All of these activities, the joy of natural beauty and the joy of classical beauty in art, and human mental creative activities, are associated with a distinctive quality of emotion, a kind of pleasure distinct from, and in opposition to the erotic (hedonistic) impulses. This emotion, associated with the Good and Beautiful by Plato, is named *Agapē* in the original Greek of the New Testament, and translated as *Caritas* in the Latin New Testament. In the King James version, *Caritas* is rendered as the sixteenth-century English usage of "charity," a term which has acquired a degraded meaning in modern usages.

This is the emotional quality associated with "tears of joy." It is the emotion of love of God, Christian love of mankind, love of truth, and love of natural and artistic beau-

ty. It is the emotional quality composed into great works of classical art, the emotional quality, opposed to degraded erotic forms of sentimentality, whose evocation informs the great musical performer that he or she has achieved a valid interpretation in faithful reading of the score of a Bach, Mozart, or Beethoven work, for example.

It is the quality of emotion experienced as a reward for achieving a valid creative discovery. It is the emotion, without whose summoning there can be no sustained concentration span of the "driving quality" needed for creative work.

The form of reason, and the motivation of that reason by this "agapic" quality of creative work, are two inseparable facets of a common quality. "Reason" is properly defined in no way but the harmony of this form, this emotion, combined.

Science, unless it is motivated by what we signify in Western civilization as Christian love of mankind, is no true science, and can not sustain the quality of creative scientific work. The perfection of mankind, and the nurture of those potentials and their free expression for the sake of the Good in each individual person, is the true purpose of science, and the true purpose also of everything else that is not shamefully degraded in human practice. This, rejecting all Kantian-like "categorical imperatives," is the practical purpose, and significance of Reason.

# LaROUCHE

YOU MAY LOVE HIM

YOU MAY HATE HIM

**BUT**

YOU'D BETTER

KNOW WHAT

HE HAS TO SAY



The  
Power of  
Reason: 1988  
an autobiography by Lyndon H.  
LaRouche, Jr.



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## Appeasement grows: Bush backers Finlandize Germany

by Lyndon H. LaRouche, Jr.

Behind-the-scenes U.S. circles backing the 1988 presidential candidacy of Vice President George Bush, are pushing West German officials deeper and deeper into a process of rapid "Finlandization" of NATO's Federal Republic of Germany. U.S. circles are telling West German leaders to run to Moscow in search of wide-ranging new trade agreements, all as part of a package of trade-offs represented as helping the United States manage its own balance-of-trade deficit.

The year-end flight of Bavaria's Minister-President Franz Josef Strauss to Moscow, is one of the first results of this new U.S. pressure on West Germany. The scheduled early visit to Moscow of Baden-Württemberg Minister-President Lothar Späth, the U.S. choice to become the replacement for Chancellor Helmut Kohl, is another piece of the U.S.-proposed reorientation of West Germany's critical machine-tool and other high-technology sectors to dependency on Moscow orders.

In Washington, D.C., this is presented as an integral part of the measures being taken to ensure that either Bush or Republican Senate Leader Robert Dole is elected President in November 1988.

Interestingly, this reorientation of Germany's economy to Moscow is being pushed by the same Republican circles who insist that the INF agreement is not a Chamberlain-style betrayal of the vital strategic interests of the Western alliance.

In January 1987, Helga Zepp-LaRouche, chairman of Patriots for Germany, warned that Soviet plans for "Finlandization" of West Germany would begin to come to the surface very rapidly following the reelection of the coalition government of Chancellor Helmut Kohl and Foreign Minister Hans-Dietrich Genscher. She warned that Moscow was preparing to revive the offer of German reunification made in the famous "Stalin Note" of March 1952.

By March of 1987, as Mrs. Helga Zepp-LaRouche had forecast, a heavily supported faction inside the governing Christian Democratic Union (CDU), surfaced with its proposal to seek German reunification along such lines, should Moscow be willing to offer it. During the year-end Moscow meeting between Strauss and Mikhail Gorbachov, Gorbachov waved the bait of revival of the "Stalin Note," which offered German reunification on condition that Germany distanced itself from the Western alliance with the U.S.A.—accepted the kind of "Finlandization" which Bush's backers in Washington are now pushing.

In her January 1987 warnings, Mrs. Zepp-LaRouche emphasized that NATO ceases to exist as a credible force, should West Germany be "Finlandized." She also emphasized her earlier warnings, that the economy of Western Europe was larger than that of the U.S.A., and that the West German economy was the linchpin of the Western European economy as a whole. Should Germany be "Finlandized," the entirety of the Western European economy would begin to fall rapidly into the orbit of the Soviets. The collapse of the defense potential of Western Europe, combined with the increasing client-state status of Western European economy, would ensure that Moscow achieved absolute preponderance in economic power in the world as a whole.

This is precisely what is now coming to the surface, accelerated by Reagan and Bush's INF appeasement gift to Moscow, and pro-Moscow economic deals pushed by circles of Bush backers.

### **The impact of Reykjavik**

Beginning August 1986, all Western European capitals had reacted with stunned dismay to the announcement of President Reagan's projected Reykjavik summit with Gor-

bachov. When the details of the summit discussions were reported, these European capitals reacted with words to the effect, "This is the beginning of the end." Excepting a strong mood of resistance from within France, all of Western Europe has been sliding into deepening cultural pessimism since that time.

Leading European political intelligence sources sum the process up in the following terms.

The fears of collapse of the Western alliance had begun during the period of the Carter administration, and had continued during the first two years of the Reagan administration. Confidence had been reborn with the March 23, 1983 announcement of the U.S. Strategic Defense Initiative (SDI). "We saw SDI as a dramatic change for the better, which could have reversed the trend," one highly placed source said recently. The Reykjavik summit immediately dropped Europe to a much deeper level of pessimism than had been reached during the Carter period.

The prevailing mood in Western Europe today, is, "We have been betrayed; the Americans are selling us out to Moscow." The reaction to this is, "Since the Americans are delivering us into Moscow's grip, we had better move quickly to make the best possible deals with our future masters."

Moscow, watching this, saw the INF agreements as a way of breaking the back of Western European morale. They saw President Reagan as drooling so much with the desire to accept those agreements on almost any conditions Moscow proposed, that, instead of formally dumping Mikhail Gorbachov at the October 1987 Soviet Plenum, the new ruling triumvirate of Central Committee Secretary Yegor Ligachov, KGB Chief Chebrikov, and Marshal Ogarkov decided to retain Gorbachov as a front-man for Western negotiations during at least most of 1988. During 1988, up to the eve of the November elections, at least, Moscow intends to play its Reagan and Bush cards to the limit, for as many irreversible acts of appeasement from those sources as it can get.

So, although the INF agreement is calculated by some to mean only an approximate 3% destruction of U.S. nuclear capabilities, it is even by itself the first major concrete step of actually decoupling the United States from the defense of Western Europe. The cultural, economic, and political effects of this INF agreement, are combined with the military implications to make this as crucial a betrayal of Germany as Chamberlain's betrayal of Czechoslovakia to Hitler in 1938.

When the United States aggravates this effect of the INF with acts pushing West Germany's high-tech economy directly into the hands of Moscow, the demoralization is massive. If present trends continue, as circles supporting Bush insist they will, NATO could be dead, not formally, but to all practical purposes, by the end of 1988.

### **The financial collapse**

The ongoing financial collapse is a bigger strategic factor at the moment than even Reagan's and Bush's rampant ap-

peasement of Moscow on military and regional-matters issues.

Although constant-dollar values of budgeted U.S. defense expenditures have been collapsing continuously since the Carter years, under President Reagan's first term, Defense Secretary Caspar Weinberger skillfully managed shifts in allocations to bring about improvements in the first-line military balance, despite the erosion of depth of capabilities occurring at the same time. The assumption underlying Weinberger's approach appears to have been, that if a proper balance of first-line capabilities is developed, the basis for adding depth to these capabilities, later, is preserved.

During 1984-85, and with the advent of Gramm-Rudman, disaster struck.

In the original design of SDI, we included as crucial certain elements which have since been scrapped from the program. SDI investment should have been about \$7 billion during 1983-84, rising toward about \$35 billion annually during several years. That could have put a first-line system in place, including x-ray laser and particle-beam capabilities, by about 1988-89. The entire U.S. military capability would have been restructured, with included modifications in the U.S. and NATO orders of battle, by about 1988-90.

The damage to SDI began to develop shortly after the President's initial announcement of March 23, 1983. During April 1983, Paul Volcker and others deployed to Capitol Hill and the administration, seeking to block SDI by pressing for cuts in military expenditures, and moving in the direction of what became later the Gramm-Rudman-Hollings legislation. As 1984 electioneering came into view, the President was induced to keep SDI out of the campaign—until the second Reagan-Mondale debate; the work on SDI was deemphasized accordingly.

From the beginning of the second Reagan term, everything was downhill. The years 1985-87 were 1927-29 all over again on the financial and fiscal fronts, laying the basis for the events of Black Monday.

This worsening financial, fiscal, and economic mess is the key to the worsening strategic crisis in several respects.

Directly, it means savage cuts in the constant-dollar value of defense capabilities.

The first round of Gramm-Rudman destroyed much of the U.S. military logistical capability. The current rounds are cutting into bone. Those determined to continue the Gramm-Rudman approach, are committed to cutting away a great deal of that bone. The President supports this approach. Therefore, U.S. foreign and strategic policies are reshaped to encourage a cutting-away of military bone. The INF and START negotiations are part of that policy of sacrificing whatever is possible to facilitate those cuts.

The reason U.S. troops are still in Europe, is that it would cost more to redeploy them to the United States, than to keep them in Europe!

Indirectly, the Reagan administration and Bush circles

have combined forces with the networks of the influential Comrade Armand Hammer inside the administration and National Endowment for Democracy, to respond to the financial crisis with launching of trade wars with our allies and other principal trading partners. The immediate conflicts between our government and the governments of our Western trading-partners are presently much more vicious and hostile than any active disagreements with Moscow. In all Verity, this sort of Bush-league economic conflict with our allies and other friends is doing more to tear the Western alliance apart than even the INF agreements.

It will become worse during the first half of 1988.

Generally, one might think that there will be no new Black Mondays during the weeks and months immediately ahead. The administration, and the Bush-league influentials, have learned from Black Monday, that futures markets must be hit promptly, and trading-hours cut back sharply, to prevent a repetition of the exact sort of panic acted out on Black Monday. If that were a decisive factor in the situation, we would have reason to believe that there would be new major financial-market panics like Black Monday coming during the first half of 1988. We would expect merely a persistent, average gradual erosion in financial markets. Instead of having the crash occur in big jumps downward, the same amount of net decline spread out over the coming six months.

However, that estimate, while plausible to the point of appearing quite sensible, is not strictly correct. We are in the middle of the collapse of the biggest financial bubble in history, a collapse which must fall well below 1982 levels of constant-dollar values over the coming 12 months or so—assuming that Bush's supporters do not succeed in pushing through an all-out hyperinflationary spiral. So steep a collapse can not occur gradually. A period of slow erosion over a few months, at most, brings parts of the total financial structure to threshold levels at which structural adjustments occur. These structural adjustments erupt in the form of new kinds of panics.

What may be hit directly by such "jumps" may not be the stock markets at first, but rather bond markets, foreign-exchange markets, real-estate markets, and so forth. At the same time, the conflicts which the Reagan administration and Bush supporters are pushing with our allies and other former friends are increasing the heteronomic—"every man for himself"—tendencies within world markets. Bush supporters' pushing West Germany eastward will accelerate this heteronomic trend; Japan is already pushed into the direction of dumping depreciated dollars into dollar-denominated markets for hard commodities, and working toward building up "yen trading blocs" within the world's markets. As heteronomic tendencies are strengthened so, the possibility of coordinated "crisis management" control over the financial collapse vanishes.

High rates of growth, and high rates of collapse, are both "non-linear" processes for these reasons. High rates of growth

under conditions of technological progress, means that the major turns upward tend to appear as jumps in investment-trends. High rates of collapse are marked by intervals of gradual downward trends, with the intervals interrupted by those kinds of mathematical-trend discontinuities we usually term panics.

The combined structure of economies and of this financial bubble now collapsing, indicates that most probably we must foresee two more major panics along the road, probably during 1988, until an unstable equilibrium is reached somewhere significantly below 1982 constant-dollar prices of financial assets. To understand why this is so, one must shift attention away from "technical market analysis" of trends, to concentrate upon the structural features underlying markets. Those who rely upon studying of mechanisms of trading behavior in terms of "technical market analysis" of trends will foresee, today, a gradual, but steep average rate of decline in financial markets. Those who look at the same facts in terms of underlying structures, will estimate that two major panics will erupt between now and the time the collapse of this financial bubble hits a temporary bottom.

The entirety of currently operational Soviet strategic policy is based on the assumption, since 1982, that the Western world is headed into what Marxist doctrine terms "a general breakdown crisis" worse than the conditions of 1932-33. They are playing all cultural, economic, and political factors of trend and conflict within the Western world, including the developing sector, from this vantage-point. The role of Comrade Armand Hammer's influence, through such channels as Charles Z. Wick's circles connected to the White House, and through Hammer's and other "Trust"-type financier influences on the National Endowment for Democracy, is merely an important auxiliary factor.

Unless there is a very specific sort of sharp reversal in monetary and economic policies, Soviet world-domination, or possible general warfare looms for the 1990s. Two changes must be rejected as worse than the disease. Immediately, circles backing Bush are pushing for what are in fact hyperinflationary solutions, all designed to carry Bush into the January 1989 inauguration. This is pure insanity; there is only one sort of financial crisis vastly worse than the one already in progress: a hyperinflationary blowout echoing on a world-scale the Weimar hyperinflationary blowout of 1923. The second, more general proposal, is fascist austerity modeled on the 1929-32 measures of the man who put Adolf Hitler directly into power in Germany, Hjalmar Schacht: the policies lately recommended by Sen. Robert Dole. Unfortunately, inside the United States, I am the only presidential candidate outlining the measures which will work.

So, while Reagan's appeasement and the ambitions of presidential candidate Bush push Moscow more rapidly toward early world-domination, we may say, in the spirit of the famous Chinese saying, "We find ourselves living in extremely interesting times."



# The Russian game behind Ariel Sharon's Jerusalem move

by Mark Burdman

Over the weekend of Dec. 12-13, American intelligence officials released an evaluation, reported by United Press International, which concurred with the evaluation of *EIR*, that the Ariel Sharon network in Israel is the main channel through which there has been high-level Soviet penetration of Israel's Mossad intelligence service.

Immediately after this U.S. evaluation was released, Sharon himself provided more than enough evidence to prove that he is working on behalf of anti-Western, pro-Russian interests. Israel's Minister of Trade and Industry is in an open alliance with the Russian-backed Jewish religious fanatics and mystics of the "Temple Mount" terrorist groups, who aim to cause religious confrontations in Jerusalem, and religious wars throughout the Middle East. The only ones to benefit from this, could be the gnostics who rule in Moscow, for whom 1988 is the year of celebration of the 1,000th anniversary of the byzantinic-mystical "Christianization" of Russia, and their gnostic friends in the predominant factions of Western freemasonry. In the cultish terms popular in such circles, it is the myth of Moscow as the "Third Rome," marrying the belief in Solomon's "Third Temple," sometimes referred to as the "New Jerusalem" project.

During the week of Dec. 14, Sharon moved into a new flat in Arab East Jerusalem, several meters inside the Damascus Gate, near the district's Arab bazaar. The flat requires a permanent 34-man police force to guard it against Muslim-Arab protest demonstrations. Well-informed Middle East experts assert that Sharon's move has been a catalyst in worsening the tension in the Israeli-occupied Gaza Strip and West Bank.

On Dec. 19, the worst rioting in 20 years erupted in East Jerusalem, as Arab teenagers stoned cars, set up flaming roadblocks, and shattered the façades of four Israeli bank offices. The Dec. 20 *Jerusalem Post* quoted Jerusalem Mayor Teddy Kollek: "The disturbances are mostly a result of what is happening in the territories [of Gaza and the West Bank]. But in a situation like this, every match can start a fire, and Sharon moving into the Muslim Quarter is more than a match."

On Dec. 20 the Mufti of Jerusalem, Sheikh Sa'ad a-Din al-Alami, attacked Sharon's action as "dangerous" and "in-

furiating," claiming it was part of a plot led by the "blood-thirsty Sharon" to "kick out" the Arabs from the area. If the Mufti of Jerusalem has historically, more often than not, been a good position for demagogues and rabble-rousers, in this case his charges do not lack substance. Sharon and supporters do not hide their belief that East Jerusalem should ultimately be "taken back" by the Jews, since, they say, Jews were only removed from the area during the major Arab-Jewish confrontations of 1929.

Nor is Kollek the only Jewish politician to attack Sharon. Israeli Absorption Minister Ya'acov Tsur attacked Sharon's actions Dec. 20 as "hooliganism under government auspices."

Indeed, "under government auspices." Prime Minister Yitzhak Shamir attended the Dec. 15 cocktail party "housewarming" when Sharon moved in, as did more than 100 right-wing political influentials, including Likud ministers Haim Corfu (of Transport) and Avraham Sharir (of Justice and Tourism); Tehiya (Renaissance) Party parliament extremist Geula Cohen; Likud Jerusalem branch chairman Ruby Rivlin; and others. The former chief rabbi of Israel, Shlomo Goren, and the former executive of the Shin Beth intelligence agency, Yossi Ginossar, also attended.

Since Sharon had announced his intention to move into East Jerusalem several weeks, the government had plenty of time to stop him. It did exactly the opposite.

Also attending were Gerschom Solomon, head of "The Faithful of the Temple Mount," and Matti Dan, chief of the Ateret Cohanim organization, a mystical-fundamentalist group which trains many of the most fanatical members of Solomon's Temple Mount terrorists. As *EIR* has documented in two special reports ("Moscow's Secret Weapon: Ariel Sharon and the Israeli Mafia," [1986], and "The Jerusalem Temple Mount: Trigger for Fundamentalist Holy Wars" [1983]), what these maniacs seek to do, is to blow up the Islamic Mosque of Omar on the Temple Mount in Jerusalem, and to set off religious wars throughout the Middle East. *EIR* has shown that this project is backed by Soviet intelligence networks, and by leading factions of the Freemasonry in Britain, the United States, and Western Europe.

October 1987 saw the first confrontations in Jerusalem between Temple Mount fanatics and Arab Muslims since 1983. There is plenty of fuel around for an explosion.

### **Moscow's Hasidic card**

The presence of Solomon and Dan points to another dimension to Sharon's actions, more hidden from the public view, but more explosive in its implications. It is here, yet more clearly, that one finds the Soviet hand in Sharon's latest caper.

Start with the ownership of the apartment into which Sharon moved. Its primary owner is something called the Wittenberg Trust, named after a 19th-century Russian-Jewish figure named Moshe Wittenberg, who was a leader of Israel's Habad Hasidic community. The Hasids were—and are—a hermetic Jewish-modeled sect, created in Russia and Eastern Europe in the 18th century, as the Jewish-oid version of the Russian Orthodox Church's "Old Believers" sect, with other streams of Asiatic mysticism mixed in. Hasidism has less to do with Judaism, than with Eastern mysticism and cabbalism mixed with "Mother Russia" cultism, a point that was often stressed by its two chief popularizers in the West during the 20th century, Martin Buber and Gerschom Scholem, about whom we will have more to say a bit later.

Meanwhile, to the next part of the story:

On Nov. 27, the *Jerusalem Post* had published a curious Moscow-dated item, which reported that Konstantin Kharchev, chairman of the Soviet Council of Religious Affairs, was considering a plan proposed to him by one Noah Dear, an Orthodox Jewish leader who represents an Orthodox Jewish district in Brooklyn, New York, to make the grave of the founder of Hasidism, the Baal Shem Tov, into a Jewish pilgrimage and tourism site. Located in the town of Mezhibozh—now in the Ukrainian Republic—the site would be visited by Hasids from around the world, should it be created. Kharchev's Brooklyn interlocutor told him that Hasidic groups from the United States, Europe, and Israel, frequently and in growing numbers, visit tombs in Poland and Hungary, and in Uman, Russia, where remains of some of the Baal Shem Tov's disciples are located. According to the *Post*, "Dear said that the Baal Shem Tov's grave, if made accessible, would quickly become the key shrine for these circles."

One of Sharon's chief bankrollers, over the past years, has been the American dirty-money and pornography kingpin, Meshulam Riklis. Some months back, Riklis's father Pinhas died in Israel, and Israeli newspapers carried obituary notices which identified Pinhas as a "descendant of the Baal Shem Tov." And so, a bloodline aspect is added to the politico-religious drama.

### **Buber's 'Judaism as an Oriental cult'**

If Sharon's move into the East Jerusalem flat, is a kind of "positive-playback" to the Russians, the broader cultural effects of a Russian signal to Hasidic mystics should not be underestimated. It would be perfectly consistent with Rus-

sian Orthodox Church preparations for celebrating, in June 1988, the "Christianization" of Russia. The Russians would be trying, within Christianity and in dealings with other religions, to shift the balance of power and ideological commitment, to the most irrationalist, mystical elements. Vis-à-vis Judaism, the game would be clear: Anti-Semitism and Dostoevskian hostility to "things Jewish" would remain the main strand of domestic and international policy, while that form of Judaism most akin to the "Old Believer" belief-structure would be encouraged.

There is also a very special group in the West, to whom the Russians would be sending a signal. As we indicated above, Martin Buber and Gerschom Scholem were the most instrumental in pushing Hasidism. Both were intimates of the gnostic intelligentsia in Europe, especially to the circles associated with the Ascona, Switzerland "Eranos Conferences" of gnostic psychologist C.G. Jung. These circles popularized mysticism, alchemy, gnosticism, and cabbalism, as aspects of witchcraft, shamanism, and devil (or Lucifer) worship.

The Jung gnostic circle has a powerful influence over the "Trust" faction of Western intelligence, in both the United States and Europe. During World War II, Jung developed intimate psychological-political relations to the American Dulles and Mellon families. In November 1983, the Volkswagen Foundation in West Germany, which is linked to the "Project Democracy" crowd in the United States, gave a special grant to the Gerschom Scholem Library for Cabbala and Jewish Mysticism, of the Hebrew University. (Hebrew University also houses a Gerschom Scholem Institute of Cabalistic Studies.)

As pertains to Judaism, the essence of Buber and Scholem is that they were absolutely hostile to Western, especially German, Judaism, and portrayed European Jewish social-assimilation and love for Western culture, as undermining a "pure" ("blood and soil") version of "Judaism" of their own invention. To give one idea of the mentality, Scholem describes in his autobiographical account, *From Berlin to Jerusalem: Memories of My Youth*, his dislike for the plays of Friedrich Schiller, to which his parents took him, as he grew up in Berlin.

In a document entitled, "The Spirit of the Orient and Judaism," written ca. 1913, Buber redefined Judaism into an Oriental cult, citing particularly "the rise of the great religious movement of Hasidism, which gripped Polish Jewry in the 18th century, and revealed anew the limitless power of Oriental man." This "elemental force," he stated, was fighting positively against the "emancipation" of Jews in Germany and other European countries. Through all trials and tribulations of centuries, Buber insisted, "the Jew has remained an Oriental."

Again, the focus of this absurd turning-upside-down of reality, is Hasidism: "We need only to look at the decadent yet still wondrous Hasid of our days; to watch him as he prays to his God, shaken by his fervor, expressing with his whole

body what his lips are saying—a sight both grotesque and sublime. . . . Here, stunted and distorted, yet unmistakable, is Asiatic strength and Asiatic inwardness.”

During World War II, as Hitler was murdering the Jews of Europe whom Buber found so contemptible, Buber wrote an essay entitled, “Hasidism in the History of Religion,” later published in a paperback edition entitled, *The Origin and Meaning of Hasidism*. In the essay, he explores “Hasidic motifs” that are traceable to “the literature of the Sufi sect of Islam,” as well as to aspects of Zen Buddhism, Taoism, etc. Another essay in this collection dates from a 1934 presentation made by Buber, before one of Jung’s Eranos conferences in Ascona.

As for Scholem, his commitment was to discover roots of Jewish thought in *gnosticism*. Interestingly, Scholem’s academic training in Munich was in the field of Assyriology. His was Judaism recast as an Assyrian sect. There may be more than a pun in the similarity of the word “Baal” to the “Baal Shem Tov.” Like Buber, Scholem participated in the Eranos Conferences of Jung.

### **The Baal Shem Tov and the Dostoevsky project**

Both Scholem and Buber were very close to the leaders of the “Frankfurt School,” the left-radical bunch of sociologists and philosophers created by Soviet military intelligence in the 1920s, who were deployed into the universities of Weimar Germany, and, later, the United States, to spread revolts against the Western values of industrial growth and scientific progress. Buber had an important ideological-philosophical influence over the core Frankfurt School operatives, such as Walter Benjamin. Benjamin was, in turn, Scholem’s best friend. He spent crucial periods of his life on the cult-training island of Capri, where, so his papers (edited by Scholem) say, he combined Bolshevism with good doses of hashish.

The founding document of the Frankfurt School, written by Hungarian Communist George Lukacs in the early 1920s, explicitly called the new group’s program, “The Dostoevsky Project.” Lukacs, who served as Minister of Culture in the “Hungarian Soviet” of Bela Kun in 1919 and later as Minister of Culture in the Hungarian Communist government in the 1950s (after having been in the U.S.S.R. during World War II), argued that Bolshevism in the West, unlike Russia, could only succeed by shifting the West’s cultural matrix, away from traditional Judeo-Christian values. He specifically pointed to the book of Genesis, as the main document standing in the way of the psychology of Bolshevism!

Lukacs also argued, on one occasion, that the “messianic,” or “demonic” element in Bolshevism should be reinforced, by introducing into Bolshevism *elements of the Baal Shem Tov belief-structure of Hasidism!*

Such are the historical-ideological authors of the latest provocations of Ariel Sharon, whether the overweight thug understands it in these terms or not.

## **INF Treaty opposed by ad campaign**

The Schiller Institute’s Ad Hoc Committee to Stop the INF Treaty has announced plans to intensify its international advertising campaign, first launched in December, to arouse public opposition to the treaty on Intermediate Nuclear Forces. The treaty was signed by President Reagan and Soviet General Secretary Gorbachov on Dec. 8, and must be ratified by the U.S. Senate before gaining the force of law.

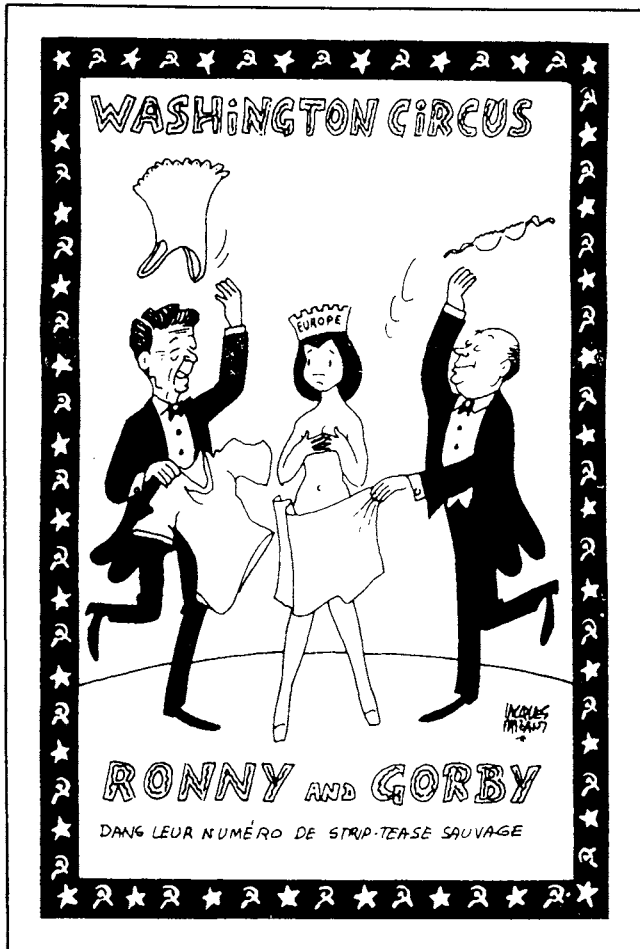
In early December, Schiller Institute Chairman Helga Zepp-LaRouche released an “Urgent Appeal” to patriots in all NATO nations, to prevent the INF Treaty. The appeal declared, “What is at stake is nothing less than the political freedom of Western civilization as a whole. We see the acute danger, that the ability of the West to defend itself is being irreversibly negotiated away for the sake of short-term political expediencies.”

Mrs. Zepp-LaRouche, the wife of American presidential candidate Lyndon H. LaRouche, Jr., called on leaders from Western Europe and the United States to endorse the appeal, for publication in major newspapers worldwide. Close to 200 military and political leaders from Western European NATO nations, Ibero-America, and the U.S. signed the appeal (see below).

Full page advertisements, bearing the text and signatures, appeared the first week of December in the *International Herald Tribune* and the *Washington Times*. On Pearl Harbor Day, when the Reagan-Gorbachov summit opened in Washington, the Schiller Institute’s advertisement appeared prominently in the *Washington Post*, and one week later in the *New York Times*.

In a surprising development, on Dec. 9, *Diario Las Américas*, the most important Cuban emigré newspaper, published in Miami, Florida, reprinted the advertisement in full as an editorial column, sending an unclouded signal to Washington opposing this sell-out to Moscow.

Giving the lie to the line, now *au courant* in Washington, that America’s European allies favor this treaty, the ad was favorably cited in French, Spanish, and Argentine newspapers, and numerous strong denunciations of the treaty also



Who says Europeans favor the INF Treaty? This cartoon appeared on page 1 of the leading French daily, *Le Figaro*, on Dec. 8, 1987. The caption reads, "Ronny and Gorby in their savage strip-tease number."

appeared (see accompanying box). A front-page article in the Dec. 8 Paris daily *Le Matin* stated, "The most violent cry of alarm" against the treaty "appeared in an advertisement in American newspapers by the very anti-communist Schiller Institute." *Le Matin* is aligned with President Mitterrand's Socialist Party.

Spain's daily *El País* ran a story Dec. 7 datelined Washington, D.C., titled "The Russians are Coming!," reporting "from the other side of the trenches, two retired Spanish generals . . . a colonel, and . . . lawyer signed in the *Washington Times* . . . a full-page ad . . . by the Schiller Institute . . . with an urgent demand to put a brake on the INF Treaty." In Argentina, leading geopolitical commentator Mario Grondona referred favorably to the ad in his weekly syndicated column, the week of Dec. 7.

As if to demonstrate that standard "KGB-style" methods are behind this treaty, a concerted effort surfaced almost immediately, to prevent further publication of the ad in Eu-

rope. Two Swiss newspapers, including the large *Neue Zürcher Zeitung*, as well as the *Schwäbische Zeitung* in Baden-Württemberg, West Germany, flatly refused to take the ad. The West German paper gave as its reason that "the Schiller Institute is behind it."

The Schiller Institute responded by announcing plans to issue an updated appeal, with endorsers, in newspaper ads to be published internationally in January.

## Among the signers

Signers of the "Urgent Appeal to Prevent the INF Treaty" include the following prominent flag officers:

### West Germany

Vice Admiral (ret.) Karl-Adolf Zenker  
 Brigadier General (ret.) Friedrich Wilhelm Grunewald  
 Brigadier General (ret.) Jobst Rohkamm  
 Brigadier General (ret.) Paul Albert Scherer, who is also former Director of Military Intelligence for the West German Army, the Bundeswehr

### Spain

General (ret.) Florencio García-Sánchez

### France

General (ret.) Loys Tochon  
 General (ret.) Maurice Barret

### The Netherlands

Major General (ret.) Willem Walthuis

### Bolivia

General Lucio Añez (ret.), former Commander of the Bolivian Armed Forces, and former Vice President of the Inter-American Defense Board

### United States

Lieutenant General Lionel C. McGarr USA (ret.)  
 Vice Admiral Ralph Earle, Jr. USN (ret.)  
 Major General Jackson Bogle, USAF (ret.)  
 Major General David B. Eason, USAF (ret.)  
 Major General Livingston Nelson Taylor, USA (ret.)  
 Rear Admiral Leonard Snead, USN (ret.)  
 Brigadier General Earl F. Cole, USA (ret.)  
 Brigadier General George M. Jones, USA (ret.)  
 Brigadier General William L. Shaw, USA (ret.)  
 Brigadier General Fred W. Vetter, Jr. USAF (ret.)

# Ambassador to Germany celebrates INF with 'psychological disarmament' of U.S.

by Mark Burdman and Gabriele Liebig

On Dec. 8, as the INF treaty was being signed by Ronald Reagan and Mikhail Gorbachov in Washington, the U.S. ambassador to West Germany, Richard Burt, was hosting a delegation of leaders of the West German "peace movement" at the American embassy in Bonn, to celebrate the treaty signing. One peace movement leader in attendance was a certain Dr. Horst-Eberhard Richter, director of the center for psychosomatic medicine at the Clinic of Justus-Liebig University in Giessen, West Germany.

Richter's presence and reported enthusiastic greeting from Burt symbolizes, as much as any recent event, the evil of the INF treaty they were celebrating together. He is a Soviet asset, being the president of the West German branch of the International Physicians for the Prevention of Nuclear War (IPPNW), a Soviet-government run operation that is funded, in part, by Occidental Petroleum multibillionaire Armand Hammer. Richter is opposed, with an emotional passion that borders on religious fervor, to the values of Western Judeo-Christian civilization, and to the commitment to progress and scientific and technological development of the populations of the United States and of his native Germany. He advocates surrender to Mother Russia with the same passion.

That Burt would host Richter, confirms *EIR*'s assertion that Burt's commitment, as ambassador in Bonn, is to wreck the German-American relationship. Certainly, Burt knows the implications of the INF treaty, in undermining transatlantic relations and weakening the moral-cultural fiber of the West. Burt, as a chief official of the London International Institute for Strategic Studies (IISS) during the 1970s, prepared strategic papers which helped create laying the conceptual framework for what later became known as the "zero option," or the "treaty on Intermediate Nuclear Forces."

But Burt, in this case, is not acting as a lone operative. During the Reagan-Gorbachov summit the week of Dec. 7, the U.S. and the Soviets reached an agreement, mediated between U.S. Information Agency head Charles Z. Wick and the chiefs of the Soviet media, to set up a joint commission-

of-inquisition, to target enemies of détente in the media. The core of this is a joint U.S.-Soviet campaign, to attack "the image of the enemy" as it appears in their respective media, and in the minds of the respective populations. While Wick euphorically portrays the new commission as an example of bipolar superpower cooperation, it is, from the outset, a totally one-sided initiative, especially as the Soviets have no such thing as a "private" political operation or private press, while the United States does, even if such operations and journals are increasingly subjected to totalitarian-modeled persecution from the U.S. government. Also, the cultural matrix of "Holy Mother Russia" is itself founded on hostility ("enemy image") to the West. The Armand Hammer-associated Wick is simply complicit in an operation to unilaterally disarm the West, morally and psychologically—exactly as laid out in Horst-Eberhard Richter's writings.

Richter is an integral part of the Wick-Soviet operation. He is the main European advisory board member of a task-force of the Harvard Medical School's Center for Psychological Studies in the Nuclear Age, which coordinates joint East-West projects "attacking the enemy image." The Harvard Center's work grew, in part, from U.S.-Soviet cultural agreements worked out between Wick and Gorbachov's violently anti-American propaganda chief, Aleksandr Yakovlev, during the October, 1986 Reykjavik summit. Its activities overlap those of the Hammer-funded IPPNW. One of its advisory board members is Galina Andreyeva, who chairs the department of social psychology at Moscow University.

Richter is one of the authors of the concept of "attacking the enemy image," a crude English adaptation from the German word *Feindbild*, image, or picture, of the enemy. Undermining the "enemy image" in the West, has become one of the focal points of the Gorbachov-era Soviet assaults on the West, for one simple reason: If Western populations can be induced to believe that the U.S.S.R. is no longer the "enemy," why would they have militaries?

Richter and "peace movement" associates call this "psy-

chological disarmament,” and attack those who believe in a threat from the Soviet Union, as suffering from “collective paranoia.”

It is this, that Burt is supporting. After meeting Burt Dec. 8, Richter later told a confidant: “The American ambassador is interested in my work. Up to now, the question of the ‘enemy image’ did not interest most official Americans. The Russians have always been far more interested in this. With the INF treaty, things have changed. . . . Now, the Americans *must* respect the peace movement. In previous years, they were not interested, because they thought the peace movement was against them, and in favor of the Russians. But now that Reagan has signed the INF treaty, more contacts between American officialdom and the peace movement will happen, I am sure.”

With Richter, however, the matter hits a point of emotional fanaticism that borders on the incredible. In the future, *EIR* will be publishing a comprehensive study of his psychology and writings. For the moment, a few salient points can be summarized.

For Richter, the “enemy image” problem does not begin with the Cold War and Western attitudes toward the Russians. It begins at a more fundamental level, with the fact that human beings have a tendency to fight *death* and *disease*. These become “enemies,” and set in the mind, a habituated tendency to think in terms of “enemy image.” The solution: Accommodate to death and disease!

“We physicians,” he complained in a 1981 book, “feel oppressed” by our activities as “fighters against viruses, bacteria, metabolic poisons, and cancer, as if we shall fight a victorious crucial battle against an evil dragon. And this we shall do with the ‘wonder-weapons’ of the laser beam, or the total preventive inoculation, with the implantation of artificial or natural organs, and, at the end, maybe even with genetic manipulations. With automatized diagnostic and therapeutic machines, we shall, in addition, eradicate error and technical mistakes.” Not surprisingly, all the “wonder-weapons” named are important in the fight against AIDS, as well as in SDI research.

As for death: “The latent inhumanity of our medicine today, is that it defames death in general as the enemy, and sees its main significance in preventing it.” Or: The prevention of death or the postponement of death is just “vainly running up against an overwhelming aggressor that will someday leave you behind, anyway, smashed.”

How far from this, to the propaganda of the International Physicians for the Prevention of Nuclear War, as expressed in an IPPNW ad of May 5, 1985, written in commemoration of the 40th anniversary of the May 8, 1945 victory over Nazism? “We see in May 8, 1985, a proper occasion to recall harshly the dangers of that evil spirit, which still continues with the tendency to defame the outside enemy in general as the devil.”

And, of course, Richter is *against* abhorring the devil, or evil, because this too calls up “enemy images.” If this sounds

like “beyond good and evil,” it should. In his autobiography, Richter describes *Beyond Good and Evil* author Friedrich Nietzsche as the idol of his youth, and Russian writer Fyodor Dostoevsky as his favorite poet. These are the two philosophical-literary founding fathers of the past 100 years’ “New Age”/“Age of Aquarius” movement against Western Judeo-Christian civilization.

As pertains to the Russians:

In the view of conservative experts in psychology in West Germany, Richter suffers from a severe version of what is called the “Bettelheim Syndrome,” or what Anna Freud la-

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*For Richter, the “enemy image” problem does not begin with the Cold War and Western attitudes toward the Russians. It begins at a more fundamental level, with the fact that human beings have a tendency to fight death and disease.*

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beled “the identification with the threatening adversary.” In his case, he was a young German soldier in Russia during the Second World War. When he returned home at the age of 22, both his parents had been knifed to death by drunken Soviet soldiers. So broken psychologically was Richter by accounts of what his mother had to suffer before being killed, that he suffered a psychological breakdown, and could no longer sustain the idea of the Russians as aggressors. Richter’s hidden psycho-political message vis-à-vis the Russians is: If you don’t capitulate to the overwhelming enemy, the Soviet Union, then Mother Russia will smash you inevitably. But if you overcome your paranoid “enemy image,” if you submit to Russia, and thus make good the German guilt from the last war, then Mother Russia will take you mercifully to her bosom.

From this, he and others must attack that which *causes* enemy images, especially the nuclear family, which is described as “authoritarian.” He and collaborators have encouraged “alternative” structures, such as communes and “anti-authoritarian education,” with heavy emphasis on sexualizing small children, promotion of homosexuality, etc. He also expressed sympathy for “mental patients’ collectives,” which became breeding grounds for terrorism. The late West German psychoanalyst Aleksander Mitscherlich was one of Richter’s key collaborators in such efforts. Mitscherlich’s wife, Margareta, appeared on German television during 1987 to say that she would be perfectly content to see the German population die out, because of the “crimes

against humanity" committed by Germans in recent history!

Richter's treason against his native country goes so far, that he has recently begun a project, together with the aforementioned Moscow social psychologist Galina Andreyeva, to analyze "the stereotypes of the West German population, their self-images and enemy images." This is part of his broader work on what he calls "scapegoat projection." Andreyeva is experienced in international gnostic operations. She is the Soviet representative to the United Nations Organization's Women's International Committee on Culture and Education (WICCE), which backs feminist-witchcraft projects around the world.

As much as they direct their brainwashing at Germans, it is not Germans alone who are the targets. The Harvard Medical School task force has one project focusing on U.S. SDI supporters, who, they complain, have seized the moral high ground, by using the SDI as a symbol of the "restoration of America" and to attack the notion of "limits." They advise that "memories of the *Challenger* and Chernobyl disasters" be used to combat the "dangers of technological hubris."

One Richter colleague in Hamburg states that the basic problem, in "attacking the enemy image" in the minds of Americans, is that this requires destroying the deeply nurtured notion that the United States has a special historical role to play in the world. He says: "The American population's image of the United States is to be Number One. They have this image for themselves, and so, of course, the Russians should be Number Two. Now, with the new INF agreement, you can't have both this agreement and this belief-structure. You can't insist on being Number One, and still reach such an agreement with 'the enemy.' So, the American population has to go through a difficult process of new psychological reaction-formations, and this will have to be managed."

Such are the words spoken by the new friends of Mr. Richard Burt.

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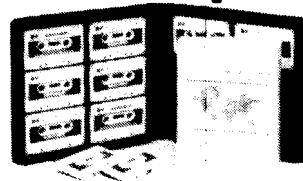
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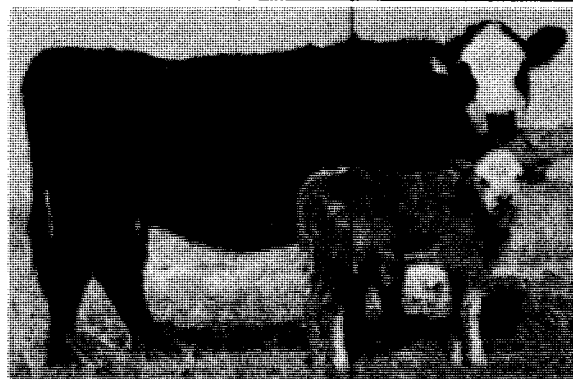
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# The Persian Gulf: from military build-up to disengagement

by Thierry Lalevée

On Dec. 22, Soviet Deputy Foreign Minister Vladimir Petrovsky proposed to the United Nations that the U.N. Military Planning Staff be convened to create a U.N. naval peace-keeping task force for the Persian Gulf. This has opened a new chapter in, not Soviet, but American policy toward the Gulf. The result might well be a total withdrawal of the present U.S. task force sent last summer, and a major political and diplomatic victory for the Soviet Union in the region.

The Soviet proposal has been circulating for months. However, only now has Moscow called for the convening of a special session of the five permanent members of the Security Council to discuss it. At the same time, Soviet leaders have indicated that they would wholeheartedly support implementation of the July 1987 U.N. Security Council Resolution 598, for a cease-fire in the Persian Gulf war.

Why the timing? First, this is the result of several months of hard bargaining between the superpowers. Second, Moscow thinks that the time is ripe for a deal whereby, while consolidating the ties it has built with Iran over the last 18 months, it can satisfy the Arab world, and force Washington to compromise in the region.

It is obviously no coincidence that on Dec. 22 Moscow indicated that it would fully support UNSC Resolution 598 on the same day that Washington was allowing a toughly worded Security Council resolution against Israel to be voted up (the United States abstained).

## After Weinberger

A crucial element in the Soviets' bargaining advantage was the fall resignation of U.S. Defense Secretary Caspar Weinberger, over his opposition to the INF deal later signed in Washington. Toward the Gulf, Weinberger had elaborated a strategy to lay the basis for a credible and permanent military presence in the region to protect the regular flow of oil. Besides the deployment of the U.S. task force, which was completed between July and September with the arrival of minesweepers, Weinberger's Washington had entered into a series of discreet negotiations for an enlarged presence of naval and ground forces in a perimeter stretching from Egypt to the Gulf of Oman and the Gulf itself. That also included the establishment of floating military bases in the Gulf, with large barges or tankers.

Only weeks after his resignation, that strategy has been reversed. Under Frank Carlucci, Weinberger's successor, the U.S. task force is being contained to the role of useless policeman, protecting only U.S.-flagged ships—let the others sink. At the same time, the policy of threatening offensive retaliation against Iran has been abandoned.

Instead, American policy is now based on three principles, coherent with broader negotiations with the Soviet Union.

- First, to tackle the question of the Gulf war only within a framework which is acceptable to Moscow: the United Nations.

- Second, to reopen channels of negotiations between Washington and Teheran, even at the expense of other regional allies.

- Third, to contain the U.S. task force within the role of naval policeman, while encouraging other nations to take more military responsibility.

In short, within the space of one year, U.S. policy has shifted from an offensive strategy originally committed to maintaining peace, including at the risk of a confrontation with Iran, to a policy of disengagement, in which the American military presence amounts to the use of "made-in-U.S.A." weapons by all sides.

What may be considered by some Washington bureaucrats as a clever strategy, is in fact a disaster of the first order. It only confirms the fears of most of the countries of the region. They were hesitant to join with the United States militarily in the first place, because they suspected that Washington would abandon them. The process leading up the INF summit has only confirmed that fear.

## Soviet giant steps in Gulf

Consider that, as of mid-1985, the Soviet Union had no diplomatic relations in the Gulf except with Kuwait. Consider also that, as of January 1987, a Soviet military presence in the Gulf was unthinkable, and might have been considered in other times a *casus belli*, equivalent to a permanent Soviet presence in the channel between France and Britain. Yet, aside from Saudi Arabia, with which only informal ties exist, Soviet diplomats are now all over the place, backed by large political and economic delegations.



In November, Moscow signed a deal for the construction of an auto factory in Bahrain. Since the spring of 1987, Gulf banks have been fighting each other to invest in the Soviet economy, following a deal between the Soviet state bank and a consortium of Kuwaiti banks in May.

With its own military presence amounting to a few destroyers and minesweepers, it is easy for Moscow to offer to withdraw its own forces, provided everyone else withdraws, too, and a U.N. peacekeeping force is sent in. The Russians have created a series of openings which have put them in the best position to bargain.

And, Moscow has a trump card which Washington cannot oppose; it alone can negotiate with both Baghdad and Teheran. Outside of the Arab League mediating committee chaired by Algeria, Yuli Vorontsov was the only high official to be able to travel between Baghdad and Teheran.

Despite popular propaganda, Iran has been drawing ever closer to the Soviet Union since last summer. The Iranian mullahs, of course, whatever factions they belong to, know how to use their relations with Moscow to get a better offer from the American officials they are meeting with regularly in Geneva.

However, Iran-Soviet cooperation has become quite concrete. In early October, Moscow made it clear that any American attacks against the Iranian mainland would activate the 1921 treaty between Moscow and Teheran, which allows the Soviets to intervene when Iran is attacked from the outside. Taking note, American warships wasted their shells on a small oil platform used by the Iranian pasdarans, the only retaliation in the face of the *casus belli* represented by Iranian attacks on U.S. ships. Needless to say, the Iranians themselves do not appreciate Moscow's promised protection too much. They are pushing for a revision of the treaty. However, Iran continues to enjoy the promise of protection, which ultimately gives Teheran a free hand in its war with Iraq. In the final analysis, did Iran really pay any penalty for the July 30 riots in Mecca?

Can Moscow keep its relationship with Teheran if it joins with the United States in a new Security Council resolution? It will require some diplomatic acrobatics. But what is ultimately the real aim? Neither Washington nor Moscow wants an end to the Gulf war just now. Both, for regional considerations, as well as the potential use of the Gulf war to manipulate the oil price and world financial markets, want to keep it going.

In a position of self-induced weakness, the State Department wants to cut its losses, and maintain its present political relationship in the region, without upsetting the cuts in its defense budget. To reach that goal, it has decided to sell a few Stinger missiles to Bahrain, and some 60 of the old version of the F-15 jetfighter to Saudi Arabia. In early 1988, it will also negotiate the creation in Egypt, with Saudi financing, of large factories to produce American military hardware, which could be marketed in the Middle East and Islam-

ic world generally.

Potentially, Washington will sign with Cairo an agreement similar to the one signed on Dec. 15 between the new defense secretary, Frank Carlucci, and Israel's Yitzak Rabin. Likewise, it will encourage the Egyptians to get more involved in the Gulf itself. It is considered that the American public will have little reaction if Egyptian soldiers die doing what the U.S. Marines should have done.

Having negotiated with Moscow for Pakistani troops to be deployed at the Afghan border to control the anti-Soviet Mujahedeen, Washington is also encouraging Cairo to send troops into Saudi Arabia to replace the 10,000 Pakistani troops which are being withdrawn. Bowing to economic "realities" and Soviet pressures, Washington wants proxies to do its job.

No doubt, many of these proxies will think twice before doing the job. Reality is expected to speak for itself in early 1988, when Iran launches its new offensive, and perhaps extends the war through such actions as an attack on Kuwait's Bubiyan Island. How will the military agreements among members of the Gulf Cooperation Council, and the Dec. 14 agreement between Egypt and Kuwait, be implemented? Will the United States, still present in the Gulf, just sit back and watch, or run to the U.N. for a new resolution? If that occurs, Washington will be totally discredited.

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# Russian arch-chauvinists rise to the limelight as Jubilee year opens

by Luba George

The Soviet Union is now entering 1988—the year that the Russians are fraudulently proclaiming to be the 1,000th anniversary of the Russian Orthodox Church, although Moscow did not even exist then. The Jubilee year will provide the setting for a huge wave of officially promoted Russian chauvinism. The chauvinist surge became intense in 1987, as the rapid growth of the Russian chauvinist and extremely anti-Semitic Pamyat Society showed (see *EIR* Dec. 11, 1987). The past year also marked a qualitative change in Soviet policy, escalating the tempo of Russification within the multinational Soviet empire.

The Russian “blood and soil” propaganda campaign was signaled in the September 1987 *Journal of the Moscow Patriarchate*, where an article by Metropolitan Filaret of Kiev proclaimed the mystical doctrine of Moscow as the “Third and Final Rome” by name. Filaret stressed that the belief in Moscow as the “Third Rome” is based on a “feeling that the Russian people had a spiritual mission to perform” founded on “ancient Russian society’s spiritual unity.” Filaret lavishly praised the 19th-century Russian mystic Fyodor Dostoevsky, particularly his *Diary of a Writer*, a Russian version of Hitler’s *Mein Kampf*, where Dostoevsky elaborated the mission of the Great Russian Race as the nation of the “Aryan Race,” to rule over the world.

## 1987: the year of the Pamyat Society

The mass-based Pamyat organization has been described by well-informed sources as the engine behind the rise of neo-Stalinism in the Soviet Union. Officially founded in 1980, the Pamyat (Memory) Society resembles the notorious “Black Hundreds” established at the end of the 19th century by the Tsarist Okhrana (secret service), which carried out pogroms against the Jews. Pamyat is a *legal* mass organization, actively backed by forces in the KGB and military-industrial complex, and supported by a majority of the ruling Russian *nomenklatura*.

The first sign of Pamyat’s coming upsurge came in January 1987. Moscovite Valerii Nikolaevich Yemelyanov, identified by the Institute of Jewish Affairs in London as the “spiritual father” of Pamyat, was released, under KGB directives, from psychiatric confinement. He had been confined

for only a few years after hacking his wife to pieces with an axe. Since he was a leader of a society cosponsored by the KGB, there wasn’t even the pretense of a trial.

By spring, Yemelyanov was making headlines in the Soviet press (both critical and supportive) as one of the chief spokesmen of the Pamyat movement. Trained at the Institute of Oriental Studies, Yemelyanov for years headed the Arabic languages department at the Maurice Thorez Institute of Foreign Languages in Moscow. In the 1950s, Yemelyanov was an attaché to the Soviet embassy in Cairo, afterward operating in many other Arab countries.

In 1973-76, Yemelyanov had acquired a reputation as an “anti-Semitic” and “anti-Zionist” lecturer of the All-Union Znanie (Knowledge) Society. In his lectures Yemelyanov developed the idea of the “inevitability” of a “Jewish invasion of the U.S.S.R.” by the year 2000 and the theory of an “international Judeo-masonic conspiracy” to control the world. In 1980 a Palestinian publishing house put out his book entitled *Desionizatsiya* (De-Zionization) in Paris. In April 1980 he killed his wife. Declared not responsible for his actions, he was committed to a psychiatric hospital.

The Pamyat Society was spawned from the Russian nationalist Rossiya Society, a military-sponsored operation. The late Marshal Vasili Chuikov, one of the heroes of Stalin-grad, had headed the Rossiya Society until his death in 1982. Backed by such influential figures, many of Yemelyanov’s past writings and lectures have been adopted by Pamyat, including the claim that the Christianization of Kievan Rus in 988 was part of a “Zionist plot,” that Adolf Eichmann was a Jew, and Pamyat’s call for a “broad international anti-Zionist front.”

## This is not the underground

These are no underground whisperings. One of Pamyat’s leaders, Dmitri Vasiliev, has spent the last years—1987 especially—traveling around the U.S.S.R. quoting passages from the notorious Okhrana-forged anti-Semitic document, “The Protocols of the Elders of Zion” to “prove” that there was a conspiracy of “international Zionism and freemasonry” against everything Russian. Yemelyanov’s buddies include Russia’s stable of *official* veteran anti-Semitic propagandists:

Lev Korneev, Vladimir Bolshakov, Valeri Skurlatov, Vladimir Begun, Evgeni Evseev, Dmitri Zhukov, and newcomer Aleksandr Romanenko—all among the vanguard of the Pamyat movement.

On May 6, over 400 Pamyat members demonstrated, unmolested by the KGB, with placards, near the Kremlin. On that occasion, Moscow party boss Boris Yeltsin was forced to receive a Pamyat delegation in his office. Pamyat, which had demanded Yeltsin's removal, had come to protest that Yeltsin was not doing enough to preserve the Russian "historical and cultural heritage." During the meeting, Valeri Yemelyanov demanded that an end be put to "rotten liberalization" and "cosmopolitanism" (a label used to attack Jews) and that books by previously banned authors remain unprinted. Theater and movies should be shut down, demanded Pamyat, because they represent "degenerate" Western and American influences.

The Oct. 21, 1987 plenum of the Soviet Communist Party's Central Committee did oust Yeltsin. His removal was then formally carried out at a meeting of the Moscow City Party Committee in November, with Gorbachov and Ligachov both present.

### The 'neo-Stalinist' shift: neo-fascism

Pamyat, the Russian "Nazis without swastikas," both benefited from, and steered the shift into a neo-Stalinist policy matrix, emerging out of the Soviet leadership squabbles of recent months. Contrary to the myth spread in some Western media, Pamyat is no "underground" organization, and its rise is incontestable. The first to concede the point were Pamyat's critics in the Soviet Union. The activities of Pamyat are not confined to Moscow; branches exist in Leningrad and Novosibirsk, and supporters are all over the U.S.S.R., in Kalinin, Kursk, Taganrog on the Black Sea, Riga in Latvia, Ermak in Kazakhstan, and Yuzhno-Sakhalinsk in the Soviet Far East. Pamyat's sister organization in Sverdlovsk (Urals) is called Otechestvo (Fatherland).

These societies, like Pamyat, were formed with official sanction. Throughout the U.S.S.R., mass meetings of 500-2,000 are held, in halls granted by the Soviet state.

Flourishing along with Pamyat have been outright Russian Nazi groups, complete with swastika trappings.

This was admitted in the July 11 *Leningradskaya Pravda*, where an article by one V. Koshavanets first disclosed the existence of the "Russian National Socialist Workers Party." Young people in the U.S.S.R., wrote Koshavanets, are attracted to such phenomena, because they are seeking "Russian nationalist alternatives." Author P. Yakubovich (in *Znamya yunosti*, July 26) accused Pamyat of being primarily to blame for the appearance in Soviet cities of "National Socialist" groups of youths sporting swastikas and other Nazi emblems, who are said to amuse themselves by beating—and sometimes murdering—innocent passers-by. Gangs of these neo-fascists staged a demonstration in Leningrad commemorating the U.S.S.R.'s annual "Victory Day" on May

7, 1987, one day after Pamyat's anti-Yeltsin protest in Moscow.

During the summer, new revelations concerning Pamyat's growing strength appeared and open statements by *nomenklatura* spokesman praising Pamyat were issued.

In an August 1987 interview with the *Komsomol Sobesednik*, Vladimir Kluyev, the first secretary of the party committee in the Lenin District of Moscow, where regular meetings of Pamyat are held, stated that the society counted among its members scientists and party members, as well as Soviet Army officers.

On Aug. 11, 1987 Petr Proskurin, a secretary of the Russian Federation's Writers' Union and chairman of its Cultural Foundation, defended Pamyat in an interview on Soviet TV, and Russian writer Valentin Rasputin, one of the leaders of Raisa Gorbachova's "Soviet Culture Fund," did the same thing during his August visit to Sweden (*Dagens Nyheter*, Aug. 21, 1987).

EIR's alarm over the rise of Pamyat is shared by responsible figures of the international Jewish community.

The German-language *Jüdische-Allgemeine Zeitung* Dec. 4 carried an article titled "Neo-Fascists Becoming Active in the U.S.S.R.," noting correctly that critical commentaries on Pamyat have virtually ceased in the Soviet media, and that more and more voices are heard supporting the racist movement. In tandem with this, there was Gorbachov's Nov. 2 speech praising Stalin. The Jewish daily documented the recent high incidence of anti-Semitic activities in the U.S.S.R., including the brutal beatings by the Leningrad-based Russian National Socialist Party of Jewish human-rights demonstrators and dissidents, and vandalizing of Jewish cemeteries. On Dec. 7-8—during the infamous "Munich II" summit between Gorbachov and Reagan—KGB thugs beat up Jewish demonstrators protesting against emigration restrictions.

In July, a new journal, *Politichesky Sobesednik*, was launched in Minsk, the capital of Byelorussia, under the auspices of the Byelorussian Central Committee, to regularly feature articles by Pamyat authors, such as Vladimir Begun. This move, sanctioned by the Byelorussian Central Committee—protégés of Politburo member Nikolai Slyunkov, first secretary of the Byelorussian party from 1983 to January 1987—provides a further clue to the direction of change in the Kremlin power struggle.

In January 1987, Slyunkov was elevated to the Central Committee Secretariat, and at the June 1987 plenum, was again promoted to full member of the Soviet Politburo.

Begun has written books and articles, printed in the Soviet Union, which are filled with invective against "a world conspiracy between the Elders of Zion and the Freemasons." For Begun, Zionism today is the "greatest threat to peace and mankind," and for him, Jews can "never" assimilate: "Jews will always remain Jews," he wrote. Begun has also, in late 1987, started conducting regular "anti-Zionist" interviews on Minsk Radio.

# Asian illusions about U.S. friendship fade, as Moscow mops up in region

by Linda de Hoyos

One year ago, on Dec. 31, 1986, a Thai commentator wrote in the *Bangkok Post* that protectionist pressure coming from Washington was transforming relations between Thailand and the United States: "The Thais used to think that America would continue to help and be sympathetic to our needs. Most of all, America was our good friend for years and we took it that the country was bound to help us, no matter what. But that kind of illusion has disappeared. . . . It wasn't until the past two years, more specifically this year, that Thailand truly came to grips with the harsh reality of the Thai-U.S. ties that we better save our own neck, come what may."

Despite continuing strong security ties with Washington, the commentator noted, the clash on economic issues threatens to spill over into the strategic arena. Furthermore, he noted, "Let us face it, the Thai government and people spent 1986 worrying what the U.S. would do next. . . . Simply by virtue of the stalemate in Thai-U.S. ties emanating from the ongoing economic conflicts, Thai-U.S.S.R. ties took a new turn for the good in the latter half of 1986, and without any concession from Moscow."

Tracing the course of Thailand's foreign policy over the intervening 12 months bears out the *Bangkok Post's* prognosis.

In March, Soviet Foreign Minister Eduard Shevardnadze opened the new era in Soviet-Thai relations with a stopover in Bangkok during his Asia tour that took him to Australia, Indonesia, and Indochina. In May, Thai Foreign Minister Siddhi Savestila returned the compliment with a trip to Moscow, "something he has tried for avoid for the past two years," according to the *Bangkok Post* writer. The trip resulted in the creation of a Thai-Soviet Commission on Trade. The volume of Soviet-Thai trade has increased by sixfold since 1976, to \$80.49 million in 1986. In 1986, trade between the two increased by 51%, with the Thais holding a trade surplus since 1979.

In July, Thailand decided to open air and sea links with the Soviets, and to draw up transport links between Bangkok and Vladivostok. In August, Thai Army Commander in Chief

Chavalit Yongchaiyudh became the first high-ranking Thai military officer to visit Moscow. "This will be a friendly visit for talks on issues of common interest," General Chavalit told the press Aug. 5. "The Soviet Union is a superpower, we want to show our friendship."

Chavalit's visit was soon followed by the Aug. 13-16 arrival of the head of the Soviet Foreign Ministry's Southeast Asian Affairs division, Anatoli Zaytsev, and in October with a delegation led by August E. Voss, chairman of the Supreme Soviet.

In October, the Russians appointed a new ambassador to Bangkok, Anatolii Valkov, the head of the South Asia directorate and reportedly a close confidant of Shevardnadze—definitely a cut above his predecessor.

By the end of the year, relations between Moscow and Bangkok had so improved that Soviet Commander in Chief of Land Forces, Gen. Yevgeni Ivanovsky, arrived in Bangkok on Dec. 5, on an official visit. According to the *Far Eastern Economic Review*, the Thais opened the gates to Ivanovsky in a fit of pique at the United States' refusal to send a high-level official to the celebration of King Bumipol's 60th birthday. Nevertheless, in an interview with the *Bangkok Nation*, General Ivanovsky said that he and General Chavalit, with whom he had established personal contact during the latter's trip to Moscow, were "pioneers" in establishing military contacts between the two countries. The Thai-Soviet military relationship "has just been started," General Ivanovsky said.

Early in 1988, Thai Prime Minister Prem Tinsulanonda will make a precedent-setting visit to Moscow.

Listing this roster of exchanges, the Thai daily *Matichon* commented on Dec. 9, 1987, that "those who study Thailand's foreign policy must have detected a certain change from the early part of 1987, namely, the increased contacts with the Soviet Union." Aside from the more pragmatic considerations—such as new markets to counterbalance protectionist pressures from the "free world"—*Matichon* explained the perceptible shift in Thai foreign policy with a brief ex-

amination of Thailand's traditional approach:

"Thailand is the only country in Southeast Asia which was able to safeguard its independence in the pre-World War II period of colonialism. . . . This is because of the wisdom and farsightedness of the Thai leaders in the past. Especially, thanks to Kings Ram IV and Rama V who realized that Thailand would be able to preserve its independence by making use of the world powers' interests and efforts to exert influence on Thailand by adopting an equidistant relationship with all of them. . . .

"Thailand's closer relations with the Soviet Union can be viewed as a change of direction in its post-World War II diplomacy. This new direction should be in the interest of Thailand, in the same way as the policy we followed during the period of colonialism before World War II."

### Shifting ground

Situated precisely at the center of the span from Islamabad to Tokyo, Thailand has historically served as a barometer of the strategic balance in Asia. Is Thailand now moving away from the West toward the East bloc? By no means. However, Thailand has shifted its position from being an exclusively close ally of the United States to now opening up relations with both the Soviet Union and China, in an effort to adjust its lines of national security as the perceived balance among the superpowers in Asia also shifts. Or, as Social Democracy's Bob Hawke, prime minister of Australia, put it during his December trip to Moscow: "The Soviet Union is a Pacific power and therefore has a legitimate interest in the region."

Thailand's story efficiently summarizes the net result of the events of 1987 in Asia: The vacuum created by the U.S. policy of strategic withdrawal is tilting the strategic balance toward the Soviet Union.

The parameters of the shift in Asia are as follows:

1) The Western-allied nations of Asia must realign their foreign and economic policies in recognition of deterioration of the United States' economic and strategic strength.

2) The most active players on the scene are the superpowers themselves, including junior partner Beijing. The initiatives shaping events include Washington's continuation of the Project Democracy "Reagan doctrine" by which the United States is actively complicit in the internal destabilization of its allies, with the Philippines as the most "successful" model. From the Russian side, this pressure is augmented by rapid-fire diplomatic initiatives, based on General Secretary Mikhail Gorbachov's "Vladivostok doctrine" speech of July 1986. Behind the diplomacy and the talk of "regional conflict settlement" negotiations with Washington, the Soviets continue their military build-up in the region.

3) Few initiatives have been taken by the governments of the Asian nations themselves. Policies are more often carried out as defensive reflex actions to the effects of superpower policies. Although Japan is working to create a "yen bloc" of

countries under its economic wing—Taiwan, South Korea, Thailand, the Philippines, Singapore, and Hong Kong—none of Japan's actions has challenged the "rules of the game" set by the superpowers.

### Project Democracy exposed

In 1986, the United States military coup against Philippines President Ferdinand Marcos, carried out in the name of democracy, sent a shockwave throughout the region. In the intervening 22 months, the "people's power" revolution has been shown to be a fraud, and served as an object lesson for other Asian countries.

In the Philippines, all the promises guaranteed by the overthrow of Marcos have been exposed as a sham, as the country's military, economic, and political fabric is in the process of being destroyed. By the end of the summer of 1986 and the attempted coup against Corazon Aquino carried out by Gringo Honason, it was apparent that the U.S. intelligence community had split on the Philippines, that the across-the-board consensus in Washington that had backed Marcos's overthrow, had been broken. But the right-wing meddling in the Philippines did nothing to ameliorate the situation, and only succeeded in exposing the weakness of the Aquino government without offering any viable alternative.

Efforts to create that nationalist alternative, in contrast, have met with little welcome in Washington. In March, the Grand Alliance for Democracy (GAD) was formed of political leaders from four parties, to run against Aquino's hand-picked slate for the House and Senate in the first Filipino Congress since the EDSA Revolution. Many of the full slate of 24 leaders running on the GAD ticket, including Juan Ponce Enrile, GAD chairman Vicente Puyat, and Francisco Tatad, had been instrumental in bringing down Marcos, and had since become bitterly disillusioned with the Aquino regime.

"We have been promised democracy, but we do not have it," Puyat said at the press conference announcing the slate. The Alliance will take issue with Aquino on three points: the government's "cavalier manner with the handling of the rapidly deteriorating insurgency problem"; the "inadequacy of the Aquino government's economic program"; and the "dis- mal reemergence of corruption in government."

In campaign speeches throughout the country, Puyat concentrated his attack on the disastrous economic policies of the government—particularly its obeisance to the International Monetary Fund and foreign banks. "The Philippines must not carry out a carbon-copy of the prescriptions of the World Bank and the IMF on the domestic economy," he said. "The Peru or Brazil model should be followed by our government. The Latin Americans . . . are telling the banks, 'We either pay you according to our capability or we don't pay at all.' We should follow their example." Puyat and many in the GAD slate also stressed that the counterinsurgency policy cannot be carried out on the basis of military force alone, but

“must be based on nation-building” permitted only by a repudiation of Aquino’s economic policies.

By the May 11 elections, however, Aquino’s machine had prepared gross computer fraud—what her press secretary called “that Cory magic”—ensuring a victory to all but two of the Aquino candidates. U.S. complicity in the election fraud was signaled by the near-total blackout of the GAD campaign in the U.S. press, even in the CIA’s Foreign Broadcasting and Information Service compilation of Filipino press clippings.

The bid to rebuild a truly Filipino consensus around policies of national sovereignty and economic development were thereby at least temporarily suppressed. But even in the Aquino-controlled Senate, within three months, there were two bills before the Senate calling for the Peru model to be followed on the nation’s \$30 billion debt. The political steamroller that was building against Aquino’s economic policies was brought to a halt by the traumas of the Aug. 28 attempted coup against Aquino—by far the most serious attempt so far.

The real fruits of Washington’s Project Democracy for the Philippines, however, was yet to come. On Oct. 29, gunmen of the New People’s Army shot and killed three American servicemen outside of Clark Field, the first time that Americans were the target of the NPA’s terrorist “sparrow units.”

In the meantime, the Philippines is breaking up into regional and political warlordism, both within the military and out. This breakdown of the nation’s political fabric—including the defection of Aquino’s own Vice President Salvador Laurel—presents no match for the NPA, which now, authoritative sources report, controls 20-30% of the country. In those areas under its control, the NPA supplies the administration and collects the taxes without challenge from the Armed Forces of the Philippines. While the Philippines drains its economy to pay its creditors at a rate of 45% of its export earnings this year, the NPA is receiving upwards of \$8 million a year in funds and supplies from 25 governments, including monies from Western governments filtered through various “human rights,” “solidarity,” and “religious” organizations.

The disintegration of law and order in the Philippines is a condition that has not been lost on the other leaders of Asia. To Aquino’s embarrassment, in early December, when Manila hosted the heads-of-state summit of ASEAN nations, ASEAN governments insisted on their own security, amid fears that the NPA, Gringo Honason, or the Japanese Red Army would carry out terrorist attacks on the summit.

ASEAN leaders and Japan and Australia also made clear, officially or otherwise, that no matter what the desires of the Philippine Congress or pro-Soviet attachments of Foreign Minister Raul Manglapus, the allied Asian nations view the U.S. bases at Clark and Subic as essential to the region’s security.

The unraveling situation in the Philippines, however,

may have served as a warning to voters in South Korea, the next big target for the Project Democracy forces in the U.S., in conjunction with the Soviet Union and the World Council of Churches.

Since Marcos’s fall, meddlers in Washington and Korea’s opposition have been calling for bringing the “Philippines model” to South Korea. Riots in South Korean cities in June forced the government to call for direct presidential elections for Dec. 16. In the last month of the campaign, the race became a bitter war between ruling party candidate Roh Tae Woo, who promised to liberalize Korean society within a continuity with the administration of Gen. Chun Doo Hwan; Kim Young Sam, an opposition leader with his own ties to the military; and the World Council of Churches candidate Kim Dae Jung, who promised to make an unconditional visit to Pyongyang as one of his first acts as President.

Kim Dae Jung promised an “uprising” if Roh Tae Woo were elected, charging that only through gross fraud could the government candidate be elected. But when election day came, the split opposition of “the two Kims” could not defeat the 35% vote for Roh Tae Woo. Despite sporadic rioting from students—who mustered no supporters from the broad population—South Korea has been quiet in the aftermath of election day. For many, despite their desires for a more open society, national security comes first, a task that the incumbent party can be completely relied upon to fulfill.

### **Moscow’s double game**

In the case of the United States, complicity in the destabilization of its allies is a point of implementation for the State Department’s policy of strategic withdrawal from the region. However, the Soviet Union plays the same games with India, as a means of exerting leverage points of blackmail over the Rajiv Gandhi government.

In November 1986, General Secretary Mikhail Gorbachov visited India heralding a new era in Indo-Soviet relations. In May 1987, Anatolii Dobrynin, the former Russian ambassador to the United States who has become secretary of the CPSU Central Committee, arrived to meet with Indian Prime Minister Rajiv Gandhi and other Indian leaders. However, Dobrynin took time out to meet with the heads of both the Communist Party of India and the Communist Party (Marxist).

Reportedly, in these conversations, he encouraged the parties to support Rajiv Gandhi’s foreign policy, but also gave the green light for the Communist parties to continue their agitation against Gandhi domestically. By the end of the year, the two Communist parties—who are now mooted reunification under Moscow and Beijing’s aegis—held a 500,000-person rally in Delhi against the Gandhi government.

It is through the Central Committee of the Soviet Communist Party that the Russians run their new Comintern (Communist International). In July, Dobrynin presided over

a conference of all Asian and Pacific Communist parties in Ulan Bator, Mongolia. Representatives of 21 parties agreed to step up efforts to promote Soviet proposals for a collective security system in the region, and to bring "new political forces" into "anti-war and anti-imperialist activities and the struggle for social progress."

### **New deals**

With India, Moscow's aim has been to force Delhi's consent to Moscow's design for an Asian security arrangement. As put forward by Gorbachov at Vladivostok, the pact would include the United States and the P.R.C. This "Helsinki arrangement" which is designed to lead to "nuclear free zones" would codify the domination of the region by the two and a half empires and the "regional conflict" settlements to be executed by the three.

The vehicle by which Moscow intends to gain its "collective security pact" is through the regional conflict negotiations with the United States, and to some degree, China. These negotiations, carried on at the level of the assistant secretary of state for the U.S., are designed to create a "crisis management" team for the key regional conflicts—Afghanistan and Pakistan; Indochina; and the Korean peninsula.

In the past year, given Project Democracy's focus on South Korea, Moscow and Washington have had repeated contacts over the Korean peninsula. In May, Gaston Sigur's Sino-Soviet Institute at George Washington University broke new ground with a conference on the Korean peninsula in Tokyo, with delegates from Beijing, and Pyongyang, as well as Moscow, Tokyo, Seoul, and Washington. Former Soviet deputy foreign minister Mikhail Kapitsa used the occasion to call for a "Helsinki-style" Asia and Pacific conference, arguing that the Asian zone "represents a zone of political instability which even today has the world's highest concentration of hot spots and potentially explosive sub-regional problems." Kapitsa was seconded by Makoto Momoi, fellow at the Yomiuri Research Institute, who called for the creation of a "regional crisis management mechanism."

In September, Assistant Secretary of State Gaston Sigur visited Moscow for consultations on Korea with Soviet Deputy Foreign Minister Igor Rogachev. The State Department also sent unofficial envoys to Pyongyang, including Carnegie Endowment for Peace hand Selig Harrison, who returned with news that North Korea was changing and ready to "open" to the West.

But despite all the talk of crisis management among the superpowers on the Korean peninsula—a region in which Beijing also has definite interests, the year saw a continuing tightening of the Moscow-Pyongyang military alliance. In 1986, North Korea received MiG-23 jet fighters from the Soviets. Early in 1987, Moscow delivered the short-range (70 miles) SS-21 missiles to North Korea. In 1986, the Russians were given permission for Korean overflights, meaning Soviet fighters can now cut through North Korea on their way

from Vladivostok to Cam Ranh Bay. A Moscow-Pyongyang rail line has been opened, and an air route from Pyongyang through Moscow to East Berlin. In the past year, Pyongyang has hosted a Soviet army-navy group; a delegation from the Supreme Soviet; the Soviet vice defense minister; a Soviet naval delegation; and the Soviet interior minister.

This transformation of North Korea into a Soviet military-client state, with Beijing's approval, upsets the post-Korean War balance of forces in North Asia, but this strategic tilt has been skillfully obscured by Soviet and Pyongyang's proffers of negotiations for a "regional settlement."

In contrast, the Soviets have met with no success in attempting to "Finlandize" Japan, as it is attempting to do with West Germany. In November, newly elected Prime Minister Noboru Takeshita declared that any idea that Japan might leave its military alliance with the United States were "unthinkable." This year, Japan and the U.S. formally signed their joint cooperation agreement on the Strategic Defense Initiative, an action that elicited Moscow's vituperation against a "Tokyo-Washington" axis.

But for U.S. policy, successes have been limited to such arrangements around military cooperation and technology sharing, most conducted by former Defense Secretary Caspar Weinberger and the Pentagon.

If current trends continue into 1988, then it cannot be expected to be too long before the Soviet Union achieves its aims of a "collective security [imperial] pact" over Asia, with economic and political destabilizations against the Asian countries put into operation as the enforcing mechanism. What can be reversed in the early months of 1988 from within Asia, is bringing an end to the passivity. The situation of Asian governments, Lyndon LaRouche stated in a policy document for Asia released in August, is "likened to a man compelled to employ a certain sort of passenger motor vehicle. All of the devices and instruments accessible to the driver of any ordinary such vehicle are placed in proper position, at his disposal. However, the steering wheel, gear-shift, accelerator, and so on, are not connected to the actual steering of the wheels, the gear-train, or the engine. An alien actually controls these things, leaving the driver to enjoy free exercise of his democratic will over devices which actually control important items as the ashtrays, windshield wipers, and cigarette lighter. . . .

"An analogous state of mind is sometimes observed among governments of developing nations. They do control some things, of course—except as the superpowers or international monetary authorities taken even this margin of control out of their hands."

Given the strength of the Asian economies—relative to the rest of the world—Asian Rim governments are in a good position to take actions in their own national interests, in community of principle with their regional allies, in which case the Asian governments can work positively to solve the current global strategic crisis.

### A battle over the German conservatives

*Lyndon LaRouche and the INF Treaty cabal are the main adversaries in German policy debate.*

**W**ill the INF Treaty be ratified by the U.S. Senate or not? Is it still possible to undo that agreement for American nuclear disengagement from Europe, and can the Europeans do something to help non-ratification of the treaty?

These are some of the most pressing questions among opponents of the INF Treaty in Germany. This opposition consists of some liberal Christian Democrats (CDU), a majority of the more conservative Christian Social Union (CSU), and the majority of the military. This is the target group of a special campaign which German supporters of U.S. presidential candidate Lyndon LaRouche, rallied around the Patriots for Germany party, had launched before, and escalated after the INF summit, to prevent the ratification of the treaty.

Though brushed aside in official Bonn politics for the moment, the INF opposition is not small, and it will grow rapidly once those who grew demoralized when the INF deal was signed can be put back in shape.

The key to a shift in the German view of the INF Treaty is the CSU party of Franz Josef Strauss, which has continued to warn against the summit agreement. It is from the CSU that a good part of the political support for LaRouche's views in Germany has come, and it is there that the INF cabal has invested a good deal of energy to water down or destroy the opposition.

Thus, Sergei Losev, the general director of Moscow's Tass news agency, who signed a cooperation agreement with Charles Wick of the USIA on joint propaganda against INF foes, spent some days in Germany in De-

ember. He talked to friends of the Soviets in the German media, but also to conservatives, whom he told that the INF deal would "undoubtedly open a new chapter in the history of relations between the U.S.S.R. and West Germany." Knowing that the unresolved problem of the German partition is a key item among conservatives, Losev told his German discussion partners that the German Question was "still undecided."

More directly, the Soviets took on the CSU party chairman, Franz Josef Strauss, who received a surprising invitation to meet Gorbachov on Christmas Eve and flew to Moscow for three days on Dec. 28. Strauss also met Foreign Minister Shevardnadze, Gorbachov's foreign policy adviser Anatoliy Dobrynin, Deputy Premier Vladimir Kamentsev, and Science Minister Boris Tolstych.

One motive behind the "red carpet" treatment of Strauss is to capitalize on the strong rivalry between him and Kohl, who has not been invited to Moscow yet. The Soviet stick for Kohl, the carrot for one of his foremost rivals in Germany. Similarly, Moscow handed an invitation to Lothar Späth, the governor of the state of Baden-Württemberg, to visit the Soviet Union around mid-February. Späth, a CDU politician with a strong high-tech profile like Strauss, is being mentioned in Germany as a likely replacement for Chancellor Kohl in Bonn.

These diplomatic favors, which occur against the background of massive black propaganda against Germany, a dramatic, 25% decline of German-Soviet trade in 1987, and a

general diplomatic boycott by the Kremlin against the Bonn government, have the format of blackmail: If you want us Russians to be nice, behave!

The economic flank is most important here, because it helps Moscow to buy up the conservatives in Germany. Thus, the prospect of profitable high-tech cooperation contracts for Bavarian companies like MBB, MAN, Siemens, and Airbus Industries sufficed to have Strauss tell the media that his talks in Moscow had proceeded "in the most convenient atmosphere," that he found Gorbachov a very "pleasing personality," and that the INF Treaty "could mean the start of a new era in East-West security."

Strauss also revealed that Gorbachov had discussed the German Question with him, reminding him that Stalin offered reunification to the Germans in March 1952, which was rejected by Bonn Chancellor Konrad Adenauer, then. Apparently, Gorbachov meant to give Strauss a hint that "something was up" on the German Question again, provided the Germans "behaved." The vague hint served Gorbachov's aim of pulling Strauss into the camp of those Western conservatives who, like Britain's Margaret Thatcher, support the INF Treaty publicly in spite of their skepticism. The pro-INF statements of Strauss in Moscow were a great victory for Soviet propaganda.

From the American side, Strauss's CSU is being told by Sen. Bob Dole and his ilk that opposing the INF Treaty is "useless, because the Senate will definitely ratify." And in a special deployment, Henry Kissinger will give the keynote address to a CSU leadership meeting Jan. 7-9 in the Bavarian town of Bad Kreuth. He will tell the CSU: "The INF Treaty is not that good, but should be supported, nevertheless."



### Peru takes a step backward

*President García devalued the inti under pressure from the World Bank, but banker and narco-terrorist warfare continues.*

Peru devalued its currency, the inti, by 50% on Dec. 11, as a World Bank delegation demanded a new economic program that would include devaluation, interest rate hikes and other orthodox International Monetary Fund prescriptions rejected by President Alan García since his inauguration on July 28, 1985.

García claimed the devaluation would increase the nation's exports, and help rebuild depleted reserves. A complicated formula will allow food and medicines to be imported at a pre-devaluation exchange rate, a move intended to ensure that essential consumer goods keep their current prices. But even with increased vigilance on price controls, the devaluation has shaken the already weakened economy, and played into the hands of García's enemies on the right and the left.

The right-wing free-traders, and backers of the drug-propelled "informal economy," have attacked the devaluation as too little, too late, and demanded García hand economic management of the country to the IMF. The left has attacked the measure and is taking advantage of the increased misery of the population to organize against García. And the terrorists, including the Pol Pot-modeled Shining Path, have targeted economic development projects, and factories, in openly declared economic warfare.

On Dec. 10, Shining Path narco-terrorists descended on the village of Rumi-Rumi, 97 kilometers from their stronghold in Ayacucho. At dawn they climbed the church tower and rang the

bells until the entire community was assembled in the main plaza. There they separated all the town's officials, teachers, and leaders, like the head of the parents' association, from their families and massacred them. It is the narco-terrorist *modus operandi* throughout the region to subjugate towns by assassinating the leaders. In Rumi-rumi, they killed 24, an echo of the Pol Pot massacres of anyone who could read or those "contaminated by Western thought."

The London *Economist* of Dec. 12 reports in an article from Lima titled "Peru stumbles from debt trap to terror trap," that "Peru's leading human rights organization reckons that more than 10,000 people have died in the terrorist war of the past seven years, most of them killed by the security forces." Somehow the *Economist*, the bankers it speaks for, and the international human rights mafia have forgotten about the rights of the victims of terrorism, slaughtered, not by "security forces," but by Shining Path. The *Economist* advertises Moscow's favorite scenario: "Peru will be lucky to make it democratically into 1990. The terrorists . . . will do something ghastly, and the army will intervene."

Against a military government, the United Left Party has already declared, it will join with the terrorists, and come to power before 1990. They have warned García that at any moment they determine that he has become "fascist," they will join their terrorist brothers against the government.

The development projects in the impoverished areas of the country have been particularly targeted by Shining Path. The development corporation of the Department of Ayacucho has announced an exodus of technicians and professionals, because of the assassinations of technicians involved in building projects in the region.

On Dec. 16, President García attended the funeral of the president of Corde-Piura, assassinated by Shining Path for building a power plant. While there, he attended ceremonies to inaugurate a 20 megawatt turbine the terrorists are determined to eliminate.

Although the devaluation is a step backward for García in his fight for economic sovereignty, he maintains he will not go back to the IMF, nor pay more than 10% of his nation's export earnings for debt service. In a speech on Dec. 23, García attempted to bring back confidence in his government, which has been in severe crisis for the past six months. "In 1986, the economy grew by 8%. In 1987, when everyone was saying there would be no investments or growth . . . the economy grew by 7%, which is more than any other Latin American country," said García.

García emphasized that, while there must be growth and an increase in consumption, there must also be big projects. "The funds we are not paying the IMF and foreign banks, are being used for such projects. The issue is not just one of providing more bread now, it is also necessary to build the big projects Peru needs. It is necessary to build sluices, irrigation facilities, and hydroelectric plants, and we are building them."

Shining Path has picked its targets well, determined to eliminate such projects. The international banks seem to agree, and are also determined, that García will not fulfill his mandate through 1990.

# International Intelligence

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## ***Euthanasia advocate murders German woman***

A sympathizer of the "German Society for Humane Death," an organization that advocates euthanasia, killed a young paralyzed woman in Karlsruhe, West Germany on Dec. 27. The murderer, who gave the woman, named Daniela, a cupful of calcium cyanide, disappeared afterward. Henning Atrott, the president of the society, acknowledged knowing her identity, but refused to tell police.

The case of Daniela first came into the public eye when the notorious euthanasia practitioner, Dr. Julius Hackethal, announced his intention to administer a poison treatment to her. After a public outcry, a local court forbade Hackethal to kill Daniela.

Hackethal now denies that he had anything to do with the killing: "But I must say, that now that I've heard that she was poisoned with calcium cyanide, I have a bad conscience, because I could certainly have helped her better than that." Calcium cyanide, he said, is an "incredibly tormenting poison."

Atrott stated that he, too, was not involved directly in the poisoning: "I can't order mercy killing. But if this case hadn't been resolved as it has been, I would have helped her on my own." He added that Daniela had become a member of his organization. "Within the scope of her membership, she found the kind of death she wished."

The murderer who administered the cyanide was said to be a woman from Switzerland. The Karlsruhe District Attorney's office has announced that if the woman is found, a decision will have to be made, whether this is a case of "killing on request," which is a crime, or "assistance to suicide," which is not a crime under West German law.

In an interview with the radio station Deutschlandfunk, Dr. Odenbach, the head of the Federal Board of Physicians, condemned the "mercy killing," saying, "We cannot do this. The patient would no longer

have any security from being killed, if any little gap is opened in this direction. Especially here in West Germany, we have to be very careful, because of the history of euthanasia."

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## ***Top drug chief freed in Colombia***

One of the chiefs of the international cocaine trade, Jorge Luis Ochoa, walked out of a top-security jail in Bogotá the night of Dec. 30, with "legal" release orders in his pocket. The release, signed by criminal judge Andres Montañez, was granted even though Ochoa still had time to serve on a 22-month sentence for illegally importing fighting bulls.

Although Ochoa is at the top of the United States's most-wanted list, the Colombian government rejected a U.S. extradition petition against Ochoa, because of last June's decision by the Colombian Supreme Court to overturn a 1979 U.S.-Colombia extradition treaty.

Colombian Justice Minister Enrique Low Murtra said the judge's release order was "completely unprecedented," and that Montañez would be investigated. Unconfirmed reports from Colombia are that roadblocks have been set up throughout the country to try to recapture the drug criminal.

Low Murtra described the drug trafficker's release as a major blow to the war on drugs. Indeed, the credibility of Colombia's institutions—from the courts to the executive—may have been shredded beyond repair by the handling of the Ochoa affair. Even before Ochoa's escape, rumors were circulating that the Barco government was feeling out the possibility of negotiations with Ochoa's Medellín Cartel.

At least one columnist has characterized the "dialogue" approach as, in reality, "a very simple proposal: sell the country [to the mob] and share the profits. . . . There are those who see the large amount of money the drug traffickers have as a factor for amnesty and pardon for their crimes." The columnist asked sarcastically if the government "has already begun to extradite Colombian

judges, so that they won't bother the drug traffickers." Given the performance of Judge Montañez, that would appear unnecessary.

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## ***Singapore shuts down World Council of Churches***

The government of Singapore has ordered the dissolution of the Christian Conference of Asia, the regional headquarters of the Geneva-based World Council of Churches. The day of the order, Dec. 30, the Home Ministry issued a statement accusing the council of using Singapore as a staging ground to organize pro-communist "liberation movements" throughout Asia.

Five foreign executives of the allegedly religious body were given two weeks to leave the country.

Christian Conference of Asia personnel are said to have been behind a "Christian-Marxist" plot to topple the government in early 1987, and are also closely involved with the radical opposition in South Korea. The World Council of Churches and allied agencies are also reported to have poured tens of millions of dollars into the Philippines' National Democratic Front, the political arm of the New People's Army guerrillas.

The Indonesian Council of Churches recently withdrew from the World Council of Churches because of the latter's support for pro-Soviet "liberation struggles" throughout the region.

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## ***New evidence of arms links to slay victim***

Striking new evidence was reported by Swiss Television and Germany's TV Channel 2 Dec. 29 that Uwe Barschel, the minister-president of Schleswig-Holstein found dead in a Swiss hotel last fall, was a victim of factional warfare among international arms-dealers.

Initial police and press reports said that Barschel was a victim of a heart attack or had committed suicide. But a number of

## Briefly

other figures tied into arms sales to Iran, not least among them Sweden's Prime Minister Olof Palme, were murdered or had suspicious "heart attacks" in the same period.

New evidence in the Barschel case now suggests that the heart attack may have been induced by injection of an untraceable poison. A secret autopsy report by the Geneva police showed that Barschel had suffered a wound to his right forehead caused by a hard object. A blood spot on his left elbow suggested he had received some sort of an injection.

The autopsy also proved that three of the five substances found in the dead Barschel's stomach were taken only hours before his death. These three included Pyrithyldion, a strong sleeping pill taken off Western markets five years ago, but still produced in East Germany under the name Benedorm.

Barschel may have first been hit on the forehead, then drugged and put to sleep, and given an injection causing immediate cardiac arrest. The corpse was then put into the hotel-room bathtub, to make it appear a suicide.

### **Pope to unveil new encyclical**

Pope John Paul II plans to make public an already written encyclical, his seventh, in early 1988, to commemorate the 20th anniversary of Pope Paul VI's *Populorum Progressio*, "On the Development of Peoples." The Pope intends to catalyze "concrete commitments of international cooperation for a fraternal entente of nations," he announced before the College of Cardinals and the Roman Curia.

John Paul also said that he wanted to combine this "fraternal entente" with "authentic development, according to the plan of God."

He identified *Populorum Progressio* as a "milestone in the contemporary life of the Church." The Pope indicated that he not only wants to reinforce the continued relevance of Paul VI's encyclical, but also to discuss new themes and to respond to new

problems that are today presented to the conscience of man.

"The new encyclical seeks to follow the themes of *Populorum Progressio*, as its ideal continuation and implementation."

### **Gulf nations form mutual defense pact**

The leaders of the six Persian Gulf oil states comprising the Gulf Cooperation Council have agreed to collectively fend off any spillover of the Iran-Iraq war, in the form of a mutual defense pact, UPI reported Dec. 29. The pact "was discussed, submitted, and approved," said Saudi Foreign Minister Prince Saud al Faisal.

The accord reportedly set out broad parameters for future security cooperation between Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates, according to other newspaper accounts. Discussions during the session were believed to have centered on plans to standardize weapons, tactics, and strategies for defending their coastlines, offshore oil installations, and tankers against Iranian attack.

Another decision taken at the meeting was to invite Egypt's President Mubarak to tour the member countries. The decision reflected the growing worry of the Gulf countries that they can only rely on Egypt—not the United States—to come to their aid in case of Iranian attack.

Saudi King Fahd opened the Gulf states summit meeting Dec. 26 by warning Iran that prolonging its war with Iraq could force other countries in the region to seek outside help to end the war. "The war is not limited to Iran and Iraq but has extended to other Gulf states. We fear that it will spread further and the matter will become more difficult," Fahd said. "Every country could find itself obliged to defend itself and get help from other countries, and it would have the right to do so."

Fahd called Iranian conditions to end the war "unreasonable," adding, "I don't think these unreasonable conditions could be accepted by anybody."

● **THE SOVIET** Central Committee will hold a plenum in mid-January, according to the Russian publication *Socialist Industry*. The plenum is expected to consolidate the leading positions of "neo-Stalinist" figures Yegor Ligachov and KGB boss Chebrikov.

● **THE CRACKDOWN** by France's Gaullist government against Iranian arms sales by French firms took a new turn at the end of December when Jean François Dubos, adviser to Defense Minister Charles Hernu in the previous Socialist government, was officially charged with illegal arms smuggling.

● **THE PLO** executive meeting in Tunis at the end of December resolved to create a Palestinian government-in-exile, according to a statement Christmas day by PLO chairman Yasser Arafat. He announced that such a government would mean the creation of an "independent Palestinian state on any part of liberated territory." Mideast sources report that Cairo is likely to be the headquarters of the exile government.

● **AUSTRIAN** Interior Minister Karl Blecha, in an interview published Dec. 24 in *Die Presse*, called for President Kurt Waldheim to resign early in 1988, over continuing allegations that he has a Nazi past. Blecha is deputy chairman of the Socialist Party, and his comments are an indication that the coalition government under Waldheim could be heading for a split.

● **THE POPE** has named a Palestinian Patriarch of Jerusalem. Rev. Michel Sabbah, president of Bethlehem University, will replace Giacomo Giuseppe Beltritti, an Italian, who is retiring at the age of 77. Sabbah will be the first man born in the Holy Land to become Patriarch of Jerusalem.

## LaRouche asks: 'Will Ronald Reagan resign?'

Lyndon H. LaRouche, Jr., a candidate for the Democratic Party's presidential nomination in 1988, has raised the possibility that some circles may expect President Ronald Reagan to resign before completing his term in office.

In a news analysis released on Dec. 25, 1987, LaRouche wrote, "If we were to assume that Vice President George Bush might win the 1988 Republican nomination during a time that Ronald Reagan were still President, the present euphoria of support for Bush from among the wily old boys simply makes no sense. A Vice President Bush campaigning for the 1988 presidential election under conditions of a first-half 1988 financial panic is not a prospect which should evoke pro-Bush euphoria among such an assortment of old boys. Either the old boys are much more stupid than we might ever imagine them to be, or there is another scenario in the winds.

"The only credible scenario is one based on the assumption that Ronald Reagan is expected to resign rather soon. Under those conditions, the relevant assortment of old boys would be behaving exactly as they are behaving at the present time. In such a case, all those old boys would be maneuvering to implant their influence under a temporary, 1988 Bush administration. That would result in exactly the patterns of behavior we have been witnessing.

"In the case that this latter scenario is the relevant one, we should not assume that the old boys now expressing confidence in Bush's November 1988 chances are speaking truthfully on that point. What would be uppermost in their minds, assuming that they are sane enough to recognize the reality of the financial crisis, would be to emplace themselves as a concerted force to shape the course of events affecting the November 1988 election. It is within that framework that we would find their actual follies circumscribed."

### **Inevitability of financial break**

LaRouche stressed, on the subject of Ronald Reagan's early resignation:

"It is to be noted, as key newspaper coverage, including a signal piece in the *Wall Street Journal*, suggests this, that during the two weeks prior to Christmas, a broad consensus was established respecting the inevitability of a major new financial break during the first half of 1988. Not only was this decided; it was also decided to publicize that view widely.

"Yet, at the same time, ostensibly contrary views were expressed from what might appear to be the highest levels. One of the leading resident idiots among the President's circle of economic advisers, Beryl Sprinkel, issued his statement. A half-hearted loyalty oath of support for Reagan was exacted from a non-meeting of the Group of 7" leading Western economic powers. On Dec. 22, the G-7 had issued a statement calling for currency stabilization and an end to the dollar's plunge, the same day that Sprinkel told the White House press corps that there is "no recession in the forecast, as far ahead as we project, to 1993."

LaRouche observed concerning the G-7 statement: "The latter declaration is transparent farce, probably uttered tongue in cheek by most among those who subscribed to it. The shrewdest among the G-7 were simply giving Ronald Reagan more political rope with which to hang himself over the weeks immediately ahead.

"Apart from these two, mutually exclusive forecasts, there is reality, to which the first view roughly coincides.

"Thus, we have a President who is stubbornly staking the credibility of his administration's continued existence on the insistence that a major financial crash will not occur during 1988. Meanwhile, a wide assortment of establishment forces have publicly pre-discounted the very financial crash the

President insists will not occur. Only desperate hyperinflationary measures could prevent such a crash from occurring as 'the doomsayers' forecast. What if another crash of the magnitude of Black Monday occurs during the first quarter, or a bigger one during the second quarter? In the first case, Reagan would probably resign; in the second, almost certainly.

"The resignation would probably not be triggered directly by the financial crash itself. Rather, the crash would so impair the waning credibility of the administration—which was already implicitly doomed the instant Caspar Weinberger resigned—that the eruption of some combination of the already fermenting crises of various kinds would be sufficient to break the President's will to hold on.

"So, we have three facts to consider. First, that the old boys' confidence in the Bush league option makes no sense unless they are assuming that Ronald Reagan will soon resign. Second, that the President's stubborn refusal to face the reality of the financial crisis has set him up for the conditions under which he would be impelled to resign during the first half of 1988. Third, that a section of the establishment has publicly pre-discounted the early 1988 occurrence of the pattern of events under which the President would be induced to resign.

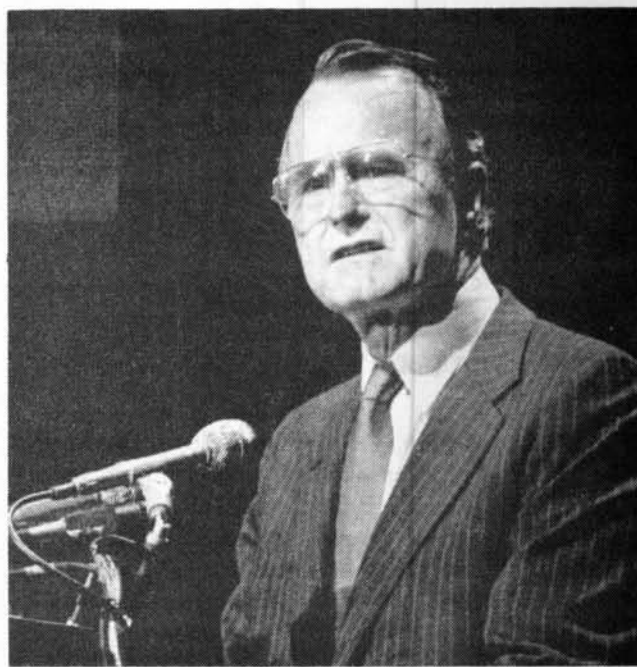
"Also, in the matter of timing, the Bush scenario would have to be based on the assumption that the resignation would come rather early during 1988, not long after the State of the Union message. Otherwise, politically, the scenario would not justify the pattern of reactions recently aggregated from among the relevant old boys.

"The President were more inclined to resign, under such circumstances, were the INF agreement sealed. 'My major work has been completed,' would be a key psychological lever of belief which would assist him to overcome his stubbornness at the moment the Cromwells of Washington said to him, 'Go with God, but go.' This aspect of the matter is most interesting.

"Moral matters aside, the weakness of the old boys is twofold. First, they are habituated to the establishment game. This means that they define their options within the limits of the rules of that game. Second, their thinking is linear; no significant aggregation of them, except for a semi-isolated minority, is capable of adopting a policy or perspective which incorporates comprehension of a nonlinear factor. Thus, on these two counts, the old boys are not only faced with a crisis; they are an integral part of the crisis, a leading factor which causes a major, but objectively manageable calamity to take on the character of an existential crisis for our nation."

### Wavering patriots

LaRouche addressed himself to the problem of indecision on the part of patriots within the establishment. "If a majority of the more or less patriotic elements of the establishment agreed on the bare bones of the needed policies, they have the power to 'play the situation' to the effect of putting needed



*Vice President George Bush addressing a conference on AIDS, in June 1987. The confidence of the "old boys" in the Bush-league option makes no sense unless one assumes that President Reagan will soon step down.*

such options into place for the moment of sharp crisis. The patriots have been, and remain a minority of the establishment; however, only a minority of that minority sees the desirability of attempting to play the situation as it should be played; the majority of that minority is playing the centrist game for the moment. Hence, the minority of that minority is self-advised not to act decisively.

"In this situation, the reality is, that our nation is hurtling toward an existential crisis, while destroying all of the options by means of which that crisis might be managed successfully."

LaRouche characterized his own political movement, pivoted upon the LaRouche presidential campaign, as "the only real option for our nation's successful survival during the crisis ahead."

The Democratic candidate was blunt: "Those now tied up in Bush league politics, simply will not be the major players when the crisis hits. Their present opportunism tends to doom them to that very obscurity they delude themselves they are avoiding. Those who play our game are the big boys, and those who play in the Bush leagues are merely qualifying themselves for Bush league competitions.

"Thus, if the scenario indicated is the one which accounts for the pattern of Bush league behavior, it is a clever game, but ultimately a foolish one. One is reminded of the late Bill Casey," the Director of Central Intelligence, "who mistook the cleverness of his duplicity for strategy, and thus, still seeking to imitate what he imagined to be the monarchical excellence of British intelligence, screwed up everything royally."

# George Bush: arming the ayatollah

by Scott Thompson

In the summer of 1986, Vice President George Bush convened a meeting of independent oil producers from Texas, Louisiana, and Oklahoma in his offices. This began the long oil price hike to double the price from the \$9.10 a barrel it was then, thus to win Bush the support of independent and major oil producers in the 1988 presidential race. Bush would accomplish this by "jaw-boning" Saudi Arabia to cap wells that had been used to keep up Saudi income in the face of the glut being produced by non-OPEC countries.

Although few of the independents that have climbed aboard the Bush bandwagon know it, the secret beneficiary of this pressure tactic was Khomeini's Iran, which was then in a battle within OPEC to force the Saudis to bear the brunt of the drive to raise oil prices. The story of Bush's role in "jaw-boning" the Saudis to benefit Iran appeared in the *New Republic*, after it was first discovered by West Coast journalist Jonathan Marshall.

Among the oilmen who have joined the Bush campaign are: Robert Mosbacher, Sr., the head of Mosbacher Energy Co. With Mosbacher's support, Bush has won campaign contributions from Pennzoil, Occidental Petroleum, and Zapata Oil Co. Armand Hammer, the Soviet Trust agent who heads Occidental Petroleum, has put \$5,000 into the Bush campaign, and appears to be getting ready to play the same role in a Bush administration that he did in influencing Reagan to swallow the treasonous INF Treaty. Chet Upham, a leading Texas independent who is on George Bush's Texas Finance Committee, cites Bush's role in pressuring the Saudis as one reason for the oil companies' support.

In 1986, because Iraq was bombing Iranian oil facilities and because of the overall glut, Iranian oil revenues had fallen from \$16 billion to only \$6 billion. This was barely enough to keep Iran in the war, let alone permit Iran to make major new arms purchases on the world market or fund any extended offensives. Thanks to Bush's oil diplomacy, which doubled the world oil price, Iran's coffers were instantly replenished for this purpose. The oil price fixing carried out by George Bush was a major, as yet secret, part of the Irangate arms-for-hostages deal.

In preliminary talks with U.S. National Security Council spokesmen, the Iranians had stressed their interest in getting higher oil prices. They also expressed interest in acquiring

the "defensive" arms needed to protect Kharg Island and other oil facilities from Iraq's overwhelming air superiority. Before the talks became a world scandal, according to the *Washington Post* of Nov. 5, 1986, Iranian negotiators were drafting a "protocol" that would have ended the formal state of hostility between the United States and Iran and thrown Washington's support behind a world oil price of \$18 per barrel.

This shift in U.S. policy, from "free market pricing" to active intervention, was signaled by Vice President Bush's spring 1986 visit to the Gulf states. According to the *New York Times* of Nov. 23, 1986, Bush asked his Saudi hosts to "stabilize" world oil prices "as part of our national security interest." Indeed, in a report to the Khomeini regime, an Iranian arms agent cited Bush's repeated call for higher oil prices as evidence of Washington's good faith in the arms-for-hostages talks, according to the *Wall Street Journal* of April 7, 1986.

After Bush's visit, at an Aug. 4 OPEC meeting in Geneva, Iran suddenly ended its five-year feud with Saudi Arabia. Iran agreed to share in production cutbacks in order to achieve higher oil prices. Iran's decision was taken on the very same day as the implementation of President Reagan's order, relayed by National Security Adviser John Poindexter, to ship \$6.5 million worth of American-made spare parts for the Islamic regime's Hawk anti-aircraft batteries. The Hawk parts were desperately needed by Iran to repel Iraqi air attacks on economic targets in Iran. By January 1987, more than 20 Iraqi jets had been downed, mainly by Hawks, forcing Iraq into a review of its air war against Iran.

In October 1985, Saudi Arabia's King Fahd had decided to teach Iran a painful lesson for its defiance of previous OPEC agreements, by increasing production of Saudi oil, assuring that Saudi Arabia would no longer bear the financial brunt of OPEC's attempts to fix the world oil price. Tensions between Riyadh and Teheran reached a new height in February 1986, when Iran threatened a ground attack against both Kuwait and Saudi Arabia. This followed a surprise Iranian offensive that month that left Khomeini's forces in control of the Fao peninsula, only 25 miles from the Kuwaiti border. Poindexter had given the Iranians surveillance photographs showing the Iraqi order of battle.

Two months after the Iranian offensive, which Iraq was unable to repel, George Bush arrived in Riyadh, Saudi Arabia. According to Saudi officials, King Fahd knew about President Reagan's intelligence support for the Iranian invasion of Fao, and he knew that this measure had brought Iran within striking distance of other Gulf states, which Iranian Speaker of the House Ali Hashemi Rafsanjani was then repeatedly threatening for their support of Iraq in the war. "I think it is essential that we talk about stability [of world oil prices] and that we just not have a continued free fall like a parachutist jumping without a parachute," Bush said at an April 1 news conference before meeting with King Fahd.

# U.S.-Soviet joint censorship afoot?

by Joseph Brewda

During the middle of the Reagan-Gorbachov summit last December, a select group of senior U.S. and Soviet representatives quietly met at U.S. Information Agency headquarters in Washington, charged with creating an extraordinary joint U.S.-Soviet intergovernmental committee. The purpose of this committee, according to USIA spokesmen, will be to suppress the publication of views either side felt undesirable, in both the United States and Soviet Union, in conformity with "the new way of thinking of glasnost."

Some indication of the serious intent given to the board's formation by both sides was indicated by the participants, including, from the Soviet side, Valentin Falin, the director of Novosti, and Sergei Losov, director general of TASS, both top intelligence hands. U.S. participants included USIA director Charles Wick, and his subordinate, Herb Romerstein, characterized as the U.S. government's top expert on Soviet disinformation. The meeting was commissioned by discussions held between Wick and Gorbachov's propaganda czar Aleksandr Yakovlev in Moscow last June. Immediately following the Washington discussions, Wick met with Gorbachov personally, to arrange for formalizing an accord on the committee in Moscow next spring.

Under the terms of this little-publicized, unprecedented agreement, American citizens can now expect to be "rebutted, disavowed, and apologized for," if the U.S.-Soviet board rules that "slander" has been committed. The origin of such "slander," "will be traced" by the joint board, USIA spokesmen ominously state.

## Soviets renounce lying?

Although any sane American would view such an agreement as disastrous, USIA director Charles Wick is euphoric. The United States and Soviet Union "are now abolishing a whole class of weapons in the war of ideas—disinformation," Wick claims. Incredibly, Wick and his subordinates are peddling the line that Gorbachov is committed to "ending Soviet lies and propaganda."

While not admitted by the USIA, the actual origin of the censorship agreement dates back to discussions held between life-long Soviet operative Armand Hammer, the chairman of Occidental Petroleum, with Soviet official Aleksander Yakovlev in 1986. A longtime associate and financial benefactor of Charles Wick's wife, Hammer rammed through a USIA-

administrated "cultural exchange accord," whereby so-called Soviet journalists, spy-novelists, and other dubious characters have been allowed to increasingly travel throughout the United States, even participate in the "peace movement."

Not coincidentally, Hammer is credited with having been central in arranging the near-disastrous 1986 Reykjavik summit, and the recent INF summit. According to no less an authority than former White House staffer Michael Deaver, it was Hammer—and the Wicks—who have been instrumental in manipulating Mrs. Nancy Reagan, and consequently her husband, into believing that Gorbachov is a "man of peace."

## Soviet 'truth squad'

While the USIA claims that the joint censorship board will only extend to government-owned media, some flavor of what the accord will mean in practice was indicated one week after the summit by an East-West journalists' conference held in Oslo, Norway, devoted to removing "the enemy image from the media." Moscow and certain treacherous circles in the West are terrified that the truth about Moscow, will be sufficiently disseminated to block Russia's near-term plan for world domination.

There can be no doubt that this publication, and others associated with Democratic presidential candidate Lyndon LaRouche, are the top targets of the Wick-Yakovlev accord. Using the line that LaRouche has "misused" democracy, Soviet publications have been calling for the shut-down of LaRouche-linked publications for the last year. Soviet negotiators Falin and Losev have repeatedly written and commissioned lies that LaRouche is a "Nazi." Losev and Falin's U.S. counterpart, Romerstein, meanwhile peddles the lie that "LaRouche is a Soviet agent."

To facilitate the spreading of this lie, "disinformation specialist" Romerstein, and the USIA, have systematically suppressed the fact that LaRouche is the private Western individual most violently slandered by the Soviet press in postwar history.

Moscow's demand that the United States and Russia jointly suppress the LaRouche-linked publications, as a threat to Soviet plans, was openly stated in Issue No. 42, 1987, of the Soviet organ *New Times*. " 'Western democracy' allows people like LaRouche and his affiliates to act freely on the political scene" and "regularly take part in parliamentary and even presidential elections in various countries, and publish newspapers and other materials imbued with the spirit of hatred and malice" against Moscow. The article promised legal action to silence LaRouche, and significantly added the demand that "other countries can and must take up cases of slander and defamation against Soviet citizens."

Shortly after the Wick-Falin discussions, the British newspaper the *Daily Telegraph* repeated the Soviet line Dec. 15, that LaRouche knows "how to exploit the fine machinery of democracy to his advantage."

# LaRouche's lawyer tells jury: 'This is straight, raw politics'

"This is a political case; this is a political indictment; this is straight, raw politics," said Odin Anderson, attorney for Democratic presidential candidate Lyndon H. LaRouche, Jr.

Anderson, making his opening statement to the jury in the *U.S.A. v. The LaRouche Campaign* case on Dec. 21, outlined why the government wanted to get rid of LaRouche, by elaborating who the real Lyndon LaRouche is.

Anderson also forewarned the jury about the grouping of drop-outs from the philosophical organization which LaRouche heads, the National Caucus of Labor Committees (NCLC), drop-outs upon whom the government has based a considerable part of its case. "Some of the drop-outs have constituted themselves into an organization dedicated to LaRouche's downfall and incarceration," Anderson warned the jury. "They hatched a conspiracy to help any authorities to go after LaRouche."

Before the trial recessed for the Christmas holidays, Anderson's warning had been dramatized through the testimony of the first witness, Gail Lunsford Bardwell. While trying to paint a picture of the top-down pressure for fundraising in the NCLC, Lunsford was instead compelled through cross-examination to give an inside view of the "conspiracy" headed by Costas Kalimtgis, whose members are willing to lie their heads off in order to "get LaRouche."

## Who is Lyndon LaRouche?

You will see quite a different Lyndon LaRouche than Prosecutor John Markham told you about, Anderson told the jury. "You will hear cross-examination and affirmative defense witnesses present the true Lyndon LaRouche, a man admired and respected both outside and inside the United States.

"John Markham said that this organization is a small, dedicated band of followers who do what LaRouche wants them to do, and go where LaRouche wants them to go," Anderson continued. "LaRouche leads, not by force, not by virtue of elected position or paramilitary force, but by the power of reason."

Anderson then briefly sketched LaRouche's personal his-

tory, including his early years in Lynn, Massachusetts, and his entrance into politics through a factional battle against the terrorist faction, the Weathermen, in the Students for a Democratic Society.

LaRouche's pioneering role as a policy-maker was elaborated as well. Anderson explained the role that LaRouche played in developing the concept for the Strategic Defense Initiative, and in carrying out "back-channel" negotiations with the Soviets on behalf of the National Security Council during the year before Reagan announced the policy.

Anderson also cited LaRouche's controversial and pioneering work exposing the danger of the AIDS epidemic.

## The real conspiracies

The government cannot prove that LaRouche and his associates formed any conspiracy to obstruct justice, Anderson argued, but there is ample evidence which the jury will see, to demonstrate the existence of conspiracies against him.

One of these conspiracies is comprised of several among the hundreds of individuals who have "dropped out" of the NCLC. "The government will trot out the most vindictive and hateful, out of the hundreds that have fallen by the wayside," Anderson said.

Anderson named Charles Tate, Steve Bardwell, Gail Lunsford Bardwell, Vera Cronk, and Costas Kalimtgis as some of the central instigators of the drop-outs' conspiracy. Of these only Kalimtgis is not included on the government's list of prospective witnesses.

One of the central pieces of evidence of the conspiracy was a Halloween party held at the home of the Bardwells on Oct. 30, 1986, where many of the above individuals were present. At this Halloween party, individuals came dressed up in costumes such as credit cards, and dedicated a large part of the evening to hatching a "conspiracy to help any authorities to go after LaRouche." Anderson told the jury that there is a videotape of this party, which they will see—if it hasn't been destroyed already.

The second conspiracy outlined by Anderson included leading members of the U.S. "justice establishment," includ-



ing U.S. Attorney William Weld, who initiated the credit card investigation against the LaRouche campaign organizations in the fall of 1984. Weld had a vendetta against LaRouche beginning in the mid-1970s, Anderson revealed. At that time the Boston counterculture newspaper *The Real Paper*, in which Weld was a major investor, conducted a vicious personal harassment campaign against LaRouche and his elderly parents.

Yet the government has the nerve to complain about LaRouche's attacks on Weld for his softness on drug-money laundering by the Bank of Boston, and his family ties to the Cr dit Suisse money-laundering apparatus, Anderson argued.

### **The Soviet role**

Anderson also exposed the interest of the Soviet Union in pulling whatever strings it could within the intelligence community and Justice Department to "get LaRouche."

Testimony will show that the Soviet government responded to the March 23, 1983 speech of President Reagan declaring what became the SDI as the new U.S. military doctrine, by labeling LaRouche as one of the leading enemies of Moscow, Anderson said.

The role of Henry Kissinger, whom LaRouche has labeled as a "Soviet agent of influence," and his associates on the President's Foreign Intelligence Advisory Board in attempting to instigate an FBI probe against LaRouche, was also reviewed.

The image of the conspiracy of drop-outs against LaRouche became quite real for the jury, as soon as cross-examination of the first government witness began. Gail Lunsford had attempted to create the picture of oppressive, obscene, top-down pressure on fundraisers through her testimony about 12 years of work with the NCLC. Despite her screaming into the microphone of obscenities allegedly yelled at her, Lunsford's key contribution was to flesh out the drop-outs' conspiracy.

Lunsford had in fact hosted the 1986 Halloween party referenced by Anderson, along with her current husband Steve Bardwell. Although she denied that the party was held explicitly to celebrate the Oct. 6 indictments against some associates of LaRouche, all the details she provided corroborated that conclusion.

Almost all of the attendees at the party were ex-NCLC members, Lunsford admitted, and a principal theme of the event was attacks on LaRouche and his wife. She admitted that Janet and Ken Mandel—future government witnesses—had dressed up as credit cards; that Bob and Barbara Dreyfuss dressed up as Ayatollah Khomeini and a Knight of Malta respectively; that Mark Stahlman came as Rambo; and that Charles Tate—the government's lead witness—did a lengthy skit containing nasty personal assaults on LaRouche.

Lunsford attempted to maintain the story that she was an "involuntary" witness against LaRouche and his associates,

and that she hadn't wanted to have anything further to do with the case after her grand jury testimony in September 1986. Yet she was forced to admit the anti-LaRouche theme dominated the party. Her memory lapse was most acute when it came to a videotape recording of the event done by Mark Stahlman. The Stahlman videotape has been subpoenaed by defense counsel.

The fact that drop-out Kalimtgis had flown up especially from Florida to be at the party was admitted by Lunsford, but she incredibly insisted that she had never heard Kalimtgis declare his hostility to LaRouche.

Observers believe that the Lunsford testimony over the first two and a half days was a disaster for the government, particularly in light of the fact that prosecutors usually try to lead off with a strong witness who will set the tone for the government's case. Not only was Lunsford frequently not believable, but Markham also failed to get his first two trial exhibits admitted. The judge ruled that they were not admissible by the rules of evidence.

Lunsford was caught in numerous incredible denials of the history of FBI surveillance of her and her family. Her memory was only refreshed when documents or particular incidents were referred to by defense counsel.

In addition, she had to admit that she was a member of the Communist Party USA, prior to her joining the NCLC in 1972, although she clung to her denial that pro-Soviet sympathies had contributed to her decision to drop out, as they did to the drop-out of her husband Steve Bardwell.

By the conclusion of her testimony on Dec. 23, Lunsford visibly "cracked." She was being asked by defense attorney William Cummings if she had discussed her grand jury testimony with anyone. In response, she became so obviously evasive, equivocal, and untruthful, that it is thought the jury will believe little, if anything, of what she has said.

Lunsford will be subject to further cross-examination when the trial resumes Jan. 4.

### **Markham's charges**

When Assistant U.S. Attorney John Markham gave his opening statement on Dec. 17, it was already evident that he would have problems proving his case. For Markham told the jury that he would be able to prove numerous allegations which are flagrantly contrary to fact.

For example, Markham dramatically pointed at LaRouche and declared that the evidence would show that this man had "dictated" and "decreed" such high financial quotas that he drove fundraisers to fraud. The purpose, as Markham put it, was so that LaRouche could put himself on television and move his headquarters to Leesburg, Virginia. Markham also claimed that he had evidence demonstrating that LaRouche had then ordered a coverup of the fraud, which resulted in his being charged with "conspiracy to obstruct justice."

In fact, Markham will only be able to put before the jury

a number of former disgruntled members or employees, and a set of notebook reports on conversations from intelligence community cutouts, as "proof" of his case. There will be no evidence linking LaRouche to credit card fraud or obstruction.

In a second example, Markham alleged that four of the organizations on trial, including two of LaRouche's campaign committees from 1984, were guilty of a scheme to commit credit card fraud, and mail fraud in furtherance of a fraudulent loan scheme, because they "profited from" the activities of volunteers who allegedly carried out these activities. In reality, the organizations not only had policies against such activities, but did not benefit at all, as such policies would in fact damage the campaign.

In the course of his statement, Markham even freely admitted that the federal government had engineered at least two Abscam-type entrapment operations against LaRouche, to get his associates to commit obstruction of justice against the grand jury investigating "credit card fraud" from Boston. But, as he described the incidents, he had to admit that LaRouche's associates, including defendant Jeffrey Steinberg, had refused to carry out the proposed obstruction.

### **The defense's opening shots**

Seven defense attorneys, representing the defendants besides LaRouche, gave their opening statements to the jury on Dec. 17 and 18. Like Anderson, they emphasized the political nature of the trial, in particular the fact that the organizations being tried were part of a "political and philosophical movement," not a "monolithic, dictatorial" organization.

Among the subjects detailed for the jury was the relationship of the defendants with the U.S. intelligence community, and the evidence which the defense will bring to bear to show that the individuals who were counseling them to stymie the grand jury investigation, were documentable cut-outs for the intelligence community.

The presentation which most shocked the jury and other observers, however, was that of Detroit attorney Mayer Morganroth, the counsel for defendant Edward Spannaus. Morganroth argued that the Federal Bureau of Investigation had had a 20-year effort to "shut forever" the political voice of the National Caucus of Labor Committees, of which his client was a founding member. This trial, he said, was just the culmination of this effort.

The FBI put so many informants in the NCLC, Morganroth said, that at some meetings there were more FBI agents than regular members. Informants were deployed in as many as 25 locations, and they reported to at least a dozen supervisors who directed their operations. Among the tasks of the informants, Morganroth said the evidence would show, were total surveillance, instigation of disruptions and provocations, profiling members' weaknesses for future use, and seeking to induce people to leave the organization.

The FBI also harassed the NCLC by such activities as

calling the organization's banks to see how much was in the accounts, stealing belongings, tapping phone lines, and calling the phone company to inquire about the bill. Morganroth noted that this is the same thing that FBI agent Richard Egan did, in contacting the New Jersey bank which held LaRouche's campaign accounts on the eve of the 1984 election. By that action, he succeeded in shutting down the accounts, and preventing a series of election eve television spots.

Among the FBI's top priorities, Morganroth said, was to attempt to stop the fundraising capabilities of the NCLC. Mr. Markham complained about these organization not being able to pay back loans: "The FBI complains about not repaying loans, but they created the problem," through financial harassment, through forcing the organization to take out lawsuits against the FBI to try to stop the harassment, and draining the NCLC's resources. The FBI's position is like that of the guy who kills his parents, and then asks the jury for mercy because he is an orphan, Morganroth concluded.

Morganroth also noted that former members whom the government is calling as witnesses against the defendants have often been under pressure for 10 to 20 years, not from the NCLC leadership on fundraising, but from the FBI itself.

In respect to his own client, Morganroth noted that with such a history of FBI harassment, there was every reason for him to believe that the grand jury investigation and prosecution was being carried out in bad faith, as the previous investigation had been, and to seek remedy in the courts. While the government charges that the defendants "conspired to obstruct justice" by "stalling and appealing," Morganroth said that his experience was that if anyone were guilty of obstruction in that manner, it was the FBI. Morganroth is counsel for the NCLC or its members in two lawsuits against the FBI, which that agency has tied up in the courts for 12 to 13 years!

### **The intelligence community angle**

Opening statements by the attorneys for Jeffrey Steinberg and Paul Goldstein promised that a wealth of evidence would be presented by the defense on the actual role of Roy Frankhauser, a former security consultant to LaRouche's associates who was convicted on one count of conspiracy to obstruct justice in a short trial before this one began.

Both attorneys pointed out that the prosecutor had attempted to create the impression that the defendants had accepted Frankhauser as a security consultant because of his affiliation with right-wing hate groups. Yet they demonstrated from Frankhauser's long-term history that he was clearly known to them as a government agent in those groups. For example, the first written intelligence report delivered by Frankhauser to the defendants, included a report that there would be "a fall legal offensive against your organization." That, and other interesting "predictions," signal just some of the intelligence community revelations that will come out in the *U.S.A. v. The LaRouche Campaign*.

# Senate says Panama's military 'No. 1 threat'

by Gretchen Small

The U.S. Senate considers Panama's military—not Soviet narco-terrorism—the number-one security threat to the Panama Canal, will not allow U.S. obligations under the 1979 Panama Canal Treaties to be fulfilled, until Panama submits to rule by Project Democracy's secret government, and seeks to have any U.S. official who dares disagree with the policy be censured, or fired.

Such are the principal conclusions contained in the 116-page *Report on Panama* released on Dec. 8 by a six-member Senate Staff Delegation which had visited Panama between Nov. 12-16, "to gather information on . . . what progress, if any, has been made in restoring democracy and the rule of law to Panama." In pompous tones, the delegation insists that it is "democracy" which requires Panama accept foreign rule.

The U.S. Senate will not consider the 1979 Panama Canal Treaties binding, until broad-sweeping military, political, and judicial changes are implemented, the Senate *Report* threatens. The report will prove explosive in Panama. Panama's government has charged that behind the U.S. campaign to replace the Commander of Panama's Defense Forces (PDF), Gen. Manuel Antonio Noriega, and put a weakened PDF into receivership, is a plan not to fulfill U.S. commitments made in the 1979 Treaties. U.S. officials, fearing a Panamanian nationalist outbreak, have sworn up and down that no such plans exist.

The Senate report, too, repeats that the Canal must not be made an issue, but portrays a return to democracy—as they define it—in Panama as an integral part of the Panama Canal Treaties. "During the Treaty negotiation and ratification processes, Torrijos made commitments to United States leaders on the issue of democracy in Panama. . . . Senator Byrd came down to Panama and said very plainly: 'You want a Treaty. You need a two-thirds vote in the Senate. To get that, you must make a commitment to democracy.' Reportedly, Torrijos made that commitment to a number of Senators," it warns.

To meet that commitment, "the leadership of the PDF must be changed," and Noriega resign, or be removed from office, the report stipulates. In addition, the U.S. Senate expects *Panama's* military to implement changes in promotion policy, limits on years of military service, and fix a set term for service as Commander of the PDF, as conditions for

"genuine democracy."

"The Panamanian military . . . is the single most destabilizing force inside Panama today and thus, indirectly, the greatest threat to the security of the Canal," the Senate report declares. Therefore, "the delegation recommends that . . . no American official—civilian or military—should do or say anything that could be interpreted as providing political approval or moral support to the Noriega regime."

Such a gag rule would forbid U.S. anti-drug officials to cooperate with Panama's government and military in fighting narcotics. There could never again be a letter like that from the head of the U.S. Drug Enforcement Administration, John Lawn, in May 1987 to Noriega, stating that DEA and PDF had "once again . . . joined efforts to strike an effective blow against the drug-traffickers . . . many millions of dollars and many thousands of pounds of drugs have been taken from the drug-traffickers and international money launderers."

## And now, the Socialist International

The Report's release quickly fed the war machinery being mounted against Noriega. "A consensus had emerged at the Pentagon, CIA, and State that, in the words of one senior official, 'this guy should go tomorrow,' " the *New York Times* claimed on Dec. 14. The *Times* report concluded a U.S. press blitz asserting that Noriega had cut a deal with Moscow, Libya's Qaddafi, and El Salvador's guerrillas—a story based largely on the word of a Nicaraguan defector and a convicted Panamanian drug-runner. The reports are "psychological warfare" against Panama, Noriega charged on Dec. 16, "including the story . . . that Qaddafi is coming to Panama. . . . That is a lie," aimed at frightening "our Jewish friends," he said.

Ironically, as the cries went up on Noriega's alleged "leftist" turn, the Socialist International was busy seeking the release of the hero of the opposition movement, retired Col. Roberto Díaz Herrera—a man the Senate's report admits has long been viewed by U.S. diplomatic staff "as sinister and unprincipled, as a frustrated opportunist, 'probably a leftist.'" Forced out of the PDF in June 1987, Díaz Herrera responded by accusing Noriega of various crimes ranging from electoral fraud, to assassinations and drug-running. It is his charges which the Senate delegation, despite its knowledge of Díaz Herrera's moral character, assert as justification for U.S. support for overthrowing the government of Panama!

Díaz Herrera later recanted, admitting that he had no proof of any of his allegations. In December, he was found guilty of crimes against national domestic security, and sentenced to five years in jail. But on Dec. 25, Díaz Herrera was allowed to leave Panama for Venezuela—on a private plane belonging to Venezuelan socialist Carlos Andres Pérez. Arranging his release had been discussed at the early December meeting of the Latin American branch of the Socialist International, according to press accounts in the region.

## Sprinkel's optimism veils deep fears

Beryl Sprinkel, the man who tried to jump ship after the Oct. 19 crash, but was pulled back on board to finish his term as the head of the President's Council of Economic Advisers, spewed forth the official administration economic forecast for 1988 to the White House press corps Dec. 23.

Needless to say, the forecast ignored one important factor—reality. Pretending last fall's stock market crash never happened, Sprinkel rattled off a set of projected parameters for the coming year which have about as much chance of coming true as my wish that a Mercedes-Benz appear in my Christmas stocking last month.

He projected a slight slowdown of the "Reagan recovery," from a 3.5% projected growth of the Gross National Product to 2.5% in 1988. Otherwise, however, he said that unemployment would remain the same (5.5%), interest rates would drop, and inflation would be a modest 5%.

Sprinkel was qualifying all of these optimistic projections very carefully. He did admit, "There are three things that could do us in." "Do us in" is a reference to the all-out economic collapse that no amount of optimistic talk is going to prevent from hitting in the new year, if current administration policies persist.

Sprinkel conditioned all his promises of continued "good times" on the triple premise that: 1) the federal budget deficit continues to come down, 2) there is an economic growth boom abroad, and 3) the Federal Reserve

keeps interest rates down and the printing presses rolling out the liquidity required to paper over a huge amount of non-performing debt.

## Three false assumptions

These three qualifiers require a level of cooperation from all quarters that no amount of wishful thinking could actually produce.

● First, further deep cuts in the federal deficit cannot be counted on during an election year. The much-touted "budget summit" that followed the Oct. 19 crash could only shave a fraction off the deficit, satisfying neither the congressmen's constituencies nor the deficit limits set by Gramm-Rudman. The blood is already flowing in the streets of America from the deep cuts made in Medicare and other vital programs in the 1987 budget, and no congressman seeking reelection is going to dare go on record for even more draconian cuts before next November.

The size of the deficit is going to balloon as a delayed reaction to the loss of trillions of dollars Oct. 19. The diminished tax revenues in the first four months of 1988 will reflect not only capital gains losses, but the layoffs resulting from the business slowdown provoked by the crash. Sprinkel wouldn't admit to this in his briefing, but he knows it's a short-fused time bomb that will make any effort at meaningful deficit reduction seem ludicrous.

The effect of this has already been seen in the deficit for the first two months of the 1988 fiscal year, which is over \$56 billion (a rate that would put the deficit at \$360 billion). When I asked Sprinkel about this, he grumbled that it was not a "seasonally adjusted" figure, and then refused to

concede that the losses in the market last fall would have anything other than a "marginal effect" on tax revenues in 1988.

● Second, Sprinkel bases his 1988 economic assumptions on the willingness of the Japanese and European economies to self-destruct. He projects that lowered interest rates and looser money in those countries, combined with a continued drop in the dollar's value, will stimulate U.S. exports and even out the record trade imbalance.

However, it is far from certain that America's trading allies are willing to explode their domestic economies in this fashion. Three days after Christmas, the White House was forced to make a public pronouncement calling a halt to the slide of the dollar because of its panic-inducing effect on the stock market.

● Third, Sprinkel's assumption that the Fed will provide enough liquidity for the economy stands up only to the extent that his second, unfounded, assumption holds. Any resistance to the free-fall of the dollar to the range of 1.30 German marks, for example, will mean that increasing the U.S. money supply automatically triggers a rise in interest rates and domestic hyperinflation.

If anything, economic trends in this election year will trigger an irreversible push toward protectionism, which, combined with unprecedented domestic and foreign debt defaults and a major drop in federal tax revenues, will leave Mr. Sprinkel with all his assumptions for economic growth hanging down around his ankles.

As for President Reagan, like old King Lear, he prefers to hear things that flatter him, rather than the truth. This will be his great undoing in his last year—and the big question is how many in his entourage will remain loyal under such circumstances.

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## Book Review

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# Back channels—the oldest profession?

by Janine Benton

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### **The Strategies of Zeus**

by Gary Hart

William Morrow & Company, New York, 1987

\$18.95 hardbound, 359 pages.

The FBI's recent decision to investigate potentially illegal back channel negotiations by arms negotiator Paul Nitze has made a poorly written novel by off-again-on-again Democratic presidential candidate Gary Hart into a matter of renewed interest. If FBI Director William Sessions is interested in getting to the bottom of Nitze's potentially national security-threatening activities, he might find Hart's *The Strategies of Zeus* a good roadmap.

On Jan. 1, 1988 Europe explodes in violence. . . "[F]ive young people, all in their teens, die in rioting in Bonn. The organizers of the anti-nuclear demonstration either do not know how to control the participants or do not care to. As tens of thousands of marchers plunge past the government's buildings, roving bands of chain-swinging, leather-clad youths split off to smash windows or intimidate shoppers. Hostages are pulled from shops and forced to join the protest. If they refuse, they are often clubbed and beaten. Mounted police who try to rescue the victims are themselves pulled from the horses, stripped, and forced to join the marchers." Thus, Gary Hart ushers in 1988 in his latest book.

Scenario novels litter the landscape of the publishing world, and most are boring and unoriginal. Hart's is no exception. However, Hart was, until not too long ago, considered the frontrunner for the Democratic nomination for President in 1988. He has been a U.S. senator and a leading member of the Senate Armed Services Committee with access to the nation's top security secrets. His scenarios should be the well-informed projections of his own insider's knowledge.

As a U.S. senator, he sat through many highly classified defense and CIA briefings, but Hart chose to write a book full of lies about a warmongering pro-SDI United States, and

its poor victim, the Soviet Union. Even so, it may well be the case that Hart revealed insider knowledge on the way U.S. policy is negotiated in Geneva.

Hart spins a story of a U.S. arms negotiator from a western state who has an affair with a beautiful Soviet translator in Geneva. They both represent factions of their governments and they demand (using their personal relationship as a conduit for these demands) that the United States abandon the Strategic Defense Initiative completely: no research, no testing, no deployment. The United States must also accept a clarification of the ABM Treaty completely outlawing space-based ballistic missile defenses in exchange for the Soviets dismantling their new large radar at Krasnoyarsk and freezing the deployment of the new generation of ground-to-air interceptor missiles.

They succeed. The SDI is killed. The Soviet moderates rejoice that they will never have to develop their own SDI (and that all of Europe, from London to Milan, having been ravaged by the "peaceniks," is neutralized). Dozens are dead and virtually no government is left intact.

Casting aside the prerequisite romantic and sexual encounters that abound in the book, there is one glaring theme and wish from Mr. Hart: Destroy the SDI, and do it by back channel negotiations between U.S. and Soviet arms negotiators—namely, "state sanctioned espionage."

Hart's "life imitating art" affair with Donna Rice removed him from the political scene temporarily. His book, however, is due out in paperback shortly, with a major publicity drive behind it, coinciding with the revival of his presidential campaign in December.

## Books Received

**Marie Curie: A Life**, by Françoise Giroud, translated by Lydia Davis. Holmes and Meier Publishing, Inc., N.Y., 1986. \$34.50 hardbound, 291 pages.

**The Fringes of Power: 10 Downing Street Diaries 1939-1955**, by John Colville. W.W. Norton, N.Y., 1986. \$12.95 paperbound, 796 pages.

**Skullduggery**, by Peter Marks. Carrol and Graf Publishers, Inc., N.Y., 1987. \$17.95 hardbound, 284 pages.

**The Iran Contra Connection: Secret Teams and Covert Operations in the Reagan Era**, by Jonathan Marshall, Peter Dale Scott, and Jane Hunter. South End Press, Boston, Mass. \$11 paperbound, 315 pages.

**Freedom: A Novel of Abraham Lincoln and the Civil War**, by William Safire. Doubleday and Co., Inc., Garden City, N.Y., 1987. \$24.95 hardbound, 1,125 pages.

## Treaty battle to top Senate agenda

The battle over ratification of the INF Treaty will top the Senate's agenda when it reconvenes in mid-January. The Foreign Relations Committee begins hearings on the pact Jan. 25, while two other panels, intelligence and armed services, also plan to take testimony on specific aspects of the treaty.

The pro-treaty faction got a boost Dec. 17, when Sen. Bob Dole (R-Kans.), ending months of fence-sitting, finally declared that he would not only support the treaty, but, as minority leader, would also lead the fight for its approval.

In a display of his vaunted "leadership" capabilities, Dole rounded up 10 fellow Republican senators for a meeting at the White House Dec. 21, where they, too, endorsed the treaty. One, Sen. John Danforth (R-Mo.), predicted that the pact would be ratified by votes of either 85-15 or 87-12, while Dole himself claimed the Senate would ratify by an "overwhelming margin."

It would be a mistake to take these statements at face value, however. With the euphoria from the Gorbachov visit beginning to wear off, there is a palpable increase in skepticism about the treaty, as well as Gorbachov's overall intentions, both on Capitol Hill and in the general population, which could mean the treaty's rejection.

Treaty opponents have already formulated several potential amendments, which, if adopted, would mean that the treaty would have to be renegotiated—something Gorbachov has already said is unacceptable.

On Dec. 15, Sen. Larry Pressler (R-S.D.) filed the first formal amendment to the treaty. It provides that the pact "shall not be put into effect unless and until the President has certified to the Senate that an agreement has been

reached that the conventional force imbalance does not exceed a ratio of 3:2 in favor of the U.S.S.R. and Warsaw Pact." That, Pressler said, would require deep reductions in the forces of the Warsaw Pact, which presently holds an approximate 4:1 superiority over the West in conventional armaments.

## Judge dumps Dems' War Powers suit

Democratic efforts to apply the War Powers Resolution with respect to America's naval escort deployment in the Persian Gulf hit rough seas in mid-December, when a federal district judge dismissed a lawsuit brought by 110 Democratic members of Congress seeking to force President Reagan to invoke the resolution.

In a ruling handed down Dec. 19, U.S. District Judge George H. Revercomb said it would be both "inappropriate and imprudent" for the courts to rule whether the War Powers Resolution should be applied to the Persian Gulf operations. The dispute is essentially a "political question" which should be resolved in Congress, Revercomb argued, noting that Congress itself had failed several times in 1987 to adopt measures requiring that the resolution be invoked. "Although styled as a dispute between the Legislative and Executive branches of government, this lawsuit evidences and is indeed a by-product of political disputes within Congress," the judge said.

Filed Aug. 7, the suit called on the court to force Reagan to comply with the resolution's requirement that Congress be notified when U.S. forces are introduced into situations where hostilities are "imminent." Unless Con-

gress authorizes the operation, the President then has 90 days to withdraw the forces.

Judge Revercomb's action brought an angry response from the Democratic plaintiffs, who had hoped to use the courts to curtail the Persian Gulf deployment. Key sponsors of the suit, among them, Rep. Mike Lowry (D-Wash.) say they will file an appeal.

## Apartheid act leads to dependence on Soviets

Congress's adoption in 1986 of the Anti-Apartheid Act, which bans the import of most commodities from South Africa, has already resulted in a dangerous increase in U.S. dependence upon the Soviet bloc for strategic minerals, according to Rep. Larry Craig (R-Idaho.).

In remarks on the floor of the House Dec. 17, Craig spoke out against a proposal favored by some members of Congress to extend the Act's import prohibitions to include strategic and critical materials. This ignores a dangerous reality, he said, namely, that outside of South Africa, the only source for many of these materials is the Soviet Union.

Craig noted that even though the act currently exempts critical materials from the import ban, there has been a dramatic increase in exports of these materials from the Soviet Union since the act took effect. Citing information provided by the Department of Commerce and Office of Strategic Resources, Craig reported that in the 12-month period since Congress overrode President Reagan's veto of the Anti-Apartheid Act, U.S. imports of key metals from the Soviet Union have risen as follows: platinum sponge, 17%; chrome ore, 157%; platinum bars, 321%; ferrosilicon, 377%; rhodium, 386%; antimony, 4,783%; and

industrial diamonds, 4,900%.

Hearings conducted by the House Subcommittee on Mining and Natural Resources Dec. 10 highlighted some of the probable reasons for the increase, said Craig, among them, that the act, with its threat of future sanctions, has engendered such uncertainty that American buyers have been forced to seek diversification of their sources.

Craig also cited testimony by Robert Dale Wilson, executive director of the National Critical Materials Council, who told the hearings that it was easier to trade with the Soviet Union than with South Africa, because there was less domestic political opposition.

## Senate adopts Moynihan 'pain and agony' amendment

Responding to Wall Street pressure for huge cuts in Americans' living standards, the Senate adopted a measure Dec. 15 to create a "National Economic Council" to shape U.S. economic policy.

Brainchild of Sen. Daniel Patrick Moynihan (D-N.Y.), the proposal's central idea is that constituency pressure on Congress must be eliminated, if the enormous reductions in domestic and military spending demanded by Wall Street are to be implemented.

Moynihan said as much (although in characteristic gibberish), in remarks on the Senate floor Dec. 10. The National Economic Council, he said, would ensure "that critical economic issues are not relegated solely to the realm of election-year politics and sloganeering that can result in rigid positions that foreclose the realistic responses required when the campaigning ends and governing begins."

In other words, since most of the members of the NEC wouldn't be elected officeholders, they would feel free to recommend Social Security cuts, for example, or the elimination of farm price supports, without having to worry about voter backlash. Congress could then legislate the recommendations—and avoid the political fallout by blaming the NEC.

The proposed commission would be made up of businessmen, labor leaders, and other private citizens, with representation from Congress chosen by the President, President-elect, and the congressional leadership. The NEC would have a year, beginning March 1988, to come up with "methods to reduce the deficit, promote economic growth, and encourage savings and capital formation," and develop "the institutional arrangements required to achieve the appropriate coordination, within the United States, for the making and implementation of economic policy."

On the surface, this may not sound so bad—until you find out who's behind it. Congressional sources report that those involved in formulating the Moynihan proposal were Lazard Frères' Felix Rohatyn, infamous for the "pain and agony" he imposed on New York City as head of the "Big MAC" bankers' dictatorship there beginning 10 years ago; and Peter Peterson. Founder of the Bipartisan Budget Commission, Peterson insists that U.S. wages and consumption must be slashed in order to make the United States "more competitive."

At least one of the bill's sponsors, Sen. Frank Murkowski (R-Alaska), who recently introduced legislation to freeze cost-of-living adjustments for Social Security and veterans benefits, believes that Peterson should serve on the NEC.

Moynihan cited New York Gov. Mario Cuomo as an inspiration for the

bill. Cuomo has been promoting the idea of handing over economic policy to the bankers and economic "experts" for at least a year, and has already established his own economic council—with Rohatyn a member.

## Score proposal to allow thrift takeovers

The chairmen and leading members of the Senate and House banking committees have harshly criticized a proposal put forth by Federal Reserve chairman Alan Greenspan to allow bank holding companies to buy up healthy savings and loan institutions, charging that this would effectively wipe out the thrift industry in the United States.

House Banking chairman Fernand St Germain (D-R.I.) and ranking Republican Chalmers P. Wylie (Ohio) warned Greenspan in a Dec. 15 letter that his proposal "could further exacerbate an extraordinarily difficult situation" for the ailing S&Ls.

Similar warnings came from Senate Banking committee chairman William Proxmire (D-Wis.), and Rep. Frank Annunzio (D-Ill.), chairman of the House consumer affairs subcommittee. They told Greenspan that the proposal would undercut the multibillion-dollar recapitalization of the FSLIC, which insures thrifts. The lawmakers expressed concern that if holding companies were allowed to buy healthy S&Ls—something which they are not currently permitted to do—they would then desert the FSLIC for the Federal Deposit Insurance Corp., which charges lower premiums.

The recapitalization plan, "was predicated on having a large number of healthy institutions to build up the premium base in the insurance fund," Annunzio said.

# National News

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## Justice Department sues Hansen's wife

The vendetta of the Department of Justice against former Congressman George Hansen is apparently continuing.

On Dec. 18, the Justice Department filed suit against Constance Hansen, wife of the former representative from Idaho. She is accused of failing to file financial disclosure forms on three occasions, once when she worked for the federal government as a consultant to the Housing and Urban Development agency in January 1985, again in February 1985 when she left the agency, and once again in 1986 when she ran unsuccessfully for the House seat vacated by her husband.

George Hansen was paroled after serving 11 months in prison for failure to disclose certain financial interests while a GOP congressman. An outspoken critic of the liberal Establishment and of abuses by such government agencies as the IRS and Justice Department, Hansen was forbidden by his parole conditions to leave his home state for speaking engagements and was jailed when he refused to comply.

He said in late December that, despite receiving a warning letter from the Justice Department, his wife would not file the forms. "They came back at her after 18 months of silence with a sledgehammer," he told the *Idaho State Journal*. He said that he has asked Idaho Sen. Steve Symms to help block the suit, which could cost his wife \$5,000 per count.

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## AMA publicizes San Francisco AIDS testing

Last October, a San Francisco orthopedic surgeon announced that AIDS testing would be conducted on many patients, and the decision has now sparked a feature article in the *American Medical News*, newsletter of the American Medical Association. The Dec. 4 issue put the article on its front page, "Or-

thoped Urges HIV Testing—Decision in San Francisco Sparks Heated Debate."

Dr. Lorraine Day, chief of orthopedics at San Francisco General Hospital announced that, in order to protect medical personnel, "all elective surgery patients on the public hospital's orthopedics service would be asked to take a blood test to determine if they carry the AIDS virus."

According to the article, "Dr. Day's announcement came the day after hospital officials disclosed that a health care worker had contracted the human immunodeficiency virus after accidentally puncturing his or her thumb with a needle that had been used on an HIV-infected patient."

The article locates the action taken by Dr. Day in the context of the growth of the AIDS epidemic. "Dr. Day's decision to test elective surgery patients comes at a time when a small but growing number of hospitals across the nation have quietly instituted routine HIV antibody testing programs, and when an increasing number of surgeons have decided not to accept HIV-infected patients."

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## AIDS infected show mental impairment

Tests conducted on "asymptomatic" men carrying the AIDS virus showed that an unusually high number have impaired coordination, cognitive difficulties, or abnormal results on magnetic resonance tests, the *Washington Post* reported Dec. 18. In response to the preliminary results, the Defense Department has acted to remove AIDS-positive service personnel from stressful, high-performance jobs such as flying aircraft, handling nuclear weapons, or working on sophisticated machinery.

"This could look like Alzheimer's disease in a young person," said Dr. Edmund Tramont, director of the AIDS unit at the Walter Reed Institute of Health. "We just aren't sure when the clinical manifestations of HIV infection begin, so the smartest thing to do seems to be to exclude those who are infected from critical tasks."

In the study, published in *Annals of In-*

*ternal Medicine*, Dr. Igor Grant and colleagues from the University of California at San Diego tested 55 patients and controls from a group of homosexual men. Four groups were formed: 15 patients with AIDS, 13 who were classed as having AIDS-related complex (ARC), 16 asymptomatic men who tested positive for AIDS, and 11 healthy men.

In the healthy group, the rate of mental impairment was 9%. In the symptomatic AIDS group, impairment was 87%; in the ARC group, 54%; and in the group of infected, but seemingly healthy men, 44%.

"I was stunned by the results," said Grant, a professor of psychiatry. "I had expected the large number of AIDS patients to show deficiencies, but to have 44% of the seropositive people show problems, that's dramatic."

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## Dole tells Europeans INF Treaty sure thing

Senator Bob Dole is telling Europeans that their fear and opposition to the INF Treaty is pointless because the treaty's ratification by the U.S. Senate is certain, according to members of a German delegation that recently visited the United States. The delegation met with "conservative" senators in the United States to seek their advice on what to do about the treaty, which confronts Europe with the prospect of near-term Soviet domination.

German conservatives, among them members of the parliamentary caucus of the Bavaria-based Christian Social Union (CSU), were told by Dole that "everything is set in the Senate for the ratification of the INF Treaty."

Dole's voice is just one in a chorus of "conservatives" who are staging a synthetic opposition to the treaty, using the line that the treaty is bad, but opposition to it is hopeless.

Henry Kissinger keynoted a meeting of all CSU parliamentarians on Jan. 7-9 in Bad Kreuth, Bavaria, with the expected line that "even if the INF deal is bad, let's ratify it, because it's a *fait accompli*." CSU party chairman Franz Josef Strauss, who met with



Gorbachov in Moscow for more than two hours Dec. 29, was expected to give the Soviet view of affairs at the same meeting.

## Army to build fake weapons

The U.S. Army doesn't have the funds to build real weapons, so it is going to build fake ones. According to an AP wire Dec. 28, the Army plans to increase its use of decoys and fakes, including tanks made out of canvas, in order to "fool" the Red Army into thinking there is something like a parity conventional force facing them in Europe.

"We will always be outnumbered conventionally. These are a force multiplier," Stephen P. Rosa, vice president of TVI Corp., is quoted. TVI is building some of the fake tanks for the Army.

An M-1 tank costs about \$3 million, a fake one about \$3,500. The Army has 4,000 real M-1s, and plans to outfit each with one or more fake M-1s at a cost of \$7.5 million.

In another funding related decision, the U.S. Air Force has announced that it may abandon the U.S. anti-satellite program, according to the *Defense Daily*. The Air Force has proposed saving \$500 million in the FY88 budget by dropping the program.

Congress has not allowed testing of the F-15 air-launched intercept system for the past three years, according to the journal.

The Soviets have had an operational ASAT system for the past 15 years, and are developing and testing ground-based laser systems in their second-generation ASAT program. With the new capabilities of the Energiya rocket, first launched last May, the Soviets will be able to strike at almost any U.S. satellite, including those in high Earth orbit.

## Hart off hook for 1984 debts

A federal magistrate in Denver ruled Dec. 31 that Gary Hart's 1988 presidential campaign has no legal obligation to pay the debts

Hart ran up in his 1984 race.

The decision could prove to be both a fiscal and legal boon to Hart's off-again-on-again 1988 effort, which has been plagued by lawsuits and asset-seizures stemming from his 1984 campaign debts.

Magistrate Richard B. Harvey rejected efforts by two of Hart's 1984 creditors to garnishee a \$100,000 certificate-of-deposit held by a bank in the name of Hart's 1988 campaign.

"By my ruling," Harvey wrote, "there is a judicial determination that [Hart's 1988 campaign committee] is not legally obligated to pay the bills of" the 1984 campaign entity.

Meanwhile, TV preacher Pat Robertson has reversed his stand that matching funds are "immoral," and has decided to accept \$4.5 million from the Federal Election Commission.

## Illinois girds for new LaRouche campaign

Illinois politicians are worried about a repeat of the stunning March 1986 Democratic primary victories of candidates supporting the policy programs of Lyndon LaRouche, who is himself currently a presidential candidate. Those victories for statewide office effectively ended the political career of gubernatorial candidate Adlai Stevenson III, who refused to run on the same slate with the LaRouche candidates, and exposed how out of touch with the voters the official party leadership really was.

Currently, "LaRouche Democrats" have filed for various Illinois offices, and state party chairman Vince Demuzio, has already announced that he has asked his attorneys to review the petitions of the LaRouche candidates for a possible challenge to their ballot status.

Don Rose, a campaign strategist for former Chicago Mayor Jane Byrne, said that he expected those candidates running against the LaRouche slate to run "a strong smear campaign" to make sure voters didn't vote for them. The press will also have to do its part to keep the LaRouche candidates from winning again, he said.

## Briefly

● **TOM WICKER**, in a Dec. 29 *International Herald Tribune* column, announced the presidential candidacy of "Mr. X," who parrots Lyndon LaRouche on the need for "useful jobs . . . rebuilding this country," employing laid-off industrial workers who have "found new jobs only in the service sector . . . reconstructing our decrepit and dangerous highway bridges, replacing crumbling sewerage and water systems in center cities," and raising "tax revenues from people rejoining the work force." He then mixes in "population control" and other "post-industrial" themes.

● **THE DITCHLEY FOUNDATION** and the Chicago Council on Foreign Relations will sponsor a forum, "Agenda for the Next American Presidency," in Britain in May 1988. A Ditchley director said he finds the 13 media-publicized U.S. candidates "not impressive." The same concern will doubtless be heard at the annual Trilateral Commission meeting in April in Tokyo, and the annual Bilderberg meeting in Austria in June.

● **OLIVER NORTH** has asked the U.S. Supreme Court to block the continuing probe of independent prosecutor Lawrence Walsh. In a brief filed Dec. 30, North said that "people who have no business" looking into his "personal and private life" are learning about it through the testimony of individuals with "intimate knowledge" of his life.

● **THE STATE** Department has kept extremely quiet about two Chinese diplomats in Washington who were arrested and expelled as spies, but an embassy official confirmed that the two had been sent home.

● **GEORGE BUSH'S** presidential candidacy may or may not be affected, but President Reagan made a point of saying in his New Year's message to the Soviet Union, "I'll still be President next January."

### *Why is America grounded?*

It took two-and-a-half years after the United States entered World War II to reach D-day. During that time, the United States amassed the logistical capability to support a 1.9-million-man invasion of the European continent, and there is good reason to suppose that the task could have been accomplished a year earlier. It is now assured that more than two years will elapse before the United States will relaunch the Space Shuttle.

As 1987 came to its end, news media throughout the United States recorded the story of the latest series of disasters to the U.S. space program. Contrasting with the news that new problems had been found in the redesigned Shuttle booster—the apparent failure of an inner seal in the nozzle of the rocket—and an explosive fire in the Morton Thiokol works where the first stage of the MX missile is produced, was the return of Soviet astronaut Yuri Romanenko after a record 326 days in space.

It is still not clear what the effects will be of delaying the Shuttle and MX production. (Indeed, the failure of the Shuttle booster may be more apparent than real, since special procedures are used to douse flames during a test, creating stress conditions that do not occur in actual flight.)

In themselves, neither accident could be considered a disaster, yet, the string of setbacks and accidents to the U.S. program of which they are part, is nothing less than disaster.

Last year, NASA and the Air Force found Thiokol safety and engineering practices to be below standard. Northrup has been criticized for failure to test certain electronic components of the cruise missile. We are also seeing a mounting list of disasters and near disasters in our civilian air travel, the latest a passenger jet splitting in half after a hard landing.

This is the cumulative result of years of economic recession, eroding the industrial base of the United States. This has been coupled with consistent congressional underfunding of the defense budget and space program. Whatever the faults of the management at U.S. aerospace firms, they have been given no alter-

native but to cut corners wherever and whenever possible.

Concerning parallel erosion of the civilian transportation infrastructure, the key is the aging of planes in service, rather than problems in manufacture, but the end result is the same.

Failure to provide for a margin of error means that every problem is magnified. The essence of a healthy economy is built-in redundancy. What appears to the ignorant as a squandering of resources is as essential to maintaining a flow of production as spare parts are to maintaining machinery.

A crash program is only an intensification of the methods of successful industrial production. New technologies are deliberately developed in parallel, rather than waiting for each step of the process to be proven before beginning the next. What appears as waste—when errors emerge and processes are scrapped—is more than made up by the rapid increase in productivity that spins off from the cascade of new technologies developed.

The Apollo program succeeded because President Kennedy insisted that it be conducted as a crash program or not at all. In his 1961 speech to Congress proposing that an American land on the Moon within the decade, he said: "Let it be clear that I am asking the Congress and the country to accept a firm commitment to a new course of action—a course which will last for many years and carry very great costs. . . . If we are to go only half way, or reduce our sights in the face of difficulty, in my judgment it would be better not to go at all."

Recently, the budget line for the space station was cut from the original NASA request of \$1.2 billion, to \$767 million, and then to \$425 million. And this, after last year's reduction of its projected size by half, from four to two modules. It is foolish to suppose that such cuts can be absorbed by merely slowing the time of launch. They are a built-in recipe for disaster. Not only is it foolish, but in the face of the Soviet challenge, is it anything short of treason?

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