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EIR

From the Editor

Pope John Paul II's new encyclical, *Sollicitudo Rei Socialis*, is directed not only to the hierarchy and faithful of the Roman Catholic Church, but to "all people of good will" everywhere. Including ourselves among the latter, *EIR* is pleased to publish lengthy extracts from this document, as part of our commitment to provide a forum for debate on the critical topic of a new world economic order.

Among the responses to the Pope's writing, we have just received one from presidential candidate Lyndon LaRouche, which will be reflected in the next issue of *EIR*. It would be unfair to reduce LaRouche's extended comments to the space provided here; suffice it to say that LaRouche, *unlike* the author of *Sollicitudo Rei Socialis*, requires there be no separation of morality from the "technical means" of solving the tragic problems chronicled in the encyclical.

As we were going to press, several stories were breaking:

- The United States government committed its most flagrant act of madness to date, intervening directly into Panama to try to force long-time U.S. ally Gen. Manuel Noriega out of his command at the head of the Panama Defense Forces. Our perspective on this may be seen in two news articles (pages 12, 49) as well as in the closely related stories on the Colombia-Venezuela anti-drug front, pages 50-52. For a glimpse into the U.S. drug lobby that is boosting the actions against Panama, see the book review on page 39.

- Mass unrest has broken out in the East bloc countries and within the Soviet Union itself, possibly signaling the imminent political demise of Secretary Gorbachov. See pages 46-48.

The centerfold this week contains a special item which can be copied or even detached, for use by citizens who wish to confront their senators in this election season. It enumerates the reasons why the INF treaty is a tissue of treason, filled with loopholes to the Soviets' advantage, a document of unilateral surrender by the West to Moscow. Read it together with the shocking analysis of what is afoot with the West German Army, on page 53, and you will understand why Europe cannot be defended against Soviet attack if the INF treaty is ratified.

Nora Hamerman

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What LaRouche's oil import tariff would do

by Chris White

Presidential candidate, and economist, Lyndon LaRouche, Jr. has been campaigning for a trigger price tariff on imported oil since his February 1986 review of the State of the Union. LaRouche has called for a trigger price to be established, at around \$26 per barrel—the tariff to be put into effect whenever the world price falls below that level.

The deepening crisis that we are now facing was exacerbated, during the early months of 1986, by the refusal then of the self-styled “powers-that-be” to even consider such measures. Some in and around the Reagan administration took the usual tack, arguing that such a tariff would violate the purity of their commitment to free enterprise, and the untrammelled exercise of the “magic of the market.”

This approach was reiterated most emphatically in George Bush's “Dole Straddles” campaign ads. Since Bush opposes taxes on imported oil, the ads ran in the Northeast, which is dependent on imported oil. It would have played differently in Texas.

Others, like Sen. Lloyd Bentsen (D-Tex.), have argued for the imposition of an excise tax on imports of oil. Their argument, against those of Bush et al., being that such taxes would help domestic production, and provide new revenue for the Treasury to combat the spiraling growth of the budget deficit.

Now that the world “spot market” price for crude has breached the \$16 per barrel level, again, the question of an import tariff has, again, become a matter of burning national importance. It is therefore crucial to step away from the ideological bugaboos, and the pandering to popular opinion on what supposedly constitute pocketbook issues—i. e., how cheap or dear the price of oil is—to look at what's involved economically.

The urgency of this is impelled from two directions.

On the one side, the United States is richly endowed with such resources as oil, and it is plain stupidity, or worse, for the country to be dependent on foreign oil, to the tune of almost 40% of its consumption. There are many countries around the world, including in the relatively developed economies of Western Europe and Northeast Asia, which need the oil a lot more than the United States does, and do not have the option of accessing domestic sources. Then, what we did import needn't originate primarily from the Persian Gulf states. If we insisted on importing, we could do so from our neighbors, like Mexico, to the south.

The approximately 40% of total oil consumption requirements that is imported, accounts for approximately \$40 billion of the \$160-170 billion trade deficit. If imports of refined petroleum products are added to the crude imports, the share of oil in the trade deficit goes up by another \$30 billion or so. Autos and auto parts bring the total to nearly \$120 billion of the total deficit. Clearly, if the trade deficit, which all the pundits keep complaining about, is going to be reduced, it will be because the level of oil imports has been reduced. Or, it will not be.

Thus, nationally the resources exist to produce a significant chunk of what is now imported, and by fostering domestic production, the trade deficit would be on its way to coming under control.

That's part of the accountant's balance sheet side of the matter. There is more to it than that, but on this basis alone, one can conclude that anyone who opposes a tariff on imported oil, isn't serious about reducing the trade deficit, and doesn't give a hoot about the domestic economy. No one should think George Bush “straddles” on that question.

The other side of the matter is shown by the state of the financial system. Federal Deposit Insurance Corporation (FDIC) chairman William Seidman's preliminary report on the performance of the U.S. banking system during 1987, delivered recently in a speech to the Conference Board, shows why. The earnings of the banking system as a whole fell to 0.13% of the system's assets. Profits were roughly \$3 billion, out of roughly \$3 trillion in assets. This can be gussied up with all kinds of trimmings, to the effect that it was the worst year for U.S. banks since the depths of the last Great Depression. It's all true. But the plain fact is, on that performance level—a five-fold decline in profitability from the year before—that the banking system, as a whole, is bankrupt.

Impact on the financial system

Now, no one in their right mind would let the insane incompetents who created that bankruptcy, in successive phases since the mid- to late-1960s, off the hook, by arguing that it's all caused by falling oil prices. It isn't. It has been caused by a spreading cancer of a financial bubble, swelling out of usury and speculation at the expense of the economy and production. The oil price has been a key part of it, because expected earnings from oil are parlayed into real estate valuations, and into collateral on the floating of various types of speculative paper. The 1986 fall in the oil price wiped out one tier of that paper. The 1988 fall in the oil price is pulling down another.

And with it, could come down whole chunks of the banking system, held up until now by inflated real estate and other paper, collateralized against non-existent oil revenues. It is easily seen, given the way credit has been spawned over the recent years, that a \$1 fall in the price of oil pulls the plug on somewhere between 10 and 20 times the discounted value of the expected earnings on the oil. To the extent the real estate titles and other paper are discounted, out of the so-called oil sector in the Southwest, and into the banking system as a whole, the collapse of the collateral underlying the paper threatens to pull down the banking system.

Those, like George Bush, who insist that there be no such tariff on imported oil, are effectively arguing for precisely such a collapse of the national banking system, through the collapse of the collateral which underlies speculatively pyramided real estate values. That is the truth of it, whether they know it or not. And if they don't know it, where do they get off with such strong opinions on things which are really matters of national life or death?

Last year, according to Seidman, 36% of the banks in the Southwest that are part of the system administered by the FDIC were operated at a net loss. That number compares with 8% of the banks east of the Mississippi and 24% of those west of the Mississippi. It's all hokey, because in reality, the money-center mega-banks of especially New York, are in the worst shape of any. But they own the politicians and bureaucrats, so no one talks about it.

The new collapse in the oil price ought to be just about enough to drag Southwestern banking down, and suck a sizeable chunk of the rest of the national banking system into the vortex with it. That may well be what is now afoot with the depositors' pullout from First Republic Bank in Dallas. Shut out of money-market centers, the Dallas bank has spread its paper generously around the whole region. Tremors from that quarter could help pull the whole thing down (see *Business Briefs*, pages 18-19).

The oil import tariff would help prevent the worst of that.

Benefits of the tariff policy

Some ask, how much revenue would such a measure generate? Directly, it wouldn't. Indirectly, it would, and would further give us options that we don't now have. The trigger price tariff would not directly raise revenue. What it would do, is set a base price for oil on world markets. Since the trigger price would be the base price, the industry's production would merit credit to that level. Then exploration and capital equipment purchases could begin again, in the knowledge that the price will hold, such that credit extended can be honored. Employment opportunities would be created in the oil and oil services industries. These indirect benefits of the tariff would send monies into the Treasury's revenue stream, by way of the overall growth of the tax base.

Then, too, the renewal earnings in the oil and related industries would help shore up the banks and financial institutions which are now threatened by inflation in real estate values, and find themselves out of the collateral which was supposed to shore up such holdings. Keeping banks open also does wonders for the Treasury's revenue stream, and for local communities, too.

Here, the increase in the price of oil to parity levels is offset in its impact on consumption by the overall growth in wages, and by the reduction of usury, speculation, and ground-rent's share of business and household income.

It could all be done so rationally, and without any of the "pain" that the partisans of witch-doctor economics insist is necessary to get out of the crisis. The financial powers that caused the mess would have to change their ways, but everyone else would be better off.

Those, like Ayatollah Alan Greenspan, who, from his position as chairman of the Federal Reserve, retails the line that the crisis can be delayed until next year, after the elections, actually turn out to be blind to the kind of process that's under way. The collapse of earnings of the oil sector typifies the collapse in real earnings for the economy as a whole. The collapse in the economy undermines the bankrupt financial system, even as Greenspan and his friends insist that they have everything under control. The reversed leverage of the loss of oil earnings, as collateral on supposedly secured financial paper, is again typical. To the extent that this crowd insists on opposing the oil tariff, they are participating in the collapse of the very system they purport to defend.

Danish economy, caught in debt trap, a harbinger for the U.S. collapse

by Poul Rasmussen

If you want to know where the U.S. economy is going, take a close look at the economy of Denmark. This line might sound like a ludicrous suggestion given the enormous differences in size and internal composition of the two economies. But disregarding the obvious differences, there is one very good reason for making this comparison.

The United States is now a net debtor nation, and Denmark has been one for 25 years. The rapidly growing foreign debt of the United States will soon trap the entire U.S. economy in exactly the same way as the Danish economy has been trapped for a number of years.

Although Danish government officials and economists never say so in public, the ugly truth is, that Denmark is no longer capable of paying back its foreign debt. The debt trap has closed, and the annual interest payments on the Danish foreign debt today exceed what can be extracted from the real economy of the country.

One look at the Danish balance of payments compared with the balance of trade reveals the problem (Table 1). Since 1982 the annual debt service (interest payments) has been in excess of \$3.5 billion. In a country with only 5 million inhabitants and a Gross National Product (GNP) of approximately \$100 billion (1987) this is simply more than you can possibly extract from foreign trade. The result is an ever-growing foreign debt (Figure 1).

The scary part is the fact that not even those years with a

significant surplus in the balance of trade will have the slightest impact on this process. Today, the Danes would have to generate an export-over-import surplus of \$5 billion a year

FIGURE 1
Danish foreign debt more than quadrupled, 1971-87
billion \$

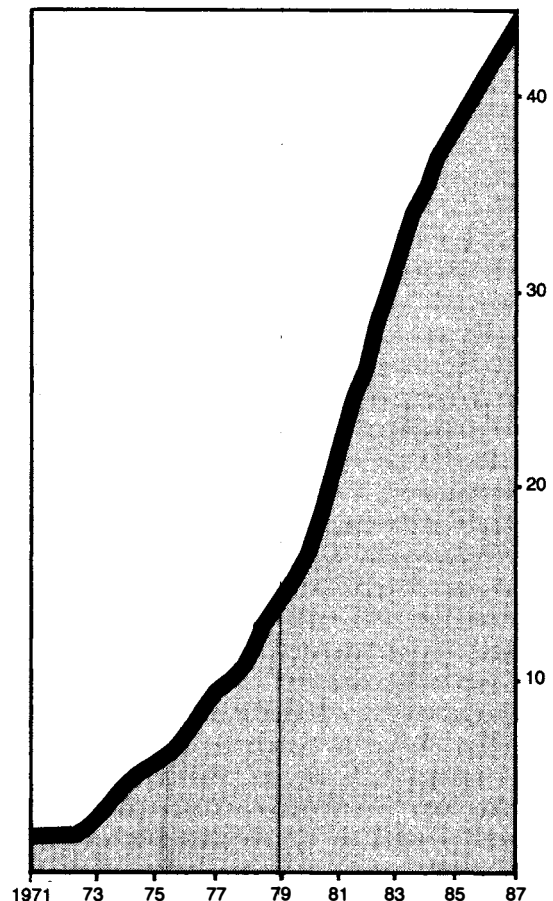


TABLE 1
Denmark's balance of trade, balance of payments plummeted since 1980
(in billions U.S.\$)

	1980	1981	1982	1983	1984	1985	1986	1987
Balance of trade	-0.59	+0.17	-0.12	+0.95	+0.99	-0.31	-1.03	na
Balance of paymtns	-2.06	-1.89	-2.96	-1.97	-2.74	-4.47	-5.30	-3.50

just in order to cover the net interest payments. This is almost five times the all-time record surplus on the Danish balance of trade in 1984.

So, even if the Danes outdo themselves in export earnings and at the same time cut imports severely, the foreign debt would still continue to grow. Economists from the Danish Industrial Council have calculated that it would take Denmark 45 years to repay its foreign debt, if the entire population were to cut its living standards by 14% or simply stop consuming anything for 49 days a year.

Today, the total private and public foreign debt of Denmark amounts to \$45 billion. With a population of only 5 million people, that makes the highest per capita indebtedness in the world.

Permanent payments deficit

For the moment, the eyes of the international financial markets are nervously following the ups and downs of the U.S. balance of trade deficit, but economists from the Danish Bank of Jutland (Jyske Bank) have warned that this is the wrong place to look for real indicators of the U.S. economic development.

The U.S. has only been a net debtor nation since 1985, but its foreign indebtedness is growing at a staggering speed. Therefore, Bank of Jutland warns that it will not take long before the U.S. finds itself in the same "debt trap" that closed itself upon Denmark some years ago.

In the last quarter of 1987 the total interest payments on the U.S. foreign debt exceeded the total interest income. With the still-growing U.S. indebtedness, these interest payments will grow exponentially, and the United States will soon find itself looking at a balance of payments deficit as

permanent as the one presently haunting the kingdom of Denmark.

Bank of Jutland predicts that the U.S. balance of payments deficit will reach notable amounts as soon as the end of the first or second quarter of 1988. From then on, minor changes in the U.S. balance of trade deficit will no longer impress the financial markets. A rapidly growing balance of payments deficit simply demands a solid and significant trade surplus, if the foreign indebtedness can be prevented from going through the ceiling.

Very conservative estimates by the Bank of Jutland show that the situation might already be out of control. Assuming a continuous improvement in the U.S. balance of trade deficit in the next four years, combined with a continuously falling dollar which will counterbalance the growing servicing of the U.S. foreign debt, thereby fixing the balance of payments deficit at its current level of \$150 billion, and an annual real growth of 1.8% with inflation of 3.5%, the growth of the U.S. foreign debts will still look as it does in **Figures 2 and 3**.

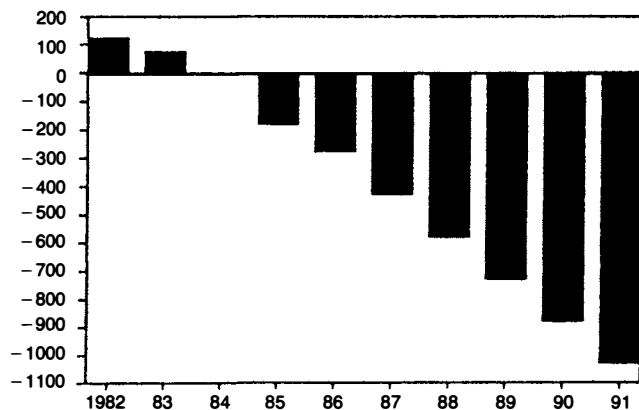
The rapid growth of the U.S. foreign debt will soon create a balance of payments deficit vastly exceeding what the country possibly can hope to extract from its foreign trade. The "debt trap" will have closed upon the United States of America.

What went wrong in Denmark?

Denmark has lived with its balance of payments deficit for 25 years, but now the debt problem has taken proportions that severely threaten the economic foundations of the country. With a GNP-to-debt ratio of 40%, you have a country in trouble (**Table 2**).

FIGURE 2
The U.S. foreign debt, 1982-91

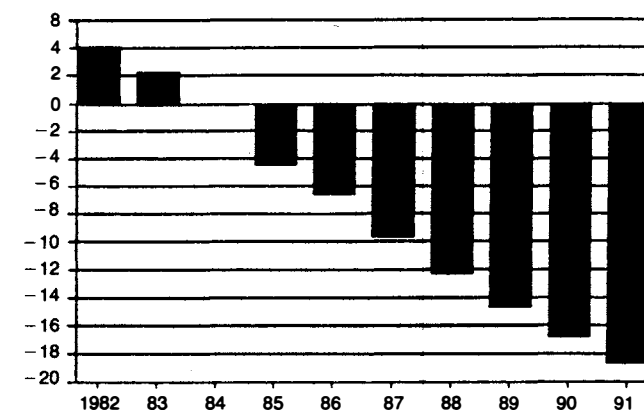
(billions of U.S.\$)



Source: Bank of Jutland.

FIGURE 3
U.S. foreign debt, 1982-91

(% of GNP)



Source: Bank of Jutland.

TABLE 2

Denmark surpasses developing countries in debt-to-GNP ratio

% of GNP	1980	1981	1982	1983	1984	1985	1986	1987
Denmark	26	30	35	38	40	39	39	39
Devel. countries	21	22	26	31	33	36	35	na

EIR has recently completed a comprehensive study of the major elements of the Danish economic crisis. Because of the significant differences between the U.S. and Danish economies, the results of this study do not relate directly to the present U.S. situation. Nonetheless, it should be of interest to see how a fellow OECD nation ended up with a debt problem, surpassing that of any "Third World" country (Table 3).

The *EIR* study clearly reveals that the key changes in last 25 years of Danish economic development are due to drastic changes in the world economy and the international financial markets, and not internal economic factors.

As a matter of fact, being an export-dependent country, Denmark has been conducting itself fairly well in the last 10-15 years. Since 1974 the volume of imports has only risen 31%, while exports have grown 79%. Why then the balance of payments deficit?

Like many other nations, Denmark has suffered from a series of economic disasters sweeping across her borders from the outside world.

The first major disaster was the oil crisis of 1974. Being a modern industrialized country, Denmark was totally dependent upon its oil supplies. The sudden 400% inflation in oil prices sent the Danish trade deficit through the ceiling. From 1973 to 1974 the Danish balance of trade deficit soared 207%. With no financial reserves, the only way Denmark could finance this deficit was through foreign loans.

Over the next two years, from 1974 to 1976, the Danish foreign debt increased 117% and the balance of trade deficit

reached \$2.5 billion, of which 120% came from increased oil prices. In other words, had it not been for the oil crisis, Denmark would have had a significant surplus on its balance of trade in 1976.

From 1976 to 1978 the Danish foreign debt increased another 61%, reaching a total of \$10 billion. By now the increased burden of interest payments began to show. The interest payments as a percentage of the Danish export earnings had gone from 2.7% in 1973 to 7.6% in 1978.

The major changes in the world economy in 1979 hit Denmark very hard. First, the second oil crisis, where the oil prices hit \$35 per barrel, and then the "fight inflation" policies orchestrated by the newly appointed chief of the U.S. Federal Reserve, Paul A. Volcker.

By tightening the U.S. money supply and letting U.S. interest rates reach usurious levels, Paul A. Volcker certainly did stop the collapse of the dollar, but he also destroyed the national budgets of every American ally across the world.

In just one year, the Danish foreign debt rose by 31%, or \$3.1 billion. Of this \$3.1 billion, 30% represented increased interest rates. The debt bomb had been ignited.

By 1982, when the Mexican debt bomb exploded, the Danish economy had been sent into a tailspin. From 1979 to 1982 the Danish foreign debt increased by 144%, ending up at \$25 billion. At this time the "debt trap" began to close. Interest payments as a percentage of Danish export earnings had reached 14.4%.

In the following three years, the debt strangulation of the Danish economy was finalized. Although the Danish balance of trade showed an average surplus of \$500 million, the Danish foreign debt increased another 63.6% in those three years. By the end of 1986 the total foreign debt of Denmark had reached \$40 billion and the annual interest payments amounted to 16.2% of total export earnings.

Summing up the effects from the 1974 and 1979 oil crises, the Paul Volcker high interest policies of 1979-82, and the failure of President Reagan to solve the debt crisis in 1982, the Danish economy was totally destroyed. Despite a 27% increase in the productivity of the Danish economy, and despite a 79% increase in export volume (against a 31% increase in import volume), and despite an increase in the export-to-GNP ratio from 24% in 1973 to 34% in 1985, the Danish foreign indebtedness increased from 1973 to 1987 by 1,301%!

If one isolates the two major external factors of the Danish foreign debt explosion, the increased oil prices and the usurious interest rates, one comes to an astonishing result. Setting the 1971-73 interest rate/export ratio as the basis for a "fair interest" on the foreign debt, and adjusting the 1973 oil prices for inflation, the *EIR* analysis shows that the excess in usurious interest rates since 1974 accounts for 52% of the Danish foreign debt, and the remaining 48% can be accounted for by the increased oil prices. In other words, nothing of

TABLE 3

Denmark pays more interest than developing countries

% of exports	1980	1981	1982	1983	1984	1985	1986
Denmark	10.0	11.8	14.4	12.9	14.6	15.0	16.2
Developing countries	6.9	8.3	10.4	10.1	10.3	10.8	10.7

the 1974-87 increase in the foreign debt of Denmark was legitimate (Figure 4). As a matter of fact, barring a number of forced devaluations since 1974, Denmark would be a net creditor country today.

Destruction of Danish agriculture

But even if the legitimacy of the Danish foreign debt can be questioned, it is a real problem for the physical economy. To stem capital flight, Danish interest rates have been kept one or two percentage points above the international level. Together with a world-record tax burden of some 60%, the high interest rates have slowly brought the Danish productive sector to its knees.

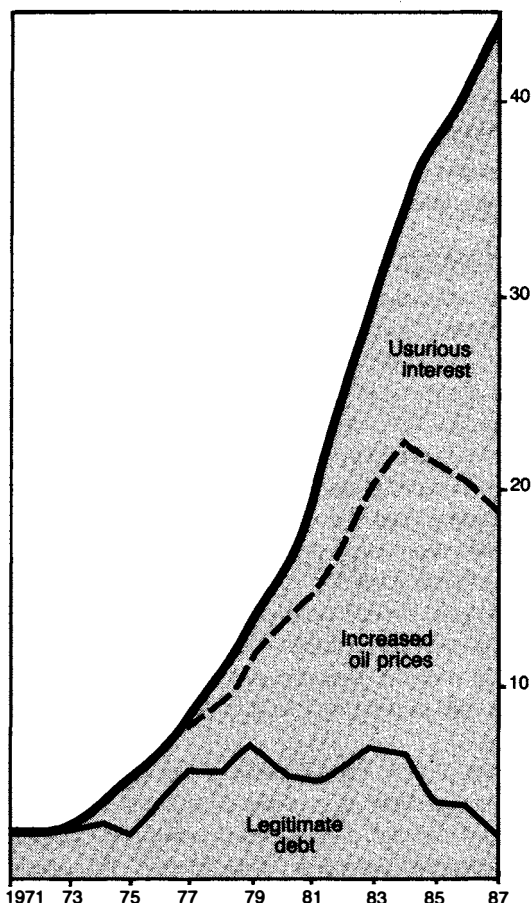
Today, Danish agriculture is the most indebted agricultural sector in Europe. The average Danish farmer spends 52% of his net income on interest payments, and in many cases his farm's total indebtedness exceeds the total value of

buildings, land, and machines.

According to the Danish Agricultural Association, 5-10,000 farmers will have to leave their farms within the next two years, unless a debt relief program is enacted. Moreover, thousands of farmers face dire financial problems because of the European Community's plans to cut European farm production by 20%. With a permanent balance of payments deficit, Denmark needs every penny of the \$7.5 billion in net export income that farmers and fishermen bring home every year. Yet the government has no active plan to save these two sectors.

Of the 25 most competitive Danish export products, 22 are related to agriculture and fishing; more than 20% of the Danish labor force is employed in agriculture, fishing, and related industries. While all Danish exports only represent 0.86% of the total volume of exports in the industrialized sector, Danish food products enjoy a much higher share of the market. Danish bacon and ham make up 42.6% of the world exports of those products. Almost 40% of world exports of dried, smoked, or salted meats comes from Denmark. Thirteen percent of all the frozen fish filets exported in the world comes from Denmark. The only industrial product to have a similar share of world exports is Danish furniture.

FIGURE 7
Composition of Danish foreign debt
billion \$



Denmark under IMF dictatorship?

In February, the International Monetary Fund made its annual review of the Danish economy. As usual, the text of the IMF report was kept secret, but the IMF visit coincided with unprecedented attacks on Danish economic policies. Interviewed by the conservative paper *Jyllandsposten*, the director of the Nordic Division of the World Bank, Ulrick Haxthausen, warned that Denmark has five years to correct its balance of payments deficit. If it fails, Denmark would have to face IMF conditionalities. The medicine prescribed by director Haxthausen has been known to Third World countries for years: massive austerity. "In many years to come, there will be no money for new cars, new furniture, red wine, or steaks," he stated. "From my work at the World Bank, I know a number of countries at a much lower level than Denmark, which have cut their living standard by 15-20% without any significant social unrest as a result."

The comments from the World Bank sparked a renewed debate on the Danish economy. Rumors surfaced of a grand coalition government, with the participation of both the Conservative and Social Democratic parties. The idea being, of course, that Denmark voluntarily implement the IMF conditionalities by itself, "to preserve national sovereignty."

One comment on director Haxthausen's warning of IMF dictatorship came from Peter Wendt, economist at the Hania Investment Bank. He said: "It is like when a person dies. It happens suddenly, and I will say that in terms of economy, we are already dead. The only question remaining is when the foreign [banks] will bury us."

European Community to limit grain production, despite shortages

The extraordinary summit of the European Community on Feb. 11-12 in Brussels decided, as expected, that at least one-fifth of the land devoted to grain production in the 12 Western European member countries will be idled, or "set aside" in the American term now widely adopted there.

This decision was made even though:

- Swiss market sources fear that this year's worldwide grain crop will be significantly below demand. Such warnings are becoming frequent.

- The land used worldwide for grain production since the record year of 1982, when around 240 million hectares were devoted to it, has been in "constant decline," and amounted last year to only 220 million hectares, according to the International Wheat Council.

- American wheat stocks have reached their lowest level since the middle of the 1970s. At the end of the current season (May-June 1988), reserves will be down to about 10 million tons. Two years ago the stockpile was still at 23.7 million tons.

Ceilings on grain, rapeseed

Since farm expenditures represent three-fourths of the EC budget, the CAP, the Common Agricultural Policy was the true protagonist of the summit, called to plan out the four years leading up to 1992, when full European market unity is supposed to come about. Austerity and the lowering of prices were planned for those years, to adjust, according to the prevailing jargon, European supply to international demand.

Total expenditures were fixed at 27.5 billion ECUs (one ECU corresponds to about \$1.22), with an annual increase which must not exceed 80% of the increase in the Community's GNP. This introduces an automatic limitation on the budget like the notorious Gramm-Rudman law imposing automatic, computer-determined cuts in the U.S. budget.

Besides lowering the budget, the summit decided on limitation of expenditures for supporting prices for grain, protein seeds, and oil seeds (foreseeing drops in prices of 12% over the next four years for grain, and 10% in 1988 and 13% in 1989 for sunflower); the idling of lands; and the doubling, by 1992, of structural funds (direct aid to victims of the crisis).

A ceiling on grain production was set at 160 million tons per year, up to the year 1991-92, under an absurd mechanism

which bears the official name of "agricultural stabilizers." Should the ceiling be exceeded by even one gram, there will be an automatic reduction of 3% in the intervention price paid by the EC to the producers. This measure is on top of a 3% "co-responsibility levy" which is reimbursed at the end of the fiscal year, if the ceiling of 160 million tons is not surpassed.

These crop levels were already reached by the EC the year before last, and will be all too easy to exceed. Especially devastating are the rules for rapeseed, for which the maximum harvest has been set at 4.5 million tons. For every percent of overproduction the price will be cut by 0.45%. Starting with the next crop, this cut will rise to 0.5%. For this summer a crop of 6.3 million is expected—a 40% surplus. That means a price cut of 18%, slashing the price to the producer by more than a third.

The malthusian logic of land "set-aside" (see *EIR* Vol 15, No. 8, Feb. 19, 1988, *Agriculture*) was also confirmed. Farmers who idle at least 20% of their productive cropland for at least five years receive a "premium" ranging from \$120-\$700 per hectare.

Disagreements

The summit ended by deciding that the agriculture "file" would be closed only after a meeting of foreign ministers on Feb. 22. The motive for putting off the final decision on the so-called agricultural reform, the "Delors Plan," was French Prime Minister Jacques Chirac's opposition to the demand of Britain's Margaret Thatcher that the agricultural "stabilizers" to contain "excess production" be applied also to wine, tobacco, produce, and olive oil. But although the decision was put off, it does not mean that it will be canceled.

The official French farm organizations, which work closely with the French government, have swallowed the EC accord with only token grumbling, because they believe they have a deal with the Chirac government to soften its impact, namely a 500 million to 1 billion franc supplementary aid fund.

In point of fact, French farmers, starting in the hardest-hit regions, are showing growing disaffection with the established organizations, and desperate commando actions such as the sacking of a market in Châteauneuf du Faou during the night of Feb. 10-11, are beginning to multiply.

In West Germany, a new federal agricultural law had

already foreseen average price drops for the current fiscal year of around 7%, and for farms concentrated on grain production, cutbacks of up to 17%, even before the EC summit in Brussels. That alone was already far more than most West German farms can endure.

The Italian government pronounced itself satisfied with the Brussels accord, but farmers are gravely worried, particularly the small Italian farmers with under 15 hectares of land, so far exempt from the measures, but waiting for the ax to fall. The World Wildlife Fund, stronghold of the European aristocracy, is jumping for joy. In a signed article in *Corriere della Sera* of Jan. 30, Italian WWF president Fulco Pratesi proclaims he would like to "freeze" 2 million hectares in Italy alone, which would amount to 20% of overall grain production.

What about the Guillaume Plan?

There was not a word in Brussels of the plan of French Agriculture Minister François Guillaume, which envisions an increase in the prices of the international market rather than an adjustment of EC prices to those of the international market.

Thus, while the French-proposed Guillaume Plan calls for confronting the financial interests and their agents from the food and agricultural cartels, by proposing to reorganize world markets on the basis of a parity price, the French government capitulated, in practice, to these same interests, which—via Brussels—are pushing a systematic policy of lowering prices.

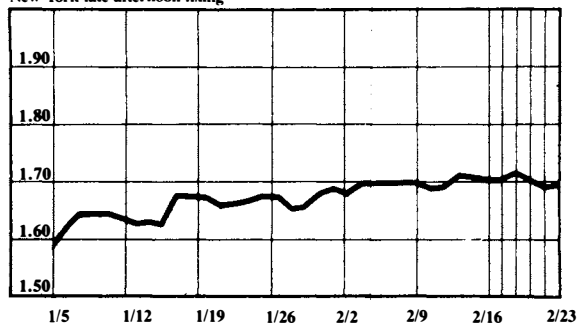
In a news broadcast on Feb. 15 by Vatican Radio, the personal views of Pope John Paul II were expressed during a renewed plea for the "New Marshall Plan" of Guillaume. The program stressed Japanese support for the initiative, following the last visit of President François Mitterrand to Japan. Maurice Halff, the postwar high commissioner responsible for implementing the original Marshall Plan in the French zone, then defended the Guillaume initiative from a recent sardonic attack in the French press. Halff said: "We must recall that the last grain sale to the U.S.S.R. was concluded at 450 francs per ton, while the average price is 1,250 francs. This is what measures the enormity of the mess and the absurdity of a situation where, in the face of the famine of millions of human beings, the mass of surplus grain piles up, which cannot be sold without breaking the price. François Guillaume rejects this dilemma. To get out of it, he requires a return to the practice of the 'just price' and the allocation of the supplementary sums collected in this manner to the cause of the Third World. Again it is necessary that the political will of the great exporting or purchasing nations be affirmed, brought together by a common action in an accepted discipline."

This article was based on reports by Marion Peretti in Italy, Christophe Lavernhe in Paris, and Rosa Tennenbaum in West Germany, and was written by EIR staff writers.

Currency Rates

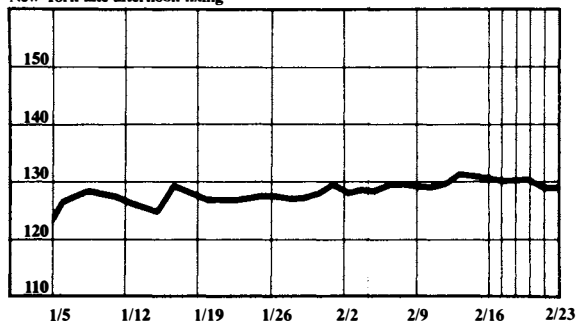
The dollar in deutschmarks

New York late afternoon fixing



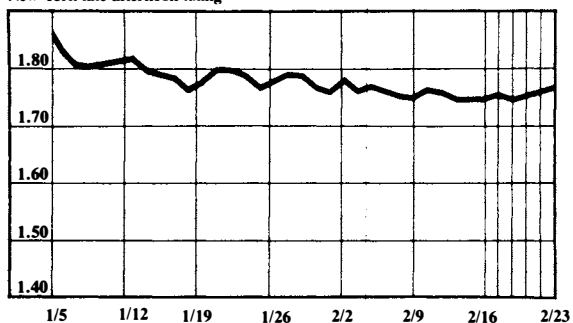
The dollar in yen

New York late afternoon fixing



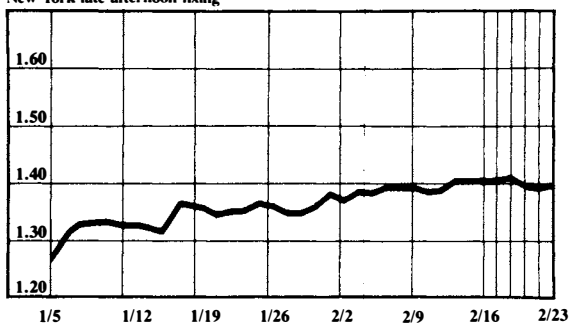
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Opposition fronts for free-zone scheme

by Gretchen Small

Panama's self-proclaimed democratic opposition movement plans to declare the entirety of Panama a deregulated free zone, the Hong Kong of the Caribbean, the opposition daily *La Prensa* revealed on Feb. 23. The British Crown Colony of Hong Kong has long served as the central depot for the immense dope-trafficking from Southeast Asia's Golden Triangle.

La Prensa reported that business circles in Panama are debating a proposal to declare the city of Colon (already the site of the second-largest free zone in the world) a free port. *La Prensa* went one step further, and suggested that "possibly all of Panama should be turned into a free zone."

This is by no means a novel suggestion. Robert Vesco, the Medellín cocaine cartel's top financier, has repeatedly attempted to set up an international free zone from which to base his operations. In 1972, Vesco worked with the Azores Liberation Front on just such a scheme. When that failed, Vesco's business partner, Costa Rican President José Figueres, offered part of Costa Rica's territory to Vesco, but Costa Rican nationalists foiled their plot. Today, Vesco directs the cartel's finances from the protection of Fidel Castro's Cuba. He seeks, however, to return to the legitimacy of the West.

If the U.S. Eastern Establishment succeeds in installing the opposition in power in Panama, Vesco's scheme to grab a country may succeed. That is where Norman Bailey comes in, the top U.S. adviser to Panama's opposition movement today, and one of the designers of the proposed Azores free enterprise zone.

Norman Bailey has bragged that he took charge of the opposition's efforts to overthrow the government and military of Panama, in order to reinstall as President his close friend Nicolás Ardito Barletta. Barletta is a member of Sol Linowitz's Inter-American Dialogue, and an enthusiastic supporter of the Dialogue's call for drug legalization to be considered. He is also a free enterprise expert, directing the revamping of Panama's offshore banking center in 1970 to be, in his words, "more secret than Switzerland."

For more than two decades, Norman Bailey has promoted the cause of "neo-liberalism," the doctrine championed by the Mont Pelerin Society that nation-states must be replaced

by "free market economies." In the 1960s, Bailey organized neo-liberal resistance in Ibero-America to the influence of mercantilism and "neo-peronism," which permit a government role in regulating the economy.

The following statement, written by him in a 1965 *Review of Politics* article entitled, "The Colombian 'Black Hand': A Case Study of Neo-liberalism in Latin America," could be read as a recipe for the current destabilization of Panama: "The activities of the Neo-liberals range from those intended to have a long-range effect on the entire direction of social and economic development in Latin America, to *aggressive attack policies* designed to provide sufficient time for the long-range policies and the process of economic development to have their effect [emphasis added]."

Bailey specified that neo-liberal "aggressive attack policies" include "blacklisting" opponents in the business community, organizing demonstrations, infiltration of "left-Jacobin organizations," and "the formation of anti-guerrilla militias."

His specialty, however, is the creation of international enterprise zones. Among Bailey's most prominent attempts were his 1972-73 negotiations with the communist regime in Romania for the establishment of an "international business center" in that country, an effort coordinated with Richard Allen. It was Allen, as National Security Adviser, who brought Bailey into the National Security Council in the first Reagan term.

Both were also involved in the fight to set up an offshore banking and business center in the Azores in the 1970s, in coordination with the Azores Liberation Front, a separatist organization of "right-wing" image formed by businessmen in the Azores. Bailey drew up a plan to turn the Azores into a "main center in the middle of the Atlantic" for trade and financial transfers. His 1975 "Project for the Economic Development of the Azores" spelled out the details: The economy of an "independent" Azores must be based on agriculture, tourism, and an International Enterprise Center, Bailey wrote. Industry must be avoided, because its pollution will harm tourism.

"Words and acts should never insinuate that industrial employment is superior or even 'preferable' than agriculture. . . ." he wrote. "There is no reason to justify an industrial development susceptible to harming the environment or the atmosphere." Above all, the "apparatus of a Central Bank must be totally avoided."

But Allen had another partner in the scheme: none other than fugitive financier Robert Vesco. For six months in 1972, Allen took a \$10,000-a-month consulting job for Vesco's International Overseas Services, just before Vesco fled the United States to avoid prosecution. "Allen said that his work for Mr. Vesco involved an unsuccessful effort to set up a financial center in the Azores," an Oct. 25, 1980 *Wall Street Journal* article reported. Vesco was already under government investigation, but Allen claimed he knew nothing about that.

Laguna Verde, hostage

Mexico's first commercial nuclear plant is being held hostage to the vagaries of presidential politics.

In November of 1987, the International Atomic Energy Commission issued its final report on Laguna Verde, Mexico's first commercial nuclear reactor and a symbol of Mexico's 21st-century industrial potential. The report stated that the nuclear complex had met all security norms and was approved for start-up. Days later, the ruling PRI party's official presidential candidate, Carlos Salinas de Gortari, declared at a campaign event that "no decision would be made on nuclear policy before consulting the people."

Salinas's statement, widely interpreted in political circles as a deliberate freeze of the project, signifies that Laguna Verde is being held hostage to the short-term exigencies of Mexican presidential politics. In fact, it is being said throughout Mexico that the delay in charging up Laguna Verde's first reactor is out of fear that the PRI will lose votes in next July's national elections—despite the fact that the hardcore ecologists in the country number less than 300!

The greenies' guru, José Arias Chávez, admitted in a Feb. 15 interview with the magazine *Mexico Journal* that his movement "has more influence" than followers. Nonetheless, he bragged that he had succeeded in terrifying the government, and suggested, "If the reactor is not loaded before the elections, it never will be, because the ecology movement is growing." This growth, he declared, includes influence "on certain state ministers, such as [former Budget and Planning Minister] Salinas de Gortari and Urban Development and Ecology

Minister Manuel Camacho Solís."

Chávez also claims the backing of presidential candidates Manuel Clouthier (PAN), Heberto Castillo (PMS), Gildardo Magana (PDM), Rosario Ibarra de Piedra (PRT), and Cuauhtémoc Cárdenas (FDN). Given that the greenies have never managed to gather more than 300 hysterics at any one time for their anti-Laguna Verde protests, it would appear that their relationship to these campaigns has less to do with votes, and more to do with running post-electoral "anti-fraud" violence. Under such circumstances, targeted violence against Laguna Verde would set the stage for "negotiating" its reconversion to a gas-burning electricity plant, as the ecologists have demanded.

As of today, more than \$2 billion has been invested in the reactor now ready for charge-up, and for part of the second reactor. Each of them represents 654 megawatts of potential energy. It would cost another \$1.2 billion to reconvert them into thermal plants. But the real costs would in fact be much higher.

Taking into account that each day of reactor inactivity is costing 932 million pesos, and that the reconversion process would take at least another four years, the total loss should the ecologists' blackmail succeed in preventing the reactors' activation would be \$1.1 billion. Adding this to previous costs, turning Laguna Verde into a gas-burning power plant would ultimately cost \$5.3 billion, nearly double the total estimated investment in the current two nuclear units!

Especially ironic is the fact that while the Mexican government is subjecting the nation to genocidal conditions in the name of "economic austerity," it is simultaneously sabotaging a critical energy source in favor of an "alternative" which would impose a several billion-dollar financial burden on the economy.

The costs would be extremely high in ecological terms as well. The 1,308 megawatt capacity of the two nuclear reactors represents 6% of the nation's current electricity production. If the ecologists are truly concerned about the deforestation of the country, they should know that 44.7% of current energy consumption in the country is supplied by wood used by peasant communities who have no access to electricity.

In the bizarre world the PRI has entered since the government's surrender to International Monetary Fund austerity dictates, reason is turned on its head—to the tragedy of the nation. It would have been far cheaper—politically and economically—for the government to have charged up the reactor and continued the massive educational campaign begun in August-September 1987, with the slogan, "The idea is to make light at Laguna Verde," which was suspended with the nomination of Salinas de Gortari as the PRI's presidential candidate.

Well-placed sources report that the key person behind the decision to halt the loading of the reactor at Laguna Verde and to submit any such decision to a national "referendum" is the current director of the Institute for Political, Economic, and Social Studies of the PRI, Enrique González Pedrero. Also governor of Tabasco, González Pedrero heads the Social Democratic faction in the PRI and is author of the book, *The Wealth of Poverty*, which argues for the deindustrialization of Mexico.

China is reaping consequences of malthusian population policy

by Mary McCourt

The People's Republic of China is characterized by a large population, a weak economic foundation, and unbalanced economic development, Acting Premier Li Peng told a Beijing meeting of leaders of China's family planning commissions Jan. 20. Caught in the middle of these crises, China's leadership is responding with the malthusian policies that will only exacerbate its problems: a return to the stringent enforcement of the "one couple, one child" policy of the early 1980s.

Subject to the world economic crisis, and facing what one expert called "enormous technology transfer curbs" due to the U.S. government decision to punish China for selling weapons to Iran, the best solution that the Chinese leadership has come up with for its economic woes has been Zhao Ziyang's announcement Jan. 22 that China "should have a sense of urgency" about attracting foreign investment and management. He wants the investment for labor-intensive, low-wage export industries in the most densely populated coastal regions. That China does not anticipate future help from the advanced industrial nations, was shown in an article by Huan Xiang, the director of the Center for International Studies of Beijing, in the Feb. 15 issue of the official *Beijing Review*, on deteriorating Sino-U.S. relations. Huan warned that "trade imbalances, financial deficits, currency fluctuations, and stock market crashes in developed countries will lead to world economic instability in a few years."

Under these conditions, China's leadership has decided to take action to prevent a potentially enormous population increase, which would occur primarily because, over the next 10 years, the huge generation born in the 1960s will come of child-bearing age.

But these policies will be difficult to implement. The population, especially the increasingly (relatively) affluent peasants, will not accept reversion to the drastic policies that led to tens of thousands of forced abortions and female infanticide in 1981. Measures to limit births will have to depend on "persuasion," as Liang Jimin, the director of the State Family Planning Commission's general office, said Feb. 17.

At the same time, demographic disaster, the result of enforced malthusian programs, is already evident. China, which still has one of the lowest per capita incomes in the world, is very rapidly becoming an "aged" nation, with an

ever-larger, dependent retired population, and a shrinking labor force that will contract by 50 million over the next 25 years. The danger of this situation was demonstrated when Deng Yingchao, the 83-year-old widow of Chou En-lai, Mao Zedong's most faithful lieutenant, called for "Peace and Happiness Death"—euthanasia—for terminally ill cancer patients. Her statement was published in January by *Health News*, in an article reviewing China's first court case of "mercy killing" of an elderly woman with liver disease. The *Chinese Women's Journal* also reported that in a poll of 199 people in the province of Heilongjiang, 89% favored euthanasia for terminally ill cancer victims.

By the end of 1987, China's total population was 1.0722 billion, an increase of more than 14.99 million over 1986. China's goal had been to limit the population to 1.2 billion by the year 2000, but at the current rate, it will be much closer to 1.3 billion by then. After many warnings over the past 18 months that its late-marriage, one-child-per-couple policies were not being followed—especially in the countryside where 80% of the population lives—the Chinese government is taking action.

The British *Sunday Telegraph* reported Jan. 10 that test-tube baby research is now going on in China, and the first such baby is expected to be conceived in July. But the issue is not just to enable infertile couples to have children. As Dr. Lu Guangxiu, leader of the research team in Changsha, Hunan Province, told the British weekly, the trial conception would be "of importance for the future quality of births." The Chinese government is worried about the high numbers of mentally handicapped children born, the *Telegraph* said. There has been open talk of killing deformed children at birth, and a law on eugenics has been under consideration for years.

State policy

Acting Premier Li Peng announced Jan. 20 that family planning will remain a fundamental state policy. "As China is experiencing a child-birth boom, such practices as late marriage, late birth, and 'one couple, one child,' should continue to be encouraged," he told the leadership of the family planning commissions. Since 1978, he said, China's natural population growth rate has dropped from 20 per 1,000 in the decades of the 1950s into the 1970s, to 11-14 per 1,000

now. "Without family planning, an additional 200 million people would have been born, calculated according to the natural growth rate of 1970," Li said. "If we do not exercise population control . . . the wealth gained from productive development will be offset by the population increase."

Li expressed the great concern of China's leadership: How to fulfill China's superpower ambitions, as rapidly as possible, and yet maintain control—and this includes preventing famine. Under Mao's rule, the population nearly doubled in 30 years. China now has 20% of the world's population—but only 7% of its arable land. Modernization of peasant agriculture is fraught with difficulties, but the government considers importing grain a strategic problem.

At the same time, no one wants to risk widespread unrest by reinstating the murderous measures carried out in 1981. Population policy never became national law, because the government feared a backlash from the population, China analyst Jonathan Mirsky wrote in the *Independent* Feb. 18. But, he continued, every locality laid down regulations, including stiff fines and career limitations for families with extra babies. In 1981, officials in one county in Guangdong Province, afraid of not meeting local birth control targets, kidnaped and forced abortions on 47,000 illicitly pregnant women, Mirsky wrote. Female infanticide—to ensure the one legal child in the family was male—reappeared in the same period.

This time, population planning should be carried out only through education, and on a voluntary basis, Premier Li said, rather than through compulsory measures. Mass organizations and non-governmental organs should do their part, he said. Decision-making power on key issues concerning family planning should remain in the hands of the party committees, while governments at various levels should be responsible for implementation. Family planning should be taken as an important index in evaluating performance of governments at various levels, he said, and emphasis should be on rural areas. Li praised the various responsibility systems used in family planning, and called on localities to work out necessary decrees on the issue.

The "contract responsibility system" will be carried into national family planning, the *China Daily* reported Feb. 16. Grassroots organizations will be required to sign contracts with women of child-bearing age, and various social insurance policies taken out for those who practice family planning. Parents of "unplanned" children will pay a fine, 10% of their salaries, and party members are likely to lose their membership.

The Family Planning Commission announced Feb. 15 that China is starting a "nationwide survey on fertility and birth," said *China Daily*, because the country needs precise information on the actual population situation in China.

What they do know, a commission spokesman said, is that in 1986, more than 21 million babies were born, an increase of 18%, or 3 million births, over 1985. An estimated 22 million were born in 1987, a 10% increase. Such rapid

increases are not expected to stop until 1995, due to the number of women reaching child-bearing age, and the increase in planned second births in the countryside. Fertility and natural population growth will peak in 1988 and 1989, the official said. In 1986, the number of fertile women increased by 8 million over 1985, and in 1987, the figure was 7 million higher. The number will increase by 8 million in 1988, giving China a total of 297 million women of child-bearing age. Adding to the rapid population increase over time, is the fact that in 1986, women were marrying at an earlier age by several years than in 1981, and highest fertility has shifted from ages 25-29, to 20-24.

'Loss of population control'

Already on Sept. 23, 1986, the sixth anniversary of the formal adoption of the one-child policy, the official *Health News* editorialized that the program was a "long-range strategic principle policy. It is the wrong idea that there is no need to stress the policy since China's economy has developed." On the next day, Beijing's municipal Communist Party sent a letter to all members in the capital area, urging them to marry late, delay child-bearing, and only have one child. "The peasants' life has been greatly improved," the letter said. "However, if there is no efficient birth control, further increases in the standard of living will be restrained by population increases."

The loss of control was not partial. One Westerner, who lived in a small village in Shanxi Province during 1986, said he saw many families with three to five children, the *International Herald Tribune* reported on Sept. 29, 1986. "If they had baby girls, they just failed to register them with the government," he said. Unregistered children are not entitled to education, food rations, or other government benefits.

The *China Legal News* also said in September that female infanticide continues to be a serious problem, citing figures from the Women's Association of Western Chongqing, where, in 1984 alone, there were 2,800 cases in which baby girls were drowned or mothers of girls mistreated.

The Chinese State Statistical Bureau's Zheng Jiaheng warned the Fifth Session of the Sixth National People's Congress in April 1987, that China's population growth might run out of control if immediate action were not taken to curb recent sharp increases in multiple births, the *China Daily* reported April 2. He said 3.12 million more babies were born in 1986 than in 1985—1.6 million more than the state planned for last year, according to *Chinese Women's News*. In 1987, Zheng said, 3.2 million women will come to prime child-bearing age, and therefore, 1.2 million more babies are expected than last year, with a net population increase of 15.9 million.

Earlier, on July 1, the *China Daily* reported figures from the State Statistics Bureau, that 40% of rural women have given birth to three or more children over the past several years. China began to implement birth control in the early 1970s, but the rate of births picked up again in 1981, and

soared in 1986, when the rate of growth reached 14.08 per 1,000—the highest in four years. Compared with 1985, second births in 1986 climbed by 1.37 million to 6.92 million, and third births topped 2.88 million.

Some of the “effective measures” were outlined by the *China Daily* in January. China has a rapidly growing “transient” population, made up of many self-employed traders and temporary workers who come into the cities from the impoverished countryside. From 1979 to 1986, more than 10 million farmers were transferred to non-agricultural production. Some 80% found local work, but the rest went to the cities. In one survey of 100,000 transients in the city of Lanzhou, according to the Jan. 4 *China Daily*, 70% of the women were not following the state family planning policy. The government acted quickly on the survey results. On Jan. 26, the *China Daily* reported, local governments issued regulations to strengthen family planning in the transient populations.

Under new regulations, rural people who come to register for work in urban industry or commerce must produce a “family planning certificate” showing their marital status, without which they cannot start work. Family planning units will start a registration system to manage birth control of young couples more adequately, both in and out of the provinces, to find out their marital status and persuade them not to have more than one child. Priority in granting licenses and job opportunities will be given to those who marry late and have only one child. Couples with more than one child will be fined 1,500 yuan for each baby—twice the average annual income in the cities.

Too many elderly, too fast

Although China certainly considers it an achievement that its population now has an average life span of 69 years—

one of the 10 longest in the world—the shift to an elderly population is going too fast, the *Economic Daily* commented last June 26. An aged population, typical currently in the industrial nations, is one where 10% of the population is over 60, or 7% over 65. At current trends, continued the *Economic Daily*, by 2025, more than 20% of the Chinese population will be over 60, and 13.6% over 65. Where industrialized nations have generally taken 40-100 years for populations to shift to such a large percentage of elderly, the *Economic Daily* said, in China, the process is taking only 18 years. In 1985, China had 87 million people over 60: 22% of the people over 60 in the world.

“Though China’s economy is developing and its living standard is rising steadily, demand posed by the fast aging population might outrun the country’s social and economic capability,” the *Economic Daily* said. Of 1983 wages, 9.3% went to pensioners, but this will rise to 15% in the year 2000, and 30% in the year 2030. The proportion of able-bodied workers to elderly in 1982 was 12.5 to 1; in 2000, this will be reduced to 9.2 to 1; by the year 2040, there will be only 2.9 workers for each elderly person.

As the World Bank predicted, per capita medical expenses will double every 10 years, and expenses for the elderly are triple those for younger people, the daily said. China must reform its old-age pension system, and state industries must accumulate funds for pensioners. No such alternatives exist for the peasantry, who have no pension system to speak of, which is, of course, one of the primary motivations for them to have numerous children to care for them in retirement. The state may have to increase taxes to pay for pensions, the *Economic Daily* said, and, “If possible, the 87 million elderly citizens should be provided with an opportunity to work again, for the well-being of the country and themselves.”

There have been grimmer warnings of the potential plight of China’s too numerous senior citizens: A researcher from the Academy of Social Sciences told an Oct. 21 international symposium at the Institute of Population Research at Beijing University, that in a developing country like China, society can hardly afford to assume all the responsibility for supporting the elderly. According to the *China Daily*, social old-age welfare programs should be financed not only by the state and collectives, but also by families, he said. But there is one great problem: By the beginning of 21st century, the national pattern will be that only two children will be getting married, while there will be the impossible task of four old people to care for. “Old-age welfare has become a social concern in China,” sociologist Lei Jieqiong also told the same meeting.

Will the “right to die” lobby, contrary to centuries of Chinese tradition, gain power in China as it has in the West, and call for the elimination of the “useless eaters”? One frightening statistic that *China Daily* carried in August, is that cases of elderly people being ill-treated by their children, increased 125% in the city of Tianjin in 1987 over 1986.

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Papal endorsement of the moratorium

Is a clash over debt policy building between the Brazilian government and the Church?

Just one year after Brazil decreed a moratorium on interest payments on its foreign debt, Pope John Paul II issued the seventh encyclical of his pontificate, addressing, among other matters, the sobering reality of a Third World strangling under conditions of bankers' usury. The Pope's statement is the best homage that has been paid to the Brazilian government's decision of one year ago, but also identifies the tragedy of the capitulation which has brought Brazil today to the brink of political and social chaos.

Financial circles in the City of London have told *EIR* that the papal encyclical *Sollicitudo Rei Socialis* sent shivers up their spines, given the influence it could have on debtor nations like Mexico, Brazil, and Argentina. They remember that when Brazilian President José Sarney declared the debt moratorium on Feb. 20, 1987, he specifically referred to the document of the *Justitia et Pax* papal commission to argue the rights of the debtor. One year later, when the same President reneged on that moratorium, delivering the finances of the nation over to the usurers, he created the basis for an unprecedented clash with the Catholic Church.

The Brazilian Church immediately endorsed the encyclical's precepts. On Feb. 20, the powerful Cardinal Vicente Scherer of Rio Grande do Sul declared that it was released "at an opportune moment," and "it must be taken seriously by those who lead the economy, and by the governments of all nations." Cardinal Scherer added, "It would not be bad to send that doc-

ument to Brazil's international creditors."

The Bishop of Nova Hamburgo, Msgr. Boaventura Kloppenburg, a member of the select International Theological Pontifical Commission and one of Cardinal Joseph Ratzinger's closest Ibero-American allies, asserted that "social problems continue to exist everywhere, and everyone is clamoring for serious and brave reforms." The Archbishop of Brasilia, José Falcão, echoed the encyclical's injunction: "Property should be subordinate to the principle that the goods of the earth are originally intended for all men."

Support for the new encyclical is expected to extend to numerous political and industrial circles of Brazil, which are still resisting the government's capitulation to the IMF and the creditor banks; capitulation that has politically gutted the Sarney government. By bringing the liberal group around former Finance Minister Delfim Netto—responsible for the 1983 recession—back into a position of power, President Sarney has made any support, even from the Brazilian Armed Forces, untenable.

The deterioration of living standards is already frighteningly evident. Levels of investment in the country, especially in the second half of 1987, have fallen dramatically. Labor ministry statistics indicate that, in 1987, real wages fell an average of 27%. Less than 163,000 new jobs—the lowest figure in three years—were created in all of 1987, as compared to the 1.3 million new people who enter

the job market annually.

As former Finance Minister and moratorium architect Dilson Funaro declared that this would have been worse "but for the moratorium, which enabled us to maintain imports and employment."

But the Sarney government continues to insist on "reestablishing relations with the international financial community." During the latest trip of Finance Minister Mailson da Nóbrega to the United States, the State Department, the U.S. Treasury, the Federal Reserve, and the private creditor banks all mounted a publicity show to prop up the credibility of the minister, who has little more than his own family and the Brazilian President supporting him back home.

Following the minister's presentation before Rockefeller's Americas Society, the attending world "financial experts" praised the Brazilian's empty promises as "terrific, a breath of fresh air in the Brazilian economic chaos." Da Nóbrega was flattered as "the leader that Brazil needs." Nonetheless, he went back to Brazil without the loan guarantees he had come to beg.

However, in the aftermath of the release of the new papal encyclical, it would appear that Brazil's bank creditors are experiencing the same chills as their City of London colleagues and are now hastening to bring the Brazilian debt issue to a quick resolution. Minister da Nóbrega announced following his return to Brazil that the creditor committee would hold an emergency meeting on Feb. 21, to define the amount of resources they would throw into the bottomless pit of Brazilian interest payments. In December, the Sarney government asked \$11.5 billion for the 1987-89 period. The bankers responded with an offer of \$5 billion, and at last count, Brazil had come down to \$7 billion.

Business Briefs

Free Enterprise

Heroin fixes: a health insurance benefit?

Trude Unruh, a Green Party deputy in the West German parliament, has advanced the proposal that drug addicts be permitted to obtain their heroin by prescription. The addicts would then no longer have to resort to criminal acts to get the money for their "fix," she told *Bild* newspaper on Feb. 15.

Bild asked who would pay for this. Unruh replied: "From the health insurance program. On the black market a gram of heroin costs about 400 deutschemarks, but normally it would only cost 27.50 DM."

What about the possibility of drug overdose deaths at taxpayers' expense, in the form of health insurance payments? The state health insurance program would become the middleman for the narcotics cartel, from whose ranks her proposal actually came.

Colombian drug trafficker Carlos Lehder—now on trial in Florida—has been a supporter of the Greens for years. In 1983, he invited Green Party leader Petra Kelly and others to visit him in Colombia.

Colombia's Medellín Cartel, previously specializing in cocaine, and of which Lehder was a part, is planning a big move into heroin trafficking, reported the *Washington Times* Feb. 23. It reports that the cartel has imported chemists formerly of the "French connection" and begun growing poppies in the jungle.

The price of cocaine in Miami has fallen 80% recently, and much less heroin needs to be smuggled to produce the same profit.

Dope, Inc.

More heroin going to Britain from 'Triangle'

An increasing amount of heroin is being marketed in Britain, and most of it is coming from the Golden Triangle. So stated a British foreign affairs official quoted in *Nation* Feb. 13.

"There have been some signs recently that more heroin is coming from the Golden Triangle" in Southeast Asia, said Tim Eggar, parliamentary undersecretary of state at the Foreign and Commonwealth Office, while visiting Thailand to inspect drug-control programs there. He said that the British government would continue to assist those programs. The British have provided Thailand with £55,000 worth of urine testing equipment, and are now seeking an extradition treaty.

The *Nation* noted that 1,280 kilograms of heroin were seized on Feb. 12 at Klong Toey port in Thailand, believed to be the largest heroin seizure in history. Eggar visited the headquarters of the Thai Police Department's Crime Suppression Division, where the seized heroin was stored.

Eggar also visited Burma to deliver testing equipment.

The Monetary System

Journal features Balladur proposals

The *Wall Street Journal* opened up its editorial page to French Finance Minister Edouard Balladur Feb. 23. He called for the opening of a discussion of monetary reform. The proposals seem to differ significantly from French Agricultural Minister François Guillaume's proposals for a new Marshall Plan for the Third World, and for international parity pricing for food products.

Balladur talks about changing the financial system without referencing the physical economy at all. It would seem that money has some kind of independent existence, in his view.

Balladur detailed the failure of the floating rates system, and announced that the Louvre Accords of Christmas 1986 and February 1987 had brought that experiment to an end. He put forward three options on what to do now. The first involved more of the present "Louvre Accord" cooperation among central banks to support currencies; the second, a world system modeled on the European Monetary System's "basket of

currencies"; the third, the preference of the author, a return to a 19th-century-style imperial gold exchange system, with modernized automatic "enforcement" mechanisms.

None of his technical proposals are especially favorable to the continued existence of the sovereign nation-state. The technical proposals also avoid the question of the political and financial consequences of replacing an existing, if bankrupt, reserve currency, the dollar, with an alternative reserve instrument.

The French minister concludes by calling for a group of wise men to be appointed "to light" the path forward.

Strategic Minerals

De Benedetti completes Belgian takeover

Italian financier Carlo De Benedetti has announced that he now controls 43% of the stock, and has thus effectively taken over, the giant Société Générale de Belgique. On Feb. 24, De Benedetti, who is chairman of Olivetti, visited Brussels to meet with Prime Minister Martens and his economic ministers to discuss his intentions.

Société Générale predates the nation of Belgium; controls 60% of the Belgian economy, and has huge holdings of minerals and lands in former African colonial possessions.

Prior to his announcement, press reports said that his alleged opponent in the takeover bid, a Banque de Suez-led group, controls only 30% of the firm, while a reputed operation by Count Etienne Davignon, former European Community commissioner, to organize small share holders in a "national bloc" to resist the De Benedetti bid, has been abandoned.

Italian and Belgium press reported that, at the beginning of February, the President of Zaire, Mobutu Sese Sekou, visited Brussels for discussions with De Benedetti on the implications for Société Générale's activities in Zaire. Of Zaire's export revenues, 38% comes from tin, 14% from cobalt, and 10% from diamonds, all controlled by Société Générale companies. Mobutu also met

with the board of directors of the Banque de Suez.

In an interview given Feb. 23 to the Milan daily *Il Giornale*, De Benedetti repeated his notorious assertion that world finance will be dominated by a very few large financial groups, and that what he is doing is what all economic groups have to do if they want to survive the financial challenges of the future.

Banking

Texas bank run to spread nationally?

The depositors' panic against Texas's second largest regional bank, the 13th largest U.S. bank, could trigger a "domino" wave of runs by depositors throughout the Southwest, London banking sources say. The First Republic Bank of Dallas, which has large holdings of non-performing oil, real estate, and other loans, is presently under the scrutiny of 65 bank examiners, flown in to pour over its books.

Other European analysts said the whole situation was "too sensitive" to comment on. When asked if this had anything to do with the Super Tuesday primary in Texas, and the ambitions of George Bush in his home state, one bank specialist said, "That is 100% correct."

A "crisis management" team headed by Morgan Stanley is desperately trying to raise funds to keep the bank operating. The bank has reportedly lost \$1.14 billion in deposits since December.

According to senior banking sources, First Republic is inextricably intertwined with the other major Southwest banks in Texas, Oklahoma, and Louisiana, because, since the oil and real estate crisis, these banks have been forced to borrow heavily from one another, after being cut off from the large New York interbank money markets.

All these banks are deemed technically insolvent, and a failure at First Republic would, therefore, probably trigger regional and even national bank panic at this point. A government bailout of the insolvent Dallas bank, would involve an estimated \$4.5

billion to keep its doors open, equalling the amount needed in 1984 to bail out the Continental Illinois. That would trigger a probable new fall in the dollar as the Fed turns on the money spigot.

First Republic, however, took out full-page newspaper ads in 14 Texas cities Feb. 23, to counter media reports that the bank is in trouble. "An Open Letter to Customers of First Republic Bank" says the bank has no plans to merge with another institution, and that deposits are backed by more than \$3 billion in capital.

Bank comptroller Robert Clarke did admit that federal examiners were going over the bank's books, but he said, "The accounts of what has been going on at the bank have been overplayed."

Finance

Ditchley to discuss decline of America

A May 19-21 Ditchley Foundation/Chicago Council on Foreign Relations conference in Wisconsin, on the theme, "The next American President: Foreign Policy Agenda and Issues," will focus, in part, on how to "manage the decline" of American financial and military power in the world, a British insider who will participate said Feb. 22.

"Some people talk of regenerating the U.S. industrially, the kind of talk you hear from Felix Rohatyn, about the U.S. regaining financial independence. Other people talk about the 'managed decline' of the United States. I think the latter is what the subject of the day should be. The United States is over-stretched and under-financed, and the elastic band will break, sooner or later. Of course, the real impact won't hit until 1989. Everybody will smoothe it away until then, but, in 1989, either there will be a retrenchment of military commitments or the economy will bust."

The British delegation to this conference will be led by Lord Windlesham, a graduate of the Benedictine Ampleforth Abbey, and one of several top liberal Britons known informally as "Ampleforth Old Boys."

Briefly

● **AMERICANS** do not believe that the nation's future will improve, for the first time since Ronald Reagan became President, a *New York Times*/CBS poll shows. The *Times* attributes the upsurge in pessimism to dismay about the state of the economy, especially the loss of the country's basic industry. Another cause for pessimism, according to the poll, is the general discontent with the "major" presidential candidates.

● **THE 1929 CRASH** and today's have parallels that are "more terrifyingly close" the more one looks at them, warned Gordon Pepper, a director at Britain's Midland Montagu investment bank. Pepper jolted an audience of economists, politicians, and businessmen, by asserting that "a severe recession" in the United States is inevitable, and that "it will be deeper than any since the war."

● **PAYLOAD SYSTEMS** of Wellesley, Mass. has become the first American firm to contract to have the Soviet Union carry a payload into space orbit. Russian astronauts will conduct the company's protein-crystal experiments on the Mir orbiting space station.

● **ISOLATION** measures have been introduced for AIDS victims in Bavaria, for the first time there or anywhere else in the West. State Secretary Peter Gauweiler said the cases involved people who are sick with AIDS, but who refused to stop acting in ways that would spread it. They are isolated in therapeutic installations and get full medical treatment, he said.

● **BRITAIN'S LARGEST** commercial bank, National Westminster, has announced record trading losses for the year 1987. The October stock market crash and related problems in its brokerage subsidiary, County NatWest, forced the bank to announce a \$203 million group loss.

Pope defends rights of man against usury and looting

by Carol White

The Papal Encyclical *Sollicitudo Rei Socialis*, delivered at St. Peter's Basilica in Rome at the end of December 1987, and published on Feb. 18, 1988, is a major statement by the Pope on the rights of man in the modern period. It is meant to address a situation in which whole sections of the globe have been scheduled for destruction, by oligarchical financial institutions which put the "sanctity" of their power literally before the most basic rights of all men to feed their families and provide a future for their children, and their children's children.

The economies of Ibero-American nations are being forcibly transformed into plantations for the drug cartels, as a way of meeting the usurious payment schedules forced upon these peoples by the World Bank, the Bank for International Settlements and the major Western private banks. Secret agreements negotiated between U.S. President Ronald Reagan and Soviet party chief Mikhail Gorbachov have defined areas of the globe which would be made available to the United States for such exploitation, while Europe and Central Asia would become Soviet spheres of influence.

Equally horrible, is the cynical exploitation, by the Russians, of Eastern Europe's captive nations, such as Estonia, which have been included within the Soviet Union. In order to support the current frenetic pace of their military build-up, they have looted these countries down to the bare bone. It is reported, for example, that in Poland there are fewer basic medicines available to the population today, than were available under the Nazi occupation during the Second World War.

It is this reality which is addressed by the papal document, and condemned as the "structures of sin." This is a document which will be read and studied by patriots throughout the world, who are seeking a means of opposing the precipitous descent into a new dark age, which presently threatens humanity. The particular proposals contained in the Encyclical have appeared in other documents issued by the Vatican over the past several years, but this document restates the commitment of the Pope to use his own full authority to expose and defeat the "structures of sin," whether they occur within the East bloc or the West.



The right to private property is valid and necessary, but it does not nullify the value of this principle. Private property, in fact, is under a "social mortgage," which means that it has an intrinsically social function, based upon and justified precisely by the principle of the universal destination of goods.

St. Lawrence distributing the treasures of the Church to the poor, fresco by Fra Angelico, Rome, Vatican Palace (1450).

He attacks the economics of Milton Friedman, liberal capitalism, and demands a restructuring of the financial system in order to free developing-sector capital for reinvestment in desperately needed high technology. In this regard, the Pope calls for the integration of an Ibero-America-wide bloc for trade and production, and he denounces the way in which nations such as the United States try to keep the countries of Ibero-America as virtual colonies.

Twenty years after the 1967 Encyclical, *Populorum Progressio* of Pope Paul VI, in which he proclaimed that "development is the new name for peace," the condition of the majority of mankind has sunk to a level of misery, that can no longer be tolerated. This is the message of this moving document.

The Encyclical should be viewed against the backdrop of the Pope's speeches over the past several years. John Paul II has traveled over the face of the globe to confront his enemies—the enemies of man and God, as he described them in a speech in Munich on May 15 of last year. There the pontiff warned of "Satan's deceptive temptation, not to take this challenge [the fight against evil in all of its guises] seriously and to avoid hardships, which often accompany the fight against the forces of evil."

In his new Encyclical the Pope pays lip service to the principle of détente, and is even-handed in his criticism of the two superpowers, the United States and the U.S.S.R.; although his impassioned plea for the rights of all nations to

national sovereignty clearly addresses the plight of the captive nations who live under Soviet domination. The reader should remember his dramatic four-day trip to his native Poland last June, when he beatified Karolina Kozka, a 16-year-old Polish peasant girl, who in 1914 refused to be raped by Russian soldiers and was, as a result, murdered by them.

The only weakness of the document is the extent to which it maintains a judicially balanced tone between East and West, and to that degree fails to differentiate between republican forces in the developed as well as developing sector, and their oligarchical opponents. The Pope correctly attacks the virus of "liberal capitalism," but he fails to counterpose this to the genuinely republican traditions of industrial capitalism, typified in the United States by the policies of the President Abraham Lincoln, who forged an alliance with Mexico's republican President, Benito Juárez.

On the question of the debt

On Jan. 27 of last year, in Rome, the Vatican's Pontifical Commission "Justitia et Pax" released a ringing call for the immediate reform of the international monetary system. That document, which was commissioned by the Pope, was called, *At the Service of the Human Community: An Ethical Approach to the International Debt Question*. It was circulated among Presidents, cabinet ministers, and financial leaders throughout the globe.

The 1987 document condemned the International Mone-

tary Fund by name, for its "authoritarian and technocratic" policies. It stated: "The phenomenon of international indebtedness has sharply increased in the last few years, presenting new challenges to the international community both because of its size and its implications. . . . The accumulation of payments due has reached such a level that many countries are no longer in a position to honor their agreements, and find themselves forced to seek further loans.

"Debtor countries, in fact, find themselves caught in a vicious circle. In order to pay back their debts, they are obliged to transfer ever greater amounts of money outside of the country. These are resources which should be available for internal purposes and investment and therefore for their own development. . . .

"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. . . . Economic structures and financial mechanisms are at the service of the human person and not vice versa."

On Feb. 20, 1987, not quite one month later, Brazilian President José Sarney proclaimed that Brazil was suspending debt payments. At the time he stated: "We are suspending our debt payments. . . . We cannot pay the debt if it means the hunger of the people. . . . A debt paid through misery, surely is an account paid at the price of democracy."

This courageous action by Brazil signaled that an end was in sight to the rule of usury. By failing to honor the fiction of maintaining debt payments, the Brazilians challenged the practice of the major Western banks, which attempted to paper over their own debt by rolling over the debt of nations such as Brazil—siphoning off their life's blood as debt service for this artificially escalating debt.

On April 6, 1987, John Paul II spoke before the foreign diplomatic corps in Argentina, just hours after arriving in that country. Implicitly endorsing the action of Brazil, he called for an "ethical judgment of the international debt, which defines the responsibility of all the parties involved, and not just that of the debtor nations."

Referencing the recent document by the pontifical commission *Justitia et Pax*, he said that in the view of the Catholic Church, beyond the "national and regional selfishness" which must be overcome, the most radical threat to peace stems from "the foreign debt of many developing countries."

On Sept. 19, 1987, the Pope came to the United States, where he addressed a stinging polemic against the liberation theologians who are rightly known as the American heresy. Noting the fate of the poor in the major American cities, as well as the degeneration of the culture, he nonetheless found inspiration in the institutions of the American republic, saying in one of his speeches: "And finally I come to join you as you celebrate the Bicentennial of that great document, the Constitution of the United States of America. I willingly join

you in your prayer of thanksgiving to God for the providential way in which the Constitution has served the people of this nation for two centuries: for the union it has formed, the justice it has established, the tranquillity and peace it has ensured, the general welfare it has promoted, and the blessings of liberty it has secured."

Two years earlier, in February of 1985, the Pope attacked those who profiteer on drugs. In a trip to Peru he told an audience of one million, in the city of Cuzco: "Egoism is also the cause of a corrupting business that has been created around the growing of coca, a product which natives sometimes use in a natural way as a stimulant of human activity, but which on becoming a drug has been transformed into a deadly poison that some exploit without the slightest scruples, with no concern about the grave moral responsibility of some reaping economic benefit at the cost of the physical and mental health of many, especially adolescents and youths who so remain incapacitated from living decent lives."

The message of the Jan. 27, 1987 document issued by *Justitia et Pax* is not qualitatively different than the voice of the Pope today, with the key exception that now it is the Pope speaking in his own voice. The call to arms in that document was quickly heeded by Brazil, but the essential battle for monetary reform remains to be won. Now, one year later, following the "Black Monday" October 1987 stock market crash, the bankers have good cause to tremble.

Integration of Ibero-America

Up until now, the nation's of Ibero-America have remained disunited. First Mexico, then Peru, then Brazil have acted to throw off the yoke of slavery imposed by the international bankers' conspiracy of David Rockefeller and his cronies, but in each instance they have acted alone, against the united force of international oligarchy. In *Sollicitudo Rei Socialis*, the Pope recognizes and addresses this weakness. He issues a call for Ibero-American integration extremely reminiscent of Lyndon H. LaRouche's similar program.

The Pope writes: "It is desirable, for example, that nations of the same geographical area should establish forms of cooperation which will make them less dependent on more powerful producers; they should open their frontiers to the products of the area; they should examine how their products might complement one another; they should combine in order to set up those services which each one separately is incapable of providing; they should extend cooperation to the monetary and financial sector."

The Pope makes the profound argument that every person who is complicit in imposing bankers' usury, whether as an agent of the usurious financial interests, or merely by failing to make join in active resistance to them, is guilty of participating in the structures of sin. Equally to the point, he has pointed his vast following in precisely the direction which they must take, to topple these structures.

From the *Sollicitudo Rei Socialis*: excerpts of the new Encyclical

Addressed "to the Bishops, Priests, Religious Families, Sons and Daughters of the Church, and all People of Good Will For the Twentieth Anniversary of *Populorum Progressio*. Given in Rome, at Saint Peter's, on 30 December of the year 1987, the tenth of my Pontificate," by Pope John Paul II.

III. Survey of the contemporary world

11. In its own time *the fundamental teaching* of the Encyclical *Populorum Progressio* received great acclaim for its novel character. The social context in which we live today cannot be said to be completely *identical* to that of twenty years ago. For this reason, I now wish to conduct a brief review of some of the characteristics of today's world, in order to develop the teaching of Paul VI's Encyclical, once again from the point of view of the "development of peoples."

12. *The first fact* to note is that the *hopes for development*, at that time so lively, today appear very far from being realized. . . .

For this reason, I wish to call attention to a number of *general indicators*, without excluding other specific ones. Without going into an analysis of figures and statistics, it is sufficient to face squarely the reality of an *innumerable multitude of people*—children, adults and the elderly—in other words, real and unique human persons, who are suffering under the intolerable burden of poverty. There are many millions who are deprived of hope due to the fact that, in many parts of the world, their situation has noticeably worsened. Before these tragedies of total indigence and need, in which so many of *our brothers and sisters* are living, it is the Lord Jesus himself who comes to question us (cf. *Mt 25:31-46*).

14. The first *negative observation* to make is the persistence and often the widening of the *gap* between the areas of the so-called developed North and the developing South. This geographical terminology is only indicative, since one cannot ignore the fact that the frontiers of wealth and poverty intersect within the societies themselves, whether developed or developing. In fact, just as social inequalities down to the

level of poverty exist in rich countries, so, in parallel fashion, in the less developed countries one often sees manifestations of selfishness and a flaunting of wealth which is as disconcerting as it is scandalous.

The abundance of goods and services available in some parts of the world, particularly in the developed North, is matched in the South by an unacceptable delay, and it is precisely in this geopolitical area that the major part of the human race lives.

Looking at all the various sectors—the production and distribution of foodstuffs, hygiene, health and housing, availability of drinking water, working conditions (especially for women), life expectancy and other economic and social indicators—the general picture is a disappointing one, both considered in itself and in relation to the corresponding data of the more developed countries. The word "gap" returns spontaneously to mind.

Perhaps this is not the appropriate word for indicating the true reality, since it could give the impression of a *stationary* phenomenon. This is not the case. The *pace of progress* in the developed and developing countries in recent years has differed, and this serves to widen the distances. Thus the developing countries, especially the poorest of them, find themselves in a situation of very serious delay.

We must also add the *differences of culture and value systems* between the various population groups, differences which do not always match the degree of *economic development*, but which help to create distances. These are elements and aspects which render *the social question much more complex*, precisely because this question has assumed a universal dimension.

As we observe the various parts of the world separated by this widening gap, and note that each of these parts seems to follow its own path with its own achievements, we can understand the current usage which speaks of different worlds within our *one world*: the First World, the Second World, the Third World, and at times the Fourth World. Such expressions, which obviously do not claim to classify exhaustively all countries, are significant: They are a sign of a widespread sense that the *unity of the world*, that is, *the unity of the human race*, is seriously compromised. Such phraseology,



Development either becomes shared in common by every part of the world or it undergoes a process of regression even in zones marked by constant progress. This tells us a great deal about the nature of authentic development: either all the nations of the world participate, or it will not be true development.

A scene in the South Bronx quarter of New York City.

beyond its more or less objective value, undoubtedly conceals a *moral content*, before which the Church, which is a "sacrament or sign and instrument . . . of the unity of the whole human race," cannot remain indifferent. . . .

15. . . . It should be noted that in today's world, among other rights, *the right of economic initiative* is often suppressed. Yet it is a right which is important not only for the individual but also for the common good. Experience shows us that the denial of this right, or its limitation in the name of an alleged "equality" of everyone in society, diminishes, or in practice absolutely destroys the spirit of initiative, that is to say *the creative subjectivity of the citizen*. As a consequence, there arises, not so much a true equality as a "leveling down." In the place of creative initiative there appears passivity, dependence and submission to the bureaucratic apparatus which, as the only "ordering" and "decision-making" body—if not also the "owner"—of the entire totality of goods and the means of production, puts everyone in a position of almost absolute dependence, which is similar to the traditional dependence of the worker-proletarian in capitalism. This provokes a sense of frustration or desperation and predisposes people to opt out of national life, impelling many to emigrate and also favoring a form of "psychological" emigration.

Such a situation has its consequences also from the point of view of the "rights of individual nations." In fact, it often happens that a nation is deprived of its subjectivity, that is to say the "sovereignty" which is its right, in its economic, political-social, and in a certain way, cultural significance, since in a national community all these dimensions of life are bound together.

It must also be restated that no social group, for example

a political party, has the right to usurp the role of sole leader, since this brings about the destruction of the true subjectivity of society and of the individual citizens, as happens in every form of totalitarianism. In this situation the individual and the people become "objects," in spite of all declarations to the contrary and verbal assurances. . . .

16. . . . Responsibility for this deterioration is due to various causes. Notable among them are undoubtedly grave instances of omissions on the part of the developing nations themselves, and especially on the part of those holding economic and political power. Nor can we pretend not to see the responsibility of the developed nations, which have not always, at least in due measure, felt the duty to help countries separated from the affluent world to which they themselves belong.

Moreover, one must denounce the existence of economic, financial and social *mechanisms* which, although they are manipulated by people, often function almost automatically, thus accentuating the situation of wealth for some and poverty for the rest. These mechanisms, which are maneuvered directly or indirectly by the more developed countries, by their very functioning favor the interests of the people manipulating them. But in the end they suffocate or condition the economies of the less developed countries. Later on, these mechanisms will have to be subjected to a careful analysis under the ethical-moral aspect.

Populorum Progressio already foresaw the possibility that under such systems the wealth of the rich would increase and the poverty of the poor would remain. A proof of this forecast has been the appearance of the so-called Fourth World.

17. However much society worldwide shows signs of fragmentation, expressed in the conventional names First, Second, Third and even Fourth World, their *interdependence* remains close. When this interdependence is separated from its ethical requirements, it has *disastrous consequences* for the weakest. Indeed, as a result of a sort of internal dynamic and under the impulse of mechanisms which can only be called perverse, this *interdependence* triggers *negative effects* even in the rich countries. It is precisely within these countries that one encounters, though on a lesser scale, the *more specific manifestations* of underdevelopment. Thus it should be obvious that development either becomes shared in *common* by every part of the world or it undergoes a *process of regression* even in zones marked by constant progress. This tells us a great deal about the nature of *authentic* development: either *all* the nations of the world participate, or it will not be true development. . . .

19. A *third phenomenon*, likewise characteristic of the most recent period, even though it is not met with everywhere, is without doubt equally indicative of the interdependence between developed and less developed countries. It is the question of the international debt, concerning which the Pontifical Commission "Iustitia et Pax" has issued a document.

At this point one cannot ignore the *close connection* between a problem of this kind—the growing seriousness of which was already foreseen in *Populorum Progressio*—and the question of the development of peoples.

The reason which prompted the developing peoples to accept the offer of abundantly available capital was the hope of being able to invest it in development projects. Thus the availability of capital and the fact of accepting it as a loan can be considered a contribution to development, something desirable and legitimate in itself, even though perhaps imprudent and occasionally hasty.

Circumstances have changed. Both within the debtor nations and in the international financial market, the instrument chosen to make a contribution to development has turned into a *counter-productive mechanism*. This is because the debtor nations, in order to service their debt, find themselves obliged to export the capital needed for improving or at least maintaining their standard of living. It is also because, for the same reason, they are unable to obtain new and equally essential financing.

Through this mechanism, the means intended for the development of peoples has turned into a *brake* upon development instead, and indeed in some cases has even *aggravated underdevelopment*.

As the recent document of the Pontifical Commission "Iustitia et Pax" states, these observations should make us reflect on the *ethical character* of the interdependence of peoples. And along similar lines, they should make us reflect on the requirements and conditions, equally inspired by ethical principles, for cooperation in development.

20. If at this point we examine the *reasons* for this serious delay in the process of development, a delay which has occurred contrary to the indications of the Encyclical *Populorum Progressio*, which had raised such great hopes, our attention is especially drawn to the *political* causes of today's situation.

Faced with a combination of factors which are undoubtedly complex, we cannot hope to achieve a comprehensive analysis here. However, we cannot ignore a striking fact about the *political picture* since the Second World War, a fact which has considerable impact on the forward movement of the development of peoples.

I am referring to the *existence of two opposing blocs*, commonly known as the East and the West. The reason for this description is not purely political but is also, as the expression goes, *geopolitical*. Each of the two blocs tends to assimilate or gather around it other countries or groups of countries, to different degrees of adherence or participation.

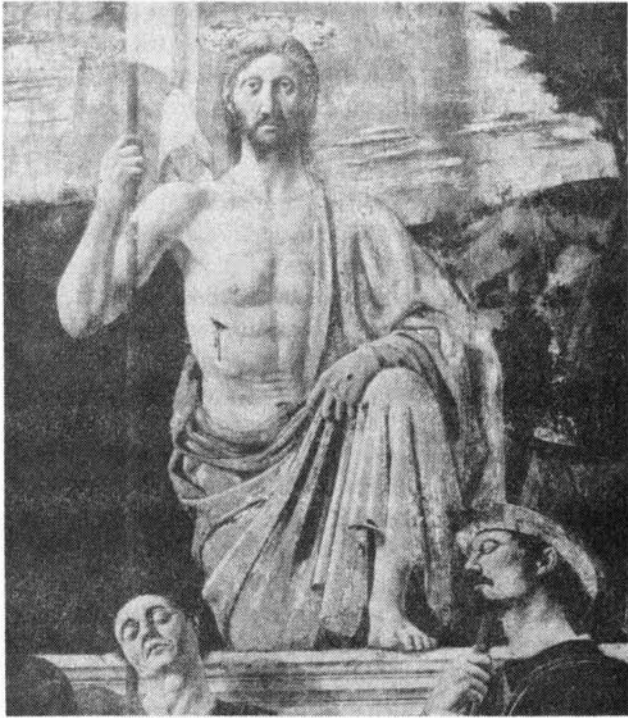
The opposition is first of all *political*, inasmuch as each bloc identifies itself with a system of organizing society and exercising power which presents itself as an alternative to the other. The political opposition, in turn, takes its origin from a deeper opposition, which is *ideological* in nature.

In the West there exists a system which is historically inspired by the principles of *liberal capitalism*, which developed with industrialization during the last century. In the East there exists a system inspired by *Marxist collectivism*, which sprang from an interpretation of the condition of the proletarian classes made in the light of a particular reading of history. Each of the two ideologies, on the basis of two very different visions of man and of his freedom and social role, has proposed and still promotes, on the economic level, antithetical forms of the organization of labor and of the structures of ownership, especially with regard to the so-called means of production.

It was inevitable that by developing antagonistic systems and centers of power, each with its own forms of propaganda and indoctrination, the *ideological opposition* should evolve into a growing *military opposition* and give rise to two blocs of armed forces, each suspicious and fearful of the other's domination.

International relations, in turn, could not fail to feel the effects of this "logic of blocs" and of the respective "spheres of influence." The tension between the two blocs which began at the end of the Second World War has dominated the whole of the subsequent forty years. Sometimes it has taken the form of "*cold war*," sometimes of "*wars by proxy*," through the manipulation of local conflicts, and sometimes it has kept people's minds in suspense and anguish by the threat of an *open and total war*.

Although at the present time this danger seems to have receded, yet without completely disappearing, and even though an initial agreement has been reached on the destruction of one type of nuclear weapon, the existence and oppo-



Anyone wishing to renounce the difficult yet noble task of improving the lot of man in his totality, and of all people, with the excuse that the struggle is difficult and that constant effort is required, or simply because of the experience of defeat and the need to begin again, that person would be betraying the will of God the Creator.

Christ rising from the dead: detail of Piero della Francesca's painting in Borgo San Sepolcro, Italy (ca. 1442).

sition of the blocs continue to be a real and worrying fact which still colors the world picture. . . .

23. The statement in the Encyclical *Populorum Progressio*, that the resources and investments devoted to arms production ought to be used to alleviate the misery of impoverished peoples, makes more urgent the appeal to overcome the opposition between the two blocs.

Today, the reality is that these resources are used to enable each of the two blocs to overtake the other and thus guarantee its own security. Nations which historically, economically, and politically have the possibility of playing a leadership role are prevented by this fundamentally flawed distortion from adequately fulfilling their duty of solidarity for the benefit of peoples which aspire to full development.

It is timely to mention—and it is no exaggeration—that a leadership role among nations can only be justified by the possibility and willingness to contribute widely and generously to the common good.

If a nation were to succumb more or less deliberately to the temptation to close in upon itself and failed to meet the responsibilities following from its superior position in the community of nations, it *would fall seriously short* of its clear ethical duty. This is readily apparent in the circumstances of history, where believers discern the dispositions of Divine Providence, ready to make use of the nations for the realization of its plans, so as to render “vain the designs of the peoples” (cf. *Ps* 33/32:10).

When the West gives the impression of abandoning itself

to forms of growing and selfish isolation, and the East, in its turn, seems to ignore, for questionable reasons, its duty to cooperate in the task of alleviating human misery, then we are up against not only a betrayal of humanity's legitimate expectations—a betrayal that is a harbinger of unforeseeable consequences—but also a real desertion of moral obligation. . . .

25. At this point something must be said about the *demographic problem* and the way it is spoken of today, following what Paul VI said in his Encyclical, and what I myself stated at length in the Apostolic Exhortation *Familiaris Consortio*.

One cannot deny the existence, especially in the southern hemisphere, of a demographic problem which creates difficulties for development. One must immediately add that in the northern hemisphere the nature of this problem is reversed: here, the cause for concern is the *drop in the birthrate*, with repercussions on the aging of the population, unable even to renew itself biologically. In itself, this is a phenomenon capable of hindering development. Just as it is incorrect to say that such difficulties stem solely from demographic growth, neither is it proved that *all* demographic growth is incompatible with orderly development.

On the other hand, it is very alarming to see governments in many countries launching *systematic campaigns* against birth, contrary not only to the cultural and religious identity of the countries themselves, but also contrary to the nature of true development. It often happens that these campaigns are the result of pressure and financing coming from abroad, and

in some cases they are made a condition for the granting of financial and economic aid and assistance. In any event, there is an *absolute lack of respect* for the freedom of choice of the parties involved, men and women often subjected to intolerable pressures, including economic ones, in order to force them to submit to this new form of oppression. It is the poorest populations which suffer such mistreatment, and this sometimes leads to a tendency towards a form of racism, or the promotion of certain equally racist forms of eugenics.

This fact, too, which deserves the most forceful condemnation, is a *sign* of an erroneous and perverse *idea* of true human development. . . .

IV. Authentic human development

27. The examination which the Encyclical invites us to make of the contemporary world leads us to note, in the first place, that development *is not* a straightforward process, *as it were automatic and in itself limitless*, as though, given certain conditions, the human race were able to progress rapidly toward an undefined perfection of some kind.

Such an idea—linked to a notion of “progress” with philosophical connotations deriving from the Enlightenment, rather than to the notion of “development” which is used in a specifically economic and social sense—now seems to be seriously called into doubt, particularly since the tragic experience of the two world wars, the planned and partly achieved destruction of whole peoples, and the looming atomic peril. A naive *mechanistic optimism* has been replaced by a well-founded anxiety for the fate of humanity.

28. At the same time, however, the “*economic*” concept itself, linked to the word development, has entered into crisis. In fact, there is a better understanding today that the *mere accumulation* of goods and services, even for the benefit of the majority, is not enough for the realization of human happiness. Nor, in consequence, does the availability of the many *real benefits* provided in recent times by science and technology, including the computer sciences, bring freedom from every form of slavery. On the contrary, the experience of recent years shows that unless the considerable body of resources and potential at man’s disposal is guided by a *moral understanding* and by an orientation towards the true good of the human race, it easily turns against man to oppress him.

A *disconcerting conclusion* about the most recent period should serve to enlighten us: side-by-side with the miseries of underdevelopment, themselves unacceptable, we find ourselves up against a form of *superdevelopment*, equally inadmissible, because, like the former, it is contrary to what is good and to true happiness. This superdevelopment, which consists in an *excessive* availability of every kind of material good for the benefit of certain social groups, easily makes people slaves of “possession” and of immediate gratification, with no other horizon than the multiplication or continual replacement of the things already owned with others still

better. This is the so-called civilization of “consumption” or “consumerism,” which involves so much “throwing-away” and “waste.” An object already owned but now superseded by something better is discarded, with no thought of its possible lasting value in itself, nor of some other human being who is poorer.

All of us experience firsthand the sad effects of this blind submission to pure consumerism: in the first place a crass materialism, and at the same time a *radical dissatisfaction*, because one quickly learns—unless one is shielded from the flood of publicity and the ceaseless and tempting offers of products—that the more one possesses the more one wants, while deeper aspirations remain unsatisfied and perhaps even stifled.

The Encyclical of Pope Paul VI pointed out the difference, so often emphasized today, between “having” and “being,” which had been expressed earlier in precise words by the Second Vatican Council. To “have” objects and goods does not in itself perfect the human subject, unless it contributes to the maturing and enrichment of that subject’s “being,” that is to say, unless it contributes to the realization of the human vocation as such.

Of course, the difference between “being” and “having,” the danger inherent in a mere multiplication or replacement of things possessed compared to the value of “being,” need not turn into a *contradiction*. One of the greatest injustices in the contemporary world consists precisely in this: that the ones who possess much are relatively *few* and those who possess almost nothing are *many*. It is the injustice of the poor distribution of the goods and services originally intended for all.

This then is the picture: There are some people—the few who possess much—who do not really succeed in “being” because, through a reversal of the hierarchy of values, they are hindered by the cult of “having”; and there are others—the many who have little or nothing—who do not succeed in realizing their basic human vocation because they are deprived of essential goods.

The evil does not consist in “having” as such, but in possessing without regard for the *quality* and the *ordered hierarchy* of the goods one has. *Quality and hierarchy* arise from the subordination of goods and their availability to man’s “being” and his true vocation.

This shows that although *development* has a *necessary economic dimension*, since it must supply the greatest number of the world’s inhabitants with an availability of goods essential for them “to be,” it is not limited to that dimension. If it is limited to this, then it turns against those whom it is meant to benefit.

The characteristics of full development, one which is “more human” and able to sustain itself at the level of the true vocation of men and women without denying economic requirements, were described by Paul VI.

29. Development which is not only economic must be mea-

For the decisions which either accelerate or slow down the development of peoples are really political in character. In order to overcome the misguided mechanisms mentioned earlier and to replace them with new ones which will be more just and in conformity with the common good of humanity, an effective political will is needed.

The Schiller Institute's recent conference on shaping a new, just economic order, in Andover, Massachusetts. From left: Institute founder Helga Zepp-LaRouche; Fred Wills, the former foreign minister of Guyana who launched the call for debt moratorium at the United Nations in 1975; Lyndon H. LaRouche, Jr., the world's foremost economic thinker.



sured and oriented according to the reality and vocation of man seen in his totality, namely, according to his *interior dimensions*. There is no doubt that he needs created goods and the products of industry, which is constantly being enriched by scientific and technological progress. And the ever greater availability of material goods not only meets needs but also opens new horizons. The danger of the misuse of material goods and the appearance of artificial needs should in no way hinder the regard we have for the new goods and resources placed at our disposal and the use we make of them. On the contrary, we must see them as a gift from God and as a response to the human vocation, which is fully realized in Christ.

However, in trying to achieve true development, we must never lose sight of that dimension which is in the *specific nature* of man, who has been created by God in his image and likeness (cf. *Gen. 1:26*). It is a bodily and a spiritual nature, symbolized in the second creation account by the two elements: the *earth*, from which God forms man's body, and the *breath of life* which he breathes into man's nostrils (cf. *Gen 2:7*).

Thus man comes to have a certain affinity with other creatures: He is called to use them, and to be involved with them. As the Genesis account says (cf. *Gen 2:15*), he is placed in the garden with the duty of cultivating and watching over it, being superior to the other creatures placed by God under his dominion (cf. *Gen 1:25-26*). But at the same time man must remain subject to the will of God, who imposes

limits upon his use and dominion over things (cf. *Gen 2:16-17*), just as he promises him immortality (cf. *Gen 2:9; Wis 2:23*). Thus man, being the image of God, has a true affinity with him too.

On the basis of this teaching, development cannot consist only in the use, dominion over, and *indiscriminate* possession of created things and the products of human industry, but rather in *subordinating* the possession, dominion, and use to man's divine likeness and to his vocation to immortality. This is the *transcendent reality* of the human being, a reality which is seen to be shared from the beginning by a couple, a man and a woman (cf. *Gen 1:27*), and is therefore fundamentally social.

30. . . . The fact is that man was not created, so to speak, immobile and static. The first portrayal of him, as given in the Bible, certainly presents him as a *creature* and *image*, defined in his deepest reality by the *origin* and *affinity* that constitute him. But all this plants within the human being—man and woman—the *seed* and the *requirement* of a special task to be accomplished by each individually and by them as a couple. The task is "to have dominion" over the other created beings, "to cultivate the garden." This is to be accomplished within the framework of *obedience* to the divine law and therefore with respect for the image received, the image which is the clear foundation of the power of dominion recognized as belonging to man as the means to his perfection (cf. *Gen 1:26-30; 2:15-16; Wis 9:2-3*).

When man disobeys God and refuses to submit to his rule, nature rebels against him and no longer recognizes him as its "master," for he has tarnished the divine image in himself. The claim to ownership and use of created things remains still valid, but after sin, its exercise becomes difficult and full of suffering (cf. *Gen* 4: 17-19). . . .

It is logical to conclude, at least on the part of those who believe in the word of God, that today's "development" is to be seen as a moment in the story which began at creation, a story which is constantly endangered by reason of infidelity to the Creator's will, and especially by the temptation to idolatry. But this "development" fundamentally corresponds to the first premises. Anyone wishing to renounce the *difficult yet noble task* of improving the lot of man in his totality, and of all people, with the excuse that the struggle is difficult and that constant effort is required, or simply because of the experience of defeat and the need to begin again, that person would be betraying the will of God the Creator. In this regard, in the Encyclical *Laborem Exercens* I referred to man's vocation to work in order to emphasize the idea that it is always man who is the protagonist of development.

Indeed, the Lord Jesus himself, in the parable of the talents, emphasizes the severe treatment given to the man who dared to hide the gift received: "You wicked and slothful servant! You knew that I reap where I have not sowed and gather where I have not winnowed? . . . So take the talent from him, and give it to him who has the ten talents" (*Mt* 25:26-28). It falls to us, who receive the gifts of God in order to make them fruitful, to "sow" and "reap." If we do not, even what we have will be taken away from us.

A deeper study of these harsh words will make us commit ourselves more resolutely to the *duty*, which is urgent for everyone today, to work together for the full development of others: "development of the whole human being and of all people."

31. *Faith in Christ the Redeemer*, while it illuminates from within the nature of development, also guides us in the task of collaboration. In the Letter of Saint Paul to the Colossians, we read that Christ is "the firstborn of all creation," and that "all things were created through him" and for him (1:15-16). In fact, "all things hold together in him," since "in him all the fullness of God was pleased to dwell, and through him to reconcile to himself all things" (v. 20).

A part of this divine plan, which begins from eternity in Christ, the perfect "image" of the Father, and which culminates in him, "the firstborn from the dead" (v. 18), *is our own history*, marked by our personal and collective effort to raise up the human condition and to overcome the obstacles which are continually arising along our way. It thus prepares us to share in the fullness which "dwells in the Lord" and which he communicates "to his body, which is the Church" (v. 18; cf. *Eph* 1:22-23). At the same time sin, which is always attempting to trap us and which jeopardizes our human

achievements, is conquered and redeemed by the "reconciliation" accomplished by Christ (cf. *Col.* 1:20).

Here the perspectives widen. The dream of "unlimited progress reappears, radically transformed by the *new outlook* created by Christian faith, assuring us that progress is possible only because God the Father has decided from the beginning to make man a sharer of his glory in Jesus Christ risen from the dead, in whom "we have redemption through his blood . . . the forgiveness of our trespasses" (*Eph* 1:7). In him, God wished to conquer sin and make serve our greater good, which infinitely surpasses what progress could achieve. . . .

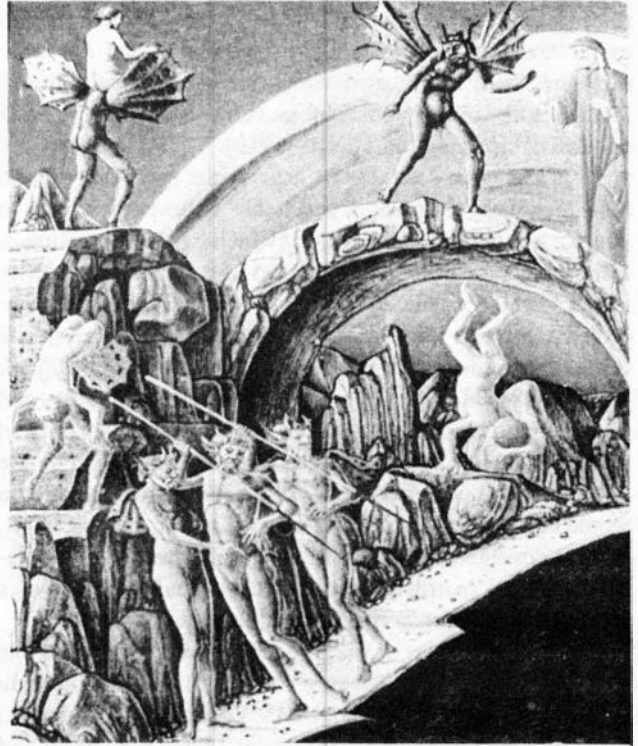
32. The obligation to commit oneself to the development of peoples is not just an *individual* duty, and still less an *individualistic* one, as if it were possible to achieve this development through the isolated efforts of each individual. It is an imperative which obliges *each and every* man and woman, as well as societies and nations. In particular, it obliges the Catholic Church and the other Churches and Ecclesiastical Communities, with which we are completely willing to collaborate in this field. In this sense, just as we Catholics invite our Christian brethren to share in our initiatives, so too we declare that we are ready to collaborate in theirs, and we welcome the invitations presented to us. In this pursuit of integral human development, we can also do much with the members of other religions, as in fact is being done in various places.

Collaboration in the development of the whole person and of every human being is in fact a duty *of all toward all*, and must be shared by the four parts of the world: East and West, North and South: or, as we say today, by the different "worlds." If, on the contrary, people try to achieve it in only one part, or in only one world, they do so at the expense of the others; and, precisely because the others are ignored, their own development becomes exaggerated and misdirected.

Peoples or *nations* too have a right to their own full development, which, while including—as already said—the economic and social aspects, should also include individual cultural identity and openness to the transcendent. Not even the need for development can be used as an excuse for imposing on others one's own way of life or own religious belief. . . .

33. . . . In order to be genuine, development must be achieved within the framework of *solidarity* and *freedom*, without ever sacrificing either of them under whatever pretext. The moral character of development and its necessary promotion are emphasized when the most rigorous respect is given to all the demands deriving from the order of *truth* and *good* proper to the human person. Furthermore, the Christian who is taught to see that man is the image of God, called to share in the truth and the good which is *God himself*, does not understand a commitment to development and its application which ex-

“Sin” and “structures of sin” are categories which are seldom applied to the situation of the contemporary world. However, one cannot easily gain a profound understanding of the reality that confronts us unless we give a name to the root of the evils which afflict us.



A scene from Dante's Inferno. (Urbino Codex, ca. 1450)

cludes regard and respect for the unique dignity of this “image.” In other words, true development must be based on the *love of God and neighbor*, and must help to promote the relationships between individuals and society. This is the “civilization of love” of which Paul VI often spoke. . . .

V. A theological reading of modern problems

35. Precisely because of the essentially moral character of development, it is clear that the *obstacles* to development likewise have a moral character. If in the years since the publication of Pope Paul's Encyclical there has been no development—or very little, irregular, or even contradictory development—the reasons are not only economic. As has already been said, political motives also enter in. For the decisions which either accelerate or slow down the development of peoples are really political in character. In order to overcome the misguided mechanisms mentioned earlier and to replace them with new ones which will be more just and in conformity with the common good of humanity, an effective political will is needed. Unfortunately, after analyzing the situation we have to conclude that this political will has been insufficient. . . .

36. It is important to note, therefore, that a world which is divided into blocs, sustained by rigid ideologies, and in which, instead of interdependence and solidarity, different forms of

imperialism hold sway, can only be a world subject to structures of sin. The sum total of the negative factors working against a true awareness of the universal *common good*, and the need to further it, gives the impression of creating, in persons and institutions, an obstacle which is difficult to overcome.

If the present situation can be attributed to difficulties of various kinds, it is not out of place to speak of “structures of sin,” which, as I stated in my Apostolic Exhortation *Reconciliatio et Penitentia*, are rooted in personal sin, and thus always linked to the *concrete acts* of individuals who introduce these structures, consolidate them and make them difficult to remove. And thus they grow stronger, spread, and become the source of other sins, and so influence people's behavior.

“Sin” and “structures of sin” are categories which are seldom applied to the situation of the contemporary world. However, one cannot easily gain a profound understanding of the reality that confronts us unless we give a name to the root of the evils which afflict us.

One can certainly speak of “selfishness” and of “short-sightedness,” of “mistaken political calculations” and “imprudent economic decisions.” And in each of these evaluations one hears an echo of an ethical and moral nature. Man's condition is such that a more profound analysis of individuals' actions and omissions cannot be achieved without implying, in one way or another, judgments or references of an

ethical nature.

This evaluation is in itself *positive*, especially if it is completely consistent and if it is based on faith in God and on his law, which commands what is good and forbids evil.

In this consists the difference between socio-political analysis and formal reference to "sin" and the "structures of sin." According to this latter viewpoint, there enter in the will of the Triune God, his plan for humanity, his justice, and his mercy. The God who is *rich in mercy, the Redeemer of man, the Lord and giver of life*, requires from people clearcut attitudes which express themselves also in actions or omissions toward one's neighbor. We have here a reference to the "second tablet" of the Ten Commandments (cf. *Ex* 20:12-17; *Dt* 5:16-21). Not to observe these is to offend God and hurt one's neighbor, and to introduce into the world influences and obstacles which go far beyond the actions and the brief lifespan of an individual. This also involves interference in the process of the development of peoples, the delay or slowness of which must be judged also in this light.

37. This *general analysis*, which is religious in nature, can be supplemented by *a number of particular considerations* to demonstrate that among the actions and attitudes opposed to the will of God, the good of neighbor and the "structures" created by them, two are very typical: on the one hand, the *all-consuming desire for profit*, and on the other, the *thirst for power*, with the intention of imposing one's will upon others. In order to characterize better each of these attitudes, one can add the expression: "at any price." In other words, we are faced with the *absolutizing* of human attitudes with all its possible consequences.

Since these attitudes can exist independently of each other, they can be separated; however, in today's world both are *indissolubly united*, with one or the other predominating.

Obviously, not only individuals fall victim to this double attitude of sin; nations and blocs can do so too. And this favors even more the introduction of the "structures of sin" of which I have spoken. If certain forms of modern "imperialism" were considered in the light of these moral criteria, we would see that hidden behind certain decisions, apparently inspired only by economics or politics, are real forms of idolatry: of money, ideology, class, technology.

I have wished to introduce this type of analysis above all in order to point out the true *nature* of the evil which faces us with respect to the development of peoples: It is a question of a *moral evil*, the fruit of *many sins* which lead to "structures of sin." To diagnose the evil in this way is to identify precisely, on the level of human conduct, *the path to be followed* in order to overcome it.

38. This path is *long and complex*, and, what is more, it is constantly threatened because of the intrinsic frailty of human resolutions and achievements, and because of the *mutability* of very unpredictable external circumstances. Nevertheless,

one must have the courage to set out on this path, and, where some steps have been taken or a part of the journey made, the courage to go on to the end.

In the context of these reflections, the decision to set out or to continue the journey involves, above all a *moral* value which men and women of faith recognize as a demand of God's will, the only true foundation of an absolutely binding ethic.

One would hope that also men and women without an explicit faith would be convinced that the obstacles to integral development are not only economic but rest on *more profound attitudes* which human beings can make into absolute values. Thus one would hope that all those who, to some degree or other, are responsible for ensuring a "more human life" for their fellow human beings, whether or not they are inspired by a religious faith, will become fully aware of the urgent need to *change* the *spiritual attitudes* which define each individual's relationship with self, with neighbor, with even the remotest human communities, and with nature itself; and all of this in view of higher values such as the *common good* or, to quote the felicitous expression of the Encyclical *Populorum Progressio*, the full development "of the whole individual and of all people."

For *Christians*, as for all who recognize the precise theological meaning of the word "sin," a change of behavior or mentality or mode of existence is called "conversion," to use the language of the Bible (cf. *Mk* 13:3, 5; *Is* 30:15). This conversion specifically entails a relationship to God, to the sin committed, to its consequences and hence to one's neighbor, either an individual or a community. It is God, in "whose hands are the hearts of the powerful" and the hearts of all, who according to his promise and by the power of his Spirit can transform "hearts of stone" into "hearts of flesh" (cf. *Ezek* 36:26). . . .

Surmounting every type of *imperialism* and determination to preserve their *own hegemony*, the stronger and richer nations must have a sense of moral *responsibility* for the other nations, so that a *real international system* may be established which will rest on the foundation of the *equality* of all peoples and on the necessary respect for their legitimate differences. The economically weaker countries, or those still at subsistence level, must be enabled, with the assistance of other peoples and of the international community, to make a contribution of their own to the common good with their treasures of *humanity* and *culture*, which otherwise would be lost forever.

Solidarity helps us to see the "other"—whether a *person, people, or nation*—not just as some kind of instrument, with a work capacity and physical strength to be exploited at low cost and then discarded when no longer useful, but as our "neighbor," a "helper" (cf. *Gen* 2:18-20), to be made a sharer, on a par with ourselves, in the banquet of life to which all are equally invited by God. Hence the importance of reawakening the *religious awareness* of individuals and peoples.

Thus the exploitation, oppression, and annihilation of others are excluded. These facts, in the present division of the world into opposing blocs, combine to produce the *danger of war* and an excessive preoccupation with personal security, often to the detriment of the autonomy, freedom of decision, and even the territorial integrity of the weaker nations situated within the so-called "areas of influence" or "safety belts. . . ."

At that point, awareness of the common fatherhood of God, of the brotherhood of all in Christ—"children in the Son"—and of the presence and life-giving action of the Holy Spirit will bring to our vision of the word *a new criterion* for interpreting it. Beyond human and natural bonds, already so close and strong, there is discerned in the light of faith a new *model* of the *unity* of the human race, which must ultimately inspire our *solidarity*. This supreme *model of unity*, which is a reflection of the intimate life of God, one God in three Persons, is what we Christians mean by the word "*communion*." This specifically Christian communion, jealously preserved, extended and enriched with the Lord's help, is the *soul* of the Church's vocation to be a "sacrament," in the sense already indicated.

Solidarity, therefore, must play its part in the realization of this divine plan, both on the level of individuals and on the level of national and international society. The "evil mechanisms" and "structures of sin" of which we have spoken can be overcome only through the exercise of the human and Christian solidarity to which the Church calls us and which she tirelessly promotes. Only in this way can such positive energies be fully released for the benefit of development and peace.

Many of the Church's canonized saints offer a *wonderful witness* of such solidarity and can serve as examples in the present difficult circumstances. Among them I wish to recall Saint Peter Claver and his service to the slaves at Cartagena de Indias, and Saint Maximilian Maria Kolbe who offered his life in place of a prisoner unknown to him in the concentration camp at Auschwitz.

VI. Some particular guidelines

41. The Church does not have *technical solutions* to offer for the problem of underdevelopment as such, as Pope Paul VI already affirmed in his Encyclical. For the Church does not propose economic and political systems or programs, nor does she show preference for one or the other, provided that human dignity is properly respected and promoted, and provided she herself is allowed the room she needs to exercise her ministry in the world.

But the Church is an "expert in humanity," and this leads her necessarily to extend her religious mission to the various fields in which men and women expend their efforts in search of the always relative happiness which is possible in this world, in line with their dignity as persons.

Following the example of my predecessors, I must repeat

that whatever affects the dignity of individuals and peoples, such as authentic development, cannot be reduced to a "technical" problem. If reduced in this way, development would be emptied of its true content, and this would be an act of *betrayal* of the individuals and peoples whom development is meant to serve.

This is why the Church has *something to say* today, just as twenty years ago, and also in the future, about the nature, conditions, requirements and aims of authentic development, and also about the obstacles which stand in its way. In doing so, the Church fulfills her mission to *evangelize*, for she offers her *first* contribution to the solution of the urgent problem of development when she proclaims the truth about Christ, about herself and about man, applying this truth to a concrete situation.

As her *instrument* for reaching this goal, the Church uses her *social doctrine*. In today's difficult situation, a *more exact awareness and a wider diffusion* of the "set of principles for reflection, criteria for judgment and directives for action" proposed by the Church's teaching would be of great help in promoting both the correct definition of the problems being faced and the best solution to them.

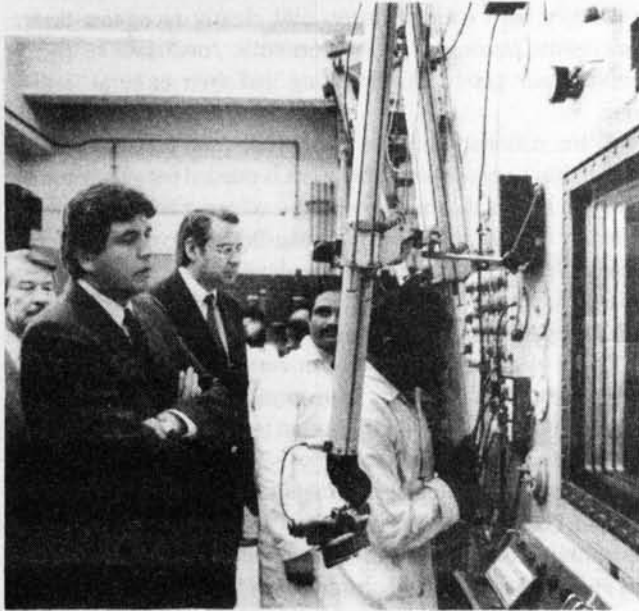
It will thus be seen at once that the questions facing us are above all moral questions; and that neither the analysis of the problem of development as such, nor the means to overcome the present difficulties, can ignore this essential dimension.

The Church's social doctrine *is not* a "third way" between *liberal capitalism* and *Marxist collectivism*, nor even a possible alternative to other solutions less radically opposed to one another: rather, it constitutes a *category of its own*. Nor is it an *ideology*, but rather the *accurate formulation* of the results of a careful reflection on the complex realities of human existence, in society and in the international order, in the light of faith and of the Church's tradition. Its main aim is to *interpret* these realities; determining their conformity with or divergence from the lines of the Gospel teaching on man and his vocation, a vocation which is at once earthly and transcendent; its aim is thus *to guide* Christian behavior. It therefore belongs to the field, not of *ideology*, but of *theology* and particularly of moral theology.

The teaching and spreading of her social doctrine are part of the Church's evangelizing mission. And since it is a doctrine aimed at guiding *people's behavior*, it consequently gives rise to a "commitment to justice," according to each individual's role, vocation, and circumstances.

The *condemnation* of evils and injustices is also part of that *ministry of evangelization* in the social field which is an aspect of the Church's *prophetic role*. But it should be made clear that *proclamation* is always more important than *condemnation*, and the latter cannot ignore the former, which gives it true solidity and the force of higher motivation.

42. Today more than in the past, the Church's social doctrine



Government of Peru

The developing countries belonging to one geographical area, especially those included in the term "South," can and ought to set up new regional organizations inspired by the criteria of equality, freedom and participation in the comity of nations—as is already happening with promising results.

President Alan García of Peru visiting a nuclear plant in Bombay, India in January 1987.

must be open to an *international outlook*, in line with the Second Vatican Council, the most recent Encyclicals, and particularly in line with the Encyclical which we are commemorating. It will not be superfluous, therefore, to re-examine and further clarify in this light the characteristic themes and guidelines dealt with by the Magisterium in recent years.

Here I would like to indicate one of them: the *option or love of preference* for the poor. This is an option, or a *special form* of primacy in the exercise of Christian charity, to which the whole tradition of the Church bears witness. It affects the life of each Christian inasmuch as he or she seeks to imitate the life of Christ, but it applies equally to our *social responsibilities* and hence to our manner of living, and to the logical decisions to be made concerning the ownership and use of goods.

Today, furthermore, given the worldwide dimension which the social question has assumed, this love of preference for the poor, and the decisions which it inspires in us, cannot but embrace the immense multitudes of the hungry, the needy, the homeless, those without medical care and, above all, those without hope of a better future. It is impossible not to take account of the existence of these realities. To ignore them would mean becoming like the "rich man" who pretended not to know the beggar Lazarus was lying at his gate (cf. *Lk 16:19-31*).

Our *daily life* as well as our decisions in the political and economic fields must be marked by these realities. Likewise, the *leaders* of nations and the heads of *International Bodies*, while they are obliged always to keep in mind the true human dimension as a priority in their development plans, should not forget to give precedence to the phenomenon of growing

poverty. Unfortunately, instead of becoming fewer, the poor are becoming more numerous, not only in less developed countries—and this seems no less scandalous—in the more developed ones, too.

It is necessary to state once more the characteristic principle of Christian social doctrine: the goods of this world are *originally meant for all*. The right to private property is *valid and necessary*, but it does not nullify the value of this principle. Private property, in fact, is under a "social mortgage," which means that it has an intrinsically social function, based upon and justified precisely by the principle of the universal destination of goods. Likewise, in this concern for the poor, one must not overlook that *special form of poverty* which consists in being deprived of fundamental human rights, in particular the right to religious freedom and also the right to freedom of economic initiative.

43. The motivating concern for the poor—who are, in the very meaningful term, "the Lord's poor"—must be translated at all levels into concrete actions, until it decisively attains a series of necessary reforms. Each local situation will show what reforms are most urgent and how they can be achieved. But those demanded by the situation of international imbalance, as already described, must not be forgotten.

In this respect, I wish to mention specifically: the *reform of the international trade system*, which is mortgaged to protectionism and increasing bilateralism; the *reform of the world monetary and financial system*, today recognized as inadequate; the *question of technological exchanges* and their proper use; the *need for a review of the structure of the existing International Organizations*, in the framework of an

international juridical order.

The *international trade system* today frequently discriminates against the products of the young industries of the developing countries and discourages the producers of raw materials. There exists, too, a kind of *international division of labor*, whereby the low-cost products of certain countries which lack effective labor laws or which are too weak to apply them are sold in other parts of the world at considerable profit for the companies engaged in this form of production, which knows no frontiers.

The *world monetary and financial system* is marked by an excessive fluctuation of exchange rates and interest rates, to the detriment of the balance of payments and the debt situation of the poorer countries.

Forms of technology and their transfer constitute today one of the major problems of international exchange and of the grave damage deriving therefrom. There are quite frequent cases of developing countries being denied needed forms of technology or sent useless ones.

In the opinion of many, the *International Organizations* seem to be at a stage of their existence when their operating methods, operating costs, and effectiveness need careful review and possible correction. Obviously, such a delicate process cannot be put into effect without the collaboration of all. This presupposes the overcoming of political rivalries and the renouncing of all desire to manipulate these Organizations, which exist solely for *the common good*.

The existing Institutions and Organizations have worked well for the benefit of peoples. Nevertheless, humanity today is in a new and more difficult phase of its genuine development. It needs a *greater degree of international ordering*, at the service of the societies, economies, and cultures of the whole world.

44. Development demands above all a spirit of initiative on the part of the countries which need it. Each of them must act in accordance with its own responsibilities, *not expecting everything* from the more favored countries, and acting in collaboration with others in the same situation. Each must discover and use to the best advantage its *own area of freedom*. Each must make itself capable of initiatives responding to its own true needs as well as the rights and duties which oblige it to respond to them. The development of peoples begins and is most appropriately accomplished in the dedication of each to its own development, in collaboration with others.

It is important then that, as far as possible, *the developing nations themselves* should favor the *self-affirmation* of each citizen, through access to a wider culture and a free flow of information. Whatever promotes *literacy* and the *basic education* which completes and deepens it is a direct contribution to true development, as the Encyclical *Populorum Progressio* proposed. These goals are still far from being reached in so many parts of the world.

In order to take this path, *the nations themselves* will have to identify their own *priorities* and clearly recognize their own needs, according to the particular conditions of their people, their geographical setting and their cultural traditions.

Some nations will have to increase *food production*, in order to have always available what is needed for subsistence and daily life. In the modern world—where starvation claims so many victims, especially among the very young—there are examples of not particularly developed nations which have nevertheless achieved the goal of *food self-sufficiency* and have even become food exporters.

Other nations need to reform certain unjust structures, and in particular their *political institutions*, in order to replace corrupt, dictatorial and authoritarian forms of government by *democratic* and *participatory* ones. This is a process which we hope will spread and grow stronger. For the “health” of a political community—as expressed in the free and responsible participation of all citizens in public affairs, in the rule of law and in respect for and promotion of human rights—is the *necessary condition and sure guarantee* of the development of “the whole individual and of all people.”

45. None of what has been said can be achieved *without the collaboration of all*—especially the international community—in the framework of a *solidarity* which includes everyone, beginning with the most neglected. But the developing nations themselves have the duty to practice *solidarity among themselves* and with the neediest countries of the world.

It is desirable, for example, that nations of the *same geographical area* should establish *forms of cooperation* which will make them less dependent on more powerful producers; they should open their frontiers to the products of the area; they should examine how their products might complement one another; they should combine in order to set up those services which each one separately is incapable of providing; they should extend cooperation to the monetary and financial sector.

Interdependence is already a reality in many of these countries. To acknowledge it, in such a way as to make it more operative, represents an alternative to excessive dependence on richer and more powerful nations, as part of the hoped-for development, without opposing anyone, but discovering and making best use of the country’s *own potential*. The developing countries belonging to one geographical area, especially those included in the term “South,” can and ought to set up *new regional organizations* inspired by the criteria of *equality, freedom and participation* in the comity of nations—as is already happening with promising results.

An essential condition for global *solidarity* is autonomy and free self-determination, also within associations such as those indicated. But at the same time solidarity demands a readiness to accept the sacrifices necessary for the good of the whole world community.

Why the Senate must reject the INF treaty

by Webster G. Tarpley

The Intermediate-Range Nuclear Forces (INF) treaty signed by President Reagan and Secretary Gorbachov in December must be rejected by the Senate because the operation that it pretends to carry out—the elimination of U.S. and Soviet medium-range missiles—undermines the paramount strategic interests of the United States, the other NATO countries, and our other allies. The INF agreement will further the splitting or decoupling of the Western alliance and will facilitate Soviet political and military domination over Europe and other areas. Therefore, even if the verification and enforcement regime of the INF agreement were perfect, the Senate would be compelled not to ratify this deal.

But the verification regime of the INF accord is anything but perfect. A close reading of its text reveals a jungle of loopholes and escape clauses, all dictated by Soviet desires to circumvent the alleged goals of the treaty. This accord is a tissue of treason, consciously stacked and loaded in favor of our deadly enemies, and surrendering valuable unilateral advantages to the Kremlin at every turn. The INF accord as published will allow the Soviets to keep a large, politically and militarily significant force of medium-range missiles, without violating the letter of the treaty. By contrast, no such loopholes exist for the United States. The INF accord is thus an unequal treaty.

This treaty was negotiated for the United States by Shultz, Nitze, Kampelman, and Glitman. Each one of these men knew when they were rigging the treaty, that they were selling out the United States, and they must be held to account for their deeds.

1. The agreement allows the Soviets to keep unlimited numbers of SS-20, SS-4, SS-5, SS-12, and SS-23 missiles without violating the treaty, simply by dismantling these missiles into their separate stages or other large components and storing them before the treaty comes into force.

This is because the counting rules of the agreement create a special loophole for the Soviets. According to the treaty, in the case of the U.S. Pershing 2 missile, the longest stage of the missile counts as a whole missile (Treaty, Article VII,

Paragraph 10a). But in the case of the Soviet SS-20, only the launch canister of the missile or the complete, assembled missile counts as a missile (Treaty, Article VII, 10b). This means that if the United States possesses a single Pershing 2 first stage, no matter where it is stored or kept, the United States is in violation of the treaty. The Soviets, by contrast, can keep unlimited numbers of missile components, as long as they are separated, without violating the treaty in any way. The Soviets would then be free at a later time, after U.S. missiles have been removed from Europe and destroyed, to assemble their missiles for political blackmail and/or actual military use. According to informed estimates, the Soviets have more SS-20 missiles than they have admitted in the data base attached to the INF treaty, where they concede that they have 650 of these missiles. These estimates put total Soviet production of SS-20 missiles between 1,000 and 2,250. These data are supported by the Soviet habit of building five to six missiles for each deployed missile launcher. Since about 440 SS-20 launchers have been identified, the larger figure may be an accurate indication of how many SS-20s have actually been built.

2. The Soviets will be able to transport and deploy the SS-20 missiles they retain despite the inspection provisions of the treaty. All of the alleged inspection provisions of the treaty are subject to one glaring loophole: The Soviet SS-20 medium-range missile is part of the same modular family as two other missiles, the SS-25 and the SS-16. The SS-25 is a truck-mounted ICBM. The lower stage of an SS-25 is virtually identical to the lower stage of an SS-20. These Soviet missiles are always transported inside a launch canister, which is a metal tube providing a stabilized temperature and the inert environment these Soviet missiles need to maintain their operability. The missile sits inside the canister like a cigar in a metal humidor tube.

Therefore, the easiest Soviet method for concealing an illegal, assembled SS-20 is to place it inside the launch canister of an SS-25. Since the SS-25 is an ICBM, it is not covered by the treaty and hence immune to inspection (In-

spection Protocol, Section VII, Paragraph 8). The SS-25 launch canister is only slightly larger than the launch canister of the SS-20. In the case of a suspect launch canister of undetermined type, if the Soviets declare that the canister contains a missile not covered by the treaty, then that canister may not be opened or weighed, but only observed visually, measured in length, and subjected to radiation detection devices (Inspection Protocol, Section VII, Paragraph 14).

3. Accurate identification of the Soviet SS-20 is made virtually impossible, because no engineering specifications or blueprints of the missile have ever been provided by the Soviets.

It appears doubtful that anyone in the United States intelligence community has ever seen an SS-20 outside of its launch canister. Only after the agreement was signed did the Soviets provide a poor-quality photograph of what they allege to be an SS-20. According to Western experts, the post-boost vehicle (or last stage before the reentry vehicle containing the warheads) of the missile shown is smaller than the real thing. The Soviets provided a photograph of the SS-23, in which the missile is shown without any nose cone whatever. Both of these photos are in effect forgeries, and greatly diminish the effectiveness of on-site inspection, since the inspectors will have no clear image of what it is they will be looking for.

4. The Soviets will be able to retain large numbers of ground-launched cruise missiles (GLCMs), despite the treaty claim that this class of weapon will be eliminated. Although nuclear and conventional GLCMs are banned, cruise missiles are allowed to be produced and kept if they are used only as drones, as for observation and target purposes. As long as a GLCM is not tested as a weapons carrier, it is not banned by the treaty (Treaty, II, 2). There will also be great difficulty in distinguishing among air-launched, sea-launched, and ground-launched cruise missiles, since the air-launched and sea-launched variety are not banned by the treaty.

5. The Soviets will be able to keep the nuclear warheads and guidance systems taken from such missiles as they do destroy, and use them on their SS-25 and other missiles (Elimination Protocol, Section II, Paragraph 3). Nuclear warheads and guidance systems are expressly exempted from the destruction that is prescribed for the missiles themselves.

6. The rules for the so-called "elimination" of the missile launchers are stacked in favor of the Soviets, and may permit the SS-20 and other launchers to continue to be used for military purposes.

According to the Elimination Protocol, the "elimination" of a Pershing 2 TEL (transporter-erector-launcher) requires that after the removal and scrapping of the erector-launcher mechanism and the launch instrumentation, the "launcher chassis shall be cut at a location that is not an assembly joint into two pieces of approximately equal size." (Elimination Protocol, Section II, Paragraph 10d). But for the SS-20 launcher, "elimination" means that, after the removal and

scrapping of the erector-launcher mechanism and the launch instrumentation, "a portion of the launcher chassis, at least 0.78 meters in length, shall be cut off aft of the rear axle" (Elimination Protocol, II, 10f). Similarly, for the Pershing 1A, the launcher chassis is to be cut into two equal parts. But for the Soviet SS-12 and SS-23, carving off a piece of the launcher of 1.10 and 0.85 meters aft of the rear axle, respectively, is considered sufficient. It is clear that the alleged "elimination" of the Soviet launchers is actually a form of modification which leaves the self-propelled launcher operational and available for other, presumably military, purposes, while the U.S. launchers are indeed to be turned into immobile junk.

7. The Soviets will be able to maintain a significant capability in the area of support facilities and operating bases. Article X, Paragraph 9 of the treaty lets the Soviets convert a missile operating base for use with missiles not covered by the treaty. All that is required is notification 30 days in advance that such conversion is about to be carried out. Through this provision the Soviets can retain their multi-bay garages and other buildings which can be used for an SS-25 just as well as for an SS-20.

8. Another way the Soviets can maintain covert SS-20 support facilities and operating bases is through the exploitation of the "early elimination" clauses of the treaty. When the INF agreement was signed, it included a "Memorandum of Understanding Regarding the Establishment of the Data Base for the Treaty," in which the locations of all missiles, launchers, support facilities, operating bases, and production sites for the relevant weapons systems are supposed to be given. But the treaty provides that all information in this first data base is to be superseded by "updated data" to be provided no less than 30 days after the entry into force of the treaty (Treaty, IX, 3).

This provides the Soviets with an unparalleled opportunity to present new falsified data at a time when the treaty has already been ratified: The Soviets can unilaterally amend the treaty, and perhaps Senators Byrd, Nunn, Biden, and Pell should be concerned about this loophole. The treaty contains no prohibition of eliminations before the treaty enters into force, nor does it stipulate that such early eliminations must be carried out in accordance with the detailed instructions contained in the treaty. The Soviets are therefore free to claim they have eliminated missiles, removed structures, and ceased activity at any of the sites listed in the Memorandum of Understanding, and thus to announce that these sites will not be listed in the post-ratification exchange of "updated data." According to Article X Section 8 of the treaty, such a "deployment area, missile operating base, or missile support facility listed in the Memorandum of Understanding that met the above conditions prior to entry into force of this treaty, and is not included in the initial data exchange pursuant to Paragraph 3 of Article IX of this Treaty, shall be considered to be eliminated." In this way the Soviets can remove sites from the list of those specific points where inspections can

be carried out on demand. News reports stating in the middle of February that some Soviet missiles are being removed from the territory of the G.D.R. (East Germany) or other satellites before treaty ratification represent a likely attempt to exploit this loophole (see box).

9. Because of the loaded definitions of what constitutes a ballistic missile for the United States and Soviet sides, U.S. continuous monitoring inspection is much less valuable than the corresponding rights obtained by the Soviets.

Since, for U.S. missiles covered by the treaty the definition of a missile is its longest stage (Treaty, VII, 10a) the Soviets acquire the right to inspect a factory that actually produces missile stages. This is the Hercules Plant Number 1 at Magna, Utah (Treaty, XI.6b). The Hercules Plant Number 1 no longer produces the Pershing 2s, but this company does produce the Trident 2 D-5 SLBM, as well as the MX missile. These are the most advanced U.S. types. By contrast, since the definition of a Soviet missile is the canister and/or the entire assembled missile, the site to be inspected by the United States inside the Soviet Union is the Votkinsk Machine Building Plant in the Udmurt Autonomous Republic of the RSFSR. This Votkinsk facility was merely the site at which the stages of the SS-20 and its canister, all of which had been produced at other sites, were given final assembly to yield an operational missile. The Votkinsk facility is now

an empty and dormant factory site. The actual production facilities for the SS-20 and SS-25 are elsewhere, and not subject to inspection.

At the perimeter-portal continuous monitoring post, inspectors will have the right to check objects leaving the factory. At Magna, this will include all objects of 3.7 meters and longer, since this is the length of a Pershing 2 first stage. At Votkinsk, this will include only objects that are 16.5 meters and longer, since that is the length of a fully assembled SS-20 or SS-20 canister.

10. The agreement explicitly grants the Soviets the right to build SS-20 second stages. In Article VI, Paragraph 2, the Soviets are permitted to produce an SS-25 second stage that is outwardly similar to and interchangeable with the second stage of an SS-20. Some commentators have referred to this as a "drafting error," but this is the language of the treaty the Senate is being asked to ratify.

11. U.S. and Soviet inspection rights are not comparable. Nothing of interest is situated within a 50 km radius of Votkinsk, where the U.S. permanent inspection site is to be located. By contrast, Soviet inspectors traveling in the Magna-Ogden-Salt Lake City area will be moving through an area that contains important U.S. capabilities in such areas as aerodynamics, chemicals, directed energy (lasers), radio frequency (weapons degradation and electronic countermeasures), electronics, electro-optics, electromechanics, ce-

Is Moscow hiding missiles already?

The U.S.S.R. appears to be making the maneuver of which former U.S. Defense Department official Frank Gaffney warned: to dismantle intermediate-range and short-range ballistic missiles before the INF treaty is ratified, so that a large number of missile sites may be dropped from the final data—and from any verification inspections. The treaty provides, that "no later than 30 days after entry into force of this treaty, each party shall provide the other party with updated data . . . for all categories of data contained in the Memorandum of Understanding." It is the Memorandum of Understanding, that specifies which sites house missiles covered by the treaty and may be visited by inspection teams.

On Feb. 13, the *Vremya* nightly TV news program from Moscow reported on a visit by East European journalists to an SS-20 base. Asked his view on what it means to "destroy the missiles," a serviceman interviewed on the

program said, "We should take this step. *We have already taken it.* It is now up to the other side" (emphasis added).

In East Germany, the official press service ADN reported Feb. 16 that Soviet forces there had already begun to dismantle SS-23 and other rockets. The missiles have been dismantled, crated, and are ready for transport back to the Soviet Union, ADN said. East German television, that evening, showed soldiers loading crates onto rail cars.

Another sly Soviet comment on the gigantic loopholes in the INF treaty came in *Literaturnaya Gazeta*, a Moscow weekly, of Feb. 3. Journalist Iona Andronov reported how he was confronted on a New York radio talk show, with a chance to rebut Sen. Jesse Helms's charges about the Soviet ability to hide SS-20 missiles. Andronov denied nothing, choosing to focus solely on the moderator's insinuation that Soviet writer A. Prokhanov was a cover name for a high-ranking military official. Andronov quoted from a Prokhanov article in *Pravda* of Dec. 17, 1987, cited in Helms's recent memo about the treaty. Prokhanov, in a passage repeated by Andronov, boasted that SS-20s were unfindable: "The missile division moved through the night. . . . Military nomads . . . amid endless fields and forests, changing location, unbeknownst to the enemy. It is futile to search for them from space, to feel for them with radar beams."

ramics, and solid propellants. While Soviet inspectors might not be able to barge in on these facilities, they could use their presence to create and service espionage networks, etc.

12. Article XIV of the treaty states: "The Parties shall comply with this treaty and shall not assume any international obligations or undertakings which would conflict with its provisions." This is the so-called non-circumvention clause. According to the State Department, Article XIV is surplus verbiage which serves merely to give the rest of the treaty an intensive force. But the traditional exegesis of international law would hold that a treaty provision in the form of a separate, numbered article must be assumed to have an independent and substantive meaning.

What is then the meaning of Article XIV? After recent statements of Soviet Foreign Minister Shevardnadze, it can be assumed that the Russians view this article as prohibiting any "compensatory" moves by the U.S.-NATO side. These would be measures to mitigate the military—political weakening of the Western position if the INF missiles were to be removed. From the Russian point of view, this seems to include any modernization or enlargement of NATO's battlefield nuclear weapons or strengthening of conventional forces. It also may include the transfer of Pershing 2 or GLCM technology, including in a conventional mode, by the United States to other NATO states. Senate ratification of the treaty including Article XIV would imply capitulation to the Soviets on these points, and perhaps on many others.

13. The other possible interpretation of Article XIV is that it mandates respect for secret protocols of the INF accord which are being hidden from the Senate, or at least from the U.S. public. These secret protocols could entail a kind of regional "New Yalta" understanding between the United States and the U.S.S.R. for Western Europe, in which the Soviets are assigned this area as a sphere of preeminent interest.

14. U.S. inspectors carrying out spot-checks at whatever deployment and operational sites the Soviets continue to list after the treaty may have come into force face an impossible task.

They are required to "respect the laws and regulations" of the U.S.S.R. (Protocol on Inspection, Section III, Paragraph 7). These laws forbid the photographing of even bridges as military objects, and thus give the Soviets wide latitude for harassing and expelling U.S. inspectors. The equipment of the inspectors "cannot perform functions unconnected with the inspection requirements of the Treaty" (Protocol on Inspection, V, 4). Any equipment used for the treaty could also be used for other purposes, so the Soviets here get *carte blanche* to exclude categories of equipment, even if it is legitimately needed to carry out functions provided for by the treaty.

Worse still, the U.S. inspectors will be at the mercy of the Soviets for their "meals, lodging, work space, transportation, and, as necessary, medical care," all of which will be

paid for by the U.S. side (Protocol on Inspection, V, 5). The U.S. inspectors have the right to communicate with the U.S. embassy in Moscow "using the telephone communications of the inspected party"—that is, of the Soviets! It is difficult to say whether intensive KGB bugging or the breakdowns endemic to the Soviet phone system will be the bigger obstacle. One of the biggest challenges to the U.S. inspection teams will be the treaty provision requiring them to present a full written report of their inspection within two hours after the end of their work—in both English and Russian! (Protocol on Inspection, XI). There is even a *force majeure* clause (Protocol on Inspection, X) which treats inspections which cannot be carried out because of "delay" (read: Soviet harassment). In this case, if the delayed side drops the inspection before the site is reached, the inspection does not count against the numerical limits the treaty establishes for inspections in any given year.

Despite the touting of the career of inspector by Secretary of State Shultz as a kind of Reagan administration jobs program, the lot of the U.S. inspectors is sure to be grim: It is enough to recall the deliberate Soviet murder of U.S. Army Major Nicholson during a "Potsdam Patrol" in East Germany.

15. Another central fallacy of the agreement is the very definition of missile categories by maximum ranges. This refers to maximum tested ranges. Equally relevant would be minimum ranges. Many Soviet ICBMs have been routinely tested in an INF mode. This means that SS-25s, for example, could easily be retargeted to threaten targets earlier assigned to the SS-20.

16. The treaty surrenders to the Russians on everything, down to the smallest detail. The Inspection Protocol, for example, discusses the ports of entry to be used by inspection teams, including in Soviet satellites. During the treaty negotiations, the Soviets wanted the port of entry for East Germany to be the Berlin Schoenefeld airport. The United States opposed this, because we regard Schoenefeld as part of Greater Berlin and thus subject to immediate, joint Four-Power control. But Section IV, Paragraph 5 of the Inspection Protocol gives the Soviets the right to make Schoenefeld the obligatory port of entry five months after this decision is communicated to the United States. So even U.S. rights in Berlin are undermined by this agreement.

17. All loopholes and escape clauses discussed so far are drawn from the English-language text of the treaty. But the Russian text is equally authentic. Already under SALT II and other treaties, diverging Russian readings have been cited by Moscow as the justification for lawless behavior. A close analysis of the Russian text of this treaty will doubtless reveal many such quibbles.

18. The agreement contains no provision for automatic abrogation and sanctions against the guilty party in case of certified violation. The agreement lacks any means of enforcement.

Why drug legalization advocates should be foiled

by Gretchen Small

Dealing with Drugs: Consequences of Government Control

by the Pacific Research Institute for Public Policy, Ronald Hamowy, ed.
Lexington Books, Lexington, Mass., 1987
\$40.00 hardbound, 385 pages.

Dealing with Drugs is must reading—for law enforcement officials preparing files on the operations of the narcotics business before striking at the enemy. This book is not the “scholarly work” its editors would have its readers believe, but a weapon in the dope mob’s war against civilization. Its assignment, to undermine the morale of government and the public, until surrender to the dope mafia is accepted.

Work on this book began at the Pacific Research Institute for Public Policy in San Francisco, California in 1984. Those involved in the project described the Institute’s task force on drugs as the flagship program in a strategy to legalize narcotics use, production, and trade within the United States by 1990. Once the U.S. capitulates, legalizing the dope business in the rest of the world will follow rapidly, these people argue.

Progress achieved under the Carter administration toward making legalization “thinkable,” was buried by President Reagan’s promise to carry out a war on drugs, members of the project explained in 1985. Thus, we have adopted a new timetable for legalization, they said. Now, our job is to convince the public that war is futile, that the drug epidemic too large, and the drug mafia too powerful to be defeated. If that is accomplished by the end of Reagan’s second term, then there is a good chance that, no matter who is elected in 1988, narcotics will be legalized before the next administration ends.

Dealing with Drugs, finally released in 1987, marshals every argument the legalization lobby has ever designed to overturn the war on drugs. Knowing the thinking behind the book’s publication, I began reading through its pages with an eye on my counterattack, concerned to identify some new, devious argument upon which the war on drugs might flounder.

None were found. If useful at all, *Dealing with Drugs* is a reminder that our nation has failed to crush the narcotics empire, not because of its great power or sophistication, but through our own cowardice. Try as they might to appear “scholarly,” none of the authors is able to hide the fact that they, personally, are committed drug-users, angrily attacking any who would argue that mankind has a higher purpose in existence than that of seeking individual “pleasure.”

Recognizing the enemy’s propaganda

The reasons given in favor of “complete abandonment of all prohibitory laws” against drugs are familiar:

- It costs too much to run a war on drugs. This is a favorite argument of the Milton Friedman types, who estimate the value of human life through “cost-benefit analysis.”

- Anti-drug programs historically have been motivated by racism. Politicians who hated the Chinese sought “to protect whites from what was commonly regarded as a loathsome Oriental vice,” or hated marijuana because they disliked Mexicans. This script is lifted straight from British imperial history books, which justified the Opium Wars by arguing that the British were simply defending the inherent love of addiction of “Orientals.”

- “Drug control has become a ‘new and subtle form of U.S. intervention abroad.’ ” This argument, the main thesis of **Jonathan Marshall** in his chapter, “Drugs and United States Foreign Policy,” is the favorite line of South America’s communists and narco-terrorists these days. Marshall credits

the ex-president of the Colombian Association of Financial Institutions, Ernesto Sámper Pizano, as the source of this formulation. That places the "Made by the Mob" label squarely on this argument: Sámper Pizano admits freely he accepted money from coke czar Carlos Lehder, when he was treasurer of the 1982 presidential campaign of Alfonso López Michelsen.

● "Some drugs make people feel good." This is how **Randy E. Barnett** began his chapter on "Curing the Drug-Law Addiction," but, in fact, it is the argument most repeated throughout the book. These fellows don't mean *some*, they mean *all* drugs, beginning with those they call "bread-and-butter drugs" (alcohol, cannabis and opiates, which **Norman Zinberg** assures us "can be depended upon to give a consistent but relatively flexible effect"), and extending to those killing U.S. high-school students by the dozens every day.

"The jury is still out on PCP," Barnett writes; "If you're having trouble getting a feel for PCP, you're in good company. . . . One-third of PCP users say its unique, another third say it's like the hallucinogens or marijuana, and the last third isn't sure. . . . More research is needed." Contributor **Thomas Szasz** admits heroin is more dangerous than aspirin, but only because "it gives more pleasure to its users than does aspirin [and] is therefore more likely than aspirin to be taken for the self-induction of euphoria." **Arnold Trebach** berates the media for creating the myth that crack (a cocaine-derivative which kills brain cells at first use like a lobotomy) is a new national disaster!

The argument in defense of LSD, however, takes the cake. **Lester Grinspoon** and **James Bakalar**, writing on "Medical Uses of Illicit Drugs," cited the following testimonial of one woman as an example of the "impressive case studies" which show how LSD can cure neurosis:

I found that in addition to being, consciously, a loving mother and a respectable citizen, I was also, unconsciously, a murderess, a pervert, a cannibal, a sadist, and a masochist. In the wake of these dreadful discoveries, I lost my fear of dentists, the clicking in my neck and throat, the arm tensions, and my dislike of clocks ticking in the bedroom. I also achieved transcendent sexual fulfillment.

Watch out—these two advocate "systematic, publicly controlled experimentation" in drug use, among other things, to help us all overcome our fear of dying.

● Crime statistics can be lowered radically by dropping the estimated 25 million regular users of cocaine and marijuana from the lists of criminals, **Ronald Hamowy** argues in his introduction. Again, this is a rehash of Milton Friedman's *Free to Choose*.

What's the conclusion of all this?

Hamowy announces the time has come to "accommodate and adapt ourselves to drug use."

Arnold Trebach's chapter on "The Need for Reform of International Narcotics Laws" elaborates: "Compromise"

with the drug trade, will save us from suffering the "casualties . . . necessary to win final victory." Forget the idea that the narcotics epidemic can be defeated through a "World War II-style" alliance against "evil people," he says. It won't work, because drug laws do not "seek to repel foreign invaders," but "seek to prevent our neighbors . . . from obtaining chemicals and leaves that they wish to use on themselves to feel better."

The time has come for "balanced adjustments and compromises." Nations "can start thinking in terms of specific

Try as they might to appear "scholarly," none of the authors is able to hide the fact that they, personally, are committed drug-users, angrily attacking any who would argue that mankind has a higher purpose in existence than that of seeking individual "pleasure."

compromises and adjustments . . . A small group of drug-law reformers has been gaining strength in the United States and in other countries recently. If they can achieve some political stature as a centrist and moderate force . . . if enough good people . . . come forward soon enough . . . our current war against drugs can be averted and *the war itself ended.*"

That point, where I have added emphasis, is indeed the bottom line of what the mafia seeks.

How the Mont Pelerin Society figures in

Should this book be taken seriously? The answer is an emphatic "Yes."

Consider **Robert J. Michaels's** analysis of "The Market for Heroin Before and After Legalization." This chapter reveals the kind of planning that has already begun toward legalization, and the kind of economic conditions under which mass addiction could be considered "productive."

Standard market analysis must be applied to heroin, Michaels writes, with the premise that "to organize a firm of any kind is not a trivial task. . . . In an illegal firm, a complex organization will be more costly to achieve than in an equivalent legal enterprise."

If legalized, brand names and advertising for "the product" could be introduced. "Legalization with advertising would stabilize quality and lower price. . . . One expects

that the legal market will be characterized by a lower equilibrium price, higher output, and more dependable quality. . . . Additionally, we do not know (but have reason to suspect) that large-scale commercial production will lead to cost-saving innovations. . . . The illegal market wastes incredible amounts of economic resources, apparently only because of illegality, rather than monopoly."

Michaels acknowledges that "there is a good likelihood that both the price-lowering and quality-certifying effects of advertising will operate in ways that increase use." This will be *useful*, he argues, because drugs enhance productivity of labor, as opium addiction allowed Chinese coolies to withstand back-breaking labor.

The period between the Civil War and World War I, says Michaels, "was the period of America's greatest sustained proportional economic growth," precisely because "it was characterized by low unemployment rates, legal opium, and a large population of habitual users."

These nuts hold leading positions in American academia today. Michaels teaches economics at California State University at Fullerton. Szasz is professor of Psychiatry at the State University of New York at Syracuse. Zinberg teaches psychiatry at Harvard Medical School, and is director of psychiatric training at the Cambridge Hospital in Massachusetts. Grinspoon is an associate professor of psychiatry at Harvard. Trebach heads American University's Institute on Drugs, Crime and Justice, and serves as a consultant to the U.S. Department of Justice. And so it goes for the other six contributors.

An investigation into the Pacific Research Institute leads us to the financial interests behind the drug legalization project: the Swiss-based Mont Pelerin Society and the crowd of rabid free-enterprisers which it has spawned across the globe. Mont Pelerin leader Friedrich von Hayek sits on the board of the Pacific Research Institute, along with James Buchanan, the economist who won a Nobel Prize for his work in putting together the Gramm-Rudman program to bury the U.S. economy.

The Pacific Research Institute is just one of over a dozen institutes set up from Israel, to Great Britain and Peru with the aid of an outfit in San Francisco called the Atlas Foundation. Atlas, founded by a British Mont Pelerin member Anthony Fisher, boasts on its advisory board such notables as J. Peter Grace, William Simon, Milton Friedman, and the American Enterprise Institute's Michael Novak.

Each of these institutes (Lima's Institute for Liberty and Democracy, London's Adam Smith Institute, etc) is dedicated to promoting the legalization of the "underground economy," and an end to government "interference" with all economic activity.

While it is true that legalizing the "underground economy" would free for use an estimated \$500 billion generated annually through the drug trade, it would be a mistake to think that economic greed is the prime motivation of these people. No, it is the very premises of Judeo-Christian civili-

zation itself which they seek to overturn. As they repeatedly tell us, John Stuart Mill wrote the creed that they follow in their drive to impose "a truly liberal society" upon us.

Throughout *Dealing with Drugs*, the *right* of the individual to commit evil, if that is "an activity they deem desirable," is demanded. Szasz's concluding chapter, "The Morality of Drug Controls," provides the crowning glory of this argument. Drug use, like free sex, is justified as a "primal act of defiance of God's authority," Szasz writes, despite "traditional Judeo-Christian cultures." The "right to drugs" is guaranteed in our Constitution.

"According to the formula made famous by the Caesars, the masses of mankind need only two things: *panem et circenses*, bread and circuses. This is still true. Today, farms and factories supply us with our 'bread,' while drugs and drug controls give us our 'circuses.'" That view of man, expressed by Szasz, captures the slavery in which we all will live, if these libertarians succeed.

LaRouche: Treat drug lobby as enemy force

In his 1985 proposed War Plan against drugs in the Western Hemisphere, Lyndon H. LaRouche specified the legal grounds upon which the legalization lobby can, and must, be treated as an enemy force. His argument was premised on "the principle that collaboration with the drug-traffic or with the financier or political forces of the international drug-traffickers, is treason in time of war." The relevant articles of the 15-point plan specify:

"11. The primary objective of the War on Drugs, is military in nature: to destroy the enemy quasi-state, the international drug-trafficking interest, by destroying or confiscating that quasi-state's economic and financial resources, by disbanding business and political associations associated with the drug-trafficking interest . . . and by detaining, as 'prisoners of war' or as traitors or spies, all persons aiding the drug-trafficking interest. . . .

"14. In addition to corruption of governmental agencies, the drug-traffickers are protected by the growth of powerful groups which advocate either legalization of the drug-traffic, or which campaign more or less efficiently to prevent effective forms of enforcement of laws against the usage and trafficking in drugs. Investigation has shown that the associations engaged in such advocacy are political arms of the financial interests associated with the conducting of revenues from the drug-traffic, and that they are therefore to be treated in the manner Nazi-sympathizer operations were treated in the United States during World War II."

Biological warfare crop is growing

by Warren J. Hamerman

Clouds of Secrecy: The Army's Germ Warfare Tests Over Populated Areas

by Leonard A. Cole, with a Foreword by Senator Alan Cranston

Rowman & Littlefield, 1988

\$22.50 hardbound, 188 pages with index.

The Killing Winds: The Menace of Biological Warfare

by Jeanne McDermott

Arbor House, 1987

\$18.95, hardbound, 322 pages with index.

No Fire, No Thunder: The Threat of Chemical Biological Weapons

by Sean Murphy, Alastair Hay and Steven Rose

Monthly Review Press, 1984

\$7.50 paperbound, 145 pages with index.

The appearance of the three books reviewed here—as well as the wide general publicity given to the day-to-day attempts by activist Jeremy Rifkin to sabotage the military's biological research programs at the Dugway, Utah center, Fort Detrick, and elsewhere—indicates that the “virus” of such exposé works is spreading rapidly. *Clouds of Secrecy* is blessed by Sen. Alan Cranston (D-Calif.) while *The Killing Winds* bears the endorsements of Sen. William Proxmire (D-Wis.) and Admiral Gene R. LaRocque of the Center for Defense Information.

Back in the 1960s and 1970s, every half-decade or so, there would appear another exposé book on the evils of America's secret biological warfare program. The basic premise of such works was that the U.S. military machine has engaged in producing dastardly biological weapons, while all specific charges of Soviet weapons development in this area were unfounded. Out of such lopsided propaganda Henry

Kissinger succeeded in bamboozling Richard Nixon into signing a woefully inadequate and completely unverifiable 1972 Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and their Destruction.

While living under the 1972 Convention, the Soviets launched a massive program in intervening into biological processes with electromagnetic radiation. For instance, between 1966 and 1976 Vlail, Kaznacheev, the head of the Siberian Division of Medical Research for the Soviet Academy of Sciences, engaged non-stop in a series of experiments at Novosibirsk in which viral infections were “induced” in cell cultures by means of the emission of weak ultraviolet radiation from infected cells which passed through quartz glass chambers! Other experiments in mastering the biological effects of electromagnetic pulses in the microwave and other parts of the spectrum have been conducted at an accelerating rate in biophysics laboratories such as the Pushchino Frank Institute outside Moscow. Soviet virologists from the Ivanovsky Institute and the Sukhumi Primate Research Center have upgraded their military-applications research.

The prime sponsors of the 1960s and 1970s one-sided exposé books were institutions which were openly sympathetic to the needs and concerns of the Soviet viewpoint while they promoted the “convergence” or “Kissingerizing” of the West with the East into one world supra-government. The publishers of these reports included avowedly socialist-leaning institutions such as Bertrand Russell and “his” committee, the Stockholm International Peace Research Institute (SIPRI), the United Nations, *New York Times* journalist Seymour Hersh, and *Monthly Review*.

The “old generation” of these books can all be identified as spawned by a common mother by the fact that they all tend to go over the same material and tell the same stories—a little more or a little less anecdotally. They all also completely dismiss or ignore the Soviet material. The latest works, which have drawn interest in wider circles, seem to repeat the same biases, describe the same incidents, and omit the same areas. But, after all, propaganda is propaganda.

With all this said, plenty of viral and bacteriological “killers” exist, therefore the questions of how and when they will be used are crucial, and that requires us to address three

sets of players: the Russians, the malthusians, and the U.S. military gadget-weapons types. With all the publicity surrounding the issue, we fear that it is, indeed, only a matter of time before a spectacular incident is "staged."

The Russian threat ranges from *irregular warfare* scenarios among terrorists or Russian special forces to full-scale ABC (atomic, biological, and chemical) assault in a first strike *regular warfare* strategic deployment.

One of the real threats of biological warfare weapons is their use by terrorist groups or Russian special forces teams (spetsnaz) deep behind Western lines. Russian commanders would "lend" the technologies easily to units who were part of irregular warfare deployments. The weapons can either be used as precision-targeted "poisons," or as weapons of mass destruction or incapacitation to "soften up" an adversary or overwhelm its health care system on its own territory. As Joseph D. Douglass, Jr. documented in his book *America the Vulnerable*, the Russians have already facilitated the proliferation of narcotics in the West as "biochemical warfare," for example.

The malthusian threat stems from the fact that "globalist" institutions such as the International Monetary Fund, the World Health Organization, the U.S. State Department, the United Nations, and so forth are fiercely committed to the proposition that there must be enforced drastic reduction of the world's population. The think tanks which support these population reduction fanatics have not only done studies which show that disease is an "efficient" means to commit mass murder. *Malthusian biological warfare* has passed into the hideous genocidal implementation phase in Africa and Ibero-America, as this journal has repeatedly documented. The massive AIDS death toll in Africa is directly a consequence of the malthusian policies imposed there.

Ironically, the threat of deployment by some U.S. low-cost "weapons application nut" stems from the weakness of the American biological research program. The latest books and Jeremy Rifkin imply that biological research has had a heyday under the Reagan administration. In fact, nothing could be further from the truth. Rather than a multi-track effort to advance basic biological science, outside the engineering and technology aspects of molecular biology, all of the most advanced areas biophysics and electromagnetic interactions with living matter have been downgraded.

Such anti-science biases stem from the same sort of moral crisis which has given enormous institutional power to avowed malthusians.

Since the United States has degraded its commitment to fundamental scientific research for budget-cutting considerations, anti-science "military-applications" jarheads in uniform and in defense industry have attempted all sorts of shortcuts to oversell various weapons gimmicks. In this context, we dread the decisions that some military jarheads may make or already have made about the use of biological weaponry in the interest of cost-efficiency.

A society which is dedicated to fundamental scientific progress doesn't have to worry about weapons systems because they can always be pulled "off the shelf" from the ever-advancing scientific and technological frontiers. History affords us some excellent examples. No better designers of advanced military weapons can be found than such universal scientific geniuses as Leonardo da Vinci, Archimedes, and the great 18th-century French geometer Gaspard Monge, for example.

The antidote to the threat of biological warfare is to unleash a renaissance in the life sciences, particularly advancing the areas of optical biophysics and the nonlinear electromagnetic properties of the biological field. Not only will we be able to keep people healthier, happier, and longer-lived, but we will also be invincible to any barbaric peoples who would even think of challenging that commitment.

We are living in an age of unprecedented advances in the biological sciences, yet we are being devastated by AIDS and other deadly diseases. We must rapidly restore our civilization's moral and financial commitment to fundamental scientific development and demand that scientists themselves take their moral responsibilities seriously. If we can achieve that, there will be no large-scale biological warfare incident. If we do not restore that commitment, the occurrence of an unspeakable atrocity is only a matter of time.

Books Received

Chaucer, His Life, His Works, His World, by Donald R. Howard. E.P. Dutton, N.Y., 1987. \$29.95 hardbound, 636 pages.

Symmetry Through the Eyes of a Chemist, by Istvan Hargittai and Magdolna Hargittai. VCH Publishers, Inc., N.Y., 1987. \$24.95 paperbound, 458 pages.

The Jews of Paris and the Final Solution: Communal Response and Internal Conflicts 1940-1944, by Jacques Adler. Oxford University Press, N.Y., 1987. \$32.50 hardbound, 310 pages.

Aneurin Bevan: And the Mirage of British Socialism, by John Campbell. W.W. Norton and Co., N.Y. and London, 1987. \$25.95 hardbound, 430 pages.

Reminiscences About a Great Physicist: Paul Adrien Maurice Dirac, edited by Behram N. Kursunoglu and Eugene P. Wigner. Cambridge University Press, New Rochelle, N.Y., 1987. \$49.50 hardbound, 297 pages.

The Prosecutors: Inside the Offices of the Government's Most Powerful Lawyers, by James B. Stewart. Simon and Schuster, N.Y., 1987. \$19.95, hardbound, 378 pages.

Crucial Soviet military book now in English

by Rachel Douglas

M.V. Frunze, Military Theorist

by Col. Gen. Makhmut Akhmetovich Gareev
Pergamon-Brassey's International Defense
Publishers, 1988
\$44.00, £31.50, hardbound, 402 pages.

Every U.S. senator's office should rush right out and get a copy of the book by Gen. Col. M.A. Gareyev (Gareev), *M.V. Frunze, Military Theorist*, issued in Russian in early 1985 and now available in English from Pergamon-Brassey's. We recommend it despite the extraordinary sloppiness of this edition, because of the importance of an undistorted look at Soviet military thinking, during debates over ratification of the Intermediate-range Nuclear Force (INF) treaty and other strategic matters.

Makhmut Akhmetovich Gareyev (b. 1922) has been one of the deputy chiefs of the Soviet Armed Forces General Staff since 1985, before which he headed its Military Science Directorate for 10 years. He was centrally involved in the transformation of military technology and of command and control in the Soviet Armed Forces, overseen by Marshal Nikolai V. Ogarkov, over the past decade and a half. The French specialist in Soviet military affairs, Alexandre Adler, has called Gareyev "an Ogarkovian of the first rank."

That is, Gareyev is identified with the programs for radio frequency weapons and other improvements in the Soviet Order of Battle, by means of which Moscow would more than compensate for weapons sacrificed (if indeed they were eliminated, and not just concealed) under arms reduction agreements.

What's more, 1987 saw Gareyev emerge from the usually secretive General Staff, as a highly visible spokesman. On June 3, his half-page letter was printed in the weekly *Litera-*

turnaya Gazeta, whose editors he took to task for neglect of "moral substance, patriotism, or civic duty," and warned them against any tendency to sweep under the rug the Soviet Constitution's definition of "the strengthening of the country's defense and ensuring state security, as one of the most important functions of the Soviet state." On June 22, Gareyev appeared at a press conference to unveil a new formulation, for public consumption, of Warsaw Pact military doctrine. The next month, he presided over a seminar of military historians, which the Defense Ministry daily *Krasnaya Zvezda* said was aimed at "raising the efficiency" of the Soviet Armed Forces.

Meanwhile in the West, Gareyev's book on the early Red Army leader Mikhail Frunze had been seized upon by numerous commentators, as marking not only a watershed in Soviet military thinking, but even an abandonment of the famous *Military Strategy* book, written by Marshal V.D. Sokolovsky and others during the 1960s—since Gareyev states that, "over more than 20 years not all the provisions of this book have been confirmed."

In *The Washington Quarterly*, Fall 1986, Philip A. Petersen, John G. Hines, and Notra Trulock wrote: "That the Soviets anticipate a long war conducted with only conventional weapons, or perhaps a limited use of nuclear weapons, is indicated by Gareyev's belief that 'general victory' would be achieved by sequential 'partial victories' of combined-arms forces. No longer do the Soviets believe that general victory is to be achieved by massive strategic nuclear strikes at the outset of the war, as envisaged in *Military Strategy*. . . ." Theirs was one of the more sober assessments of Gareyev by specialists. In a 1985 article, Albert Wohlstetter, more recently famous as the author of a report on U.S. long-term strategy, adduced Gareyev's book as evidence that "Soviet military authorities have recognized the stake of both sides in exercising caution." Still other analysts, as one skeptical observer put it, "have begun to stress the possibility of the U.S.S.R. developing a 'conventional-only option' for conflict in Europe."

Such confusion is all the more reason to read Gareyev's own words, alongside the 1982 and 1985 books by Ogarkov (both are excerpted in *EIR*'s special reports, *Global Showdown* and *Global Showdown Escalates*). The book does reflect the watershed of Ogarkov's military reforms: not the abandonment of nuclear contingencies, but an advance into the new potentialities of weapons "based on new physical principles."

Main goal: victory

The brief introduction by Dr. Joseph D. Douglass, Jr., in this English edition of Gareyev's book, usefully highlights its continuity with Sokolovsky: "The importance of the first strike in nuclear war is stressed. The logic is the same as set forth in V.D. Sokolovsky's landmark text." Concerning the

matter of "limited goals" or "partial victories," which Douglass notes is "a popular topic among Western national security analysts," he points to where Gareyev says plainly, "When things reach the point of a major, serious war between the U.S.S.R. and an alliance of major bourgeois states, then there will not be any limited goals in a war." The only goal, as Sokolovsky also had it, would be victory: "true military art," according to Gareyev, "should be unconditionally planned for victory over a strong and skillful enemy."

Taking off from a review of Frunze's work, Gareyev expounds all the major areas of Soviet military thought. Readers who are not familiar with Soviet military terminology will find a summary in his last chapter, of the strict Soviet definitions of military doctrine, military science, military art, military strategy, operational art, and tactics, all of which Gareyev has treated in detail prior to that point in the text.

Matters of emphasis that make Gareyev's book required reading for anyone who wants to face what the Soviets are really up to militarily include, besides the above-cited passages on victory, the following.

The offensive. References to Frunze's demand for "active, offensive zeal" and advocacy of "our own 'strategy of lightning attacks'" to preempt an opponent's, serve as build-up for Gareyev's own conclusion, that World War II "demonstrated that a combination of the offensive as the main type of military action and the defensive is an objective pattern of warfare and . . . operates with the strength of necessity, and it is very dangerous to disregard it."

Even as he explores the possibility of "a comparatively long war employing conventional weapons and, above all, new types of high-precision weapons," Gareyev stresses that in the modern era, "The role of the initial period of the war will increase further and this may be the main and decisive period which largely determines the outcome of the entire war." Gareyev writes not only about the putative "surprise attack" that "the imperialist states are betting on in a war against the socialist states," but emphatically about Soviet offensive actions.

Gareyev alludes to the Ogarkov battle plan for employing spetsnaz and air assault commando units for preemptive elimination of NATO nuclear missiles and other vital targets in Europe: "A modern offensive is a combination of fire strikes, the rapid advance of tanks and armored infantry, supported by aviation and helicopter gunships, and bold actions of airborne troops deep in the defenses and on the flanks of the opposing groupings. . . . This will not be a successive advance of the troops from line to line, but a more decisive simultaneous strike against the enemy over the entire depth of his configuration. . . . Of enormous significance is the priority hitting of the enemy nuclear missile weapons and high-precision weapons, even before the movement of the main groups of one's own troops into the staging areas for the offensive and for launching counterstrikes."

New weaponry. Frunze's words, that "any major invention or discovery in the area of military equipment can immediately create colossal advantages for the warring sides," have "a particularly timely ring," for Gareyev. Writing about NATO, he says, "the main emphasis has been put on the development of high-precision guided weapons, which in terms of effectiveness are close to low-power nuclear weapons." From one of the key movers of the Soviet program for radio frequency weapons and other new technologies, this is meant to apply also to the U.S.S.R., as Gareyev spells out in a lengthy section on the need for "military-scientific" work to effect "a new qualitative jump" in weaponry.

Training. Chapter 5, "Military Instruction and Indoctrination," is entirely devoted to "a more advanced and flexible system for the combat training of our Armed Forces." It resummaries the principles and practices, including the drive to make combat training as realistic as possible (Gareyev only omits to mention the live "training" Soviet forces have experienced in Afghanistan), elaborated elsewhere by Ogarkov and Gen. Col. V.A. Merimsky, who became chief of the Ground Forces Main Combat Training Directorate in 1985.

The war economy. The theme of a war economy in motion before the outbreak of war, more explicitly developed in Ogarkov's writings, is woven throughout Gareyev's book, which contains several passages on the role of "the rear" in war-fighting. "The importance of economic and moral factors has risen immeasurably under present-day conditions," he asserts, in a passage on the preparation of an entire society for war-fighting. The "economic and moral-political capabilities of one's own country and the enemy's" are an integral element of strategy, in the view of the Soviet General Staff.

It is regrettable, that for such an important project, the publisher did not find it necessary to hire competent proof-readers. Starting with two typographical errors on the first page of Chapter 1, the text is a mess. Psychedelic standards of spelling are applied, as we are treated to "insipient" new methods of combat and an appeal from Marshal S.L. Sokolov, for Soviet officers to shun "feintheartedness"! The editors don't know how to spell the surname of British Soviet affairs specialist John Erickson, while the famous 18th century Russian commander, Suvorov, appears repeatedly as "Suvurov," only to regain his proper spelling on page 285.

More serious are the habits of the translator, who is not identified in the book. He fails to use standard English translations of certain military terms, makes questionable choices of words (the "alliance of major bourgeois states," cited above, comes out as "union of major bourgeois states"; "change" is written when "replacement" would be more accurate; etc.), and produces the awkward prose of someone who hasn't fully mastered English (e.g., "It was shown that under the impact of new weapons the World War II would . . . necessitate the mobilizing of all the state's forces"). The editors should have noticed.

War economy 'czars' move up the Soviet ladder

by Konstantin George and Rachel Douglas

On Feb. 17-18, the Soviet Central Committee held a two-day plenum, called to draft and adopt measures to upgrade the Soviet education system. The plenum was dominated by Yegor Ligachov, the Politburo member who runs the party through his direction of the all-powerful Central Committee Secretariat. Ligachov delivered the keynote address.

The plenum's results, most striking in the personnel decisions that it ratified, demonstrate that the subject of "education" was treated strictly as a means to further the development of the Soviet war economy. The results also certified the consolidation of power by an institutional "troika" of the party Secretariat through Ligachov, the military through Marshal Nikolai Ogarkov, and the KGB led by Politburo member Viktor Chebrikov.

The two new candidate Politburo members named illustrated the power of the war economy "czars" and of Ligachov's Secretariat. They are: 1) Yuri Maslyukov, who shortly before the plenum was named head of the State Planning Commission (Gosplan), and thus put in charge of running the Soviet economy. Since April 1983, Maslyukov has directed the government's defense industry commission; 2) Georgii Razumovsky, Central Committee Secretary in charge of the party's Organizational Work Department. He has been the purge "hatchet man" for the Secretariat, dispatched to supervise personnel changes at republic, regional, and local levels.

Much attention has been focused in the Western media on establishing a "geographic proof" that Razumovsky, first Secretary of the Krasnodar Krai (region), Gorbachov's home turf, from 1983-85, is therefore a "Gorbachov protégé." What is ignored in this "Kremlinology" is that Razumovsky, during that time, carried out a major "anti-corruption" purge, and in that capacity cooperated closely with Yegor Ligachov.

Serving to underline the point, is the case of Lev Zaikov, the Politburo member who in November replaced Boris Yelt-

sin as Moscow City party boss. The plenum confirmed him in both the Moscow party function and his continuing function as Central Committee Secretary in charge of the Soviet defense industry. This combination of functions is unprecedented in Soviet history.

Without losing Zaikov, the CC Secretariat gained yet another representative from the defense sector, as Oleg D. Baklanov became a CC secretary. Since April 1983, Baklanov has been Minister of General Machine Building, in charge of missile and spaceship production.

Early February also saw an infusion of military-industrial managers into the Soviet government. Yuri Maslyukov, former head of the State Military-Industrial Commission, became chief of the State Planning Commission (Gosplan), first deputy prime minister, and candidate member of the Politburo, while Minister of Shipbuilding Igor S. Belousov became a deputy prime minister.

The emphasis on the military's line, and on launching a "cultural" revival of Great Russian chauvinistic traditions, formed the most crucial portions of the plenum's concluding speech by General Secretary Gorbachov.

'Education' and war buildup

The emphasis, both in Ligachov's speech and throughout the plenum, was on bringing Soviet education up to the levels required by perestroika, the modernization of the U.S.S.R.'s military-industrial base. As Ligachov and other speakers stressed, Soviet youth must receive the kind of scientific, technical, and vocational education and training necessary for them to perform industrial labor in plants that are to be modernized.

There was a heavy concentration of plenum speakers from the Soviet Academy of Sciences, including its chairman, Yuri Marchuk; V.A. Koptiug, its vice president and

chairman of the Siberian branch in Novosibirsk; A. A. Logunov, also vice president and rector of Moscow's Lomonosov University; as well as party first secretaries of regions in the Urals, where military industry predominates.

The plenum also devoted attention to the military's demand for increased teaching of Russian to youth in the non-Russian republics, above all in the non-Slavic Turkic republics of Azerbaijan and Central Asia. An increasing number of draft-age youth, about one-third of the total pool, come from these republics. Their low level of proficiency in Russian has been repeatedly identified by the military as an obstacle to Soviet war preparations.

A total of 27 speakers addressed the two-day plenum, 19 on the first day, 8 on the second. All 8 speakers on the second day spoke at length. One of them was General of the Army A. D. Lizichev, the chief of the military's Main Political Directorate. It can be assumed that his theme was measures to properly "educate" Soviet youth to upgrade the quality recruits in general and entrants into the officers' academies.

Gorbachov echoes the military

As concerns Gorbachov's plenum speech, the foreign policy section could have been delivered by Defense Minister Dimitri Yazov, and the "cultural" section could have been stated by super-Russian chauvinist Pobedonovtsev, the Russian Orthodox Church Procurator of the Holy Synod in the late 19th century, who embodied the person of the Grand Inquisitor.

The tough foreign policy line was linked to the Feb. 21 arrival in Moscow of Secretary of State George Shultz. After the INF treaty's signing, Moscow has only escalated its demands on the Reagan administration. How many more sel-louts can be procured from Washington, on arms control, on regional issues such as Afghanistan, the Near East, and the Gulf? And, last but not least, as the Gorbachov speech made clear, the Reagan administration is being told by the Kremlin to "liquidate" the opponents of the "Munich II" treaty and the "New Yalta" agreement it embodies.

In this spirit, Gorbachov focused his rage on the "consolidation of reactionary, extreme anti-Soviet forces. All kinds of so-called analysts, and Kremlinologists, are presenting recommendations to their governments that there will be catastrophic consequences for the West if the process of disarmament continues."

Since the Reykjavik summit, a repeated Soviet demand has been that Western establishment forces eliminate those political forces, beginning with Democratic presidential candidate Lyndon LaRouche, who are opposed to a "New Yalta" and to reversing the economic, military, and moral collapse of the West. Or, as Gorbachov put it, "the importance of liquidating the militarists."

Gorbachov's venom was also directed at European opposition to the INF treaty, in particular, in Britain and France: "The militaristic activities in the European part of NATO

have been noticeably increased. They are in a hurry to 'compensate' for the missiles to be removed under the treaty. They are planning a modernization and a build-up of other types of nuclear weapons, especially at sea and in the air, cynically claiming that the latter are not covered by the treaty." He attacked Britain and France for planning to increase their nuclear forces, and their bilateral military cooperation, "It is precisely after the signing of the treaty that the NATO states demonstrate enhanced activity in the field of bilateral and multilateral integration."

Special anger was revealed over anti-INF forces' successes in puncturing the myths of Gorbachov the "reformer" and "liberal," so widely propagated in the Western media. Gorbachov complained that not everyone in the West is falling for his "charm." He mentioned that to some, Moscow's "diplomacy of smiles" arouses suspicion. "Western radio stations," he said, are spreading "provocative inventions" about a leadership struggle in Moscow. "They wish to sow uncertainty, disbelief in the possibility of achieving the aims of the party."

Gorbachov the "liberal" utterly vanished in the Great Russian chauvinism of the "cultural" section of his speech. "Bolshevism based itself on the leading humanistic traditions of the great culture of Russia. We know how Lenin valued the richness and humanism of so-called old culture, which played an important role in world civilization. And now we should, without any hesitation, energetically expand the cultural realm of perestroika, using and developing all the spiritual richness given us by our forefathers."

Any illusions concerning better living standards were shattered. His message was austerity, "One can't live by bread alone." In his conclusions on the subject of perestroika: "There are no such things as miracles. perestroika is hard and complicated. Perestroika is work, work, and more work."

One other important item to be noted in the speech was the announcement that the next Central Committee plenum would deal with the *nationalities* question, which Gorbachov identified as "the most vital question" facing Soviet society today. The next plenum will be held in the spring, certainly before the June 28 extraordinary 19th Party Conference. Ligachov, in his keynote speech, had strongly denounced "extremist" and "chauvinist manifestations," that is, anti-Soviet riots and demonstrations in Kazakhstan, the Baltic republics, and Yakutia in the far northeast of Siberia.

Nationalist unrest was surging on the eve of the plenum, with mass demonstrations and church vigils in Catholic Lithuania on Feb. 14 and Feb. 16, the 70th anniversary of Lithuania's short-lived independence. Since the plenum, Armenia was rocked Feb. 19-22 by mass demonstrations involving tens of thousands, (article, page 48) Nor has the unrest in the Baltic died down. There were large demonstrations and clashes with the police Feb. 2 in the Estonian university town of Tartu, and more actions on Feb. 24, the 70th anniversary of Estonian independence.

Armenian troubles test Moscow leaders

by Muriel Mirak

Just as the attention of Soviet-watchers was focused on nationalist upsurges in the Baltic republics in late February, unexpected rumblings began to be heard from the Soviet Republic of Armenia, feeding speculation that the Gorbachov leadership may be facing its most serious test of strength internally.

The ostensible reason for the outbreak of public protest, which saw over 100,000 Armenians marching for five days in the streets of the capital city Yerevan, was twofold: Citizens were demanding that two highly polluting synthetic rubber plants be closed down. More importantly, the demonstrators, carrying banners saying "One People, One Republic," demanded that the ethnically Armenian region of Nagorny Karabakh be returned to Armenia from neighboring Azerbaijan. The region, which still boasts an 80% Armenian majority, was given to Azerbaijan in 1920, when Armenia was partitioned by the Soviets and Turkey, and the Soviet Republic of Armenia was proclaimed.

But that is not the whole story, either. As British press reports indicated long before the February demonstrations occurred, a fight has been brewing for the last 18 months between the local Armenian political machine and Gorbachov's Moscow apparatus. Already last June, in the context of his perestroika ("restructuring") policy, Gorbachov had issued scathing criticisms of "totally unjustified complacency" toward "bribery, profiteering and protectionism." The target of this attack was Karen Demirchian, who became head of the Armenian Communist Party in 1974, under Brezhnev. In a December meeting of the Armenian Central Committee, when one member called for Demirchian's ouster, accusing him of not having implemented Gorbachov's policies, he was drowned in a chorus of boos, and accused of "personal ambition." Despite the barrage of attacks issuing forth from the general secretary's mouth in Moscow as well as the pages of *Pravda*, not only was Demirchian not purged, but the power of the Armenian "machine" gained new strength in Azerbaijan.

And not only in Armenia, but also among the Armenians in Nagorny Karabakh. On Feb. 11, according to *Izvestia*, disturbances began among the ethnic Armenians in Stepanakert, the capital of Nagorny Karabakh. Shortly thereafter, the local parliament, whose 140 members include 110 Armenians, voted in favor of uniting with Armenia—a rare occurrence within the Soviet bloc. A week later, demonstrators took to the streets in the region as well as in Armenia's

capital city of Yerevan. Work stoppages and school boycotts also reportedly accompanied the demonstrations, which numbered in the hundreds of thousands, according to dissidents.

Moscow obviously rejected the demand for reuniting the region with Armenia; Foreign Ministry spokesman Gennadi Gerasimov succinctly proclaimed, "The present status quo should be maintained." On Feb. 22, Armenia's First Secretary Demirchian went on Armenian television to appeal for "calm" and "order." He stated that although the environmental demands regarding the rubber plant were being considered by the authorities, the national territorial question was not open to discussion. The following day, the Soviet Central Committee in Moscow issued a two-page statement calling on authorities both in Azerbaijan and Armenia to "safeguard public order and the strict observance of socialist laws." Ruling out any changes in the borders, it blamed the "breaching of public order" on "irresponsible calls by extremist individuals."

On Feb. 24, Moscow dispatched two candidate members of the Politburo, Georgi Razumovsky and Pyotr Demichev, to visit the troubled area and attempt to impose a solution. The first concrete result of their mission appeared to be a concession to nationalist Armenian demands: On Feb. 24 the party leader of Nagorny Karabakh, an ethnic Russian named Boris Kevorkov, was suddenly deposed, for "shortcomings in his work." His replacement, Genrikh Posogyan, bears a characteristically Armenian name.

Fierce nationalism

Where will it go from here? Moscow's concern, according to sources, is to reach a speedy solution, so as to nip the nationalist ferment in the bud. More than the Armenian unrest, Moscow is reported to fear an explosion of protest among the Turkic Azeri population, were any significant concessions made to the Armenians.

Yet, the potential threat posed by the tightly knit Armenian community is no joke. As certain British press reports have keenly observed, Armenia is the "least Russian" of all the Soviet republics, 90% of its population being Armenian. And it is fiercely nationalistic. Although they have a history of foreign dominations and persecutions at the hands of the imperial powers that have controlled the strategically vital region between the Caspian and the Black Sea, Armenians have preserved a cultural unity through their language, literature, and religion. Soviet Armenians will readily tell visitors that their 1,600-year-old language had already received the works of Shakespeare in the 17th century, and will add that their language, with its own sophisticated alphabet, was a national vernacular four centuries before the name Russia was heard of.

Furthermore, they boast that the Armenian Apostolic Church, which preserves an existence independent of the Russian Orthodox Church, was the first Christian church to be adopted by a nation, in the early fourth century.

Panama mobilizes against invasion threat

by Peter Rush

Panama's Legislative Assembly, employing its constitutional powers, removed from office President Eric Arturo Delvalle, for violating the Constitution by following instructions from a foreign power, when he gave the order to fire Armed Forces Commander Gen. Manuel Antonio Noriega Feb. 25. He did so without obtaining the constitutionally required signature of the justice and government ministers on the dismissal order. Political parties, trade unions, and other organizations immediately mobilized behind General Noriega.

U.S. officials seemed bent on proving Noriega's charges that the entire operation against him was an excuse for military intervention into Panama, and for ripping up the Panama Canal treaties.

Delvalle admitted in a telephone interview with the *Washington Post* later that evening, that in his view Noriega was not "guilty of anything." He also made no secret of the fact that he was acting in the closest collaboration with U.S. Ambassador Arthur Davis, who spent the entire evening of Feb. 25 at Delvalle's house. Delvalle told the *Post* that Davis "supports, totally and absolutely, my decision."

There was not only no significant public manifestation of support for Delvalle in the streets, but crowds instead poured out to support General Noriega and call for Delvalle's ouster. Moreover, the entire command of the armed forces backed Noriega. Col. Leonidas Macias, military chief of police, spoke for the officer corps when he said, "None of us wants to be commander. Our commander is staying. The President is going. We all support Noriega." Delvalle had named Col. Marcos Justines, to replace Noriega, but he said on the armed forces television network, "When I heard of this offer, I rejected it immediately." He said that Delvalle "had acted under pressure from the United States. I think it was an error. They should let the Panamanians make our own decisions."

The Legislative Assembly appointed Education Minister Manuel Solis Palma minister-in-charge of the presidency. He immediately drew praise for announcing that Panama would reassume a more active role in the Non-Aligned Movement, and that the government would reestablish dialogue with the trade unions and other sectors in making economic policy.

On Friday, Feb. 26, Delvalle made clear that he was intending to pretend he was still President, a maneuver mean-

ingful only if he intends to wage a battle against Panama on behalf of his U.S. backers. He spent almost the entire day talking to the foreign press. He "appointed" Lawrence Chewney Fabrega to "represent Panama" before the Organization of American States, and instructed Fabrega to talk to every delegation in an effort to have the OAS "recognize" his presidency. Within Panama, despite the continued absence of any public manifestation on his behalf, the opposition Civil Crusade of professionals and business organizations called for an indefinite general strike to begin on Monday, Feb. 29.

Delvalle has now fully joined with the opposition. He evidently trusts that economic misery will permit him to regain power. Interviewed on U.S. television, he said he would support a U.S. trade embargo, and that Panamanians must suffer until Noriega is deposed.

Threats from Washington

Economic warfare is indeed the central weapon in the U.S. arsenal. A Feb. 22 article in the *New York Times* detailed the vulnerability of the Panamanian economy, noting that the government will have trouble meeting its next payroll, and will also be unable to make the next round of payments on its foreign debt.

In a televised interview aired Feb. 27-28, Sen. John Kerry stated, "What you have to do is begin to precipitate a larger crisis, frankly. Because without the larger crisis, the kind of real economic pressure and other things that have to happen will not be brought to bear." He added, "I personally don't think it will come to civil war, though it could." On CBS's "This Morning" program on Feb. 26, Sen. Alfonse D'Amato lied that U.S. citizens are already being harassed, as he attempted to build his case for U.S. military intervention. He said, "It is not without precedent that the U.S. move" its troops. He cited the invasion of Grenada, and President Eisenhower's landing of troops in Lebanon in 1958, as appropriate precedents for what should happen in Panama.

Defense Secretary Frank Carlucci put fuel on the fire by saying that "nothing can be ruled out." George Bush, in a campaign speech, said that the United States should do "whatever is necessary, including military force" to protect U.S. interests.

Meanwhile, in the OAS, the efforts of Delvalle and the United States were temporarily stymied when the ambassador of Paraguay, chairing the OAS this month, refused to convoke an extraordinary session to consider a resolution introduced by El Salvador "recognizing" Delvalle as the constitutional head of state of Panama. The resolution has so far received only the support of Venezuela and Argentina, of the major countries of Ibero-America. It was backed by most of the Central American and Caribbean states. The Mexican foreign ministry has announced that the Group of Eight Contadora nations had suspended Panama until it is clarified whether it is still a democratic country, but also reaffirmed its opposition to intervention in other countries, as a warning to the United States.

Drugs and voodoo: the Gnostic International

by Valerie Rush

When Colombian troops raided a fortified underground bunker belonging to the Medellín Cartel of cocaine traffickers Feb. 17, some of the soldiers drew back in horror and refused to enter the place. In the doorway were tiles engraved with cabalistic symbols. According to a description of the room appearing in the daily *El Tiempo*, "soldiers found vials of incense, and a wall recently stained with blood; it was not clear whether human, or from a sacrificed animal. There were also formulas on how to kill animals in proper ritualistic fashion. . . . In the entrance of the main room was a pencil sketch of Jesus Christ with a bullet-hole through the head. The property owners had written underneath, 'a real son of a whore.' There was a cauldron of smoke-blackened crucifixes, pigs' feet, bloody sticks. . . . Above the cauldron hung a grappling hook and a pulley. Next to it an embalmed cobra."

El Tiempo editorialized Feb. 19 that the room "held a medieval ambience . . . [like] a Dracula movie, or the pipes of an alchemist in which cocaine is transformed into gold. It is now known that our traffickers are practicing demonologists and the unique altar discovered at Torre Alta is full proof of this. . . . The processing and trade of the white powder [cocaine] is not only to be protected by bullets, but by the occult powers from which [the drug traffickers] seek protection, erecting underground altars in which they surely celebrated black masses."

The Gnostics and terrorism

The news that Colombia's drug traffickers are full-blown Gnostics and practitioners of black magic, may have shocked the Colombian public, but comes as no surprise to *EIR* readers. As early as 1984, this publication issued a Special Report entitled, "Narco-terrorism in Ibero-America," which described the Gnostic practices of the drug mafia and its terrorist collaborators on both the "left" and the "right."

In fact, it was the Gnostic Church which established, and still runs, the narco-terrorist M-19. One of the M-19's founders, Jaime Bateman, told an interviewer in 1983 that "Gnosticism" protected him: "Mystic or not, brother, I'm persuaded that it works. . . . The [Gnostics'] executive committee, or whatever it's called, sends us congratulations all the time. . . . Science stultifies the world, and stultifies thinking. . . . The

traditional left refuses to acknowledge the importance of cults, magical thought, religious manifestations."

The M-19's current leader, Antonio Navarro Wolfe, cites Bateman as his teacher, and describes his organization's strategy: "Very rapid social dynamics are needed in countries with . . . a youth without hope which expects nothing from the future. . . . To what do you call all these people? To something half-magic, audacious, novel, vital."

This mysticism is by no means limited to the foot-soldiers of narco-terrorism. On June 19, 1987, *EIR* broke the story on the Cuban connection to the Gnostic International, shortly after Panamanian "mystic" Col. Roberto Díaz Herrera attempted a coup against his commander-in-chief, Gen. Manuel Noriega.

Díaz Herrera was involved in trafficking drugs through his role as the "Panama connection" for Peruvian "godfather" Reynaldo Rodríguez López, of Villa Coca fame. His drug links, along with his family ties to Castro's Cuba, while well known, were protected by U.S. banking and intelligence interests who found him a useful asset inside the Panama Defense Forces. On June 6, 1987, Díaz Herrera announced his readiness to offer "proof" of Noriega's corruption. Instead, he presented a disassociated monologue on his mystical beliefs, which were censored from the U.S. press for fear they would discredit his "evidence" against General Noriega.

Not only did Díaz Herrera state that he was acting against Noriega on behalf of an occult power, but that he was supported by his friend Fidel Castro: "Fidel is a mystic, didn't you know? I have spoken twice with Comandante Castro, and we spoke in this way, that he is a mystic. Do you know why? . . . I don't know what the dictionary says 'mystic' means, but he is a spiritual man, despite his being a Marxist-Leninist, and he is a profoundly human man, to the core. He is a great friend not only of Panama, but an extraordinary friend to me."

Díaz Herrera, also named Socialist International Vice President José Francisco Peña Gómez, of the Dominican Republic, as a leader of this Gnostic network. Said Díaz Herrera, Peña Gómez can corroborate my charges, because he too knows the occult. "He told me that he has spoken twice with the spirit of [the late President Omar] Torrijos, [which] is restless because he was assassinated."

Peña Gómez, a member of the pro-drug-legalization Inter-American Dialogue, remains an occultist. According to the Dominican daily *El Nacional* of Feb. 15, Peña Gómez said that his Revolutionary Democracy Party had increased its chances of an electoral victory because the "warlocks" had thrown in their support. Several days later, the head of the ruling FNP party, Amaury Fernández, commented, "What Peña Gómez is doing is manifesting great contempt for the faith of the Christian majorities. His behavior is a shameless ridicule of the efforts of so many to get those most backward sectors of the population uplifted from the superstitions that keep them oppressed."

Venezuela, Colombia restart joint anti-drug work; Communists go crazy

by Carlos Méndez and Valerie Rush

On Jan. 21, Colombian Interior Minister César Gaviria Trujillo and Venezuelan Interior Minister José Angel Ciliberto met—along with representatives of the military and police forces of their respective countries—to sign a treaty to “reactivate the existing agreement between Colombian and Venezuelan defense ministries, signed in February of 1984, which establishes collaboration between the armed forces of both countries along their common border.”

The 1,000-kilometer border has been turned into a “no man’s land” ruled by outlaw gangs of subversives and drug traffickers who take advantage of the jungle-covered and mountainous terrain to evade repression by either government.

This renewed military cooperation not only has the potential to do serious damage to Soviet-sponsored narco-terrorism, but also to mend frayed relations between the two countries, which last year came to the brink of war over contested territory. In Venezuela, the accord has smoked out the political protectors of the drug-running interests, to the point of provoking a mudslinging contest in Venezuela’s ongoing presidential campaign.

Venezuelan newspapers reported that the new treaty also established “the substantial increase of military contingents of both countries along the border [and] the accelerated increase of intelligence cooperation among the security corps of both countries.”

The day after the signing of the treaty, the Venezuelan daily *El Mundo* reported that 3,000 Venezuelan soldiers and officers had been mobilized throughout the border states, “to fight to the death against the drug trade, the guerrilla warfare, kidnaping, and contraband.”

On Jan. 29, Venezuelan Defense Minister Eliodoro Guerrero Gómez announced to his troops during the inauguration of a new frontier fort, “We declare, as of today, war without quarter . . . against any activity of the drug trade, banditry, subversion or contraband,” and he appealed to the Colombian military to join forces “to keep the border in peace.”

Of special concern has been a recent dramatic escalation in narco-terrorist violence—ambushes of military patrols and kidnaping of Venezuelan cattlemen—carried out by the National Liberation Army (ELN) and Colombian Revolutionary

Armed Forces (FARC), two of Colombia’s four major terrorist organizations. On Dec. 14, the Venezuelan ranchers association reported that 30 cattlemen had been kidnaped by Colombian guerrillas, the majority of them forced to ransom themselves with amounts of \$3 million and up.

The enemy enters, stage left

The response to the new cooperation accord and expected crackdown on the drug outlaws, was not long in coming. Professional provocateur José Vicente Rangel, a former Venezuelan congressman and known Cuban agent, was interviewed on television in Caracas on Feb. 7. Rangel charged that the presidential campaigns of the two leading political parties—the ruling Democratic Action (AD) and the opposition Christian Democratic COPEI—were financed by drug money.

The elections are in November of this year, and while the parties have chosen their official nominees, there is widespread internal dissension in both camps. This has made the presidential race uncommonly hot even at this early stage.

Rangel’s accusations hit like a rock thrown at a hornets’ nest, with political representatives of all stripes indignantly denying the charges and demanding that Rangel “make his charges concrete and provide the names,” or retract.

While it is an open secret that Venezuela is a major money-laundering center for the drug mob, Rangel’s intentions had little to do with fighting the drug problem, as we shall see. In response to demands that he name names or retract his charges, Rangel said that “the reactions to my statements have been infantile, since the drug trade doesn’t leave fingerprints,” and he insisted that “I am neither policeman, nor judge, nor prosecutor. Let the competent authorities do the investigating.”

Rangel then proceeded to hold a high-profile meeting with Venezuelan Attorney General Serpa Arcas, to present a document which allegedly specified his charges. The document was leaked to the daily *El Nacional*, property of the Communist pro-Qaddafi family of Otero Silva, which published a serial review of its contents under the byline of leftist Fabricio Ojeda. Politicians named in the *El Nacional* coverage as financed by the mob included a number of leading

Democratic Action Party figures.

When challenged by the ADers for proof of the accusations, *El Nacional* blithely published a "clarification" by Rangel that his document had not named the individuals appearing in the newspaper story, but that they should nonetheless be investigated. "There are no innocents," he claimed.

While Rangel's trial-by-press scenario was unfolding, a photograph appeared in the newspaper *El Nuevo País*, showing COPEI presidential candidate Eduardo Fernández at a fundraising party with two known drug traffickers, who reportedly gave the candidate 5 million bolivares (roughly \$165,000).

The enraged COPEI executive responded by releasing to the press a photograph of Fernández's AD rival, former President Carlos Andrés Pérez, allegedly mounted on a horse given him as a present by the father of the infamous Ochoa clan, of the cocaine-trafficking Medellín Cartel.

The denials were loud and clear from both quarters, but the war was on.

The 'Manzopol' scandal

The Rangel-*El Nacional* combination had not finished, however. During his Feb. 7 television interview, Rangel had also violently attacked the Venezuelan security forces, and specifically what he termed "Manzopol," the special anti-narcotics police force supposedly created by Justice Minister José Manzo González.

Rangel charged that "Manzopol" was receiving financial assistance from the U.S. Drug Enforcement Administration (DEA), and that Minister Manzo should resign for "hiding" the existence of the special police corps and its alleged financing by the DEA.

The targeting of Manzo González is not accidental. He has also been one of the strongest proponents of a hemispheric military war against the drug trade, and an advocate of confiscating the mafia's assets. He was a special target for assassination by the Medellín Cartel's Carlos Lehder, and is one of the few surviving anti-drug figures left in the region, since the January 1988 kidnap and murder of Colombian Attorney General Carlos Mauro Hoyos, and his replacement by a mafia-appeaser (see Andean Report, page 61).

It came as no surprise when *El Nacional's* Ojeda published a series of reports during Feb. 10-13, allegedly based on an "internal notebook" of Manzopol. Ojeda's articles published the identities of numerous anti-drug collaborators of Minister Manzo, but put special emphasis on the supposed collaboration between Manzopol and the DEA. He also charged the DEA director in Venezuela with "creating" drug traffickers, and "trafficking in chemicals" confiscated during drug busts. The U.S. embassy issued a denial of the charges.

Among the sources cited by Ojeda were José Vicente Rangel, COPEI congressional leader Paciano Padrón, and former Police Inspector Rafael Rivero Muñoz. Padrón was one of the first to charge that DEA dollars "were taken by

Manzo for Manzopol, and now no one knows how to answer for this money." Padrón was warned by AD Congressman Vladimir Gessen that his attacks on Manzo favored the drug mafia and that Padrón, "without wanting to, could become an informer for the criminal drug syndicate."

Rivero Muñoz is a former collaborator of the DEA who became embittered after losing his post during a change of administrations, and is believed the source of most of Rangel's charges. Rivero Muñoz charged cynically that "the security of Venezuela is in the hands of and manipulated with impunity by a foreign agent, a chicano," referring to DEA chief in Venezuela Roberto Cancelaria.

Rivero Muñoz has also targeted the military collaboration treaty directly, calling it "an aberrant treaty for the extradition of nationals," which allegedly includes provisions for foreign troops in Venezuela to defoliate drug crops with "prohibited dangerous chemicals."

The campaign against Manzo has distinct similarities to the ongoing campaign in Colombia—conducted by the Communist Party of that country and by political layers known for their links to the drug mafia—to target the remnants of Colombian-Drug Enforcement Administration cooperation against drugs. The Communist daily *La Voz* has been the most violent in recent weeks for its attacks on DEA "infiltration" in Colombia, and on Feb. 23, the daily *El Espectador* reported that the director of narcotics matters for the Colombian attorney general's office, Francisco Bernal Castillo, was forced to flee the country under threat of assassination.

That same day, the newspaper *El Siglo* reported that Bernal Castillo was under investigation for "violating national sovereignty," by permitting DEA agents to participate in national police raids against drug traffickers.

Communists go bonkers

While Rangel and his collaborators are smearing Venezuela's anti-drug forces, and driving the nation's political elites into a frenzy of mudslinging, other allies of Soviet narco-terrorism inside Venezuela are going directly at the anti-drug collaboration treaty. *Tribuna Popular*, the newspaper of the Venezuelan Communist Party (PCV), has been ranting against the agreement since its inception, using the argument that the anti-drug war was but a pretext for "narcoc-militarism."

The old pro-Qaddafi figure Domingo Alberto Rangel has published a series of articles attacking the treaty as the inspiration of U.S. Gen. Vernon Walters, U.S. ambassador to the United Nations, and denouncing President Jaime Lusinchi for doing an about-face on relations with Colombia—first threatening war over contested oil-rich territory, and now "helping them" to fight drugs. Rangel complained that the "revolutionary challenge" in Colombia was now forced to face "three armies"—the Colombian military, the Venezuelan military, and the "Yankees, operating from the Venezuelan side of the border."

Budget cuts shrink West German Army

by George Gregory

The Federal Republic of Germany is currently doing to its army, the Bundeswehr, the same thing that U.S. Defense Secretary Frank Carlucci is doing to American military capabilities. Extensive budget cuts, with little or no consideration for national security interests, are effecting the unilateral disarmament of the NATO alliance. In the West German case, the Bonn cabinet's February discussion of "The Army of the Year 2000," portends a steady shrinkage of the standing army, to be equipped with older and older, and less effective, weapons. The cuts mean, according to reports in Bonn, that the number of West German brigades will shrink from 48 to 42, and only 15 of these will meet the manpower and equipment readiness standard to qualify as "1A" combat-ready units.

These steps toward unilateral disarmament occur as the U.S. Senate debates the ratification of the treaty on withdrawal of intermediate nuclear forces from Europe. The INF treaty removes the accurate and effective U.S. Pershing 2 missile, while the Soviet Union does not reduce its nuclear threat to the Federal Republic and the rest of Western Europe at all. The next step is supposed to be a grand round of conventional arms-reduction agreements. In numbers used by the negotiating teams for the West in Vienna, this means that the Soviet Union would have to agree to demobilize (not merely relocate) *five times* more men and equipment than the West, for otherwise, the Soviets would cement both their superiority in pure mass and their invasion capability, at low risk, against Western Europe.

Personnel strength of the Bundeswehr

Due to the downward plunge of the West German demographic curve, and also due to the 50,000-plus "draft dodgers," there will be a shortfall of 40,000 in the peacetime strength of the Bundeswehr of 495,000, beginning this year. This situation will continue, even when the extension of basic military service time from 15 to 18 months is put into force in mid-1989. Thus, without drawing upon the reservist-potential of the Bundeswehr, the Bundeswehr would shrink to 60% of its current strength, 339,000, by 1995, and to 297,000 by the year 2000. Presuming that the basic military-service and reserve potential drawn upon represents qualified person-

nel, capable of absorbing quality training and fulfilling assignments, this means that the restructuring of the Bundeswehr will entail keeping a larger pool of quality professional soldiers and officers, assigning them to training missions, and providing the core of brigades to be filled out in a mobilization.

This means that those soldiers and officers assigned to form the backbone of the reserves will no longer be part of the standing army, reportedly shrinking the number of brigades from 48 to 42. The 48 brigades now constitute the 12 Bundeswehr divisions. These divisions are the backbone of NATO's Forward Defense, which must be strong enough to deny the adversary the option of simply rolling into NATO territory with conventional forces.

The Federal Republic has a 1,000-kilometer border with the Warsaw Pact. The Bundeswehr is assigned 400 km of this long front, the armed forces of the allies 80 km, leaving large gaps, which thus require a high degree of mobility and reaction capability to defend. In the northern sector, the Dutch and Belgian brigades are already staffed only by a core of permanent personnel, so that the Bundeswehr effectively must cover their sectors also until the staging of the Dutch and Belgian forces were completed in a crisis. If 6 of the 12 Bundeswehr divisions are pared down in the way envisioned, this means the standing force covering the line of 400-plus km is reduced by 50%—most likely more, if only 15 of the brigades, 3.5 divisions, are at NATO "1A" category of combat-readiness. Neither the stripped down nor the regulation strength forces will therefore be fit for either Forward Defense or Direct Defense.

This situation is creating growing alarm within the armed forces. Gen. Henning von Sandrart, the current commander of AFCENT and former Army Inspector, issued the warning last year that the Bundeswehr is becoming incapable of fulfilling its Forward Defense mission. Among the 1,227 officers who left the Bundeswehr for early retirement last year, out of 3,188 who applied for early retirement, not a few were commanders who quietly admitted that the emerging guidelines would make it impossible for them to fulfill their missions, while it had been merely damned difficult up to now.

Startling political implications

What does the shrinkage of the German Army mean politically, and in case of the outbreak of war?

Military professionals claim that they can assure a 48-hour "technical" warning time prior to a Warsaw Pact assault. "Technical warning time" means that military reconnaissance and listening posts would monitor signals of an impending attack 48 hours ahead of time. Politically, the Parliament must pass a resolution authorizing a mobilization of reserves, permitting the rump-brigades to be filled out.

With the basic forces of the Bundeswehr so denuded, Moscow's options for exerting pressure on any such decision will grow. Is it conceivable that parliamentarians will debate

and decide on a resolution to mobilize reservists at a time when Soviet spetsnaz guerrillas and other coordinated irregular-warfare operations are turning life in the Federal Republic into pure chaos, and parliamentarians are instilled with fear that the decision would only increase the chaos? Is it conceivable that the Parliament will take a decision to mobilize reserves at a point in the crisis, when such a decision cannot be kept secret, when large sections of the media and influential politicians claim that the decision would only escalate the crisis? This would be only a decision to fill out the rump-brigades to *peacetime strength* of 495,000, not to mention the decision to mobilize 1.34 million soldiers for war. The decision would clearly take many more days than mere "technical warning," and even the Social Democrats' wildest dreams of a 150-km-deep nuclear-free and heavy armor-free corridor east of the West German border, will not save the Federal Republic. There will be little if any integrity left of either Forward Defense or deterrence.

Moscow can either mobilize or only threaten to mobilize, knowing that the Federal Republic, and thus NATO as a whole, has no reaction-capability, and hence can impose its demands at will. Thus Moscow achieves all of its aims of disarming the West, at no cost or risk to itself. And Moscow receives the largest package of risk-free blackmail potential it could ever have dreamt of.

But the situation is worse. Nominally, the defense budget for 1988 will rise 1.5%, but this increase is already swallowed up by a 3.2% increase in operating costs, of which maintenance costs alone rose 6.2%. On the other hand, investment outlays will drop in 1988 by at least 1.9%, among which outlays for military facilities (NATO infrastructure included) will drop by 4.8%, and procurement by 1.6%. This contrasts with the hold-the-line sum quoted for procurements by the Ministry of Defense of at least 400 million deutsche-marks annually. A more detailed account would show that while a conservatively estimated 40% of priority targets cannot be hit with near-border artillery for lack of ammunition, 50 million DM was slashed from the munitions budget last year as part of the funds reallocated to help farmers over the Chernobyl panic.

Now, the figures stated last year by General von Sandrart, that the minimal investment in army equipment over the next 12 years is 118 billion DM, but the currently planned allocations are only 67 billion DM, are again making the rounds in the press. If no fist is slammed on the table hard enough to shatter these political and financial calculations, the 67 billion DM figure will go down in history as an optimistic dream.

Von Sandrart's judgment is backed up by a stern warning from his successor as Army Inspector, Lt. Gen. Henning von Ondarza: "The Army is left now with only 21% for investment, although it is generally agreed that we need to have 30%. At this rate, it will not be possible to keep our Army modern."

U.S. plays cat and mouse with Kohl

West German Chancellor Helmut Kohl's visit to Washington Feb. 18-19 could only have added to the impression already prevailing in Bonn in the wake of the INF treaty signing: that the United States is playing cat and mouse with its most important NATO ally, and has already, in fact, decided to sacrifice West Germany to the tender mercies of the Russians.

As Kohl noted in his discussions in the American capital, the Germans are being exposed to alternating hot and cold showers. First, plans for U.S. troop withdrawal from Germany are made (through such channels as the Wohlstetter-Iklé report on long-term strategy); then the plans are denied; then launched again in the media, commented on, and then denied again. First, the U.S. insists that Germany agree to modernization of short-range nuclear weapons, and then that is described as being not so urgent.

In Washington, the Reagan administration put a gun to Kohl's head and the demand was made: Only if you Germans take over a major portion of the costs of stationing our troops will the troops remain in the Federal Republic, and only if you go along with the current insane U.S. economic and currency policies, will we Americans consider continuing security protection for Germany. Kohl was told that Reagan has already decided for a reduced American presence, but there may be some adjustments possible here and there if the Germans are "good."

But massive cuts were proposed for the U.S. defense budget just as Kohl arrived in Washington. The U.S. budget cuts speak much more loudly and clearly than the numerous contradictory statements by the politicians.

Kohl, Americans were told by the news media, thoroughly approves of the new arms pact, and came to Washington "to lobby for passage of the INF treaty." Kohl did do his best to ingratiate himself with his hosts by uttering the prescribed hosannas in praise of the treaty, but his mission was really to attempt damage control to preserve at least the scraps of the Atlantic Alliance.

"It is decisive for NATO that there be no zones of different security," he said at his press conference Feb. 22, after the subject of the Wohlstetter-Iklé report advocating a U.S. pullout came up. "We must see defense as one whole—indivisible."

Kohl described NATO as "a community of shared risk," which, he said, "is particularly true of West Germany, be-

cause, in geopolitical terms, we are the forefront.”

The chancellor reminded his American audience that 500,000 West German troops are deployed on the front lines of NATO. “This is, speaking personally again, a generation of our sons. We have mandatory conscription. We tell them they must serve, to make a personal sacrifice,” just extended to 18 months on active duty. “It is natural they want the same treatment, the same assurances as everyone else.”

Kohl strongly reiterated his nation’s commitment to nuclear deterrence for Europe. He said that he had made it clear to President Reagan that West Germany is: 1) against the denuclearization of Europe, including against the so-called “triple-zero” proposal to remove all battlefield nuclear weapons; 2) opposed to zones of different security within NATO; 3) in favor of a “flexible response” capacity that is balanced between conventional and nuclear forces; 4) recognizes that effective deterrence is not possible without nuclear weapons maintained on West German soil.

French warn of U.S. decoupling

On Feb. 10, a delegation of five U.S. senators led by Sam Nunn of Georgia, stopped in Paris to sweet-talk the French with promises that the INF deal won’t imply further U.S. withdrawals from Europe.

But in *Le Monde* newspaper of Feb. 13, Minister of Cooperation Michel Aurillac warned that the Wohlstetter report augurs U.S. “withdrawal—political, if not yet military—from Europe” as more likely “than the reassuring speeches and deeds of today let one suppose.” And “we cannot see what would lead them to reverse this tendency, not even a significant (and tardy) effort by the Europeans, which remains very unlikely since the strategy proposed to NATO presupposes growing expenses for research, development, and equipment. ‘Decoupling,’ ‘the abandonment of Europe’ by the United States, to use certain of the terms employed since the INF accord was signed, may have appeared as a result of that accord.”

François Fillon, who chairs the French National Assembly’s defense committee, recently told members of the U.S. Senate’s Foreign Relations Committee that he finds most worrisome the “eventual offshoots of the accord,” namely, that “this accord would only be the first stage in a vaster process of denuclearization of Europe”; “an aggravation of ‘decoupling’ between Europe and the United States . . . which the evolution of American public opinion on nuclear weapons and the need to reduce the budget deficit—with its eventual impact on the level of troops stationed in Europe—could render plausible”; and “the psychological and political offensive which the Soviets have not failed to carry out in Western Europe, and especially in the Federal Republic of Germany, around the problem of German reunification.”

This article was written by EIR staff from reports by Nicholas Benton in Washington, Yves Messer in Paris, and Rainer Apel in Bonn.

European defense: ‘the double zero challenge’

by Christine Schier

An analysis of the dangers inherent in the double zero option appeared in the February issue of the French military magazine, *Revue de la Défense Nationale*, authored by the *Renouveau-Défense* group. This group is made up of high-ranking military officers, strategists, and diplomats who have held or are holding important positions, such as former Chief of Staff Gen. Guy Méry, Amb. Jean-Marie Soutou, Vice Adm. Paul Delahousse (ret.), General Thiry (ret.), and Adm. Marc de Joybert (ret.). In “The Double Zero Challenge,” as the report is called, the dangers facing Europe are clearly laid out, as well as the direction of possible solutions.

“The stationing of Pershing 2 and Tomahawks on European soil from December 1983 on, because of the American nationality of these missiles, their range, their penetration capability, and their precision, gave credibility to the ‘intermediate’ nuclear echelon of Western deterrence; this echelon is essential and, as it poses a deep threat against enemy forces, it ensures an effective forward deterrence, which is in turn an indispensable element of global deterrence.

“The INF double zero does away not only with these missiles, but also those of 500-1,000 km range which are capable, albeit in limited number on the allied side, of reaching the second echelon of the Soviet offensive position. This leaves in Europe, excepting French and British capabilities, only airborne American nuclear means based on this side of the Atlantic, and sea-based ones, as well as very short-range nuclear weapons, called battlefield arms. Therefore, the double zero considerably weakens allied capabilities in Europe, especially as they will have a very reduced power for hitting Soviet territory.”

Germany’s paradoxical situation

The authors of the report state that the treaty could push Germany into opting for the triple zero option: “We have to understand Germany’s position. She is in the paradoxical situation where, after she was urged to give up the umbrella

of American Euromissiles and her own Pershing 1As, she is now being urged by her British, French, and American allies to station on her territory nuclear weapons of less than 500 km range, which she considers a threat above all to German soil, be it East or West German.”

The report goes on to explain that Europe cannot be defended without the United States. What must be done, therefore, is to build up the European pillar of the alliance. Around what existing “structures” could that be done? The authors stress the importance of the European Defense Charter published on Oct. 27, 1987 by the Western European Union, but they correctly point out that before worrying about structures, the three key European countries militarily—France, Great Britain, and West Germany—must start consulting and collaborating.

“Whatever difficulties may arise in nuclear cooperation, the INF double zero, today more than ever, requires a nuclear military dialogue between France and Great Britain. Even if cooperation in nuclear techniques seems sensitive, there are clearly many paths to the needed rapprochement, as long as both countries want to: technical problems that are not specifically nuclear, intelligence, submarine patrol zones, coordination in selecting objectives, transmissions, etc.

“France and Great Britain together seem called upon to reinforce, if not to recreate the intermediary nuclear echelon of deterrence in Europe. That requires close cooperation in the field of launchers: The British must be invited to participate in existing French programs, such as the ASMP (medium-range air-to-surface missiles) and the S4 [a mobile land-based ICBM], and vice versa, should the need arise. The French and the British must cooperatively study the cruise missile that Europeans lack.”

Modernizing French forces

Although it avoids the question of developing weapons based on new physical principles, the Renouveau-Défense group points out certain ways of modernizing French nuclear forces. “First of all, the future land-based missile S4 must be equipped with a counterforce capability, which is more credible for European defense than an anti-city capacity, in order to have at our disposal a ballistic missile with a high penetration capacity and a relatively long range, able to hit the rear of a possible Soviet offensive on the territory of the aggressor himself; then, France must very openly deploy enhanced radiation ammunition—better known as neutron bombs. . . . The conditions of use of such a weapon should be defined after consultation with our allies, especially the Germans. The neutron weapon would be a complement to already existing ‘classical’ tactical nuclear weapons, land-based missiles, artillery, airborne weapons of the alliance, which must of course be maintained.”

The authors then stress the importance of strengthening Franco-German military cooperation, and call upon France to reconsider her position vis-à-vis full membership in NATO.

Fundamentalists take over Israel riots

by Thierry Lalevée

Over the Feb. 20 weekend, a qualitative change began occurring in the riots which have been raging for two months in the Israeli occupied territories. In the short span of three days, two Palestinians were shot dead by Israeli civilian settlers, including a 13-year-old who was sitting on her doorstep, far from any demonstrations. At the same time, some Israeli soldiers began to be confronted not by stone-throwing children or adolescents, but by men trying to stab them; the first two bombs exploded in Gaza; and on Feb. 24, the first remote-controlled mine exploded near an Israeli Army patrol.

For many, the next stage is all too obvious. *Al Hadaf*, the weekly magazine of George Habash’s PFLP in Damascus, calls for creating armed bands in villages and the countryside, turning the demonstrations into general shoot-outs and ultimately into guerrilla warfare. As Israeli Defense Minister Yitzhak Rabin recognized, when he spoke on Feb. 21 of a “civil war” in the territories, this scenario may not take long to concretize.

The reason is that the political leadership on the Israeli and Palestinian sides has failed. Neither side has come up with any proposal acceptable to the other side which could solve the crisis. Instead, both have been trying to manipulate events for their own pragmatic aims. Israel’s Labor Party and the Likud have Israel’s upcoming general election in mind, while the PLO thinks in terms of reasserting its own organizational position within the Palestinian and Arab movement.

Islamic fundamentalists

Despite public claims, primarily in Western media, that his Palestine Liberation Organization is the natural and actual leader of the movement, Yasser Arafat probably knows better. The PLO played a minimal role in creating the “Command of the Unified Leadership of the Territories” which has been made known through eight mass leaflets. That “Command” called for, and organized, several general strikes in the territories and Jerusalem. If there are any Palestinian nationalists in this organization—which Israel’s Shin Beth

internal security service admits it has not been able to infiltrate—they are more likely to be followers of radicals George Habash or Ahmed Jibril than of the more moderate Arafat. But the real leadership, with its grassroots movement, shares little in common with Arab nationalism; it is Islamic.

Investigations show that there are at least six Islamic organizations which have led the movement from the start.

One prominent outfit is the **Hezb Islamiyya al Tahril** (Islamic Liberation Party), originally created in the 1950s in Jordan by a former associate of Hajj al Hussein, the Mufti of Jerusalem. The Islamic Liberation Party, active throughout the Muslim world, sponsored the creation of the first fundamentalist movement, the “Sons of the Villages,” in the early 1980s, on the West Bank. It now operates primarily from Lebanon, with close ties to the Iranian-tied Hezbollah. Penetration of Arafat’s Fatah faction of the PLO by the party was revealed after the Feb. 14 car-bomb explosion in Cyprus. The three Fatah commanders killed in their cars, close associates of Abu Jihad, the military commander of Fatah, were all members of the party.

Then there are the **Islamic Revolutionary Movement**, an Iranian-associated organization; the **Gamaat Islamiyya** (Islamic Organizations) in Gaza and Jerusalem; the **Islamic Jihad** from Gaza, created out of the local Al Azhar College; and the **Legions of the Islamic Jihad**, a paramilitary Iranian-linked organization responsible for several bombings in Jerusalem itself, as well as the killing of one Shin Beth officer in Gaza. There are also members of a dissident branch of the old **Muslim Brotherhood**, who are now led by Sheikh Abdelaziz Odeh and operate both in the West Bank and Gaza.

Jewish fundamentalism

A carbon copy of these kinds of forces is now operating inside the Israeli camp, with the self-avowed aim of fighting both against the Palestinians and the Israeli Army if their goals are not met. Speaking in the Knesset (Israel’s parliament) on Feb. 24, Geula Cohen, who has been associated with the organization of the Jewish settlers movement on the West Bank, **Gush Emunin**, and the **Takhya Party** of nuclear scientist Yuval Neeman, warned that “Judea and Samaria are not the Sinai; there will be war” if the government starts negotiations over the territories. And while members of Neeman’s party are lobbying Knesset members against any political concessions, the more radical organization of Rabbi Meir Kahane, the **Kach**, operates directly in the territories. In the first week of February, Kach members went on an armed rampage in the city of Hebron.

Kach and Takhya are only the political form of a more clandestine movement which the *Jerusalem Post* of Feb. 19 described as the “national-religious messianic movement” of Israel. For most, the precepts to be followed are those outlined by Chief Rabbi Avraham Yitzhak Kook, the spiritual leader of Gush Emunin, now led by his son, Rabbi Zvi Yehuda Hacohen Kook. According to the senior Kook, the Jews

have three *mitzvot*, or duties, to perform in the Holy Land: *Malchut*, meaning the building of statehood, *Kodesh*, meaning matters of religion and concretely speaking the rebuilding of Solomon’s Third Temple where the Aqsa and Omar Mosque now stand, and the destruction of *Amalek*, meaning the Arabs. According to the *Jerusalem Post*, a debate is now ongoing inside these religious circles on whether the Third Temple should be rebuilt first, or whether the Arabs have to be destroyed beforehand. This debate goes through dozens of organizations such as the **Temple Mount Guardians** of the **Temple Mount Faithful** which tried to penetrate the two mosques last October. Meanwhile some, according to the *Jerusalem Post*, are “already sewing the garments to adorn the Third Temple’s priests.”

Ultimately, the backers of Islamic and Jewish fundamentalists are the same. A case in point, documented by *EIR* in several Special Reports, is the role in the arms-for-Iran negotiations of State Department adviser Michael Ledeen, who also figures prominently in the Jewish fundamentalist scripts for destroying the Temple Mount. The local confrontation between the Islamicists and Israel’s messianic movement which such evil meddlers are fueling, is an explosive one. As the fuse shortens, Israeli and Palestinian politicians will come to bitterly regret not having made the right concessions at the right time.

LAROUCHE

YOU MAY LOVE HIM

YOU MAY HATE HIM

BUT

YOU'D BETTER

KNOW WHAT

HE HAS TO SAY



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Defendant's son indicts OSI role in 'Ivan the Terrible' show-trial

The John Demjanjuk "Ivan the Terrible" case concluded in a Jerusalem court on Feb. 18, amidst startling new contentions by the defense that the U.S. Justice Department Office of Special Investigations had been withholding important documents from the defense, and that one OSI document finally released three weeks before the end of the case, had not been allowed to be used by the defense lawyers. On Feb. 19, EIR's Mark Burdman spoke on the record to John Demjanjuk, Jr., the 22-year-old son of the defendant, in a telephone interview from Jerusalem.

EIR: One key element in this case, is that certain evidence has not been allowed to be brought forward by the defense. The court, we saw from published reports, did not allow discussion, for example, of Armand Hammer's role in obtaining documents from the Soviets, and now I see a report in the London *Times* today, that the U.S. Justice Department Office of Special Investigations has denied information to the defense, despite efforts on the part of the defense to obtain them.

Demjanjuk: This is absolutely correct. The court did not allow any discussion of Armand Hammer. On the OSI, as a matter of fact, we went through a Freedom of Information Act [FOIA] proceeding against the OSI. We were finally given some information. But there are a number of investigative reports on this case. They have concealed these reports. We have tried to obtain discretionary release. In Washington, our lawyer, John Broadley, is making a fight for FOIA release. He made a request directly to Meese, which went down the DOJ, for discretionary release. They are not public. They contain information which would be interviews, with Richard Glaser of Switzerland, a Treblinka survivor, also with Kurt Franz, a Treblinka commandant. When we sued them under FOIA, the judge ruled that they were attorney work-products. We are looking into reopening the proceedings. . . .

EIR: So you would say that the next step of your legal battle, your appeals if necessary, would be in the United States?

Demjanjuk: It all boils down to that. The Soviet accusation and the Israeli and U.S. accusations are contradictory. One document received by the OSI from the Soviets, is testimony

from Danil Chenko, who puts John Demjanjuk in the Sobibor camp, at the same time that my father is being accused of having been at Treblinka. On the ID card supposedly identifying my father as having been at Treblinka: We had the best experts, Dr. Julius Grant from Britain, and Flynn from Arizona, who testified against the document being authentic.

One end result of the way the trial was conducted, was that the Treblinka survivor witnesses never had a valid test of memory. Dr. Wagener of the Netherlands, an expert in this field, said that the procedures used by the Israeli police used photographs which were suggestive to begin with. The procedures were also suggestive. So, there was no test of memory of the survivors. And *that's* the bottom line of the case, even more than the identification card question. We have proven this point as well, with numerous precedents from Israeli law. It was *so* suggestive, that the prosecution never even brought this point into their case, but put forth a *different* argument, that no photo spreads were even necessary in this case—despite the fact that this case involves remembering things that occurred 40 years ago. There was *no* relevant argument as far as the suggestiveness of the photo spreads and the police were concerned. So, we are left with a Soviet-supplied ID card, analyzed by leading document examiners who testify against its authenticity.

EIR: Isn't it clear that, as far as the Soviets are concerned in this case, they have a vested interest in targeting Ukrainians and other emigrés from Eastern Europe, tarring them with the accusation of being "Nazi criminals," to discredit the communities in the West?

Demjanjuk: Sure, we had a witness who was a Soviet-emigré expert on the KGB, Avraham Shifrin, who testified on the motives of the KGB. He said they clearly have the ability to produce any documents they want, and they have the motive as well. He said there is a specific department within the KGB for Ukrainians.

EIR: Hasn't one of the exceptional aspects of this case been the behavior of the OSI, the bringing into the U.S. system of Soviet methods of evidence, etc.?

Demjanjuk: In this case, there was never a criminal proceeding, but only a *civil* burden of proof was used. Canada

is now looking at this very closely. There was no criminal burden of proof. There was no basis for extradition, and that has been one of the difficulties in this trial. Originally, I think, Israel did not want anything to do with Demjanjuk. The United States put pressure on Israel on this, that's the feeling I get from talking to people. Originally, the idea was to deport my father to the Soviet Union; only then did Israel jump in. In the United States, the OSI, knowing of the *exonerative* materials, and that my father would certainly be executed in the Soviet Union, was concerned that a later exoneration would create a big scandal, that the U.S. government had committed fraud. Conveniently, Israel stepped in and took the burden.

Israel, I think, was convinced that it was an open-and-shut case. They were wrong, as they have since learned. The original information was all done by the OSI. Throughout the trial, the OSI was working hard with the prosecution here, while we have had no access to documents we wanted, even though we had a legal right to them.

Take the case of Poland, the foreign archives there. We have no access to them, although there are 9,000 pages of Treblinka documents in Warsaw, and we cannot get the documents. The foreign ministry in Israel has done nothing to help on this. By sheer luck, we received a document from the Jewish Historical Institute in Poland, in which Eliayu Rosenberg, a Treblinka survivor, in his own handwriting, had said that "Ivan" had been killed. However, in the trial now, he said this was just something he heard in the woods.

EIR: What do you mean by sheer luck?

Demjanjuk: We didn't want to get them the way we did. Our attorneys had to physically go there. We had made requests through the Israeli prosecutors, to Poland, and they were always denied. It took fights with the Jewish Historical Institute, the institute director, and eventually, these documents were produced. We have received no cooperation at all. We should have had full access to what we needed. The prosecution, they have had full access. For example, there were trials of former Nazis in Dusseldorf and Frankfurt, and we have had no access to the trial proceedings. You need an okay from the provincial court there. But we could not get the foreign ministry in Israel to make a motion with the foreign ministry in Germany to get the documents. There have been numerous investigations about this case. But the full evidence has not been in the court.

The evidence in this case has been a joke. Probably, one of the most important aspects of this case, is the unfairness of the trial. Through leaks, we learned of numerous survivors from Treblinka who have testimony, and who could not identify John Demjanjuk as "Ivan." Take the Rosenberg testimony. It was their responsibility, the prosecution; that was their witness. This document from the Polish archive should have been presented as a document to the court. This is not a fair trial. We have been denied funds by the state of Israel,

which we should have gotten, to continue research, to pay attorneys. We have been denied the slightest help, other than translators' bureaus. We're over \$150,000 in debt. A great deal of our time is taken away from investigations, to do fundraising. But, whatever it takes, we will get the documents, and we will get into the archives.

If my father is found guilty, this will not only be a tragedy for Demjanjuk, but for Israel. One year from now, or 50 years from now, this will come back to the state of Israel. I am sure that a great deal of the world outside Israel does not believe this case, and that will hurt Israel. Once the issues are brought to the front, it will be easy to show what has happened. From the material we know exists at OSI, via discretionary intervention and leaks, we know that my father should not have been extradited. This could have been stopped in 1980. This has been a selective prosecution. Documents have been turned away that could have helped. They have only been looking for incriminating evidence.

EIR: Can you say some words about what you think the result will be? Is there any chance of acquittal?

Demjanjuk: Throughout the trial, the judges who are now deciding have been the center of focus of what has been going on. We'll have their decision soon, and, hopefully, it will be for the good of Israel and for justice in the world.

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The Encyclical vs. the 'New Age'

The publication of "Sollicitudo Rei Socialis" intersects an internal debate raging among German Catholics.

The new papal encyclical, *Sollicitudo Rei Socialis* (see page 20) was published a few days before the 1988 spring session of the German Catholic Bishops' Conference.

After the death of the longtime chairman of the Bishops' Conference, Josef Cardinal Höffner of the Cologne diocese, a few months ago, Archbishop Karl Lehmann of the Mainz diocese took over. Many Catholics feared the change from a conservative to a more moderate leader would give way to modernists and liberation theology followers, who want to decouple from Rome.

The conservatives in the Church want a closer alliance with Rome and especially Pope John Paul II's policy. Many would, therefore, have preferred the conservative bishop of the Fulda diocese, Johannes Dyba, at the top of the Catholic Church of Germany.

The dispute has not been settled with the election of Archbishop Lehmann to the top, and the mark of Pope John Paul II's May 1987 tour of Germany is still felt in the Catholic community. Beatifying two Catholic fighters and martyrs against the rise of the Nazis in Germany, Edith Stein and Rupert Mayer, the pontiff called today's Christians to arms against the forces of evil. "Satan is a reality also today," was the warning message Pope John Paul II delivered.

The spirit of this message was taken up directly by Bishop Dyba in a circular for the 1988 pre-Easter season. Moral standards, Dyba wrote on Feb. 21, have degenerated in society as a whole, creating strong pressure

on Catholics to accommodate to the general decline of morality. "As Christian believers, however," remarked Dyba, "we must recognize that from a pluralistic society, a foundation of moral values cannot be expected; by definition, [pluralistic society] is incapable of providing that."

By losing the Christian notion of sin, repentance, and care, remarked Dyba, man loses his sense of ultimate responsibility before God and becomes rootless in a society which is turning ever more brutal. "This is shown in the decline of intellectual and spiritual values into an extremely materialistic, egotistical, and hedonistic way of thought, seeking money, power, lust, and consumption."

"Only that which can be measured in financial categories, seems to be valid," stated Dyba. "A further sign of this decline is man's enslavement to ever sleazier modes of entertainment."

Dyba's critique was echoed by the sermon Archbishop Karl Lehmann gave at the Cathedral of Limburg Feb. 22 to open the spring session of the Bishops' Conference. He called on Christians to show more resistance to the bad influences of society, to revive the "spirit of the Christians of the early centuries." What is required is not "withdrawal from the world, leaving it alone with all its problems," but rather "the commitment to fight and risk wounds."

The Church, Lehmann said, must set an example for the surrounding "heathenist" world much as the early Christians did, and be the "salt of the earth." Christians must, he added, not

consider themselves "a mere relic from a world long foregone, but the advance army of God in the world." Active Christianity, the commitment to combat the decline of surrounding society, is what is most needed in our time, said Archbishop Lehmann.

Active Christianity, however, also must take on the modernists inside the Church, those who ally with post-Christian "New Age" movements. Young Catholics have been influenced heavily by pseudo-religious "New Age" ideas over the past 20 years. Modernists and liberals inside the Church hierarchy tend to attack the Vatican and the institution of the papacy, turning a broad section of the German Catholics into dissidents, if not deserters. Should this trend continue, the Holy See may face a future where it can no longer count on its "troops" in Germany, on the front line with the anti-Christian Warsaw Pact.

When the new encyclical was made public in Germany, the liberal factions got very nervous. Basilius Streithofen, leading spokesman of the Dominican order in Germany and an old adversary of Pope John Paul II, commenting on the new encyclical in a nationally televised interview Feb. 19, attacked the papal document as "plain wrong." He accused the pontiff of selling out to the seemingly pro-communist views of the developing sector, and defended liberal capitalism as "the main funder of the Church." Streithofen cynically demanded that, if the pontiff wanted to open up the riches of the industrialized world to the Third World, he should "begin with the riches in the Vatican museums, first," rather than posing demands on liberal capitalism.

Streithofen's remarks proved how far evil has succeeded in penetrating the Church. More than incense may be required, to smoke out this problem.

A call for surrender

Colombia's attorney general defines his anti-drug strategy: If you can't lick 'em, join 'em.

In the most shocking capitulation to the international drug mafia yet to come from a high-level government official, the new interim attorney general of Colombia, Alfredo Gutiérrez Márquez, asserted on Feb. 19 that "the fight the world has waged against this scourge [drugs] . . . has been useless and fruitless," and called for legalizing the drug trade, not only in Colombia, but worldwide.

Gutiérrez Márquez said the problem of how to deal with the drug mafia wasn't a moral or social question, but a "logical question, since if one cannot defeat the enemy, it is best to join him." He added that the state, rather than the drug mob, should reap the profits of the drug trade.

Since first stating his views at a Bogota press conference to foreign correspondents on Feb. 17, neither President Virgilio Barco, who appointed him less than one month before, nor any other member of Barco's cabinet, has yet uttered a word of repudiation. Should the attorney general's proposal represent official policy, it would place Colombia in a virtual outlaw status with respect to the rest of the non-Communist world.

In his remarks, Gutiérrez Márquez spat on the grave of his predecessor, Carlos Mauro Hoyos, who advocated no compromise with the drug mafia—for which offense the mafia assassinated him Jan. 25, and to whose murder Gutiérrez Márquez owes his present position.

At his press conference, Gutiérrez Márquez told reporters, "If the fact is

that Colombia's fight against drug trafficking is absolutely sterile, why continue prosecuting it? . . . The government must determine if this is the time to legalize drug trafficking. . . . If the conclusion is reached that the universal fight against the plague of drug trafficking has been a failure, we must legalize it." Moreover, since the fight against drugs involves all nations, he said, "likewise, legalization would have to be implemented in all countries."

Echoing the view recently voiced by several Colombian bishops, he said that "public order is the exclusive responsibility of the government. . . . Whatever measures should be taken to guarantee the peace are the responsibility of the President," and should the government consider it necessary to "dialogue" with the drug traffickers, to obtain peace, "I would have no objection."

Lest anyone think his stance is simple defeatism in the face of a powerful enemy, Gutiérrez Márquez made clear in a Feb. 20 interview with *El Espectador* newspaper that he views drug use as inevitable, because, in his view, the human being "has always been depraved," and "vice is the essence of the human soul."

"Just like wine in Catholicism," he said, "in many cultures drugs have been part and parcel of the practices and daily activities of men." Citing centuries-long cocaine and marijuana use by Indians, he said that drug use "is a fetish of our nationality, and cultural reality is a factor that must be

taken into account, because each country has its personality."

Finally, he called for the state to enrich itself from drug use. "The only alternative" to a useless fight "is to legalize the drug trade and profit from its profits. . . . It is better that these economic profits go to the state and not to the Medellín Cartel."

Within Colombia, the strongest reaction so far has come from Fabio Echeverry Correa, president of the National Industrialists Association, speaking at a meeting of the major business associations Feb. 22. He flatly rejected any dialogue with the drug traffickers. To adopt Gutiérrez Márquez's logic, Echeverry Correa said, would be like a husband who is betrayed by his wife and who, deciding it is impossible to defeat his rival, invites his enemy to take his own bed as well. "I don't believe that if one's wife plays around, one has to have a *ménage à trois*, just because one is incapable of resolving a problem," he said.

Abroad, there has been an ominous silence, broken in the United States, only in a few instances. A spokesman for the State Department, while decrying the proposal, said that the U.S. "has no plans to protest" since it "doesn't appear to be reflecting official policy."

Most notable was a feature in the *Washington Post* Feb. 24, detailing that the cocaine mafia has become as powerful as a nation, complete with an army and its own foreign policy. The article reported Gutiérrez Márquez's call for legalization, leaving the impression that this ought to be considered seriously.

This raises the possibility that the pro-legalization lobby in the United States, whose spokesmen include Milton Friedman, the Cato Institute, and other "free enterprise" fanatics and libertarians, may be about to find new allies in their pro-legalization efforts.

International Intelligence

Major drug network dismantled in France

After a two-year investigation, the judicial police of Lyon, France have dismantled a three-way drug network made up principally of former "French connection" figures. Some high-society names have turned up in the course of parallel investigations.

The network centered around a former sewing teacher, 52-year-old Rolande Kienlen. Police, acting on information obtained in the summer of 1985, had her under surveillance for a year, and arrested her in June 1986. They discovered that, since her first arrest a decade earlier, she had spent most of her time flying between the United States, Spain, and India, her supply source.

Police were able to identify three branches of the drug trade. The first, which functioned for more than 10 years, was run by veterans of the Indochina war who had played roles in the "French connection." They smuggled cocaine and Thai heroin into France via Sao Paulo, Brazil.

Following these leads, police discovered Parisian dealers with very interesting address books, including some 100 Paris high-society names who were kept supplied with cocaine: writers like Françoise Sagan, journalists like Thierry Ardisson of *La Cinq*, "artists" like Laura Picasso, ex-wife of the famous painter's grandson.

The second branch was run by a German, Klaus Roder (43), a fugitive residing in Thailand who also ran Thai heroin into Europe and the United States.

The third network was directed by a French woman, Nicole Guigou de Almeida, 55, called "Lola," who smuggled nearly a ton of hashish from Morocco and Lebanon via Spain.

Foreign secretary against U.S. bases in Philippines

The Philippines may opt to remove the U.S. military bases in that country and use the facilities for commercial purposes, Filipino Foreign Secretary Raul Manglapus said in

an interview published Feb. 2. Alternatively, it may retain just one of the two installations, Clark Airfield or Subic Bay naval station, Manglapus told the *Philippines Daily Globe*.

He said that he personally is against renewal of the agreement establishing the U.S. military bases, which expires in 1991. President Corazon Aquino, he said, no longer believes that the bases are essential to protect the air and sea lanes of Southeast Asia.

"There is no longer that unequivocal commitment to a hard anti-communist and U.S. alignment posture that I had to defend in the 1950s when I was foreign affairs undersecretary, for what we thought then to be valid reasons," Manglapus said.

U.S. deserts allies in Afghan accord

The United States will not support Pakistan's demands for an interim government to be established in Kabul before a Soviet troop withdrawal from Afghanistan, a senior U.S. official said Feb. 22. His statement made Afghan resistance leaders furious.

"We wouldn't want to miss the bus. We've been trying to get the Soviets out for years, and it would be wrong to tell them to stick around until the Afghans work out a political settlement," the unidentified U.S. official told journalists traveling from Moscow to Brussels with Secretary of State George Shultz.

The statement is a clear indication that what happens in the region will be strictly up to the superpowers, not the peoples involved.

One day after the American official's statement, Afghan resistance leaders proposed a peace settlement based on a transitional government for "the Islamic State of Afghanistan," in which they would hold half of 28 cabinet seats. Alliance chief Yunis Khalis said that they unanimously rejected any coalition with "communists." The statement said that one-quarter of cabinet seats would go to representatives of the 5 million Afghan refugees, and another quarter to "Muslims now living in Afghanistan."

The plan also proposed a 75-member consultative council and an elected constituent assembly.

Khalis indicated that the alliance chiefs had agreed on the names of the leaders of the transition government, all drawn from the alliance, but would not make their list public until the United States, Pakistan, and perhaps even the Soviet Union, had agreed to accept them unconditionally. "We have a cabinet, we have leaders. We wait for assurance from the world that they accept them."

The guerrilla plan proposes elections under Islamic law within six months after Soviet withdrawal, and creation of a U.N. force to supervise the Soviet troop withdrawal.

A Western official who met with the leaders said they had reported a recent decline in the flow of military aid from the United States, which they attributed to a deal between the superpowers.

Thatcher fears threat to NATO

"Thatcher is preparing a counterattack against Soviet calls for a nuclear-free Europe," reports the lead article in Feb. 23's London *Independent*, which cites the British prime minister's concern over the "sophisticated" and "seductive" post-INF advances of the "Soviet bear."

The paper cites a Feb. 19 background briefing at Margaret Thatcher's office expressing "concern that public perception of the Soviet threat is being eroded" after the INF treaty, and "this is a direct threat to NATO itself."

Thatcher told NATO ambassadors in Brussels recently that a "return to open cold war" could not be ruled out. "If you make a mistake now, it may not affect our generation, but it may affect future generations," she said on British television.

According to a senior British source, "Thatcher is extremely concerned that morale and motivation in NATO are rapidly slipping downhill since the INF treaty." The source added that her recent private and pub-

lic statements are "timed to give additional support to those who cast doubt on the 'new sunrise' coming out of Moscow. . . . She fears the Germans, in particular, seem to be prone to extending the process of limiting and reducing nuclear weapons, including tactical ones."

Soviets capitalize on U.S. Panama policy

The Soviet Union and Cuba are moving rapidly to make as much political capital as possible out of the insane policy of the United States toward Panama. Below are just a few of the indications:

- The World Federation of Trade Unions (Moscow-controlled) has just sent a delegation to Panama to meet with the Communist-run trade union confederation, the CNTP.

- The head of the Communist-run trade union confederation in Peru, the CGTP, is organizing a mobilization to support Panama and its beleaguered armed forces commander, Gen. Manuel Antonio Noriega, indicted in Miami on trumped-up drug-running charges.

- The Radio Moscow broadcast beamed to Ibero-America Feb. 11 said that the charges against Noriega threaten to boomerang and become a scandal for the U.S. administration, discrediting Noriega's accusers.

- A Feb. 12 TASS wire contained a lengthy defense of Noriega, charging that the United States wants a puppet regime that would continue the U.S. military presence in Panama and abrogate the Carter-Torrijos treaties that give Panama sovereignty over the Canal Zone in the year 2000.

High-ranking Soviet visits Saudi Arabia

For the first time in more than 30 years, a high-ranking Soviet diplomat has visited Riyadh, the capital of Saudi Arabia, for talks with Saudi officials. Vladimir Polyakov, di-

rector of the Middle East department of the Soviet foreign ministry, arrived in Saudi Arabia Feb. 22.

Polyakov made the stop as part of an extended tour of the region which has included Iraq, Jordan, Syria, and Egypt.

His tour coincided with a six-day visit to Iran by Deputy Foreign Minister Vladimir Petrovsky, which ended on Feb. 17. Petrovsky was carrying a letter from Gorbachov to Iranian parliamentary leader Khamenei on the issue of Afghanistan.

Another Soviet envoy, Oleg Grinevsky, was in Baghdad, Iraq at the same time to discuss the Afghanistan issue.

Meanwhile, a Soviet military delegation led by Gen. V.N. Mikhalkhin, chief of the air-missiles defense system of the ground forces, was in Jordan for ground-breaking ceremonies at a SAM-8 air-defense installation on Feb. 17.

Eban in Washington, attacks Shamir

Former Israeli foreign minister and senior statesman Abba Eban was in Washington the week of Feb. 15. He appeared on CBS-TV to discuss the crisis in the Israeli-occupied territories.

He explicitly endorsed the idea "of an interim solution in which Israel would disengage from the task of administering the territories; and the idea of a permanent solution based on the only valid principle, which is [the exchange of] territory for peace." He said that "a very large section of the Israeli electorate and the Israeli establishment" agree with him.

Eban called Prime Minister Yitzhak Shamir a "hypochondriac" for opposing an international peace conference. Seeing "new opportunities" in the current situation, he stated that, with a U.S. initiative, "I believe that in the end, and I believe in the early end, our people will opt for rationality and reason and for liberating Israel from the stranglehold of an occupation which is doing much more harm to Israel's interests and vision and image and solidarity and social cohesion than it is to anybody else."

Briefly

- **HELMUT KOHL** conferred with Soviet agent Armand Hammer "privately," before the official part of his visit to Washington in mid-February, shortly after he was welcomed at Dulles Airport by Secretary of State George Shultz.

- **DR. MANFRED FRISCH** of Saarbruecken, West Germany, was arrested Feb. 18 for the "mercy killing" of an 82-year-old woman. "The woman did not have any hopeless disease. The woman was healthy for her age," according to prosecutors. She was not in serious pain, but "was senile, and a request for mercy killing could not be taken seriously by doctors."

- **FRENCH POLICE** dismantled the French Basque terrorist group, Iparetarrak, in a spectacular Feb. 19-20 nighttime raid. The police arrested the heads of the group, including its top leader, former seminary student Philippe Bidart.

- **A COMMUNIST** has been elected to an executive position in a labor union in West Germany for the first time. Peter Raane joined the board of the Wood and Plastics Union Feb. 20.

- **A MUSLIM** convert has been elected head of the Spanish Communist Party. Julio Anguita immediately named 17 members of the communist CCOO trade union to the Central Committee and another Muslim Convert, the mayor of Cordoba. He said he would break with the Socialist government and take the party "out in the streets." His power base is Andalusia, one of the most backward areas in the Western world.

- **SPANISH** Socialist government officials are now admitting that "talks" began in mid-February with the leadership of the ETA Basque terrorist organization in Algeria. The ETA demands nationhood for the Basque region.

The Meese scandal: It's much more than corruption

by Joseph Brewda

Embattled U.S. Attorney General Edwin Meese released the text of a confidential memo to the press on Feb. 19, in a desperate effort to defuse accusations that he had been involved in a multimillion-dollar scheme to bribe senior Israeli officials. The memo, written by Meese's attorney and long time crony, E. Robert Wallach, reports on a 1985 plan to launder \$700 million in U.S. government funds into the Israeli Labor Party, nominally in exchange for a guarantee from the Israeli government not to bomb a then-proposed Iraqi pipeline. The mediator in the scheme was Swiss-Israeli businessman Bruce Rappaport.

French intelligence sources classify Rappaport as a Soviet agent of influence.

Immense pressure had been building on the Attorney General since Jan. 31, when the *Los Angeles Times* published leaked references to the previously classified memo. Meese's attorney, Nathan Lewin, who was retained after the attorney general became the subject of investigation by a specially prosecutor, claimed that the memo fully exonerates Meese. Precisely the opposite is the case. The memo provides new details on the background to the Iran-Contra guns-for-hostages deals, which Meese has lamely claimed he knew nothing of at the time.

There are several features of the Sept. 25, 1985 Wallach memorandum to Meese which are extraordinary. The memo is a report of a conversation which Wallach had with Rappaport days earlier in Geneva. The conversation centered on paying off Israeli government officials not to bomb the Rappaport-linked oil pipeline. Wallach was Rappaport's U.S. representative, as well as Meese's lawyer and investment counselor.

In his report on the conversation with Rappaport, Wallach notes: "He confirmed the arrangement with [Labor Party leader Shimon] Peres to the effect that Israel will receive somewhere between \$65-\$75 million a year for ten years out of the conclusion of the project. What was also indicated to me, and which would be denied everywhere, is that a portion of those funds will go directly to Labor."

Meese has contended that the proposed deal was not a bribe, despite the fact that the only role Israel would have was not to bomb the pipeline in that period. The estimated \$700 million indicated would be sent to Israel through the U.S. government's Overseas Private Investment Corporation (OPIC). Rappaport, it should be underscored, had been hired by the pipeline contractor Bechtel, to provide "security" for the project.

The second explosive feature of the memo is that it proves that Edwin Meese personally knew of the arms-for-hostages deal as far back as 1985, despite his denials.

The memo reads:

"B.R. [Bruce Rappaport] indicates that Peres emphatically indicated that the release of [Rev. Benjamin] Weir [an American hostage in Lebanon] was the result of the State of Israel, and no one else. He indicated that they would also arrange the release of the remaining six [hostages]. There is a feeling that the U.S. 'owes' and the accomplishment of this project, as outlined in my memo, is appropriate."

In other words, the \$700 million bribe over 10 years was not just for Israel to refrain from bombing the proposed pipeline. Rather, the pipeline bribe was largely a pretext for paying off Israel for its role in the hostage release. Peres and Rappaport met in Israel just days prior to the reported Rap-

rapport-Wallach meeting noted in the memo. The Peres-Rappaport meeting came just days after Weir's release.

The emigration payoff

The payoffs to Israel were not merely financial, and here we come to the most important, and most ignored, feature of the now public memo. In the second paragraph of the report on the pipeline project, Wallach, introducing an apparent *non sequitur*, reports:

"When Edgar Bronfman met with Gorbachov in Moscow, he was advised to transmit a message to Peres to the effect that they would be willing to allow the flow of Soviet Jews to Israel only. (You may recall my memo quite awhile ago, in which I expressed to you my frustration at the conflict between U.S. American Jews and the State of Israel which occurred in Vienna. At that juncture point, there was a competition, and most of the Soviet Jews, especially the best trained and younger, were coming to the U.S. . . .)"

Later in the memo, Wallach returns to the issue of Soviet Jewish emigration, immediately after referencing the \$700 million pay-off. He states:

"There is an obvious need to provide Israel with an increasing flow of Ashkenazi Jews [from the Soviet Union] to help balance the influx of Sephardic-Oriental Jews who have a natural affinity and affiliation with the Likud."

Here we provide the following background to Wallach's statements.

The Bronfman trip Wallach was referencing was the first trip the liquor magnate made in his capacity as chairman of the World Jewish Congress, and his first meeting with newly named Soviet General Secretary Gorbachov. The July meeting's agenda, according to well-placed Israeli sources, was the following.

The Soviets demanded that the Israelis and U.S. Zionist lobby pressure the United States to drop Reagan's confrontationist policy with Russia in the Middle East and elsewhere. The Soviets also demanded that the U.S. Zionist lobby and Israelis pressure the Reagan government to open up the needed transfer of high-technology, militarily related goods, to the East. In other words, Moscow wanted Jerusalem and the U.S. Zionist lobby to act as its agents-of-influence. Bronfman asked for more Jewish emigrés, and diplomatic recognition of Israel in return for this treachery.

One week after the Wallach memo, Gorbachov announced in Paris that a renewal of diplomatic relations between the Soviet Union and Israel was imminent. Bronfman's aides became euphoric, saying, "Previously, Jewish emigration to Israel was 'retail.' Now it will be 'wholesale.'"

Within six months of the memo, the U.S. Justice Department's Office of Special Investigations was deeply involved in a transparent witchhunt against then-Austrian presidential candidate Kurt Waldheim, charging him as a "Nazi war criminal." The absurd charge was based on a one-page memo

written by the Soviet intelligence station chief in Vienna in 1946.

One reason Meese and the Justice Department began its slander campaign against Waldheim and the Austrian State is obvious. The Justice Department wanted to force Austria to close its borders to Soviet Jews seeking to emigrate to the United States, as referred to by Wallach in the memo above, so that these Jews would be compelled to emigrate to Israel.

Not just corruption

Bruce Rappaport is no ordinary con-man. Since his emigration to Geneva from Israel decades ago, Rappaport has built his Inter-maritime Bank into an international institution. Rappaport has been involved with Indonesian oil development, the sale of Libyan oil to the United States, the sale of high-technology goods to Moscow, and allegedly, the sale of guns to Iran.

Unlike many con-men, Rappaport mixes high politics with his business. His dealings in Indonesia involved former Gov. Edmund Brown of California. His Libyan transactions involved Jimmy Carter's brother Billy, and were the circumstances behind Billy's obtaining a "loan" from the Libyan government. His sale of arms to Iran also had, of course, a political dimension. Rappaport was a long-time business and golf partner of former CIA director William Casey. He is also reportedly linked to Michael Ledeen, the NSC operative who sold the Reagan administration the Israeli arms-for-hostages deals.

Yet, Rappaport holds an exclusive contract with the Soviet merchant marine to maintain their ships worldwide. This contract has led some French intelligence officers to conclude that the Swiss-Israeli businessman is a Soviet asset, despite his reputation for being the Israeli government's senior representative in Geneva.

Meese's connection to Rappaport becomes more curious when one considers just who his attorney is. Nathan Lewin has the following unique qualifications.

He is the attorney for Col. Aviem Sella, the Mossad handler of Mossad-Soviet spy Jonathan Pollard. Pollard had been arrested for espionage six months after the Wallach memo to Meese. Sella has now been indicted for espionage by the U.S. Justice Department. Lewin is also the U.S. attorney for Shabtai Kalmanowich, the Mossad-Soviet spy arrested in Israel last December for espionage. Kalmanowich, like Rappaport, was involved in the Iran-Contra caper.

For such reasons, some Washington insiders are reassessing their current belief that the attorney general is simply a thoroughly corrupt Mossad asset, as his dealings with Wallach et al. would seem to indicate. A more precise evaluation, taking his curious connection to the Soviets' Rappaport and Lewin into consideration, points in one direction. The attorney general of the United States is run by the same Soviet network inside Israeli intelligence that deployed Jonathan Pollard.

Call for probe of New Hampshire fraud

On Feb. 26, the presidential campaign of Lyndon LaRouche, Democrat, released to this news service a copy of a report it will soon submit to the international Commission to Investigate Human Rights Violations, documenting widespread use of fraudulent election tactics in the Feb. 16 New Hampshire presidential primary, where LaRouche was officially credited with only 188 votes. The independent Commission, based in Paris, released findings in the "LaRouche case" last September, urging that action be taken to stop the use of "KGB-style" tactics against LaRouche and his supporters by the U.S. Justice Department and by factions opposed to LaRouche in the Democratic Party.

Prior to the election, LaRouche volunteers had registered more than 5,000 new voters, focusing its "new civil rights movement" on the poor and the elderly. In the course of that voter registration drive, the report states, it became clear to the campaign that the "machine" that runs elections in New Hampshire wanted to prevent LaRouche from realizing the results of that effort, and to keep his official vote total below one percent.

The LaRouche campaign's report presents evidence of outright vote stealing, as well as thuggery against volunteer pollwatchers. Numerous affidavits from campaign workers are included, documenting practices that more bring to mind the Soviet Union, than an election in a democratic state. Also documented are statements by election officials of the State of New Hampshire, indicating a coordinated effort by the current leadership of the State Democratic Party, to prevent the LaRouche vote from being honestly counted.

'I'm a thug!'

Following are highlights of the revelations in the report:

- In the week following the election, the report shows, LaRouche campaign workers in more than 18 wards had already gathered more sworn affidavits from LaRouche voters than the total number of votes officially credited to LaRouche in those wards.

- Reversing longstanding precedent, New Hampshire Secretary of State William Gardner on Feb. 8 ordered his staff to announce that pollwatchers would not be allowed in

the polling places on election day. After legal intervention by the LaRouche campaign, Gardner was forced to retract his arbitrary and illegal order by election day.

- Despite the retraction, the confusion resulting from Gardner's order resulted in repeated violations of LaRouche pollwatchers' rights at the polls, including the arrest and physical abuse of two LaRouche pollwatchers.

- Judy Hodgkiss, a LaRouche campaign volunteer, was arrested in Manchester's Ward 4 polling site, for asserting her right to monitor the final counting of the vote at the close of the day. Her hands were manacled, wrenched, and scratched to the point of bleeding, by the arresting officer, who told her, "I'm not a policeman, I'm a thug! I'm here to throw out people like you!"

- Janice Hart, the former Democratic Party nominee for Secretary of State in Illinois, was arrested together with George Laurence, another LaRouche campaign volunteer, at the Ward 12 polling site in Manchester. After attempting to determine, through close observation, why a machine was not functioning, they were told by Moderator Alphone Duval and other clerks to sit down. When they continued to ask questions about the malfunction, the police were called. Refusing to be silenced, the two volunteers were thrown around by the arresting officers, handcuffed, and arrested.

- A "Chronology of Election Day Irregularities" documents a consistent pattern of action by election officials to prevent LaRouche pollwatchers from entering the polls, even where pollwatchers for other candidates were permitted entry. LaRouche pollwatchers were repeatedly told that they required a letter of authorization from the Secretary of State or the State Democratic Party, before they would be permitted to enter the polling place. In some cases, the intervention of the Town Clerk was required, after hours of waiting, to reverse this illegal exclusion. In many cases, the pollwatcher was successfully excluded.

- The Chronology also includes numerous reports by LaRouche pollwatchers of malfunctioning voting machines, and lax or absent security procedures for identifying voters.

Under American election law, legal action against such fraud is to no avail, unless the complainant can prove that the outcome of the election would be changed by proof of fraud. The LaRouche campaign estimates that it can easily prove that it won at least 7% of the vote. However, to prove that it garnered the 15% required to win a delegate, would be an enormous drain on valuable time, effort, and money, that would be better spent on rapidly approaching primaries in the South.

Therefore, the LaRouche campaign has requested that the Commission to Investigate Human Rights Violations examine the report, and issue independent findings on its merit. The campaign will also circulate its report to judicial and human rights associations internationally, to bring a spotlight to bear on the "KGB-style" election that just took place in New Hampshire.

The Pat Robertson Trojan horse

According to inside sources in Washington, if anyone was behind the scandal that broke against Louisiana television evangelist Jimmy Swaggart in late February, it was Pat Robertson himself.

Robertson made political hay out of the demise of his fellow evangelist, by claiming that the revelations about Swaggart's sex life were a dirty trick of the George Bush camp against him, Robertson, on the eve of the Super Tuesday Southern state primaries coming up March 8.

This action by Robertson, helping to consolidate the so-called "evangelical" vote behind him, only confirmed the reports received here that it was, in fact, Robertson who orchestrated the sting, and the timing of its release, against Swaggart.

One should not underestimate the importance of personalities like Swaggart in mid-America. Swaggart was an obstacle to Robertson in the South, because he often railed against preachers getting involved in politics.

But there is more to it even than that. Robertson's operation is a Trojan horse run by the forces backing George Bush and Bob Dole.

Its purpose is twofold.

- The first purpose is tactical, in order to assure domination of the Republican presidential nomination process by the preferred candidates of the Eastern Liberal Establishment (known as the "ELE").

The "ELE" supports the campaigns of both Bush and Dole, and is fully prepared to back whichever

shows himself more capable of bamboozling the voters.

The "ELE" is also running the Robertson campaign as a wrecking operation within the conservative grassroots voter base of the party.

Giving Robertson the clout and the credibility (the second flows from the first) to achieve this purpose has required that his voter base be consolidated under his control.

This meant removing all those competing for the attention of the nation's "evangelicals." Thus, we have seen the ungraceful fall of Jim and Tammy Bakker (originally intended to take Swaggart with them by making him appear the culprit in a hostile takeover bid).

The dirty tricks surrounding the Jim and Tammy affair, which Jerry Falwell, a Bush supporter, helped to orchestrate, was followed by the fall of Oral Roberts, another influential voice in the Bible Belt.

Rather than be hurt by the fall of his fellow TV evangelists, as many thought would happen at first, Pat Robertson instead got stronger and stronger. By the time of the Iowa caucuses, it was clear that the vocal opposition to Robertson's campaign that was heard at first within the "evangelical" movement had been muted.

But then it was time for Pat to turn to the South, and Swaggart was still there—until the sting.

The *coup de grace* came when Robertson then proceeded to steal the national headlines by blaming the sting on Bush.

The classic "gang-countergang" scenario was being run to a tee. Bush and the opposition he created were sharing the limelight alone.

Meanwhile, Rep. Jack Kemp (R-N.Y.), who at the 1984 Republican National Convention was the clear heir to the conservative wing of the party, is rendered almost invisible by this

Bush-versus-Robertson flim-flam.

In this case, Kemp people were briefed on the Robertson operation against Swaggart, but reacted with a characteristic wimpishness that explains why Kemp can't figure out why he keeps getting sacked from his blind side (to use football lingo he is more likely to understand). "We wouldn't think of getting our hands dirty with any of that," a Kemp representative said. "We are trying to keep a campaign running." Not for long, at this rate, I would say.

To the "ELE," complete success for its Robertson operation would so decimate Kemp, that the "ELE" would not have to make any concessions with the conservative wing of the party for its vice presidential choice, and could select one of its own, like Gov. Tom Kean of New Jersey, for the slot.

- The second purpose behind the Robertson operation, aimed to bear fruit over the longer term under conditions of protracted economic collapse in the U.S., is to create a fundamentalist political movement in the U.S. not unlike its Islamic counterpart that now runs Iran.

It should be a matter of grave concern to all Christians that forces who do not share their religious convictions are engaged in a sinister social-engineering project to achieve this purpose, using scandal and blackmail among their tactics to clear away all the competition to their efforts to gain top-down control over such a movement.

In short, it is designed to be a neo-fascist movement, based on a uniquely American profile, which is tightly controlled at the top, but supported by millions of misguided Americans concerned for the moral decay of the country and mired in economic chaos. They would be cynically used to rip the Constitution and its principles into shreds.

'Pro-defense' Sam Nunn guts SDI

Sen. Sam Nunn (D-Ga.) has come up with a compromise on the Strategic Defense Initiative. It purports to move the United States closer to deployment of an anti-ballistic missile system. In fact, it would prevent or delay development of the kind of technologically advanced strategic defense system essential for deterring a Soviet nuclear assault.

Nunn, chairman of the Senate Armed Services Committee, proposed in a January speech to the Arms Control Association, that the focus of the SDI program be strictly limited to development of a ground-based, point-defense system designed to ward off an accidental nuclear launch. Nunn's Accidental Launch Protective System (ALPS) would utilize only off-the-shelf technologies, and be capable only of warding off an errant nuclear missile.

Nunn's proposal borrows heavily from a Rand Corp. study, which Defense Secretary Frank Carlucci has reportedly embraced. The study suggested that the United States continue to abide by the "narrow reading" of the 1972 ABM treaty, as per Soviet demands.

According to defense community sources, adoption of Nunn's proposal would hammer the final nail into the SDI's coffin. "Nunn's idea is a sick joke," one defense analyst commented. "An accidental launch is the least of our worries. What we have to be most concerned about is either an all-out nuclear attack from Moscow, or the *threat* of such an attack. To build an ABM system that can only deal with a few missiles is ridiculous from the standpoints of strategy and economics. If we go with the Nunn proposal, you can bet your bottom dollar Congress won't cough up a red cent

for more advanced or comprehensive technologies, like the x-ray laser."

The same source stressed that the SDI program has already been so distorted through budget cuts and other forms of congressional micro-management, that it is barely functional.

A number of self-styled SDI proponents in Congress and the think tank circuit have grabbed on to Nunn's ALPS. A group of legislators and ex-government officials sent a letter to President Reagan recently, urging him to endorse ALPS: "The moment is ripe for you to proceed with an historic decision: to initiate the development and deployment of this limited but critical first layer of SDI defense within your administration."

Tellingly, the letter was signed by some of the leading critics of Reagan's original vision of the SDI as a multi-tiered, population defense, notably, Zbigniew Brzezinski and Gregory Fossedal of the Hoover Institution, along with Eugene Rostow, Jeane Kirkpatrick, and Sen. Howell Heflin (D-Ala.), who just endorsed SDI foe Al Gore's presidential campaign.

The administration has yet to respond formally to the letter, but, given Carlucci's increasingly insidious role, and the fact that the administration has just cut its own SDI funding request for FY 1989 by nearly one-third, it would not come as a big surprise if Reagan were to bury the SDI as part of his arms-control "legacy."

Taking aim at U.S.-Soviet cultural 'symmetry'

The vast majority of official Washington may have been going ga-ga over Soviet "culture" during the last few months, but there have been a few dissenting voices raised against USIA head Charles Wick's attempt to estab-

lish an equivalence between Western culture and Mother Russia's pagan idolatries.

One such is Rep. Don Ritter (R-Pa.), who has criticized the proliferation of cultural exchanges for giving "the illusion of symmetry" between the two countries.

"I am concerned," Ritter is quoted in an article in the Feb. 17 *New York Times*, which otherwise hails the "remarkable number of cultural exchanges bursting out in the two nations," "that just before he became culture minister, Vasiliy Zakharov was first deputy chief of the Central Committee's Propaganda Department, and before that, chief of the Leningrad party's Propaganda Department—jobs closely associated with the KGB." It would be "unthinkable in the U.S.A.," Ritter pointed out, "to have a CIA disinformation expert made head of the nation's cultural life. All this makes one wonder about the intent of the Soviets in cultural exchange—is it to share ideas or to propagandize Western public opinion?"

May we suggest that Representative Ritter open an investigation into just that question—with Wick, and his good friend, Armand Hammer, as chief targets?

Bills requiring notice on covert ops draw fire

CIA head William Webster gave notice to Congress Feb. 24 that the administration intends to oppose legislation which would require the President to notify Congress in advance of U.S.-run covert operations. Under current law, the President is permitted under certain circumstances to delay informing Congress of such operations, as long as he issues notification in "timely fashion."

In testimony to a House Intelligence subcommittee, Webster asserted that a proposal put forward by both the House and Senate Intelligence panels to make such notification mandatory was unacceptable, since it would tie a President's hands, and would "promote tension" between Congress and the executive "for years to come."

"A bill which fails to preserve the flexibility and authority the President needs to conduct intelligence activities will not be acceptable to the President," he said.

The house bill is one of several measures designed to assert greater congressional say-so over covert operations which have emerged in response to the Iran-Contra fiasco. Despite administration unhappiness, and threats of a filibuster, the measures are moving steadily ahead.

The Senate Intelligence Committee already adopted one such measure, S. 1721, by a lopsided 13-2 vote Jan. 27, and sent it to the Senate floor.

Sponsored primarily by Sen. William Cohen (R-Me.), this bill not only requires the President to give advance notification to Congress of all covert operations; it also places full responsibility for all such actions directly on his doorstep.

For instance, it mandates the President to put all "findings"—the justification for covert operations—in writing, and prohibits the use of findings to justify a covert action after the fact. In addition, the bill also requires the President to approve any "significant" involvement in covert operations by third parties not under the direct control of the U.S. government, such as private contractors, and bars the President from using covert operations to authorize any action that would violate U.S. law.

Senator Cohen predicts that the full

Senate will pass his bill "overwhelmingly," despite the fact that several of his colleagues, among them Orrin Hatch (R-Utah) and Chic Hecht (R-Nev.), have vowed to filibuster the measure to death.

Helms holds up Burns appointment to ACDA

Sen. Jesse Helms (R-N.C.) has thrown a monkey wrench into the confirmation of Maj. Gen. William F. Burns as head of the Arms Control and Disarmament Agency (ACDA).

Burns received unanimous approval from the Senate Foreign Relations Committee Feb. 17. But shortly thereafter, Helms, ranking Republican on the committee, requested that a full Senate vote be delayed until ACDA completes several reports on arms-control issues, and also explains a recent incident of apparent "document shredding."

According to congressional sources cited by the Feb. 25 *Washington Post*, the document shredding occurred in the office of ACDA General Counsel Thomas Graham, who is reportedly being investigated by the FBI for his handling of an alleged security violation at the agency last year.

Helms's move against Burns is part and parcel of his attack on the INF treaty. The arms-control reports Helms is demanding include those dealing with Soviet compliance with past arms-control agreements, and the ability of the United States to verify the INF treaty. Helms also wants ACDA to produce a report on a U.S.-Soviet conference to review compliance with the ABM treaty.

When Burns was named last December to succeed Kenneth Adelman, Helms let it be known that he opposed

the appointment because Burns, who at the time was the number-two man at the State Department's Bureau of Politico-Military Affairs, had been instrumental in negotiating the INF agreement.

Exactly what Helms hopes to accomplish by holding up the Burns appointment is not clear, but some congressional sources believe he is simply trying to throw as many obstacles as possible into the path of the INF's ratification.

Panel endorses Kennedy health insurance plan

Sen. Ted Kennedy's controversial legislation to require employers to provide health insurance for their workers got thumbs up from the Senate Labor and Human Resources Committee Feb. 17. The plan cleared the panel, which Kennedy chairs, by a 10-6 vote.

The legislation would require employers to provide workers employed 17.5 hours weekly or more, with a package of benefits that would include hospitalization, physician care, and diagnostic and screening tests. Nearly 23 million workers not now insured would be covered by the bill.

The Congressional Budget Office estimates that employers would have to purchase \$27.1 billion in new health-insurance coverage. Sen. Orrin Hatch (R-Utah), a member of the Labor and Human Resources Committee, denounced the plan as "socialism, pure and simple," while numerous business lobbying groups, charging that the measure will bankrupt many small businesses, have mapped out a campaign to stop it before it proceeds further. Kennedy says he's determined to push for Senate floor passage this year.

National News

Bush seen as easiest candidate to dominate

European press commentaries on the GOP presidential race are emphasizing the vapidty of George Bush, which makes him easy for "advisers" and others to manipulate.

Bush "has about as much charisma as a plate of boiled cod," complained British columnist Sir John Junor in the *Sunday Express* Feb. 21. "For me, the fizz went out of the morning when I heard the news" that Bush had won in New Hampshire, he wrote. The only advantage for Britain, if Bush were to become President, is that "he would be much easier for Mrs. Thatcher to dominate."

Miles Copeland, the de facto leader of the "George Bush for President" committee in Britain, wrote basically the same thing in the *Times* of London Feb. 23—but described Bush's lack of character as an advantage. "We do not claim that George Bush is an authority on present-day international affairs; but we know from experience that, unlike the other candidates, he can be counted upon to take his advice from experienced practitioners," he explained.

Whose war on drugs is 'phony'?

Sen. John Kerry (D-Mass.) on Feb. 19 criticized the Reagan administration's failure to follow through on its "War on Drugs" program, including its decision to cut Coast Guard funds for anti-drug enforcement. "I'm tired of this phony war on drugs," he said, "where they talk about it, where they stand Nancy up at the State of the Union message and try to pretend the war on drugs is ram-paging across the country, and meanwhile they cut the guts out of the law enforcement effort."

Kerry is chairman of the Senate Foreign Relations subcommittee on terrorism, narcotics, and international communications.

But his own anti-drug credentials are equally suspect. Kerry chairs the panel which has been hearing testimony against Panama's Gen. Manuel Noriega, from convicted

drug traffickers and a disgruntled former official of the Panamanian government, and Kerry himself has played a leading role in the "get Noriega" lobby. The U.S. Drug Enforcement Administration has repeatedly pointed out that Noriega cooperated fully with them in anti-drug operations.

Kerry issued a call on Feb. 19 for U.S. troops to be sent to Colombia to assist in the war on drugs there. The idea was rejected out of hand by the Colombian embassy in Washington, which said that, while Colombia welcomes financial assistance from the United States, such aid must come within "the framework of our sovereignty and self-determination."

The president of the Colombian Association of Retired Officers, Gabriel Puyana, was more blunt. If the United States wants to use troops, he said, it should use them to stop contraband on its own territory. "If they were to fight the drug trade there," he said, "it would be much easier for us to control the problem here."

Dole finds few friends in Europe

EIR's European bureaus report growing embarrassment and dismay at the ignorance—and the Soviet connections—of GOP presidential contender Bob Dole.

The British weekly the *Observer* reported that Dole tried unsuccessfully to recruit the German poet Johann Wolfgang von Goethe (1749-1832) to his campaign. Dole wrote a letter to "Herr Goethe" at the Goethe Institute in Boston, Massachusetts, which he believed to be his usual residence, asking for a personal meeting with the poet.

The institute sent an amused reply, informing Dole that "Herr Goethe" could not support his presidential campaign, because he "unfortunately died in 1832."

Perhaps not since Ronald Reagan in 1980 could not name the President of France, have European commentators been more at a loss for words.

More ominously, the *Times* of London on Feb. 22 pointed to the potential "Soviet factor" in a Dole presidency, referring to his backing by such as Dwayne Andreas of Archer Daniels Midland Corp. "Mr. Dole is backed by agricultural and other interests

which want more trade with the Soviet Union—interests some of which are from the old isolationist heartland of the Midwest. He might therefore be more amenable to missile deals and force reductions which would leave Western Europe militarily weak in the face of his supporters' trading partner. Here indeed would be an issue, for the world as well as for this year's American voters."

What's behind indictment of foreign leaders?

House Select Narcotics Committee chairman Charles Rangel (D-N.Y.) said at a press conference in Washington on Feb. 19 that he intends to invite Secretary of State George Shultz to hearings in March to ask "whether or not selective indictments of leaders of foreign nations is a means our government has chosen for overthrowing people we don't like."

Referring to Panama and Haiti, where U.S. indictments have either occurred or are expected to occur, Rangel said that the issue of timing is particularly relevant, and that he was sure "the State Department wouldn't mind telling us if this is a method of changing governments in these countries we have adopted or not. We should know what is going on."

He also promised, in response to a question from *EIR*, a follow-up to the hearings of the Senate Foreign Affairs subcommittee on the role of U.S. banks in money laundering.

End of ASAT program leaves U.S. vulnerable

The cancellation of the U.S. anti-satellite program by Frank Carlucci's Defense Department leaves all U.S. satellites vulnerable to Soviet attack, particularly in view of recent advances in the Soviet space program.

According to Soviet space experts, the 1970s Soviet ASAT, plus directed energy systems being developed for their SDI, could kill or cripple almost every U.S. asset in

space. The ground-based lasers at Sary Shagan have already been blamed for the temporary blinding of U.S. satellites passing over the U.S.S.R., and laser and microwave systems being built on a mountaintop near Afghanistan, will be able to damage U.S. satellites up to 1,000 kilometers high.

While some congressmen and the media have maintained that because the operational Soviet ASAT cannot reach satellites more than 300 kilometers high, Western reconnaissance, early warning, and other high-valued space assets are not threatened.

But Soviet space experts point out that the powerful Energiya booster, which can place 100 metric tons into low-Earth orbit, could be used to place ASATs where they put all U.S. satellites under threat. At a Soviet conference in January, speakers stated that future configurations of the superbooster will take its payload capability up to 250 metric tons, which will be used for space-based strategic defense components and advanced ASAT systems.

The removal of the ASAT program from the proposed FY 1989 budget has further, broad implications. Radio communications, navigational information for submarines, and weather forecasting all depend upon satellite communications.

Inman will head Defense Science Board

Adm. Bobby Ray Inman, former deputy director of the CIA and former director of the National Security Agency, has been named by Defense Secretary Frank Carlucci to head the Defense Science Board, an advisory panel that will determine "which START verification programs are most appropriate from an acquisition viewpoint," the *Washington Times* reported Feb. 18.

Admiral Inman is an expert on Soviet military technology, who currently heads a consortium which is seeking to leapfrog U.S. superconductor technology ahead.

Other members of the verification task force include: Hans M. Mark, a nuclear physicist and engineer who was on President Carter's Advisory Group on Science and Technology, and is now chancellor of the University of Texas; William J. Perry, who

served as undersecretary of defense for research and engineering under Carter; and Robert Herman, a physicist who worked with the Nuclear Regulatory Commission, also under Carter.

'U.S. forces' wiped out in Pentagon war games

Soldiers playing the U.S. side in a make-believe war were consistently wiped out by the "Russian" adversary, due to failures of equipment and other problems, the *Washington Post* reported on Feb. 22.

This was the result of recent large-scale training exercises in the Mojave Desert, between forces using U.S. tactics and equipment and forces using Soviet tactics and equipment, simulating Soviet attacks in Europe. Using laser trackers instead of real ammunition, U.S. forces did not win even a single battle "during two weeks of almost continuous mock armored battles," the *Post* reported.

"The string of 'Soviet' victories at this giant outdoor laboratory . . . raised questions about the capabilities of the U.S. Army at a time when the . . . [INF] treaty is about to pull part of the nuclear crutch out from under NATO."

White House names Ball as Navy secretary

President Reagan named his chief White House lobbyist, William Ball III, to fill the slot opened by the surprise resignation of James Webb from his post as Secretary of the Navy on Feb. 23.

Webb quit with words of harsh criticism for Defense Secretary Frank Carlucci and his budget cuts. The Pentagon "needs leadership," Webb said. "It needs vision. I'm saying that if I had a piece of advice to give to Secretary Carlucci, it would be to spend a lot more time with the top leaders in this building. He's been spending a lot of time with the State Department and a lot of time on the Hill."

Briefly

● **ARCHBISHOP JOHN MAY** of St. Louis, chairman of the U.S. Catholic Bishops' Conference, called on Feb. 25 for mobilizing the Catholic clergy and laity in support of the Pope's new encyclical. Noting attacks on it in the media, he said that it was "ridiculous" to think that the Pontiff, "having lived under a Communist regime for most of his life, should be soft on Communism."

● **WILLIAM SAFIRE** denounced the Pope's encyclical, in his *New York Times* column Feb. 22. He charged that the Pope "risks becoming known as the foremost political-moral relativist of our time" and is whipping up "every demagogue of the New World Economic Order" by talking of "rightful access to the goods meant for all."

● **RICHARD BURT**, the U.S. ambassador to West Germany, is a candidate to join Bob Dole's campaign staff. Burt's term as ambassador will expire Sept. 1.

● **GENNADI GERASIMOV**, the Soviet foreign ministry spokesman, declared in London Feb. 18 that his government is "happier" with former U.S. Defense Secretary Caspar Weinberger gone. He added: "Mr. Carlucci is on good speaking terms with our Defense Minister Mr. Yazov. The changes in Washington are very favorable from our point of view." Carlucci will meet Yazov in Berne, Switzerland on March 11, the first-ever meeting between U.S. and Soviet defense ministers.

● **LYNDON LAROUCHE'S** nationally televised campaign broadcast on Feb. 4 ranked much higher in the Nielsen ratings of viewership in the Washington, D.C. area than either the Democratic or Republican debates held at the end of February. LaRouche got a rating of 6.3, or 101,530 viewers; the Feb. 18 Democratic debate rated 0.9, or 14,900 viewers, and the Feb. 19 Republican debate rated 1.3, or 20,943 viewers.

Editorial

First to go—Reagan or Gorbachov?

The fast-paced developments reported on our international pages lead to one immediate question as the Ides of March 1988 approach: Which of the two protagonists of the December 1987 Washington summit that led to the INF treaty, will be the first to be dumped—Ronald Reagan or Mikhail Gorbachov?

First, take a look at Mikhail Gorbachov's situation. After the disdainful treatment which George Shultz was given in Moscow when he was brought in last fall by train, it became clear that a troika had taken over power in Russia. The only reason why the troika—made up of Ligachov, Chebrikov, and Ogarkov—has kept Gorbachov on, is as a "super traveling salesman" to be used as a negotiating tool with Reagan.

Meanwhile, as our international lead article confirms, in reporting the latest Communist Party plenum, the troika is proceeding apace with the militarization of the Soviet economy.

What's now going on inside the East bloc—mass demonstrations from Armenia to Estonia and an out-of-control situation in Poland—indicates that the dumping of Gorbachov is under way. In Armenia, 600,000 demonstrators took to the streets in defiance of a Moscow Central Committee meeting and after a speech by Gorbachov in which he had specifically called for calm and no such action. The Soviet KGB is allowing the situation to unfold.

But Ronald Reagan is surely no steadier than his Russian interlocutor. Look at what the United States is doing in Panama: The object of the insane U.S. operation is to steal Panama for the drug outfits and turn it into a free zone. We are looking at a situation motivated by straightforward greed. General Manuel Noriega was standing in the way of this operation, since he's the last anti-drug fighter left in the region. Therefore, they decided to get rid of him.

Consider the figure of Norman Bailey, the U.S. case officer on the Panama situation. Bailey had been assigned as a liaison to our founding editor Lyndon LaRouche by the National Security Council on what became the Strategic Defense Initiative, an initiative conceived by LaRouche, back in the first Reagan

administration. Then Bailey went into the private sector, where he, Bailey, is coordinating the insane U.S. effort to set up a Vesco-style criminal project in Panama just like the one he had previously coordinated in the Azores.

The operation is being run by a bunch of amateurs known as the U.S. Central Intelligence Agency. Their objective is to push Noriega out of the way so that they can set up their free-zone rip-off. The liberals like Senator Kerry rightly opposed U.S. involvement in Nicaragua, but they're now jumping up and down calling for an invasion of Panama.

What's going on is morally wrong; it's strategically stupid; it's insane for Panama, the region, and this country.

The family of ex-President Delvalle was pressured by the U.S. State Department—specifically by Assistant Secretary of State Elliott Abrams, who has made it explicit that he wants to see the militaries of Central and South America dismantled. If Noriega spills the files and tapes he has, then the Bush presidential campaign is finished. Noriega is no pushover. He's a tough cookie, and he's going to fight.

The "Project Democracy" crowd is aiming to get another great success in Panama like those the same secret, illegal government pulled off against U.S. allies in Iran and the Philippines. *EIR's* editors were the first, in 1979-80, to expose the co-conspirators within the U.S. government that brought Khomeini to power in Iran. Two years ago, in 1986, when Project Democracy and the CIA bumblers overthrew the Marcos regime in Manila, we warned that not democracy, but chaos, leading to takeover by the New People's Army communist guerrillas lay ahead. Our forecast is sadly coming true, on schedule.

At that time, the insane destabilization of Panama began to escalate.

When Gorbachov goes, the troika will continue to rule in the Soviet Union. As for the United States: We are in a presidential election year. Yet only one candidate has even recognized that there is a grave crisis before us, and that is Lyndon H. LaRouche, Jr.

EIR Alert Alert Alert Alert

In December 1986, EIR Alert told its readers about Brazilian discussion of a debt moratorium. On Feb. 20, 1987—**it happened.**

On Aug. 18, 1987 EIR Alert published an AIDS Alert item on Soviet measures on AIDS. On Aug. 26, 1987, the story hit the front page of the *Washington Post*.

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EIR has commissioned this White Paper to bring the truth of the developing Panama crisis to American citizens and lawmakers, so that decisive action can be taken to stop this campaign before the United States faces a new strategic crisis on its Southern Flank.

NEW EDITION
DECEMBER 1987

White Paper on the Panama Crisis

18 Months Later: the Project Democracy assault on Panama



Americans have been told that there is a crisis in Panama because a "narco-dictator" rules. That the United States government has mobilized to drive him from power. That only when Defense Force Commander General Manuel Noriega is out of the way, will Panama be safe for democracy, and U.S. interests in the region protected.

Is this true? The answer is no. On this, the Reagan administration is wrong, dead wrong.

Did you know, that the so-called "democratic" opposition movement which the State Department seeks to install in power is led by Nazis, drug-traffickers, drug-money launderers, advocates of narcotics legalization, and arms-traffickers?

Did you know that the liberal Establishment's "secret government" created the crisis in Panama, lock, stock and barrel, as an excuse to bring those drug-runners to power?

That the campaign against General Noriega is being run by the same team which was caught trading arms-for-hostages in the Iran-Contra scandal?

That the attack on Panama went into full gear when Panama's military angered international bankers, by seizing bank accounts caught laundering drug-money? If you had read *EIR's* Special Report, you would know.

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